



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

**WATER USE LICENCE
(Industrial - Mining)**

Pursuant to the *Water Resources Act*, SNL 2002 cW-4.01

Date of Issuance: MARCH 17, 2016

No: WUL-16-8505

File: 515

Licensee: **TECK Resources Limited
Duck Pond Operations
PO Box 9
Millertown NL A0H 1V0**

Attention: **Mr. Darren Hennessey**

Re: **Water Withdrawal and Use from Tally Pond and Other Bodies of Water near Millertown**

The Minister of Environment and Conservation (the "Minister") hereby grants a non-exclusive water right to: **TECK Resources Limited** (the "Licensee") to continue withdrawal and use water from Tally Pond and other bodies of water near Millertown (48°38'05"N, 56°29'00"W), as indicated in Schedule A (attached), for the purpose of supplying water to the Licensee's activities at Duck Pond Mine in reference to the Licensee's request received on July 16, 2010, original application received on August 11, 2010, and application received June 18, 2015 and further information provided on or before February 12, 2016.

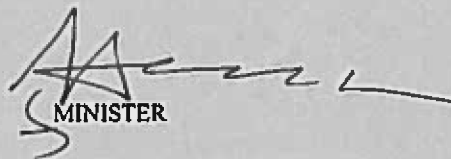
This Licence is subject to the terms and conditions, reservations, exceptions, and provisions stated herein and the *Water Resources Act* and regulations thereunder. Appendices A, B and Schedule A (attached) form part and parcel of this Licence.

This Licence does not release the Licensee from the obligation to obtain appropriate approvals, permits or licences from other concerned municipal, provincial and federal agencies.

The Licensee shall complete and return the attached Notification of Acceptance of Water Use Licence to the Water Rights and Investigations Section of the Department of Environment and Conservation within thirty (30) days of receipt of this Licence.

Failure to comply with the terms and conditions, reservations, exceptions, and provisions set out herein will render this Licence null and void, place the Licensee and/or its agents in violation of the *Water Resources Act*, and cause the Licensee to be responsible for any and all remedial measures which may be prescribed by the Department of Environment and Conservation.




MINISTER

GOVERNMENT OF
NEWFOUNDLAND AND LABRADOR
DEPARTMENT OF ENVIRONMENT AND CONSERVATION

No: WUL-16-8505
File: 515

APPENDIX A
TERMS AND CONDITIONS FOR WATER USE LICENCE

The Minister of Environment and Conservation (the "Minister") hereby grants a non-exclusive water right to: **TECK Resources Limited** (the "Licensee") to continue withdrawal and use water from Tally Pond and other bodies of water near Millertown (48° 38'05"N, 56°29'00"W), as indicated in Schedule A (attached), for the purpose of supplying water to the Licensee's activities at Duck Pond Mine in reference to the Licensee's request received on July 16, 2010, original application received on August 11, 2010, and application received June 18, 2015 and further information provided on or before February 12, 2016.

1. Ownership of water rights remains with the Crown and is not transferred. This Water Use Licence only provides permission for the Licensee to withdraw and use water for the designated purpose indicated in this Licence.
2. The non-exclusive rights and privileges hereby demised by this Licence shall not be sold, assigned, transferred, leased, mortgaged, sublet or otherwise alienated by the Licensee.
3. The Licensee acknowledges and agrees that this Licence does not grant any interest in land.
4. This Licence is effective on January 1, 2016 and shall expire on December 31, 2020 or earlier if suspended or modified or cancelled by the Minister due to reasons that include, but is not limited to, non-compliance with the Water Resources Act, 2002 and terms and conditions, reservations, exceptions, and provisions, lack of utilization of approved water for the designated purpose or prompt reporting pursuant to this Licence. Also, this Licence may be renewed by the Minister for such renewal term as the Minister deems appropriate, on such terms and conditions as the Minister considers appropriate and in the public interest, provided the Licensee applies for an extension at least hundred and eighty (180) days before the expiry of this Licence. This Licence supercedes and cancels in whole water use licence WUL-10-096.
5. The designated purpose of the water use is Industrial/Mining.
6. The maximum estimated annual water withdrawal from the said bodies of water shall not exceed 485,000 cubic meters, subject to water availability without changing the hydraulic characteristics of or causing impact on fish and fish habitat in the said bodies of water or impact on other water users. The Licensee shall not at any time withdraw and use amounts of water in excess of the need of water to the designated purpose of the water use indicated in this Licence, irrespective of the amount of water authorized by this Licence. The water withdrawal pipe(s) of the intake must be fitted with a screen to protect fish from impingement or entrainment as may be applicable. In addition, the Licensee shall take all necessary measures to avoid damage of fish habitat in and disturbance of the material of the said bodies of water. Furthermore, the Licensee shall not be interpreted as granting any rights which might affect the quantity and quality of water required at present or in the future by all users from the said bodies of water for any use authorized or that may be authorized by the Minister.
7. The Licensee shall not at any time impair, pollute or cause to be polluted the quality of water in the said bodies of water or any nearby body of water. Also, this Licence shall not be interpreted as granting any rights to cause adverse effect(s) on water and other water users in or outside the withdrawal and use activities areas and all operations must be carried out in a manner that prevents damage to land, vegetation, and bodies of water. The Water Resources Management Division of the Department of Environment and Conservation must be informed if water withdrawal and use activities or any ongoing activity has a potential to impair, pollute or cause to be polluted the quality of water in the said bodies of water or any nearby body of water. In addition, any and all waste material that may result from water withdrawal and use activities must be removed and disposed at a site approved by the regional Government Service Centre of the Department of Service NL. The Departments of Environment and Conservation and Service NL may require samples to be submitted for testing and analysis.
8. The Licensee shall prudently maintain in good faith records, accounts and statements of the rates and amounts of water withdrawals and uses, and any other information that the Minister may require in whatever form, manner and time. Copies of such records, accounts, statements, all information required to exercise the non-exclusive rights and privileges demised under this Licence, and a form following the format of Appendix B shall be submitted to the Water Rights and Investigations Section of the Department of Environment and Conservation on or before March 31st of each year or as required at any time during the term created by this Licence. Also, the Licensee may be required by the Minister to install, operate and maintain streamflow, water level monitoring stations, and other necessary measures in or outside the withdrawal and use activities areas and also to monitor water quality at specified locations. Such monitoring shall be carried out in the manner that the Minister considers necessary for the assessment of the quantity and quality of the water available in or outside the withdrawal and use activities areas and the quantity of water used by the Licensee for the operations including, but is not limited to, the installation of flowmeter(s) and/or other necessary measures.

