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NWB2CNT (NIRB # 04EN011)

Our file - Notre référence

9545-1-2-CNT-G

March 25, 2004

Phyllis Beaulieu
Licencing Administrator
Nunavut Water Board
P.O. Box 119
Gjoa Haven, NU X0B 1J0

Via e-mail

Dear Ms. Beaulieu

**Re: Application for Type B Water Licence, Contwoyto Lake Project - Navigator
Exploration Corporation 65°46'.716 N // 110°59'.034 W – 65°50.148 N // 111°01'.854 W**

INAC's review of this application was undertaken using the information provided by the proponent. The reviewer's comments are based on the following assumptions:

- This appears to be a very small operation which will entail exploratory drilling at several locations within an area measuring approximately 4 square (nautical) miles, using a heli-portable drill rig.
- No temporary or other field camps are planned for this operation.
- The overall project exploration will be supported from a facility at Lupin which is already operating under an approved water licence.
- Water consumption – which is primarily used for the drilling operation – is estimated to be in the realm of 10 - 15,000 litres/day; much of this will be recycled and filtered by the drill rig before being returned to its source.

Considering the above, coupled with the temporary nature of this proposed activity, INAC does not have any serious concerns with regard to this project.

While INAC is satisfied that the proponent has adequately addressed the major areas of concern, the reviewer has some minor recommendations to offer at this time.

Drill Sumps

- The sumps should only be used for inert drilling fluids, not any other materials or substances. All sumps should be constructed of materials that normally exhibit low permeability and in a manner that prevents intrusion of runoff water.
- All drilling waste should be contained in the drill waste sump at a minimum of one (1) metre below the active layer of permafrost. In the event the initial sumps do not consist of low permeability materials, the proponent should construct an offsite sump which fulfills the aforementioned requirements.

- Drilling fluids from the sumps should not be permitted to enter into any waters or onto any land surface where the drilling fluids may enter any waters.
- If during the drilling, an artesian aquifer is encountered producing water flowing at the surface, the proponent should immediately notify the licencing/permitting agency. Samples of the water may be required for analysis.
- Drilling additives or muds shall not be used in connection with holes drilled through lake ice unless they are re-circulated or contained such that they do not enter the water, or are demonstrated to be non-toxic.

Spill Contingency Plan

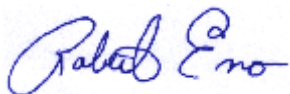
The proponent's spill plan appears to be an exact duplicate of the plan submitted by Strongbow Resources in NIRB application # 04E009; save for a few specific details, therefore some of the comments made with respect to that plan, can also be applied to Navigator Exploration Corp's Plan. It should be noted that the following comments only apply to the temporary field operations and not to the main base camp at Lupin. Should the proponent decide to set up a field camp, they should be required to submit a revised spill response plan.

- The proponent should provide a list of spill response equipment immediately available to personnel (shovels, picks, absorbent material etc.).
- The proponent should provide a description of the spill response training, if any, that personnel have received. This information is useful to regulatory agencies in that it allows them to determine how well-prepared a proponent is to deal with accidental spills. Proper training of the spill response crew is one of the key elements of an effective and efficient response plan. It is therefore strongly recommended that camp personnel be provided with basic spill response training; preferably the type of training which provides practical, hands-on exercises.

The proponent has not provided a site map, as is required for a spill response plan, however, considering the temporary nature and scope of this activity, providing a site map would be impractical and largely unnecessary, therefore the reviewer waives this requirement.

Other Comments:

A set of land use recommendations and guidelines have been attached to this letter; many of which may be redundant to this application because, as was earlier noted, the proponent has largely satisfied INAC Water Resources' requirements with respect to mitigating the possible environmental impacts of their activities. Nevertheless, these recommendations have been attached for the proponent's edification. The proponent should make every effort to observe these guidelines and recommendations, where applicable.



Robert Eno
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Recommendations and Guidelines for Land Use and Mineral Exploration Activities

Legislative Authority

Indian and Northern Affairs Canada (INAC), Water Resources Division, derives its regulatory mandate from the *DIAND Act*, and the *Nunavut Waters and Nunavut Surface Rights Tribunals Act*. The latter Act essentially forbids the deposition of a waste into Nunavut waters, except under certain regulated terms and conditions dictated (as in a Water Licence) by the Nunavut Water Board. A waste is defined as any substance which, when deposited into the water, will alter its quality to the detriment of fish, animals, humans or plants.

