

**WATER USE LICENCE/PERMIT
(Industrial - Mineral Exploration)**

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

Date of Issuance: **SEPTEMBER 23, 2016**

No: **WUL/P-16-8882**
File: **517**

Licensee/Holder: **Tata Steel Minerals Canada Limited
1000 rue Shrebrooke Ouest
Montreal QC H3A 3G4**

Attention: **Dr. Arindam Sarkar**

Re: **Water Withdrawal and Use of Bodies of Water (DSO Timmins Property)**

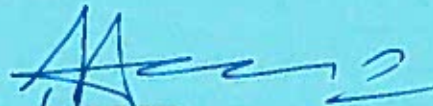
The Minister of Environment and Climate Change (the "Minister") hereby grants a non-exclusive water right to: **Tata Steel Minerals Canada Limited** (the "Licensee/Holder") to withdraw water from and use of bodies of water, as indicated in the map for exploration approval (attached) in relation to the Licensee/Holder's mineral exploration project (DSO Timmins Property). If so required the Licensee/Holder may also withdraw water from and use of other bodies of water within the boundary of the property. This non-exclusive water right is granted in reference to the application received on August 10, 2016 and further information provided on or before September 7, 2016.

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

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

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

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



MINISTER

GOVERNMENT OF
NEWFOUNDLAND AND LABRADOR
DEPARTMENT OF ENVIRONMENT AND CLIMATE CHANGE

No: WUL/P-16-8882
File: 517

APPENDIX A
TERMS AND CONDITIONS FOR WATER USE LICENCE/PERMIT

The Minister of Environment and Climate Change (the "Minister") hereby grants a non-exclusive water right to: **Tata Steel Minerals Canada Limited** (the "Licensee/Holder") to withdraw water from and use of bodies of water, as indicated in the map for exploration approval (attached) in relation to the Licensee/Holder's mineral exploration project (DSO Timmins Property). If so required the Licensee/Holder may also withdraw water from and use of other bodies of water within the boundary of the property. This non-exclusive water right is granted in reference to the application received on August 10, 2016 and further information provided on or before September 7, 2016.

1. Ownership of water rights remains with the Crown and is not transferred. This Water Use Licence/Permit only provides permission for the Licensee/Holder to withdraw and use water for the purpose indicated in this Licence/Permit.
2. The non-exclusive rights and privileges hereby demised by this Licence/Permit shall not be sold, assigned, transferred, leased, mortgaged, sublet or otherwise alienated by the Licensee/Holder.
3. The Licensee/Holder acknowledges and agrees that this Licence/Permit does not grant any interest in land.
4. This Licence/Permit shall expire on September 30, 2021 or earlier if suspended or modified or cancelled by the Minister due to reasons that include, but not limited to, non-compliance with the Water Resources Act and terms and conditions, reservations, exceptions, and provisions; lack of utilization of authorized water for the designated purpose or prompt reporting pursuant to this Licence/Permit. Also, this Licence/Permit 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/Holder applies for renewal at least hundred and eighty (180) days before the expiry of this Licence/Permit.
5. The designated purpose of the water withdrawal and use is Industrial/Mineral Exploration.
6. The estimated daily water withdrawal from the said bodies of water shall not exceed 65,000 litres, 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 existing water users. The Licensee/Holder shall not at any time withdraw and use amounts of water in excess of the need for the Licensee/Holder's mineral exploration activities, irrespective of the amount of water authorized.
7. In case of drilling on the ice cover of the said bodies of water, the Licensee/Holder shall ensure that the ice is sufficiently thick and structurally sound and able to safely support the drilling rig and all associated equipment on the ice surface. The ice surface must be inspected daily as long as the equipment is on the ice and a written record of these inspections must be kept in a suitable log book. More frequent inspections are required when there are sudden temperature changes.
8. The Licensee/Holder 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/Permit shall not be interpreted as granting any rights to cause adverse effect(s) on water in or outside the mineral exploration 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 Climate Change must be informed if the mineral exploration activities have a potential to impair water quality of the said bodies of water or any nearby body of water. In addition, any and all waste material that may result from the mineral exploration activities must be removed from the mineral exploration activities areas and disposed at a site approved by the regional Government Service Centre of the Department of Service NL. The Departments of Environment and Climate Change and Service NL may require samples to be submitted for testing and analysis.
9. Water pumped or discharged from the mineral exploration activities, or any runoff or effluent directed out of the mineral exploration activities areas, must have silt and turbidity removed by settling ponds, filtration, or other suitable treatment before discharging to any body of water. Effluent discharged into receiving waters must comply with the Environmental Control Water and Sewage Regulations, 2003.
10. Used drilling mud and cuttings must be collected in a closed system of settling tanks and disposed of at a site approved by the regional Government Service Centre of the Department of Service NL. This site must not be within 100 metres of any body of water. The water in the system must be recycled.

