



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: AUGUST 09, 2016

No: WUL-16-8532

File: 517

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

Attention: **Mr. Lee Preziosi**

Re: **Water Displacement from Unnamed Body of Water near Labrador City - IOC Wabush 3**

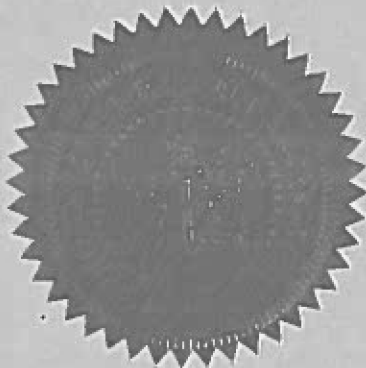
The Minister of Environment and Conservation (the "Minister") hereby grants a non-exclusive water right to: **Iron Ore Company of Canada (IOC)** (the "Licensee") to displace water from an unnamed body of water (locally known as Pumphouse Pond) near Labrador City (52° 58'44"N, 66°57'25"W), as indicated in Schedule A of this Licence (attached), for the purpose of waste rock disposal from the Wabush 3 open pit mine development in reference to the application received on February 16, 2016 and further information provided on or before August 1, 2016.

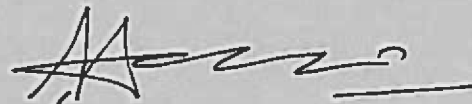
This Licence is subject to the terms and conditions, reservations, exceptions, and provisions stated herein and the *Water Resources Act* and regulations thereunder. Appendices A, B and Schedule A (attached) form part and parcel of this Licence.

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-16-8532
File: 517

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: **Iron Ore Company of Canada (IOC)** (the "Licensee") to displace water from an unnamed body of water (locally known as Pumphouse Pond) near Labrador City (52°58'44"N, 66°57'25"W), as indicated in Schedule A of this Licence (attached), for the purpose of waste rock disposal from the Wabush 3 open pit mine development in reference to the application received on February 16, 2016 and further information provided on or before August 1, 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 shall expire on August 31, 2021 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; any regulations in effect either at the date of issuance of this Licence or hereafter made pursuant thereto or any other relevant legislation enacted by the Province of Newfoundland and Labrador in the future; and terms and conditions, reservations, exceptions, and provisions, 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.
5. The designated purpose of the water displacement is Industrial-Mining.
6. The estimated annual water displacement from the said body of water shall not exceed 60 cubic meters, subject to the exact reporting by the Licensee. After approximately ten (10) years, the Licensee will apply for and obtain new water use licence to remove the whole volume of water in the said body of water which has been estimated to be 190,00 cubic metres. This Minister reserves the right to require the Licensee to accurately measures and calculate the exact volume of water in the said body of water.
7. The Licensee shall not at any time significantly impair, pollute or cause to be polluted the quality of water in the said body 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 in or outside the water displacement 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 the water displacement activities or any ongoing activity has a potential to significantly impair, pollute or cause to be polluted the quality of water in the said body of water or any nearby body of water. In addition, any and all waste material that may result from the water displacement activities must be removed and disposed at a site approved by the regional Government Service Centre of the Department of Service NL.
8. The Licensee shall prudently maintain in good faith records, accounts and statements of the rates and volumes of water displacements, 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 March 31st of each year or as required at any time during the term created by this Licence. Also, the Licensee is required to monitor and assess water displacements and water quality in such manner as the Minister considers necessary including the installation of flowmeter(s) and/or other necessary measures to record the exact water displacements for reporting and compliance purposes in relation to this Licence. Also, the Minister reserves the right to require the Licensee to install real time monitoring stations for its Wabush 3 open pit mine development.
9. The Licensee shall not make changes in the purpose, plans and rates and volumes of water that to be displaced pursuant to this Licence or construct any systems or works or divert the course or alter the physical features of any nearby body of water without the prior written approval from the Minister. Also, the Licensee shall strictly abide by any and all terms and conditions of Permits No. ALT8665-2016, ALT8685-2016 and ALT8686-2016 as well as other permits or licences issued or to be issued to Wabush 3 open pit mine development. In addition, the Licensee shall strictly abide by any and all provisions of the Environmental Protection Plan.
10. 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 displacement 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.

