Affaires autochtones et Développement du Nord Canada

AANDC, Nunavut District Office Field Operations P.O Iqaluit, NU, XOA 0H0

March 8, 2013

Mark Wayne, President Tanqueray Exploration Ltd. PO Box 74176 Calgary, Alberta T3H 3B6 tanqueray@shaw.ca

RE: Water Licence 2BE-BAK0709

Please find attached a report on the Water License Inspection conducted at the Baker Lake Project on the 30th of July, 2012. Included at the end of the report is a summary of observations made during the inspection with respect to issues of non-compliance or non-conformity with respect to the Water License or the *Nunavut Water and Nunavut Surface Rights Tribunals Act*, and the actions required of Tanqueray Exploration Ltd. as a result.

The role of Aboriginal Affairs and Northern Development Canada ("AANDC") in issues related to the use of water or deposit of waste in Nunavut is one of compliance, monitoring and enforcement. AANDC's preferred option is to work with clients to address instances of non-compliance with their authorizations or the Act and risks to the environment.

Should you require more information or clarification on any aspect of the enclosed report please contact the undersigned at the coordinates listed below. I look forward to continuing to work with you and your staff. If you have any questions please do not hesitate to contact our office here in Iqaluit.

Sincerely,

Christine Wilson

Resource Management Officer

Christine Gillann

Field Operations, Nunavut Regional Office

Aboriginal Affairs and Northern Development Canada

P.O. Box 100, Iqaluit, Nunavut, X0A 0H0 Ph: (867) 975-4296, Fax: (867) 979-6445 Email: Christine.Wilson@aandc.gc.ca

Attachments:

Cc: Phyllis Beaulieu – Manager licensing – Nunavut Water Board



License #: 2BE-BAK0709

Inspector: **Christine Wilson**

Inspection Date: July 30th, 2012

CIDMS #: 647240

| Client | Tanqueray Resources Ltd. | | | | |
|--------------------------|--|-------|-----------|--|--|
| Mailing Address | Tanqueray Exploration Ltd. PO Box 74176 Calgary, Alberta T3H 3B6 tanqueray@shaw.ca | | | | |
| Inspection site location | N 64° 22' 28.6" W 96° 38' 49.1" | | | | |
| Contact name | Mark Wayne | Title | President | | |
| Last inspection date | July 22, 2008 | | | | |
| Region | Kivalliq | | | | |

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RE: Water License Inspection 2BE-BAK0709

The Baker Lake Project is located in the Kivalliq region of Nunavut, at a general location of N 64° 22' 28.6" W 96° 38' 49.1". The camp is situated on Inuit Owned Land though holds authorization for water use and waste disposal under a type "B" license 2BE-BAK0709.

On July 30th, 2012 a compliance inspection was completed on the Baker Lake Project by AANDC Inspector Christine Wilson. A Record of Inspection was completed on-site subsequent to the inspection. This form indicated that the reclamation process had been completed and no outstanding compliance issues were noted.

This report includes a detailed administrative review, a review of all notes and photographs taken during the July inspection, and reflects those compliance issues which have been addressed and reported on since the inspection.

Part A: Scope and Conditions

No issues were found with respect to the information contained within this section of the license. The license, as issued, is a Type "B" license classed as Industrial –Type B.

Part B: General Conditions

A review of the Nunavut Water Board FTP was conducted during the writing of this report. License 2BE-BAK0709 was issued on February 23, 2007 for a period of 2 years. An annual report for year 2007 and 2008 are available for review. The proponent is reminded that in accordance with the Water License an annual report is required to be filed no later than March $31^{\rm st}$ of each calendar year. The Licensee must submit an annual report for 2009.

The Licensee is reminded that it is the responsibility of the Licensee to ensure that any documentation submitted by the Licensee to the Nunavut Water Board ("NWB") is acknowledged by the Manager of Licensing.

Part C: Conditions Applying to Water Use

At the time of the inspection the Licensee had been allocated the use of 60 cubic meters of water per day for all purposes. Water of all uses is to come from nearby lakes proximal to the appurtenant undertaking.

No water was being used at the time of the inspection

Part D: Conditions Applying to Waste Disposal

No issues were noted with respect to this section of the license

Part E: Conditions for Camps, Access Infrastructures and Operations

No issues were noted with respect to this section of the license

Part F: Conditions Applying to Drilling Operations

No drilling activities were on-going during the period of inspection.

Part G: Applying To Spill Contingency Planning

No issues were noted with respect to this section of the license

Part I: Conditions Applying to Abandonment and Restoration or Temporary Closure

At the time of the inspection Forum Uranium Corp had completely removed the Thom Lake camp. The only indication that the camp had been situated at this location was small areas of dead grass where the structures sat.

Part L: Conditions Applying to the Monitoring Program

No issues were noted with respect to this section of the license

Non-Compliance:

Issues where there is a known or suspected violation of a requirement of the Water license or Act:

Failure to submit 2009 Annual report

The License shall submit and annual report accompanied by a request for cancellation of this license before June 30th, 2013.

Failure to undertake/ implement corrective measures, to the satisfaction of the Inspector, may result in enforcement action(s) being undertaken pursuant to the Nunavut Waters and Nunavut Surface Rights Tribunal Act.

Christine Wilson

Inspector's Name

Inspector's Signature

Chairtine Gilman

Phyllis Beaulieu - Manager licensing - Nunavut Water Board Cc:

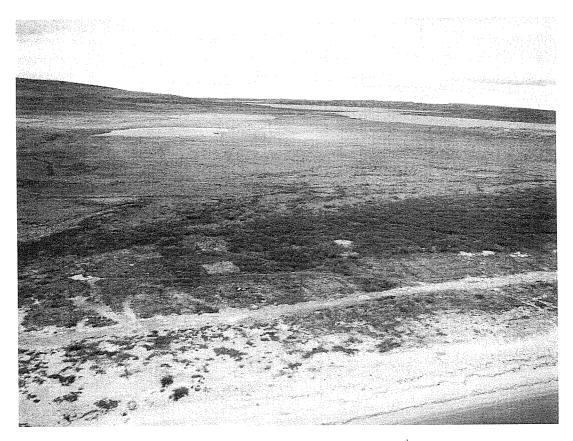
Erik Allain - Manager Field Operations- AANDC

PHOTO LOG: 2BE-BAK0709

July 30th, 2012 INSPECTION

C. Wilson

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Baker Lake Project, Thom Lake Camp, Reclaimed Site-July 30th, 2012- C.wilson