

PERMIT TO ALTER A BODY OF WATER

Pursuant to the *Water Resources Act*, SNL 2002 cW-4.01, specifically Section(s) 48-

Date: JUNE 29, 2016

File No: 524
Permit No: ALT8731-2016

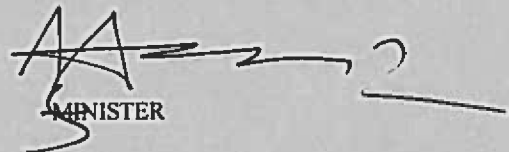
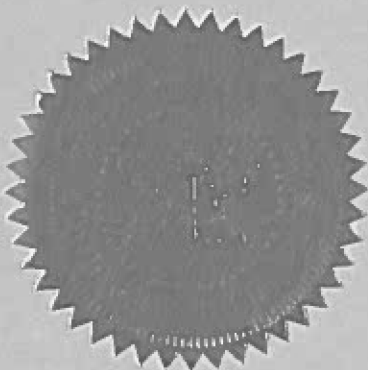
Permit Holder: New Dawn Resources Inc
17 Nelder Drive
Mount Pearl, NL, A1N 4M2

Attention: Mr. Norman Mercer, Vice President

Re: Avalon Peninsula near Tors Cove (Unnamed Body of Water) - Fording

Permission is hereby given for : the fording of an unnamed body of water on the Avalon Peninsula near Tors Cove as required to complete drilling exploration for precious metal and copper, as indicated in Appendices A and D of this Permit (attached), in reference to the application received June 16.

- This Permit does not release the Permit Holder from the obligation to obtain appropriate approvals from other concerned municipal, provincial and federal agencies.
- The Permit Holder must obtain the approval of the Crown Lands Administration Division if the project is being carried out on Crown Land.
- This Permit is subject to the terms and conditions indicated in Appendices A and B (attached).
- It should be noted that prior to any significant changes in the design or installation of the proposed works, or in event of changes in ownership or management of the project, an amendment to this Permit must be obtained from the Department of Environment and Conservation under Section 49 of the *Water Resources Act*.
- Failure to comply with the terms and conditions will render this Permit null and void, place the Permit Holder and their agent (s) in violation of the *Water Resources Act* and make the Permit Holder responsible for taking any remedial measures as may be prescribed by this Department.



MINISTER

APPENDIX A
Terms and Conditions for Permit

Fording

1. Except for single passenger all-terrain vehicles, crossings by other vehicles or construction equipment shall be limited to one trip in and one trip out.
2. Timbers or rocks shall be placed in streams to facilitate crossing or to minimize damage to the channel sections provided the streams are not unnecessarily constricted or backed up.
3. Alteration of the natural minimum streamflow is not permitted in order to preserve aquatic life.
4. Stream banks at fording sites that contain loose or erodible material must be adequately stabilized before crossing to minimize any siltation of streams.
5. The natural course of any stream must not be altered.
6. Infilling must not cause increased water elevation upstream or increase flow velocity downstream of the site. Reduction of the natural cross sectional area of any watercourse is not permitted.
7. The fording sites must be located at shallow sections of the channels where there are low approach grades, and where the channels consists of stable non-erodible rock or cobbles.
8. Fording shall only be carried out during periods of low water levels.
9. When the fording sites are no longer required, the Permit Holder must dismantle and remove all constructed works and restore the sites to their original condition. All material placed in streams must be completely removed.
10. A complete oil spill clean-up kit must be on site at all times when gasoline or fuel powered equipment is being used or refuelled. The kit must contain the following:
 - One hand operated fuel pump
 - One recovery container such an empty 205 litre drum
 - One shovel
 - One pick ax
 - Five metres of containment boom
 - Five absorbent pads
 - Twenty-five litres of loose absorbent material
11. Within 30 days after expiry of this Permit, the Permit Holder must submit to the department a report confirming that each fording location was left in as good or better condition than prior to Permit Holder's fording activities. This report should include detailed pictures of each site before and after project activities.

12.

Stream Crossing	Description of Streambed	Amount of Vegetation	Channel Width (m)	Channel Depth (m)
Butler's Pond ATV Trail #1	Cobble / Boulder	Sparse	8.0	1.0

General Alterations

13. Any work that must be performed below the high water mark must be carried out during a period of low water levels.
14. All operations must be carried out in a manner that prevents damage to land, vegetation, and watercourses, and which prevents pollution of bodies of water.