9. The Licensee shall keep all systems and works in good condition and repair, free of oil leaks, or other harmful substances that could impair water quality of the said bodies of water or any nearby body of water in accordance with all laws, by-laws, directions, rules and regulations of any governmental authority. The Licensee shall immediately notify the Minister if any problem arises which may threaten the structural stability of the systems and works such as the intake structure approved by Permit No. ALT 2495 and other systems and works, endanger public safety and/or the environment or adversely affect other water users in or outside the withdrawal and use activities areas. Also, the Licensee 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. In addition, the Licensee shall restore all areas that may be affected by the the withdrawal and use activities areas to a state that resembles local natural conditions. Further remedial measures to mitigate environmental impacts on water resources can and will be specified, if necessary in the opinion of the Department of Environment and Conservation.
10. The Licensee shall not construct any new systems and works or make alterations to the existing systems and works in or outside the withdrawal and use activities areas without the prior written permit of the Minister. Also, the Licensee shall abide by terms and conditions indicated in Permit No. ALT 2495 issued by the Minister or other permits or any other instrument issued or that are to be issued to the Licensee in connection with all systems and works required in or outside the withdrawal and use activities areas. In addition, the Licensee shall not make changes in the purpose, rates and amounts of water specified in this Licence, or divert the course or alter the physical features of the said bodies of water or any nearby body of water without the prior written approval of the Minister.
11. The Licensee shall operate all systems and works in a manner which does not cause any water related and/or environmental problems, including but is not limited to problems of erosion, deposition, flooding, and deterioration of water quality and groundwater depletion, in or outside the withdrawal and use activities areas. The Licensee shall be responsible for any and all damages associated with these problems caused as a result of changes, deficiencies, and inadequacies in the Licensee's operational procedures. Also, water pumped or discharged from the water withdrawal and use activities, or any runoff or effluent directed out of the water withdrawal and use activities areas, must have silt and turbidity removed by filtration or other suitable treatment before discharging to any nearby body of water. Effluent discharged into receiving waters must comply with the Environmental Control Water and Sewage Regulations, 2003.
12. The Licensee and its agent(s), subcontractor(s), and consultant(s) are responsible for reporting any environmental problem encountered in connection with the said body of water or any nearby body of water to the Water Resources Management Division and environmental monitors within 24 hours. This includes, but is not limited to, any spillage of fuel, lubricant, or any other material, siltation of water or depletion of any source of water used for any purpose in connection with the water withdrawal and use activities.
13. The employees of the Department of Environment and Conservation, authorized by the Minister, may at all reasonable times during the term created by this Licence enter into enter into the water withdrawal and use activities areas and the Licensee's designated place(s) of business to inspect all associated systems or works, records, statements, and accounts, and shall be entitled to copy such information as may be required by the Minister in relation to this Licence and may exercise all other powers of inspection as provided for in the Water Resources Act, 2002.
14. The Licensee shall pay the applicable charges or royalties for the use or displacement of water, if imposed under the Water Resources Act, 2002 during the term of this Licence. Once imposed, the Licensee shall, upon receipt of an invoice stating the amount owing for annual charges or royalties for water use or displacement, pay to the Minister the full amount within thirty (30) days of the receipt of the said invoice.
15. The Licensee and its agent(s), subcontractor(s), and consultant(s) indemnify and hold the Government and the Minister 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 the non-exclusive rights granted under this Licence, systems, works and equipment in the water withdrawal and use activities areas, or any act or omission of the Licensee or its agent(s), subcontractor(s), or consultant(s) in or outside the water withdrawal and use activities areas and all associated systems, works and equipment, or arising out of a breach or non-performance of any of the terms and conditions, and provisions of this Licence by the Licensee or its agent(s), subcontractor(s), or consultant(s).
16. If the Licensee 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 Licence and/or Ministerial orders and guidelines, as determined by this Department, the Minister may, after providing ten (10) day notice to the Licensee, amend, modify, suspend or cancel this Licence in accordance with the Water Resources Act, 2002.
17. Should any provision of this Licence be unenforceable, it shall be considered separate and severable from the remaining provisions of this Licence which shall remain in force and be binding as though the provision had not been included.
18. This Licence is subject to all provisions of the Water Resources Act, 2002 and any regulations in effect either at the date of

