



Indian and Northern
Affairs Canada

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Water Resources
Nunavut Regional Office
P.O. Box 100
Iqaluit, NU X0A 0H0

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Our File:
IQA-N 9545-2-2MEAG
CIDMS 90703

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Nunavut Water Board
P.O. Box 119
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Via Email

**Re: 2BB-MEA – Cumberland Resources Ltd. – Meadowbank Gold Project –
Licence Amendment – Fuel Tank Construction**

The Water Resources Division of Indian and Northern Affairs Canada (INAC) reviewed the application by Cumberland Resources Lt. to amend their water licence (previously NWB2MEA0507) to allow construction of additional fuel storage at the Meadowbank Gold project. The following advice is provided pursuant to INAC's mandated responsibilities under the *Nunavut Waters and Nunavut Surface Rights Tribunal Act (NW&SRT Act)*, *Arctic Waters Pollution Prevention Act (AWPP Act)*, and the *Department of Indian Affairs and Northern Development Act (DIAND Act)*.

Background Information

Cumberland Resources Ltd. (Cumberland) is applying for a licence amendment to permit the construction of a 5.6 million-litre fuel tank as part of the exploration and possible construction for its Meadowbank Gold Project. This project is located approximately 70 kilometres (km) north of the Hamlet of Baker Lake at coordinates of 65°00'75"N, 96°04'39"W. The project's current fuel storage system consists of four (4) 50,000 litres (L) and five (5) 75,000 L double walled fuel vaults. Cumberland proposes to construct a single 5,000,000-L fuel tank at the Meadowbank site to provide increased diesel storage capacity and allow for consolidation of the multiple tanks currently in use. The multiple fuel tanks will be removed from site with the exception of one (1) 75,000 L tank for the storage of Jet-A fuel.

The Meadowbank Project is still in an exploration phase and has received a Nunavut Impact Review Board screening approval in 2004 to construct a large fuel storage tank within its project area. A letter from the NWB, dated March 31, 2004, indicated that the work on the fuel tank area could proceed subject to terms and conditions.

The fuel tank will be placed in a leveled bedrock area, with a base layer of crushed rock, followed by sand, a geotextile liner, a 60 millimetres (mm) thick high-density

polyethylene liner (HDPE), and a second layer of sand will be installed to support the fuel tank. A dispensing unit will be installed within the bermed area. The bermed enclosure is capable of accommodating 110% of the tank storage total capacity. The facility is anticipated to have a one-hectare project footprint.

The proponent intends to construct 625 metres (m) of access road to a new fuel storage area where the large fuel tank will be established. The proposed site is south of the project's main campsite and will be approximately 300 m away from any nearby water bodies. Erosion and runoff control measures will be implemented throughout its construction to protect the quality of nearby freshwater sources. The new fuel tank will not receive hydrostatic testing procedures. Alternate methods will be used to test the integrity of the tank, such as vacuum testing the tank floor, performing shell to floor welding test with the use of penetrating oil, and x-raying welds.

Cumberland anticipates that the 8,000 cubic metres (m³) of quarried material required to construct its new fuel storage area will be from a new, proposed quarry to be developed to the north of the proposed new fuel storage area.

Revised copies of the project's Abandonment and Restoration and Fuel Transport and Storage Management Plans were submitted with the proponent's licence amendment application. The proponent has stated that all hazardous material spills will be documented and reported using the 24-hour Spill Report Line at (867) 920-8130.

INAC Comments

Indian and Northern Affairs Canada recommends that the following comments be taken into consideration when reviewing this project application.

SPILL CONTINGENCY

INAC recommends that:

- the contact information within the Fuel Transportation and Management (FTM) Plan be revised as Pat Larocque is the Water Resource Officer in Iqaluit. His office telephone number is (867) 975-4298. Pat Larocque should be listed as the INAC contact on pages 13 (Agency Contacts) and 65 (Spill Response Contacts) of the FTM Plan;
- the FTM Plan include a list of accessible heavy equipment that can be mobilized by project personnel when responding to hazardous material spills; and
- copies of the FTM Plan be stored with each spill response kit.

CONSTRUCTION AND OPERATION

INAC recommends that the Licensee:

- provide to the Board an analysis or characterization of all types of material that will be utilized, or otherwise exposed during construction and operation of the fuel storage and airstrip, as noted in Part F of the licence.
- Indicate how excess water within the bermed area will be disposed.

ABANDONMENT AND RECLAMATION

INAC recommends that the proponent:

- inform the Board prior to burning any camp infrastructure. Part D, Item 2 of the project licence states that "No open-burning or land-filling of domestic wastes is permitted.
- be asked to provide the Board with an abandonment and restoration plan specific to the new fuel storage facility prior to dismantling the 5.6 million litre fuel tank. Cleaning procedures must not result in the discharge of wastewater without approval of the Nunavut Water Board and should adhere to the CCME Guidelines for the Protection of Aquatic Life in freshwater conditions.

Indian and Northern Affairs Canada requests notification of any changes in the proposed project, as further review may be necessary. If you have any questions or comments with regard to the foregoing, contact David Abernethy by telephone (867) 975-4555 or via email abernethyd@inac-ainc.gc.ca.

Sincerely,

Original signed by J. Rogers

Jim Rogers
Manager, Water Resources

cc. D. Abernethy, Regional Coordinator, Water Resources, INAC, Iqaluit.