11. The Licensee shall keep all systems, works, equipment and vehicles used for water displacement activities, in clean and good condition and repair, free of oil leaks, or other harmful substances that could impair water quality of the said body of water or any nearby body of water and shall notify the Minister immediately if any problem arises which may adversely affect public safety or other water users in or outside water displacement activities areas. Also, the Licensee shall restore all areas that may be affected by water displacement activities, 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 this Department.
12. Water pumped or discharged from the water displacement activities areas, or any runoff or effluent directed out of the water displacement 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.
13. 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 or siltation of water of any nearby body of water in connection with the water displacement activities from the said body of water.
14. The Licensee shall pay the applicable charges or royalties for the water displacement from the said body of water, if imposed under the Water Resources Act, 2002 during the term of this Licence, irrespective of the time and duration of water displacement from the said body of water. Once imposed, the Licensee shall, upon receipt of an invoice stating the amount owing for charges or royalties for the water displacement from the said body of water, pay to the Minister the full amount owing 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 or outside the water displacement activities areas, or any act or omission of the Licensee or its agent(s), subcontractor(s), or consultant(s) in or outside the water displacement 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, exceptions 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:

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

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-16-8532
File: 517
Authorized: AUGUST 09, 2016

Re: *Water Displacement from Unnamed Body of Water near Labrador City - IOC Wabush 3*

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.

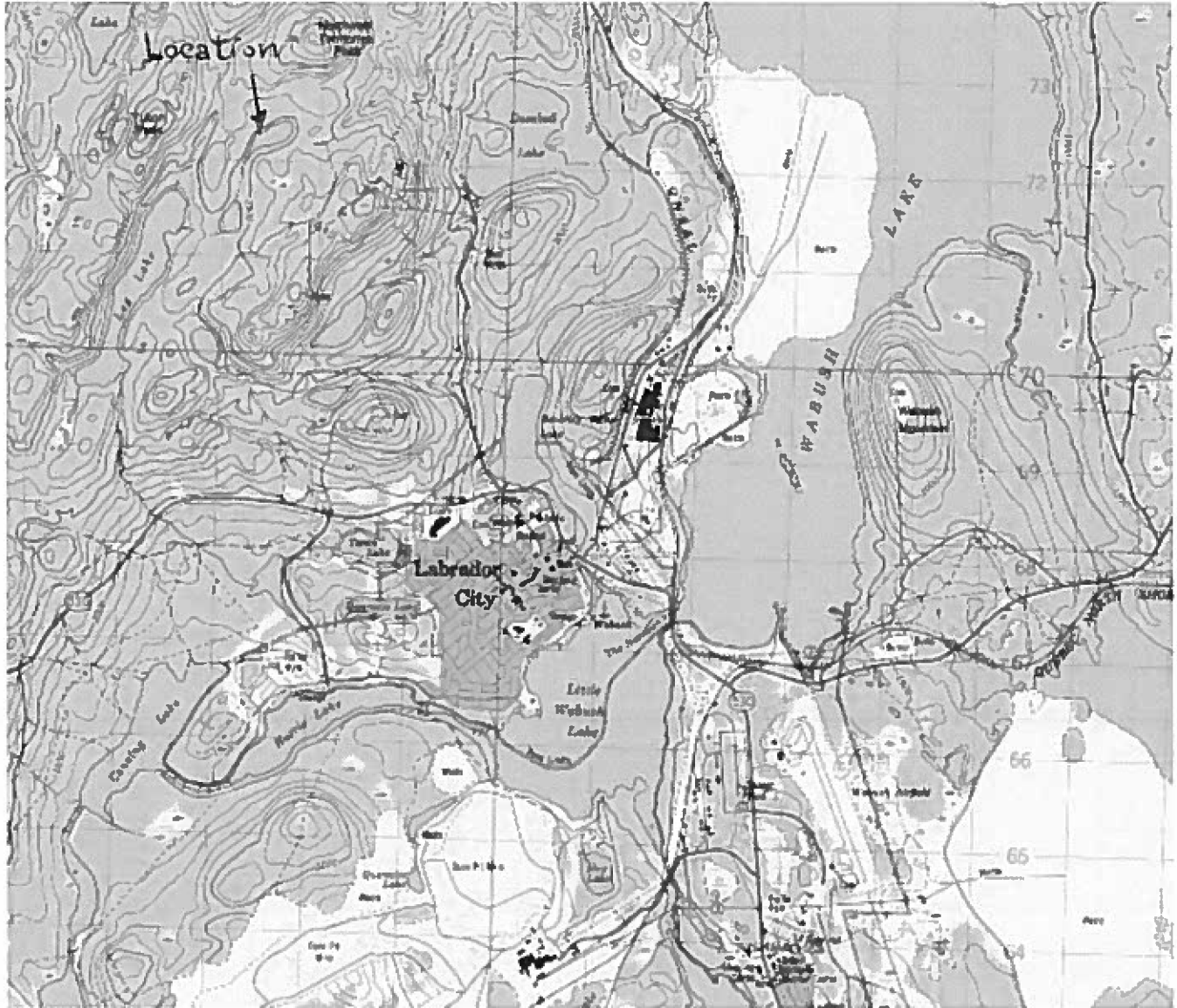
Iron Ore Company of Canada (IOC)
2 Avalon Drive
Labrador City, NL, A2V 2Y6