15. The use of heavy equipment in streams or bodies of water is not permitted. The operation of heavy equipment must be confined to dry stable areas.
16. All vehicles and equipment must be clean and in good repair, free of mud and oil, or other harmful substances that could impair water quality.
17. During the construction of concrete components, formwork must be properly constructed to prevent any fresh concrete from entering a body of water. Dumping of concrete or washing of tools and equipment in any body of water is prohibited.
18. Wood preservatives such as penta, CCA or other such chemicals must not be applied to timber near a body of water. All treated wood or timber must be thoroughly dry before being brought to any work site and installed.
19. Any areas adversely affected by this project must be restored to a state that resembles local natural conditions. Further remedial measures to mitigate environmental impacts on water resources can and will be specified, if considered necessary in the opinion of the Department.
20. The bed, banks and floodplains of watercourses, or other vulnerable areas affected by this project, must be adequately protected from erosion by seeding, sodding or placing of rip-rap.
21. All waste materials resulting from this project must be disposed of at a site approved by the Department of Service NL.
22. Periodic maintenance such as painting, resurfacing, clearing of debris, or minor repairs, must be carried out without causing any physical disruption of any watercourse. Care must be taken to prevent spillage of pollutants into the water.
23. The owners of structures are responsible for any environmental damage resulting from dislodgement caused by wind, wave, ice action, or structural failure.
24. Sediment and erosion control measures must be installed before starting work. All control measures must be inspected regularly and any necessary repairs made if damage is discovered.
25. Fill material must be of good quality, free of fines or other substances including metals, organics, or chemicals that may be harmful to the receiving waters.
26. The attached Completion Report (Appendix C) for Permit No. 873 I must be completed and returned to this Department upon completion of the approved works. Pictures must be submitted along with the completion report, showing the project site prior to and after development.
27. This Permit is valid for two years from the date of issue. Work must be completed by that date or the application and approval procedure must be repeated.
28. The location of the work is highlighted on the Location Map for this Permit attached as Appendix D.
29. Except as stated in Clause #1 under **FORDING**, the use of heavy equipment in streams or bodies of water is not permitted. The operation of heavy equipment must be confined to dry stable areas.

APPENDIX B
Special Terms and Conditions for Permit

1. The Permit Holder and its agent(s), subcontractor(s), and consultant(s) shall keep all systems and works in good condition and repair and in accordance with all laws, by-laws, directions, rules and regulations of any governmental authority. The Permit Holder or its agent(s), subcontractor(s), or consultant(s) shall immediately notify the Minister if any problem arises which may threaten the structural stability of the systems and works, endanger public safety and/or the environment or adversely affect others and/or any body of water either in or outside the said Project areas. The Permit Holder and its agent(s), subcontractor(s), and consultant(s) shall be responsible for all damages suffered by the Minister and Government resulting from any defect in the systems and works, operational deficiencies/inadequacies, or structural failure.
2. The Permit Holder and its agent(s), subcontractor(s), and consultant(s) shall operate the said Project and its systems and works in a manner which does not cause any water related and/or environmental problems, including but not limited to problems of erosion, deposition, flooding, and deterioration of water quality and groundwater depletion, in or outside the said Project areas. The Permit Holder and its agent(s), subcontractor(s), and consultant(s) shall be responsible for any and all damages associated with these problems caused as a result of changes, deficiencies, and inadequacies in the operational procedures by the Permit Holder or its agent(s), subcontractor(s), or consultant(s).
3. If the Permit Holder or its agent(s), subcontractor(s), or consultant(s) fails to perform, fulfil, or observe any of the terms and conditions, or provisions of this Permit and/or Ministerial orders and guidelines, as determined by this Department, the Minister may, after providing ten (10) day notice to the Permit Holder, amend, modify, suspend or cancel this Permit in accordance with the *Water Resources Act*.
4. The Permit Holder and its agent(s), subcontractor(s), and consultant(s) indemnify and hold the Minister and Government harmless against any and all liabilities, losses, claims, demands, damages or expenses including legal expenses of any nature whatsoever whether arising in tort, contract, statute, trust or otherwise resulting directly or indirectly from granting this Permit, systems and works in or outside the said Project areas, or any act or omission of the Permit Holder or its agent(s), subcontractor(s), or consultant(s) in or outside the said Project areas, or arising out of a breach or non-performance of any of the terms and conditions, or provisions of this Permit by the Permit Holder or its agent(s), subcontractor(s), or consultant(s).
5. This Permit is subject to all provisions of the *Water Resources Act* and any regulations in effect either at the date of this Permit or hereafter made pursuant thereto or any other relevant legislation enacted by the Province of Newfoundland and Labrador in the future.
6. This Permit shall be construed and interpreted in accordance with the laws of the Province of Newfoundland and Labrador.

File No: 524
Permit No: ALT8731-2016

- cc: Dr. Abdel-Zaher Kamal Abdel-Razek, Ph. D., P.Eng.
Manager, Water Rights and Investigations Section
Water Resources Management Division
Department of Environment and Conservation
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4th Floor, West Block, Confederation Building
St. John's, NL A1B 4J6
aabdelrazek@gov.nl.ca
- cc: Fisheries Protection Division
Ecosystem Management Branch
Fisheries and Oceans Canada
P.O. Box 5667
St. John's NL A1C 5X1
FPP-NL@dfo-mpo.gc.ca



Government of Newfoundland and Labrador
Department of Environment and Conservation
Water Resources Management Division

Appendix C - Completion Report

Pursuant to the *Water Resources Act*, SNL 2002 cW-4.01, specifically Section(s) 48

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I (the Permit Holder named above or agent authorized to represent the Permit Holder) do hereby certify that the project described above was completed in accordance with the plans and specifications submitted to the Department of Environment and Conservation and that the work was carried out in strict compliance with the terms and conditions of the Permit issued for this project.

Date: _____

Signature: _____

This completion report must be completed and forwarded to the following address upon completion of the approved work.

Department of Environment and Conservation
Water Resources Management Division
PO Box 8700
St. John's NL A1B 4J6

APPENDIX D
Location Map for Permit