11. The Licensee/Holder shall keep records for water withdrawals and uses and other relevant information and complete and file a form following the format of Appendix B with the Water Rights and Investigations Section of the Department of Environment and Climate Change on or before March 31st of each year during the mineral exploration activities. Also, the Licensee/Holder may be required to monitor, report and assess water quality and quantity of the water available and supplied to the Licensee/Holder's mineral exploration activities in such manner as the Minister considers necessary such as flowmeter (s) for the said bodies of water.
12. The Licensee/Holder shall not construct any systems or works, make changes in the purpose, rates and amounts of water specified in this Licence/Permit, 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 permission of the Minister.
13. The Licensee/Holder and its agent(s), subcontractor(s), and consultant(s) shall keep all systems, equipment, works and vehicles used for the mineral exploration activities in clean and good condition and repair, free of oil leaks, or other harmful substances that could impair water quality of any body of water in accordance with all laws, by-laws, directions, rules and regulations of any governmental authority. The Licensee/Holder or its agent(s), subcontractor(s), or consultant(s) shall notify the Minister immediately if any problem arises which may affect the systems, equipment and works, endanger public safety and/or the environment or adversely affect other existing users and/or any body of water either in or outside the mineral exploration activities areas. Also, the Licensee/Holder shall restore all areas that may be affected by mineral exploration 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. The Licensee/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, equipment, works, or operational deficiencies/inadequacies.
14. In case of drilling on the ice cover of the said bodies of water, a dyke or other suitable device must be placed around the immediate perimeter of the ice hole and around the perimeter of the drilling area to prevent any fluid, fuel or other foreign substance from entering the water or spreading across the ice surface.
15. When possible, drilling should take place using water alone. If this is not possible, then only environmentally approved drilling fluids shall be used and a mud recovery system must be used.
16. All fuels and lubricants must be stored in an approved manner on land, no closer than 30 metres to any body of water. Only sufficient fuel for one refueling shall be brought on the ice at one time.
17. The Licensee/Holder and its agent(s), subcontractor(s), and consultant(s) are responsible for reporting any environmental problem encountered in connection with the said bodies 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, drilling mud or any other material, siltation of water or depletion of any source of water used for any purpose in connection with the mineral exploration activities.
18. The employees of the Department of Environment and Climate Change, authorized by the Minister, may at all reasonable times during the term created by this Licence/Permit enter into the mineral exploration activities areas and the Licensee/Holder's designated place of business to inspect the systems, equipment, 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/Permit and may exercise all other powers of inspection as provided for in the Water Resources Act, 2002.
19. The Licensee/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 Licence/Permit, systems, equipment and works in or outside the mineral exploration activities areas, or any act or omission of the Licensee/Holder in or outside the mineral exploration activities areas, or arising out of a breach or non-performance of any of the terms and conditions, and provisions of this Licence/Permit by the Licensee/Holder or its agent(s), subcontractor (s), or consultant(s).
20. If the Licensee/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 Licence/Permit and/or Ministerial orders and guidelines, as determined by this Department, the Minister may, after providing ten (10) day notice to the Licensee/Permit Holder, amend, modify, suspend or cancel this Licence/Permit in accordance with the Water Resources Act, 2002.
21. Should any provision of this Licence/Permit be unenforceable, it shall be considered separate and severable from the remaining provisions of this Licence/Permit which shall remain in force and be binding as though the provision had not been included.
22. This Licence/Permit is subject to all provisions of the Water Resources Act, 2002 and any regulations in effect either at the date of this Licence/Permit or hereafter made pursuant thereto or any other relevant legislation enacted by the Province of

Newfoundland and Labrador in the future.

23. This Licence/Permit shall be construed and interpreted in accordance with all applicable laws of the Province of Newfoundland and Labrador.