Signature: _____
Name/Title: _____
Date: _____

- cc: Mr. Ken Russell (Labrador)
Manager of Operations, GSC - Happy Valley-Goose Bay, Service NL
Government Service Centre
2 Tenth Street, P.O. Box 3014, Stn. B
Happy Valley-Goose Bay, NL A0P 1E0
krussell@gov.nl.ca
- cc: Mr. Todd Russell
President
NunatuKavut Community Council
P.O. Box 460, Station C
Happy Valley-Goose Bay, NL A0P 1C0
trussell@nunatukavut.ca
- cc: Town of Labrador City
Ms. Cathy Etsell
317 Hudson Drive
P.O. Box 280
Labrador City, NL A2V 2K5
diane.gear@labcity.nf.ca
- cc: Andre Gauthier
Naskapi Nation of Kawawachikamach
630 Blvd Rene-Levesque West - Office # 2780
Montreal QC H3B 1S6
kawawa@naskapi.ca, andre.gauthier@clcw.ca
- cc: Chef Réal McKenzie
Conseil de la Nation Innu Matimekush-Lac John
172 Pearce Lake
Case Postale 1390
Schefferville, QC G0G 2T0
realmck@hotmail.com
- cc: Chief Mike McKenzie
Conseil Innu Takuaikan, Uashat mak Mani-Utenam
265, boulevard des Montagnais, C.P. 8000
Sept-Îles (Québec) G4R 4L9
mathilda.fontaine@itum.qc.ca
- cc: Chief Noah Swappie
Naskapi Nation of Kawawachikamach
1009 Naskapi Road
P.O. Box 5111
Kawawachikamach, QC G0G 2Z0
kawawa@naskapi.ca
- cc: Grand Chief Anastasia Qupee
Innu Nation
P.O. Box 119
Sheshatshiu, NL A0P 1M0
aqupee@innu.ca
- cc: Jean-Claude Pinette
Innu Takuaikan Uashat mak Mani-Utenam
P.O. Box 8000
265 Boul. Des Montagnais
Uashat, QC G4R 4L9
mathilda.fontaine@itum.qc.ca
- cc: Larry Innes and Paula Reid
Innu Nation
P.O. Box 119
Sheshatshiu, NL A0P 1M0
preid@innu.ca

- cc: Morgan Kendall
O'Reilly & Associates
1155 University, Bureau 1007
Montreal QC H3B 3A7
morgan.kendall@orassocies.ca
- cc: Mr. Brian Harvey
Director, Aboriginal Affairs
Intergovernmental and Aboriginal Affairs Secretariat
Executive Council - Labrador and Aboriginal Affairs
P.O Box 8700
St. John's NL A1B 4J6
brainharvey@gov.nl.ca
- 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
4th Floor, West Block, Confederation Building
St. John's, NL A1B 4J6
aabdelrazek@gov.nl.ca
- cc: Mr. Christopher Coggan
Naskapi Nation of Kawawachikamach
5800 Monkland Avenue, 2nd Floor
Montreal, QC H4A 1G1
kawawa@naskapi.ca
- cc: Mr. George Russell Jr.
Natural Resources Manager
NunatuKavut Community Council Inc.
PO Box 460, Station C
Happy Valley-Goose Bay, NL A0P 1C0
grussell@nunatukavut.ca
- cc: Ms. Marie-Christine Gagnon
BCF LLP, BLG AG S.E.N.C.R.L
1000 de La Gauchetiere Ouest
Suite 900
Montreal QC H3B 5H4
- cc: Paul Renzoni
General Advisor
Naskapi Nation of Kawawachikamach
5800 Monkland Avenue, 2nd Floor
Montreal, QC H4A 1G1
kawawa@naskapi.ca

Schedule A
Location Map for Permit





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: AUGUST 09, 2016
File: 517

NOTIFICATION OF ACCEPTANCE OF WATER USE LICENCE

Water Displacement from Unnamed Body of Water near Labrador City - IOC Wabush 3

Water Use Licence No. WUL-16-8532 issued on AUGUST 09, 2016, and valid until August 31, 2021.

As a Licensee of Water Use Licence No. WUL-16-8532, issued pursuant to the *Water Resources Act*, **Iron Ore Company of Canada (IOC)** (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
Iron Ore Company of Canada (IOC),
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.