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Water Resources
Nunavut Regional Office
Iqaluit, NU, X0A 0H0
Tel. (867) 975-4555
Email: abernethyd@inca-ainc.gc.ca

Your file - Votre référence
2BE-KAZ0609
Our file - Notre référence
9545-2 / CIDMS No. 123190

January 3, 2006

Richard Dwyer
Licensing Trainee
Nunavut Water Board
P.O. Box 119
Gjoa Haven, NU X0B 1J0
Email: licensingtrainee@nunavutwaterboard.org

Sent via email

Re: 2BE-KAZ0609 - Pacific Ridge Exploration Limited - Kazan Falls Project - licence amendment application

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).

Pacific Ridge Exploration Limited (Pacific Ridge) is applying for an amendment to their 2BE-KAZ0609 licence for water use and waste disposal associated with its Kazan Falls Project. Specifically, the proponent wants to extend its licence expiry date from September 15, 2009 to November 1, 2009 and to increase its maximum daily water usage from 21.5 metres squared (m^3) to 100 m^3 . These changes to licence conditions would accommodate exploration activities in the 2009 field season and diamond drilling activities.

Indian and Northern Affairs Canada recommends that the Nunavut Water Board consider the following recommendations when reviewing Pacific Ridge's submitted licence amendment application.

- The proponent should revise its Kazan Falls Project Spill Contingency Plan to take into account the increased scope of exploration activities. This Plan was not submitted with the licence amendment application. The Plan should address any increase in hazardous material consumption (i.e., fossil fuels, engine oils, drill additives, etc.), the presence of small fly camps, and be applicable for the proposed licence duration.
- The submitted licence questionnaire should be revised to ensure that the proposed licence amendment is adequately addressed. Item 5 provides a licence completion date of September 15, 2009, Item 27 does not address elevated freshwater water demands, and INAC is unsure whether the details of fuel and chemicals used (as outlined in Item 25) will support increased exploration activities.
- The proponent is encouraged to use an improved incinerator system when incinerating combustible wastes. Furthermore, INAC advises that all ashes be raked to allow for the removal of noncombustible remnants and that the ashes be either buried within a sump or delivered to an approved waste disposal facility.
- Item 3 of the submitted licence application form states that fly camps will not be established for the Kazan Falls Project. INAC recommends that this form be revised to reflect what is communicated in the licence questionnaire.

- The proponent should place all drilling wastes in either sumps and natural depressions situated at least 30 metres from the highwater marks of nearby water bodies or at an approved waste disposal facility. This recommendation applies to both land and ice-based drilling activities.
- Drill holes which penetrate beneath the permafrost layer should be permanently sealed and capped to prevent induced contamination of groundwater or salinization of surface waters. Furthermore, INAC requests notification of recorded permafrost depths for data management purposes.

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 if you have any questions or comments with regards to the foregoing.

Sincerely,
Original signed

David W. Abernethy
Regional Coordinator

Cc. Jim Rogers - Manager of Water Resources, Indian and Northern Affairs Canada, Iqaluit