



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

Our File: 9545-2 / 159813

Your File: 2BE-BKL0607

August 20, 2007

Richard Dwyer
Licensing Trainee
Nunavut Water Board
Gjoa Haven, NU X0B 1J0

**Re: 2BE-BKL0607 / DeBeers Canada Inc. / Baker Lake Exploration Project /
Kivalliq Region / amendment application**

On behalf of Indian and Northern Affairs Canada (INAC), I have reviewed the application by DeBeers Canada for its Baker Lake Exploration Project. The following 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) and the *Department of Indian Affairs and Northern Development Act* (DIAND Act).

The Baker Lake Exploration Project is situated in the Kivalliq Region, having a general coordinate of 64°06'40" north latitude, 97°52'30" west longitude. This project area is approximately 120 kilometers southwest of Baker Lake and is located on Crown land. De Beers Canada Inc. has provided a water licence application form, an exploration / remote camp supplementary questionnaire, a spill contingency plan, an abandonment and reclamation plan, and a letter of authorization from the Municipality of Baker Lake to place solid non-hazardous wastes at the municipal dump for the current fiscal year for review.

De Beers Canada Inc.'s (DBCi) proposed amendment will extend the current Type B license by two (2) years and increase the quantity of allowed water consumption for the Baker Lake Exploration Project. DeBeers Canada Inc. aims to operate a short-term, mobile fly camp that is capable of accommodating 13 people and conduct diamond drilling activities on its project area in the near future.

Indian and Northern Affairs Canada recommends that the following comments be considered when reviewing the submitted licence amendment application:

1. The submitted spill contingency plan is not specific to the Baker Lake Exploration Project. DBCL should revise this plan so that it is representative of this project. This plan should include:
 - Description of the types, quantities, and method of storing fuel and chemicals on site;

- Coordinates of all fuel and chemical caches;
 - Applicable Material Safety Data Sheets;
 - A copy of the Government of Nunavut Spill Report Form available on the Nunavut Water Board public registry;
 - Listing Peter Kusugak, INAC Manager of Field Operations as an emergency contact rather than the current DIAND Inspector contact. Peter can be reached by office telephone at (867) 975-4295, by fax machine at (867) 979-6445, and by email at KusugakP@inac-ainc.gc.ca; and,
 - Schematic diagrams of all areas within the project area where infrastructure has been or will be established (i.e., camp and fuel caches). Schematic diagrams should include base contour lines, nearby freshwater sources, infrastructure, locations where spill response kits are mobilized, a true north reference, a legend (if needed) and be set an appropriate scale.
2. The submitted abandonment and reclamation plan is not specific to the Baker Lake Exploration Project and as a result, requires revision. The plan should address project activities which require reclamation (i.e., diamond drill sites, camp infrastructure, and potential hazardous material spills). DBCL should organize its abandonment and reclamation plan in a manner which describes activities associated with seasonal shutdowns, temporary closure, and final closure of the project.
 3. The proponent should either seek a letter of authorization from the Municipality of Baker Lake for the disposal of solid non-hazardous wastes for the 2008 and 2009 fiscal years at the municipal dump and provide a copy to the Nunavut Water Board and/or explain how it will manage its solid non-hazardous wastes for these two (2) fiscal years should it not use this municipal disposal site.

Indian and Northern Affairs Canada requests notification of any changes in the proposed project, as further review may be necessary. Please 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
Water Resources Coordinator

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