In reviewing land use and other permit applications, INAC Water Resources Division observes, in addition to our own legislation, other pertinent Federal Acts and Regulations such as the *Fisheries Act*, the attendant *Metal Mining Effluent Regulations* and the *Canadian Environmental Protection Act* ("CEPA").

In addition to Federal Acts and Regulations, the Territorial governments in Nunavut and the NWT have adopted a number of very useful regulations and guidelines under their respective Environmental Protection Act (s). INAC believes that these Acts, Regulations and in particular, guidelines, are quite helpful in assisting proponents to tailor their projects in such a manner that ensures that they will be in compliance with the overall spirit and intent of the various pieces of environmental legislation that govern development activities in Nunavut. These regulations and guidelines include but are not restricted to: *Spill Planning and Reporting Regulations*; *Environmental Guideline for the General Management of Hazardous Waste*; *Environmental Guideline for Industrial Projects on Commissioner's Lands*; *Environmental Guideline for Industrial Waste Discharges* and the *Environmental Guideline for Site Remediation*. INAC advises the proponent to contact the Government of Nunavut, Department of Sustainable Development for further details.

Spill Contingency Plan

The applicant should have a contingency plan for responding to chemical, petroleum and other spills which might occur during the proposed activity. The Spill Contingency Plan should be a stand-alone document and should contain as a minimum, the following information:

1. The name, address and contact number for the person in charge, management or control of the contaminant (in this case, fuel oil and any other chemicals associated with the program).
2. The name and address and telephone number of the employer.
3. The name, job title and 24 hour contact number for the person or persons responsible for activating the spill plan.
4. A detailed description of the facility, including its geographic location – in UTM coordinates (map sheet number, Eastings and Northings) and geographic coordinates (Lat/Long) – size and storage capacity.
5. A description of the type and amount of contaminants stored on site.
6. Steps taken to report, contain, clean up and dispose of a spill.
7. A site map of sufficiently large scale to show the location of buildings, contaminants storage areas, sensitive areas such as water bodies, probable pathways of contaminant flow and general topography.

8. A description of the spill response training provided to employees who will respond to a spill.
9. An inventory and location of the response and clean up equipment available to the spill clean up team.
10. The means by which the spill plan is activated.
11. The date that the spill plan was prepared.

It should be noted that some of the above information requirements may be waived where they are considered to be unreasonable or unnecessary. This will be determined on a case by case basis.

The Government of the Northwest Territories' Environmental Protection Service developed a very useful set of Spill Planning and Reporting Guidelines to complement their *Spill Contingency Planning and Reporting Regulations*; both of which were adopted by the Government of Nunavut in April, 1999. Environment Canada also developed their own Guidelines for the Preparation of Hazardous Material Spill Contingency Plans. The proponent is advised to obtain copies of these documents as they contain a great deal of useful information that will assist them in developing/updating their spill contingency plan. If the proponent is unable to obtain copies of these documents, INAC will be pleased to provide electronic copies upon request.

Fuel Storage

To prevent spreading in the event of a spill, fuel stored in drums should be located, whenever practical, in a natural depression a minimum distance of 30 meters from all streams, preferably in an area of low permeability. All fuel storage containers should be situated in a manner that allows easy access and inspection as well as removal of containers in the event of leaks or spills. Large fuel caches in excess of 20 drums, should be inspected daily. Additionally, the proponent is strongly advised to keep a written log of the inspections. For long term storage (> 6 months), it is strongly recommended that drummed fuel be stored on pallets to prevent the bottoms from rusting out.

Chemical Storage

All chemicals should be stored in a safe and chemically-compatible manner a minimum of 30 meters from all bodies of water. The applicant should be required to remove unused chemicals for reuse or disposal to an approved site using methods approved by the Land Use Inspector. Material safety data sheets (MSDS) should be provided for each chemical and should be posted in a central location; accessible by all camp personnel. Camp personnel should be conversant in the handling of these chemicals as well as be able to deal with any accidents or spills involving that chemical.

