

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

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

Date of Issuance: **MAY 31, 2016**

No: **WUL-16-8628**  
File: **517**

Licensee: **Labrador Iron Mines Limited**  
**PO Box 1178**  
**Stn Toronto Dominion**  
**Toronto ON M5K 1P2**

Attention: **Jacqueline Miklovich**

Re: **Water Withdrawal and Use for Schefferville Area Iron Ore Mine (Camp and Lunchroom)**

The Minister of Environment and Conservation (the "Minister") hereby grants a non-exclusive water right to: **Labrador Iron Mines Limited** (the "Licensee") to continue withdrawal of water from an unnamed body of water (groundwater well) (54°46'36"N, 66°49'12"W), as indicated in the map submitted by the Licensee (Schedule A attached), and use it for the purpose of supplying water to the camp and lunchroom at Schefferville Area Iron Ore Mine, in reference to the original application received on March 8, 2010, revised application received on May 27, 2010, application for renewal received on April 29, 2016 and further information received on or before May 31, 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-16-8628  
File: 517

APPENDIX A  
TERMS AND CONDITIONS FOR WATER USE LICENCE

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The Minister of Environment and Conservation (the "Minister") hereby grants a non-exclusive water right to: **Labrador Iron Mines Limited** (the "Licensee") to continue withdrawal of water from an unnamed body of water (groundwater well) (54° 46'36"N, 66°49'12"W), as indicated in the map submitted by the Licensee (Schedule A attached), and use it for the purpose of supplying water to the camp and lunchroom at Schefferville Area Iron Ore Mine, in reference to the original application received on March 8, 2010, revised application received on May 27, 2010, application for renewal received on April 29, 2016 and further information received on or before May 31, 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 WUL-10-080.
5. The designated purpose of the water use is Industrial.
6. The maximum estimated annual water withdrawal from the said body of water shall not exceed 78,000 cubic meters, subject to water availability. 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.
7. The Licensee shall not at any time 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 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 body 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. 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.
9. 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 to monitor and assess water use, water quality and quantity of the water use and availability in such manner as the Minister considers necessary including, but is not limited to, the installation of flowmeter(s) and/or other necessary measures to record the exact water used from the said body of water.


10. The Licensee shall not make changes in the purpose, plans and rates and amounts of water authorized by this Licence or construct any systems or works or divert the course or alter the physical features of the said body of water or any nearby body of water without the prior written approval from the Minister. The Licensee shall also abide by any and all commitments made in the Environmental Assessment Process, Environmental Protection/Management Plan, permits, and all subsequent documents provided during that process or thereafter, as approved by the Minister.
11. The Licensee shall keep all systems, works, equipment and vehicles used for water withdrawal and use 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 withdrawal and use activities areas. Also, the Licensee shall restore all areas that may be affected by water withdrawal and use 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. 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 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 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, 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:

**Labrador Iron Mines Limited**  
**PO Box 1178**  
**Stn Toronto Dominion**

**Toronto ON M5K 1P2**

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-16-8628  
File: 517  
Authorized: MAY 31, 2016

**Re:** *Water Withdrawal and Use for Schefferville Area Iron Ore Mine (Camp and Lunchroom)*

**This report must be completed and filed on or before March 31<sup>st</sup> 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.

Labrador Iron Mines Limited  
PO Box 1178  
Stn Toronto Dominion  
Toronto ON M5K 1P2

Signature: \_\_\_\_\_

Name/Title: \_\_\_\_\_

Date: \_\_\_\_\_

- cc: Larry LeDrew  
Vice President Sustainable Development  
Suite 302, 33 Pippy Place  
St. John's  
NL A1B 3X2
- cc: Andre Gauthier  
Naskapi Nation of Kawawachikamach  
630 Blvd Rene-Levesque West - Office # 2780  
Montreal QC H3B 1S6
- cc: Chef Réal McKenzie  
Conseil de la Nation Innu Matimekush-Lac John  
172 Pearce Lake  
Case Postale 1390  
Schefferville QC G0G 2T0
- cc: Chief Mike McKenzie  
Innu Takuaihan Uashat mak Mani-Utenam  
PO Box 8000  
265 Boul. Des Montagnais  
Uashat QC G4R 4L9
- cc: Chief Noah Swappie  
Naskapi Nation of Kawawachikamach  
1009 Naskapi Road  
PO Box 5111  
Nuchimiyuschiiy QC GOG 2Z0
- cc: Grand Chief Anastasia Qupee  
Innu Nation  
PO Box 119  
Sheshatshiu NL A0P 1M0
- cc: Jean-Claude Pinette  
Innu Takuaihan Uashat mak Mani-Utenam  
P.O. Box 8000  
265 Boul. Des Montagnais  
Uashat QC G4R 4L9
- cc: Larry Innes and Paula Reid  
Innu Nation  
P.O. Box 119  
Sheshatshiu, NL A0P 1M0
- cc: Marie-Christine Gagnon  
BCF LLP  
BLG AG S.E.N.C.R.L.  
1000 de La Gauchetière Ouest, Suite 900  
Montréal QC H3B 5H4
- cc: Morgan Kendall  
O'Reilly & Associes  
1155 University, Bureau 1007  
Montreal QC H3B 3A7
- cc: Mr. Brian Harvey  
Director, Policy and Planning (A), Aboriginal Affairs Branch  
Intergovernmental and Aboriginal Affairs Secretariat
- cc: Ms. Lindsay Richardson

Naskapi Nation of Kawawachikamach  
5800 Monkland Avenue  
2nd Floor  
Montreal QC H4A 1G1

- cc: Paul Renzoni  
General Advisor, Naskapi Nation of Kawawachikamach  
5800 Monkland Avenue  
2nd Floor  
Montreal QC H4A 1G1
- 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



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: MAY 31, 2016  
File: 517

**NOTIFICATION OF ACCEPTANCE OF WATER USE LICENCE**

Water Withdrawal and Use for Schefferville Area Iron Ore Mine (Camp and Lunchroom)

Water Use Licence No. WUL-16-8628 issued on MAY 31, 2016, and valid until December 31, 2020.

As a Licensee of Water Use Licence No. WUL-16-8628, issued pursuant to the *Water Resources Act*, **Labrador Iron Mines 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  
**Labrador Iron Mines 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.