All notices to be given pursuant to the terms and conditions of this Licence/Permit 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/Holder is:

Tata Steel Minerals Canada Limited
1000 rue Shrebrooke Ouest
Montreal QC H3A 3G4

The address and facsimile number of the Department of Environment and Climate Change are:

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

GOVERNMENT OF
NEWFOUNDLAND AND LABRADOR
DEPARTMENT OF ENVIRONMENT AND CLIMATE CHANGE
APPENDIX B

Report to Department of Environment and Climate Change

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

No: WUL/P-16-8882
File: 517
Authorized: SEPTEMBER 23, 2016

Re: *Water Withdrawal and Use of Bodies of Water (DSO Timmins Property)*

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

2. Does the Licensee/Holder 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/Holder exceeded the estimated maximum daily 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/Holder wishes to inform the Department of Environment and Climate Change regarding this Licence/Permit 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.

Tata Steel Minerals Canada Limited
1000 rue Shrebrooke Ouest
Montreal QC H3A 3G4

Signature: _____

Name/Title: _____

Date: _____

- 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 Climate Change
P.O. Box 8700
4th Floor, West Block, Confederation Building
St. John's, NL A1B 4J6
aabdelrazek@gov.nl.ca
- 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: 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 Tshani Ambroise
Conseil de la Nation Innu Matimekush-Lac John
172 Pearce Lake
Case Postale 1390
Schefferville, QC G0G 2T0
Tshani.Ambroise@gmail.com
- cc: Chief Mike McKenzie
Conseil Innu Takuaihan, 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 Takuaihan Uashat mak Mani-Utenam
P.O. Box 8000
265 Boul. Des Montagnais
Uashat, QC G4R 4L9
mathilda.fontaine@itum.qc.ca

- cc: Marie-Christine Gagnon
Borden Ladner Gervais LLP
1000 De La Gauchetière Street West
Suite 900
Montréal, QC H3B 5H4
MCGagnon@blg.com
- cc: Morgan Kendall
O'Reilly & Associes
1155 University, Bureau 1007
Montreal QC H3B 3A7
morgan.kendall@orassocies.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: Mr. Larry Innes and Ms. Paula Reid
Innu Nation
P.O. Box 119
Sheshatshiu, NL A0P 1M0
preid@innu.ca
- cc: Naskapi Nation of Kawawachikamach
Chief Louis Einish
Nation naskapie de Kawawachikamach
1009 Naskapi Road
P.O. Box 5111
Kawawachikamach, QC G0G 2Z0
kawawa@naskapi.ca
- cc: Paul Renzoni
General Advisor
Naskapi Nation of Kawawachikamach
5800 Monkland Avenue, 2nd Floor
Montreal, QC H4A 1G1
kawawa@naskapi.ca
- cc: Mr. Kevin Sheppard
Director, Mineral Lands Division
Department of Natural Resources
50 Elizabeth Avenue, P.O. Box 8700
St. John's, NL A1B 4J6
kevinsheppard@gov.nl.ca



Government of Newfoundland and Labrador
Department of Environment and Climate Change
Water Resources Management Division

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

Date: SEPTEMBER 23, 2016
File: 517

NOTIFICATION OF ACCEPTANCE OF WATER USE LICENCE/PERMIT
Water Withdrawal and Use of Bodies of Water (DSO Timmins Property)

Water Use Licence/Permit No. WUL/P-16-8882 issued on SEPTEMBER 23, 2016, and valid until September 30, 2021.

As a Licensee/Holder of Water Use Licence/Permit No. WUL/P-16-8882, issued pursuant to the *Water Resources Act*, **Tata Steel Minerals Canada Limited** (the "Licensee/Holder"), agrees to accept this Licence/Permit for the stated duration and abide by all terms and conditions, reservations, exceptions and provisions stated therein. The Licensee/Holder acknowledges that failure to abide by the terms and conditions, reservations, exceptions and provisions indicated in Appendices A and B and the map for Exploration Approval (attached) of the Licence/Permit and the *Water Resources Act* will render the Licence/Permit null and void, place the Licensee/Holder and/or their agent(s) in violation of the *Water Resources Act* and regulations thereunder and cause the Licensee/Holder to be responsible for any and all remedial measures which may be prescribed by the Department of Environment and Climate Change.

Signed, sealed, and delivered by
Tata Steel Minerals Canada 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/Permit is not valid unless the Licensee/Holder completes and returns this notification to the address above within thirty (30) days of receipt.