



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

NWB#: 2BE-BPC----
CIDMS#: 391249

February 23, 2010

Phyllis Beaulieu
Manager of Licensing
Nunavut Water Board
P.O. Box 119
Gjoa Haven, NU, X0A 1J0

**Re: New Application, Bache Peninsula Coal Project (NWB#: 2BE-BPC),
Weststar Resources Corporation**

Please be advised that Indian and Northern Affairs Canada (INAC) has completed a review of Weststar Resources Corporation's application for a new Type "B" Water License #2BE-BPC, Bache Peninsula Coal Project located in the Qikiqtani Region of Nunavut. All associated documents related to this license posted on the Nunavut Water Board (NWB) ftp website under 2BE-BPC were included in my review (please see attached technical memo for recommendations).

Should you have any questions or comments, please do not hesitate to contact me at (867) 975-4738 or by email at Andrea.Cull@ainc-ianc.gc.ca

Yours truly,

Original Signed By

Andrea Cull
Water Management Specialist

Cc: Lou-Ann Cornacchio, Water Resources Manager, INAC



Technical Review Memo

To: Phyllis Beaulieu, Manager of Licensing, NWB

From: Andrea Cull, Water Management Specialist, INAC

**Re: New Application, Bache Peninsula Coal Project (NWB#: 2BE-BPC),
Weststar Resources Corporation**

BACKGROUND:

Mr. Dean Besserer of Weststar Resources Corporation submitted a New Type "B" Water License application to the Nunavut Water Board (NWB) on August 18, 2009.

Weststar is applying for a water license for water use and waste disposal associated with exploration activities including ground geophysical surveys, airborne geophysical surveys, prospecting, sampling, mapping and drilling located in the Qikiqtani region of Nunavut.

INAC HAS REVIEWED THE FOLLOWING DOCUMENTS:

- Cover letter dated August 13, 2009
- Water Licence Application Form
- Exploration/Remote Camp Supplementary Questionnaire
- Non-Technical Summary
- Abandonment and Restoration Plan
- Maps and figures
- Fuel Management Plan
- Spill Contingency Plan
- Waste Management Plan
- Wildlife Management and Mitigation Plan
- Administration and Water Use Fee (cheque)

All associated documents related to this license posted on the NWB ftp website under 2BE-BPC were included in my review.



INAC recommends that the Board impose applicable standard conditions to this new water license. In addition, the following comments/ recommendations are provided for your consideration in the licence approval process.

RECOMMENDATIONS/ COMMENTS:

1. Camp location

The camp will be constructed during 2010 field season. INAC recommends that once the camp has been established, coordinates and maps be submitted to the NWB to distribute for review and approval.

INAC recommends that the proponent submit a topographic map of their project area (scaled to an appropriate size) that identifies, as a minimum, their camp, greywater sump, fuel caches and potable water source intake point. This map should allow for an understanding of any water shed in the project area.

2. Water Supply

Question #26 of the Supplementary Questionnaire asked the proponent to determine the location of water sources. The proponent has determined that numerous of lakes are readily available for land-based drilling and these locations will be provided to the Inspector once the drill program is finalized and targets are identified. INAC recommends that the NWB request to have this information submitted to the board to distribute for review and approval.

3. Drilling Operations

INAC recommends that all drill cuttings are placed in drill holes, sumps, or removed from the project area for appropriate treatment. All sumps shall be backfilled and contoured to prevent precipitation run-off collection prior to the end of the project field season.

INAC recommends that the proponent provide an operational plan detailing how diamond drill return-water will be managed in a manner that will not pose a negative impact on the quality of nearby freshwater sources. The Plan should consider the use of hot water rather than drill additives to support permafrost drilling operations as a means of protecting freshwater quality and/or how any use of CaCl₂ (Calcium



Chloride) will be handled to minimize or prevent any adverse effects to water.

Drill additives or mud should not be used with holes drilled through ice unless the mud is re-circulated and contained and all drill cuttings are removed from the ice surface.

4. Waste

a). Camps / Wastewater Disposal

INAC recommends that all sumps for the disposal of grey water be located a minimum distance of 31m from any water body and such that there are no adverse effects to the quality, quantity and flow of water. Furthermore, all sumps should be treated, backfilled and contoured to match the surrounding landscape prior to the end of the project's field program.

b). Hazardous Wastes

INAC recommends that hazardous waste/ waste oil materials stored on-site be clearly labelled so that they will be visible under all conditions and in all seasons. This recommendation is intended to prevent possible damage to the containers.

INAC recommends that the proponent remove all hazardous materials/ waste oil from the site on a regular basis to prevent the over accumulation of these materials. Hazardous waste/ waste oils must be disposed of at an approved facility outside of the Territory of Nunavut (no known facilities within Nunavut). All transfer of this type of waste must be in accordance with the GN's "Guideline for General Management of Hazardous Waste - January, 2002". In addition hazardous wastes should be stored within a lined secondary containment structure to prevent any off site impacts (other secured structures would also be acceptable).

INAC recommends that the proponent be required to submit copies of all manifest forms related to the transport of hazardous waste/ waste oil as part of the Annual Report for this site.

c). No Open Burning

According to EC's Technical Document for Batch Waste Incineration Guidelines, there should be no open burning of plastics, wood treated with preservatives, electrical wire, Styrofoam, asbestos or painted wood. This is to prevent the deposition of waste materials from incomplete combustion and/or leachate from contaminated ash residues from affecting any surrounding waters.



5. Spill Contingency Plan

Section (5.0), Responding to Failures and Spills of the Spill Contingency Plan should make reference to the Nunavut Spill Report Line and include a copy of the Nunavut Spill Report Form. This form can be obtained from the Nunavut Water Board public registry at <http://www.nunavutwaterboard.org>. Please note that the 24-hour Spill Report Line telephone number is (867) 920-8130 and facsimile number is (867) 873-6924. Furthermore, INAC requests the proponent report all spills to Peter Kusugak, INAC Manager of Field Operations, phone: 867-975-4295, fax 867 975-6445 as well as the Nunavut Spill Report Line.

Prepared by: Andrea Cull, Water Management Specialist, INAC
Cc: Lou-Ann Cornacchio, Water Resources Manager, INAC