Location of Hazardous Materials

Hazardous materials stored on-site should be marked so they will be visible under all conditions, in all seasons. This recommendation is intended to prevent possible injuries to camp personnel and/or damage to the containers. Unless otherwise specified by the land use inspector or licence -issuing agency, all hazardous materials should be removed from the site upon completion of the activity.

Waste Oil/Waste Fuel Disposal

Waste oil and waste fuel should be removed and returned for recycling or destruction when the land use activity is completed. Alternative methods of disposal that provide an equivalent level of environmental protection will be considered on a case-by-case basis.

Used Drums

Used fuel and oil drums should be removed from the site, returned for deposit, or reused.

Contaminated Soil

Soil contaminated by fuel (e.g., soils from under a old storage tanks) can be treated on site, such as by landfarming, incineration or thermal desorption; or it should be removed to an approved disposal facility and replaced with new soil.

Winter Roads

- Existing winter road routes and trails should be used whenever possible, to avoid unnecessary land clearing and disruption of site hydrology.
- Speed on winter roads should not exceed: 30 km/hr for fully loaded vehicles; 50 km/hour for empty vehicles.
- Trucks should carry at least 10 square meters of polyethylene material (for lining a trench or depression), a spark-proof shovel & oil absorbent blankets or squares.
- Trucks should carry reliable radio and/or satellite phone communications.
- Trucks should carry sufficient response equipment for the safe removal of fuel from an overturned tanker (such as hatch cone covers, hoses etc).
- In general, the proponent should be fully prepared to deal with spills resulting from vehicle accidents along the road in a timely and efficient manner.

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Garbage Disposal

Garbage should be removed from the camp periodically; alternatively, all combustible wastes can be

incinerated on site and non-combustibles collected and removed upon termination of the activity. INAC is willing to review any proposal which provides acceptable levels of environmental protection and meets current best practices.

Incineration

For camps of less than 10 people, it is recommended that a burn barrel be employed to dispose of the combustible wastes. A burn barrel is essentially a 45-gallon drum or equivalent, with a hole cut into the bottom to facilitate air intake, and is closed at the top with a lid and a chimney for the exhaust. INAC does not consider burning wastes in a burn barrel to be true incineration, however, for small camps, this is an acceptable means to deal with combustible wastes. The burn barrel should be operated so that a high temperature burn is maintained at all times. This will promote complete combustion and eliminate pollutant and odour concerns.

For camps of more than 20 people, it is recommended that a properly-designed, commercially-available incinerator be used to manage wastes. Once again maintaining a high temperature burn to reduce wastes and prevent the creation of toxic by-products, is imperative.

Kitchen wastes, cardboard, paper products, packaging and untreated wood wastes are suitable for incineration in a burn barrel and an incinerator. Industrial wastes and non combustible wastes should be removed from the camp and disposed of at a designated landfill or other approved facility. Under no circumstance should hazardous wastes be managed through open burning or incineration.

For camps of greater than 50 people, it is recommended that a municipal waste incinerator, which produces emissions that meet CCME air quality guidelines, be used to dispose of camp wastes. The manufacturer will specify operating conditions and types of wastes that can be disposed of in the incinerator in order to meet the specified CCME standards. It is recommended that municipal waste incinerators be operated to meet manufacturer specifications.

Greywater & Sewage

For small temporary camps, sewage and greywater can be deposited in a sump or pit which must be located at least 30 meters from the high water mark of any water body. Open pits should be regularly treated with lime to avoid attracting animals and for general pest/insect control. Upon cessation of the project, pits and sumps should be treated with lime and in-filled with native soil.

For larger camps, it may be necessary to construct more elaborate sewage and greywater management systems. INAC will address these on a case by case basis. It is strongly recommended that the proponent consult the Department of Health for further recommendations.

The aforementioned recommendations are a brief outline of what INAC suggests that a proponent should be implementing to mitigate any damage or alterations to the environment during the course of their proposed activities. In terms of legal compliance, the proponent is referred to the various Federal and Territorial Acts mentioned earlier in this document and which directly or indirectly govern land and water use activities in Nunavut.