this Licence or hereafter made pursuant thereto or any other relevant legislation enacted by the Province of Newfoundland and Labrador in the future.

19. This Licence shall be construed and interpreted in accordance with the laws of the Province of Newfoundland and Labrador.

All notices to be given pursuant to the terms and conditions of this Licence shall be given in writing and delivered by facsimile with auto confirmation or registered mail. If a notice is delivered by facsimile, it is deemed to have been received on the day it was sent if that day is a normal business day, if not, it is deemed to have been received on the next normal business day. If a notice is sent by registered mail, it is deemed to have been received three days after the day it was mailed. The address of the Licensee is:

TECK Resources Limited
Duck Pond Operations
PO Box 9
Millertown NL A0H 1V0

The address and facsimile number of the Department of Environment and Conservation are:

Water Rights and Investigations Section
Department of Environment and Conservation
PO Box 8700
St. John's NL A1B 4J6
(709) 729-0320

GOVERNMENT OF
NEWFOUNDLAND AND LABRADOR
DEPARTMENT OF ENVIRONMENT AND CONSERVATION
APPENDIX B

Report to Department of Environment and Conservation

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

No: WUL-16-8505
File: 515
Authorized: MARCH 17, 2016

Re: *Water Withdrawal and Use from Tally Pond and Other Bodies of Water near Millertown*

This report must be completed and filed on or before March 31st of each year or upon the completion of activities for a temporary period. Provide the information required below:

1. Has the Licensee used water during last year? Yes No
If no, explain (use extra sheet to provide more information, if any).

2. Does the Licensee wish to continue the non-exclusive water right? Yes No
If no, explain (use extra sheet to provide more information, if any).

3. Has the Licensee exceeded the estimated maximum water withdrawal of that indicated in Appendix A? Yes No
If yes, explain in the space below (use extra sheet to provide more information, if any).

In the table below, state the monthly water uses during last year or a temporary period and attach spreadsheet for daily water uses along with water quality report(s) as may be applicable:

Month	Jan.	Feb.	Mar.	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Total
Use in litres or cubic meters													

4. Is there any other matter on which the Licensee wishes to inform the Department of Environment and Conservation regarding this Licence and its terms and conditions? Yes No
If yes, explain (use extra sheet to provide more information, if any).

I/We acknowledge that the information contained in this report is true and correct.

TECK Resources Limited
Duck Pond Operations
PO Box 9
Millertown NL A0H 1V0

Signature: _____

Name/Title: _____

Date: _____

No: WUL-16-8505
File: 515

- 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. Rodger Primmer (C)
Manager, Central Regional Crown Lands
PO Box 2222
Gander NL A1V 1T5
- cc: Mr. Roger Ledrew, Regional Director (Central Region)
Service NL P O Box 2222 Gander NL A1V 2N9



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

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

Date: MARCH 17, 2016
File: 515

NOTIFICATION OF ACCEPTANCE OF WATER USE LICENCE

Water Withdrawal and Use from Tally Pond and Other Bodies of Water near Millertown

Water Use Licence No. WUL-16-8505 issued on MARCH 17, 2016, and valid until December 31, 2020.

As a Licensee of Water Use Licence No. WUL-16-8505, issued pursuant to the *Water Resources Act*, **TECK Resources Limited** (the "Licensee"), agrees to accept this Licence for the stated duration and abide by all terms and conditions, reservations, exceptions and provisions stated therein. The Licensee acknowledges that failure to abide by the terms and conditions, reservations, exceptions and provisions indicated in Appendices A, B and Schedule A (attached), and the *Water Resources Act* will render the Licence null and void, place the Licensee and/or their agent(s) in violation of the *Water Resources Act* and regulations thereunder and cause the Licensee to be responsible for any and all remedial measures which may be prescribed by the Department of Environment and Conservation.

Signed, sealed, and delivered by
TECK Resources Limited,
in accordance with its rules and
regulations in that behalf

at _____, this _____ day
of _____, 2016 in the presence
of:

Witness

Per: _____
Signing Officer

Seal:

Important: The attached Water Use Licence is not valid unless the Licensee completes and returns this notification to the address above within thirty (30) days of receipt.