



Water Resources
Nunavut Regional Office
P.O. Box 100
Iqaluit, NU, X0A 0H0

Your file - Votre référence
2BE-SNN0813

October 10, 2012

Our file - Notre référence
CIDM# 600735

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

Re: Request for Closure - Type "B" Nunavut Water Licenses 2BE-SNN0508 and 2BE SNN0813

Dear Phyllis Beaulieu:

Aboriginal Affairs and Northern Development Canada (AANDC) has performed a review of the water license closure application 2BE-SNN0813 submitted by Stornoway Diamonds Corporation to the Nunavut Water Board (NWB). The following advice has been provided pursuant to AANDC's mandated responsibilities for the enforcement of the Nunavut Waters and Nunavut Surface Rights Tribunal Act (NWNSRTA) and the Department of Indian Affairs and Northern Development Act (DIAND Act). In conducting our review, AANDC referred to the documents on the NWB's FTP-site under 2BE-SNN0813 and 2BE-SNN0508.

Should you have any questions or comments, please do not hesitate to contact me at (867) 975-4568 or by e-mail at Rory.MacDonald@aandc-aadnc.gc.ca

Regards,

Sent via Email

Rory MacDonald
Water Resources Technician

Cc. David Abernethy, A/ Manager of Water Resources, AANDC
Murray Ball, Manager of Water Resources, AANDC
Andrew Keim, A/Manager of Field Operations, AANDC



Technical Review Memorandum

To: Phyllis Beaulieu – Manager of Licensing, Nunavut Water Board

From: Rory MacDonald – Water Resources Technician, AANDC

Existing Water Licenses: 2BE-SNN0813
2BE-SNN0508

Re: Request for Closure - Type “B” Nunavut Water Licenses 2BE-SNN0508 and 2BE SNN0813

A. Project Description

Stornoway Diamond Corporation is requesting the official closure of Nunavut Water Board License (NWB) 2BE-SNN0813 and its predecessor 2BE-SNN0508.

The above stated licenses held by Stornoway Diamond Corporation in joint venture with Hunter Exploration Group were authorized for water use and waste disposal in association with exploration activities on the Aviat Project located 50km west of the community of Igloolik, Nunavut. The Aviat Project is comprised of 420,000 acres with the project operating a 15-25 person exploration camp. Field activities were supported by on site helicopter and periodically by fixed wing aircraft from Igloolik.

During the spring and summer of 2005-2008 under the authorization of license 2BE-SNN0508 exploration activities (i.e. prospecting, ground geophysical surveys, geological mapping, the collection of rock and till samples, and diamond drilling) were conducted on the Aviat Property.

In 2008 the camp was put into winterized state and remained inactive throughout 2009-2011 under the authority of license renewal 2BE-SNN0813. In 2010 a representative of Stornoway visited the camp to ensure it was still in acceptable winterized condition and to ensure that the small fuel cache was free of leaks and ruptures.

In July of 2012 a small crew of personnel arrived at the Aviat Camp. The primary function was to demobilize the camp and perform abandonment and reclamation activities. All final abandonment and reclamation activities were conducted in accordance with the approved “Abandonment and Reclamation Plan for the Aviat Project”.

All temporary camp structures were removed from the location over a 3 week reclamation program. All wood was incinerated in a controlled burn on bare ground. Remaining coals and ash were raked for non-combustibles to be taken back to an authorized disposal facility in Igloolik.

B. Results of Review

AANDC Water Resources Division offers the following comments/ recommendations for the Board's consideration.

1. General
 - AANDC - Water Resources Division finds the cancellation application complete and recommends that the above referenced license not be cancelled/ closed until a Water Resource Officer completes an on-site inspection and provides confirmation that no compliance issues are associated and/or remain outstanding with the project.



2. Abandonment and Reclamation

- Stornoway Diamond Corporation reports “any full fuel drums and/or canisters that had been stored at the camp location were sold to the Hamlet of Igloolik and are now in their possession (any markings indicating Stornoway’s previous ownership of the drums will be removed)”. AANDC recommends that Stornoway clarify whether the drums of sold fuel remain on site at the Aviat Camp and whether they are in secondary containment or have they been transferred to the Hamlet.
- In the proponents Final Land Use Report N2007C0003 it is reported that “all wood (tent floors, frames etc.) were incinerated in a controlled burn on bare ground”. Under the conditions of the authorized license 2BE-SNN0813, the proponent was not authorized to conduct any open burning (a permit or authorization from the NWB is required). Part I, section 7. States that “The Licensee is authorized to dispose of all acceptable food waste, paper waste and untreated wood products in an incinerator”. Given the combustible waste was burned on bare ground and not within the containment of an incinerator, the proponent is in contravention of their license condition.