

PERMIT TO ALTER A BODY OF WATER

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

Date: **MARCH 24, 2016**

File No: **527**
Permit No: **ALT8519-2016**

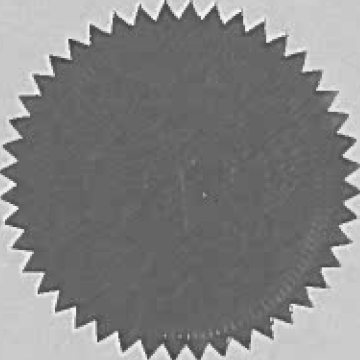
Permit Holder: **Iron Ore Company of Canada (IOC)**
2 Avalon Drive
Labrador City, NL, A2V 2Y6

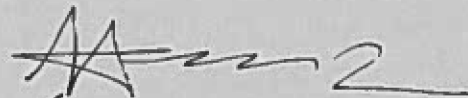
Attention: **Mr. Lee Preziosi**

Re: **Labrador City (Unnamed Body of Water) - Dewatering**

Permission is hereby given for : **the dewatering of an Unnamed Body of Water (locally known as Second Pond), near the Town of Labrador City, to extend the Iron Ore Company of Canada current mining activities of the Humphrey South open pit mine as indicated in Appendix A and D of this Permit (attached), with reference to the application received on February 17, 2016, and further information provided on or before March 10, 2016.**

- 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

GOVERNMENT OF NEWFOUNDLAND AND LABRADOR
Department of Environment and Conservation

File No: 527
Permit No: ALT8519-2016

APPENDIX A
Terms and Conditions for Permit

General Alterations

1. Any flowing or standing water must be diverted around work sites so that work is carried out in the dry.
2. Water pumped from excavations or work areas, or any runoff or effluent directed out of work sites, must have silt and turbidity removed by settling ponds, filtration, or other suitable treatment before discharging to a body of water. Effluent discharged into receiving waters must comply with the *Environmental Control Water and Sewage Regulations, 2003*.
3. 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.
4. 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.
5. 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.
6. 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.
7. 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.
8. All waste materials resulting from this project must be disposed of at a site approved by the Department of Service NL.
9. 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.
10. The owners of structures are responsible for any environmental damage resulting from dislodgement caused by wind, wave, ice action, or structural failure.
11. 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.
12. 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.
13. The attached Completion Report (Appendix C) for Permit No. 8519 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.
14. 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.
15. The location of the work is highlighted on the Location Map for this Permit attached as Appendix D.
16. All work must be carried out within the proponent's legal property boundaries.

Special Conditions

17. The water pumped from Second Pond will be directed into First Pond and/or Humphrey South Pit.
18. The Permit Holder shall strictly abide by any and all provisions of the Environmental Protection Plan.

19. The Permit Holder shall strictly abide by any and all terms and conditions of Water Use Licence No. WUL-16-8540.

GOVERNMENT OF NEWFOUNDLAND AND LABRADOR
Department of Environment and Conservation

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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: 527
Permit No: ALT8519-2016

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
P.O. Box 8700
St. John's NL A1B 4J6

cc: Mr. Ken Russell (Labrador)
Manager of Operations
Department of Service NL
PO Box 3014, Stn. B
Happy Valley-Goose Bay NL A0P 1E0

cc: Town of Labrador City
Ms. Diane Gear
PO Box 280
Labrador City NL A2V2K5

cc: Mr. Grant Vivian
SEM Ltd.
79 Mews Place
St. John's, NL, A1B 4N2



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

Date: **MARCH 24, 2016**

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Permit No: **ALT8519-2016**

Permit Holder: **Iron Ore Company of Canada (IOC)**
2 Avalon Drive
Labrador City, NL, A2V 2Y6

Attention: **Mr. Lee Preziosi**

Re: **Labrador City (Unnamed Body of Water) - Dewatering**

Permission was given for : the dewatering of an Unnamed Body of Water (locally known as Second Pond), near the Town of Labrador City, to extend the Iron Ore Company of Canada current mining activities of the Humphrey South open pit mine as indicated in Appendix A and D of this Permit (attached), with reference to the application received on February 17, 2016, and further information provided on or before March 10, 2016.

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

