



Water Resources Division
Nunavut Regional Office
Iqaluit, NU X0A 0H0

Our File: 9545-2 / CIDMS 147619

Your File: 2BE-BAR

May 11, 2007

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Nunavut Water Board
Gjoa Haven, NU X0B 1J0

Re: 2BE-BAR / Indicator Minerals Inc. / Barrow Project

On behalf of Indian and Northern Affairs Canada (INAC) I have reviewed the above-mentioned application. The following specialist advice has been provided pursuant to INAC's mandated responsibilities for the enforcement of the *Nunavut Waters and Nunavut Surface Rights Tribunal Act* (NW&NSRT), *Arctic Waters Pollution Prevention Act* (AWPPA), and the *Department of Indian Affairs and Northern Development Act* (DIAND Act).

Indicator Minerals Inc. (Indicator) is applying for a licence to support its diamond exploration activities in the nearby vicinity of Kugaaruk. Specifically, the proponent intends to conduct ground geophysical surveys, diamond drilling, prospecting, rock and soil sampling, and geological mapping in its Barrow Project area which has a general coordinate of 68°19'52" north latitude, 89°32'16" west longitude. The proponent has indicated that field crews employed to its Barrow Project will base their activities out of Kugaaruk, as a result no camp facility will be constructed.

Indian and Northern Affairs Canada recommends that the Nunavut Water Board consider the following comments when reviewing Indicator's licence application.

WASTE TREATMENT

- a. Signed letter of agreements between Indicator and any Nunavut municipalities who accept the responsibility of treating waste materials generated by project activities should be provided to the Nunavut Water Board for review.
- b. All hazardous material wastes should be delivered to an approved treatment facility.

SPILL CONTINGENCY PLANNING

- c. The Spill Contingency Plan should be revised into a project specific document. The current plan is applicable to all Indicator activities in Canada. As a result, INAC is skeptical of its relevance to the Barrow Project.
- d. The proponent should provide notification of any fuel caches that it intends to establish within its project area along with their applicable global positioning system coordinates. All fuel caches should be positioned at least 30 metres away from the high water marks of nearby freshwater sources within some form of secondary containment. Furthermore, the type and volume of fuels placed within caches should be made known.
- e. The Spill Contingency Plan should include a 24-hour telephone contact number for Project Supervisor responsible for managing spill-response procedures. This will ensure that employees who discover hazardous material spill can activate an appropriate response and provides a point of contact for the INAC Water Resources Officer.
- f. A copy of the current Government of Nunavut Spill Report Form which is available on the Nunavut Water Board public registry should be included in the Barrow Project's Spill Contingency Plan.
- g. A detailed schematic diagram of hazardous material caches (i.e., fuel and drill additive products) should be included in the Barrow Project's Spill Contingency Plan. This diagram should show the hazardous material caches, base contour lines, nearby freshwater sources, spill response equipment storage areas, a true north indicator (i.e., arrow pointing north), legend, coordinates, and be of an appropriate scale.
- h. The Spill Contingency Plan should specify that all spills will be reported to Andrew Keim, **Water Resources Officer**. Andrew can be contacted by telephone at **(867) 975-4289** and works in Iqaluit, NU. Please note that the current plan incorrectly references Philippe DiPizzo as water licence inspector.
- i. Spill prevention measures such as the use of spill trays when refueling equipment should be noted in the project's Spill Contingency Plan.
- j. A description of spill response equipment available on site should be provided for review. INAC recommends that spill response equipment be mobilized to all fuel caches and diamond drilling locations.

ABANDONMENT AND RECLAMATION PLANNING

- k. The submitted Abandonment and Reclamation Plan does not correspond with the information provided in the supplementary questionnaire and licence application form. The plan references the use of an exploration camp. The proponent should revise this plan so that it is applicable to the Barrow Project.
- l. Contact information for the person responsible for implementing the abandonment and reclamation activities should be provided in the Abandonment and Reclamation Plan.

Indian and Northern Affairs Canada requests notification of any changes in the proposed project, as further review may be necessary. Please do not hesitate to contact me should you have any questions or comments with regards to the foregoing. I can be reached by telephone at (867) 975-4555 or by email at abernethyd@inac-ainc.gc.ca.

Regards,
ORIGINAL SIGNED BY

David W. Abernethy

Cc. Jim Rogers, Manager of Water Resources – Indian and Northern Affairs Canada, Nunavut Regional Office