

PERMIT TO ALTER A BODY OF WATER

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

Date: **OCTOBER 30, 2017**

File No: **527**
Permit No: **ALT9443-2017**

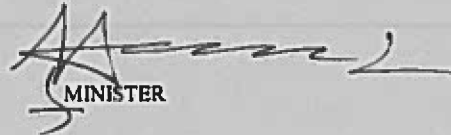
Permit Holder: **Freeport Resources Inc.**
8711 Elsmore Road
Richmond BC V7C 2A4

Attention: **Brenda Glark**

Re: **Hutton Project (Northern Labrador) - Mineral Exploration and Development**

Permission is hereby given for: **the bulk sampling of approximately 5000 tonne of garnet material and further study including site documentation such as the digging of test pits, to research a potential source of industrial garnet as outlined in the application received August 11, 2017.**

- 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 Municipal Affairs and Environment 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

Mining

1. All areas affected by this project must be restored in compliance with the site closure or Rehabilitation Plan for the site. Further remedial measures to mitigate environmental impacts on water resources can and will be specified, if necessary in the opinion of this Department.
2. A water quality monitoring program is not required at this time. However, the Department reserves the right to require that the Permit Holder sample, analyse, and submit results of water quality tests, for the purpose of ensuring that the water quality is maintained within acceptable guidelines. All analyses must be undertaken by a CALA accredited laboratory.
3. To prevent erosion and to control sedimentation in drainage ditches with steep gradients, rock check dams must be installed at an interval such that the crest of each dam is level with the base of the one immediately above. The center of each dam must be lower than the sides.

General Alterations

4. Any work that must be performed below the high water mark must be carried out during a period of low water levels.
5. Any flowing or standing water must be diverted around work sites so that work is carried out in the dry.
6. 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*.
7. 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.
8. 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.
9. 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.
10. 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.
11. 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 this Department.
12. 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.
13. All waste materials resulting from this project must be disposed of at a site approved by the Department of Service NL.
14. 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.
15. The owners of structures are responsible for any environmental damage resulting from dislodgement caused by wind, wave, ice action, or structural failure.
16. 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.
17. 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.

GOVERNMENT OF NEWFOUNDLAND AND LABRADOR
Department of Municipal Affairs and Environment

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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.

- cc: Amir Ali Khan, Ph.D., P.Eng.
Manager, Water Rights, Investigations and Modelling Section
Water Resources Management Division
Department of Municipal Affairs and Environment
4th Floor, Confederation Building, West Block
P.O. Box 8700, St. John's NL Canada A1B4J6
akhan@gov.nl.ca
- cc: File Copy for Binder
- cc: Jonathan Grandy (Labrador)
Regional Lands Manager, Labrador Regional Lands Office
Crown Lands Administration Division
Department of Fisheries and Land Resources
2 Tenth Street
P.O. Box 3014 Station B
Happy Valley-Goose Bay, NL A0P 1E0
jonathangrandy@gov.nl.ca
- cc: Marine Safety
Transport Canada, Atlantic Regional Headquarters
Airports, Harbours and Ports, and Environmental Services
95 Foundry St.
P.O. Box 42
Moncton, NB E1C 8K6
NPPATL-PPNATL@tc.gc.ca
-
- cc: Ms. Heather Rafuse
Exploration Approvals Geologist, Exploration Approvals and Inspections Section
Mineral Lands Division, Department of Natural Resources
50 Elizabeth Avenue, P.O. Box 8700
St. John's, NL A1B 4J6
HeatherRafuse@gov.nl.ca
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Government of Newfoundland and Labrador
Department of Municipal Affairs and Environment
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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Permit Holder: **Freeport Resources Inc.
8711 Elsmore Road
Richmond BC V7C 2A4**

Attention: **Brenda Clark**

Re: **Hutton Project (Northern Labrador) - Mineral Exploration and Development**

Permission was given for : the bulk sampling of approximately 5000 tonne of garnet material and further study including site documentation such as the digging of test pits, to research a potential source of industrial garnet as outlined in the application received August 11, 2017.

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 Municipal Affairs and Environment 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 Municipal Affairs and Environment
Water Resources Management Division
PO Box 8700
St. John's NL A1B 4J6

APPENDIX D
Location Map for Permit

