Nunavut Regional Office P.O. Box 2200 Iqaluit, NU X0A 0H0

April 23, 2014

Phyllis Beaulieu Manager of Licensing Nunavut Water Board PO Box 119 Gjoa Haven NU X0B 1J0

RE: WATER LICENCE APPLICATION #1BR-CLR---- CONTWOYTO LAKE REMEDIATION PROJECT

Dear Ms. Beaulieu:

This letter from the Contaminated Sites Program (CSP) is in response to the Memorandum provided by AANDC on April 4, 2014 for the Contwoyto Lake Remediation Project (#1BR-CLR----). The below response addresses issues and concerns identified in part B "Results of Review," for the Contwoyto Lake Remediation Project Water Licence Application.

1. Application For New Water Licence

Issue/Concern

 AANDC notes from blocks 7 and 8 of the application form that approvals from both the Nunavut Planning Commission (NPC) and Nunavut Impact Review Board (NIRB) respectively have not yet been confirmed and that the proponent indicates that approvals are in progress.

Comment/Recommendation

 AANDC recommends that the proponent submit to the NWB the aforementioned approvals when received from both NPC and NIRB.

CSP Response

CSP has obtained the necessary approvals from both the NPC and the NIRB.

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Issue/Concern

 As well, block 6 of the application pertaining to surface rights indicates that the Crown land use and Inuit Owned Land (IOL) use authorizations have yet to be approved or permitted.

Comment/Recommendation

 AANDC recommends that the proponent submit to the NWB the aforementioned authorizations when received from the authorizing agencies.

CSP Response

CSP has obtained both the Crown Land Use Permit #N2013U0028 and an IOL Exemption Certificate #KTX114X004.

2. Spill Plan

Comments/Recommendations

- AANDC recommends storing all fuel in secondary containment to reduce the risk
 of a spill. AANDC also recommends that the proponent use secondary
 containment (i.e drip pans, etc) for all refuelling operations.
- Fuel stored in drums should be located 30 meters from any streams or bodies of water, preferably in an area of low permeability.
- AANDC recommends that the proponent keep a copy of the spill plan on site.
- AANDC recommends including the locations of any spill kits on site in the spill plan.
- AANDC has noticed that the fax number for AANDC's manager of field operations is not listed in the spill plan. The Spill Contingency Plan should include the fax number for AANDC's Manager of Field Operations. Fax number is (867) 979-6445.

CSP Response

CSP has plans to meet the above comments/recommendations.

3. Other

Issue/Concern

 AANDC notes that the contractor has stated in Appendix 10 of the water license application that one option is for the contractor to base operations out of the former Lupin Mine facilities.

Comment/Recommendation

- AANDC would like to advise the applicant and contractor that currently there is
 no valid water license (i.e. the license has expired) at Lupin for the use of water
 or disposal of waste for camp purposes. Any use of water or disposal of waste for
 camp purposes under the expired water license would be in contravention of the
 Act.
- AANDC also recommends that if there is any change in the project description (i.e camp location, etc) that the licensee submit these changes to the NWB as soon as they are known.

CSP Response

CSP will ensure that all necessary licences and permits will be in place before the contractor uses Lupin's facilities. Also, CSP agrees to submit any project changes to the NWB as soon as they are known.

Issue/Concern

 AANDC notes that the water license application states that type B contaminated soils will be treated on site in a landfarm, however AANDC cannot find any information on any contingency plan if the soil is not remediated within two summer seasons. As well AANDC could find no engineered drawings of the landfarm to be constructed or information on the intended end use of the soil once treatment has finished (i.e, placement of soil).

Comment/Recommendation

 AANDC recommends that the licensee submit additional information on the contaminated soils and landfarm contingencies to the NWB.

CSP Response

CSP will continue to treat the Type B soils until they meet the Abandoned Military Sites Remediation Protocol (AMSRP). Drawings were provided in Appendix 5 of the Contwoyto Lake Remediation Project Water Licence Application. Once the treated soil meets AMSRP criteria, it will be regraded in place.



Issue/Concern

 AANDC notes that the water license mentions the use of borrow areas; however these areas are yet to be determined. AANDC also notes that it could find no permit allowing for this activity.

Comment/Recommendation

 AANDC recommends that the applicant apply for the permits allowing for borrow activities. This permit, when issued, should be forwarded to the NWB along with locations of the borrow areas when they are known.

CSP Response

CSP will be applying for quarry permits for borrow use, when the locations are refined by the contractor, before work begins.

If you have any questions or require additional information please contact the Project Manager, Erika Solski, at (867) 975-4577 or via e-mail at Erika.Solski@aandc-aadnc.gc.ca.

Sincerely,

Natalie Plato

Director, Lands and Contaminated Sites

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cc: Erika Solski, Project Manager, AANDC