

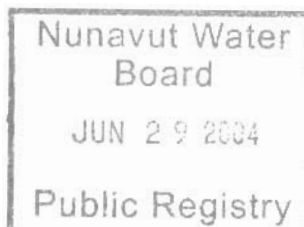


Environment Canada
Environnement Canada

Environmental Protection Branch
Suite 301, 5204 - 50th Avenue
Yellowknife, NT, X1A 1E2

June 27, 2004

Manager of Licensing
Nunavut Water Board
P.O. Box 119
Gjoa Haven, NU
X0B 1J0



Our file: 4703 001 054

Via facsimile

INTERNAL	
PC	JP
MA	
FO	
LA	
BS	
ST	
TA1	
TA2	
RC	
ED	
CH	
BRD	
EXT.	

Re: NWB2WAL – Bay Resources Limited – Walker Lake Project – New Type “B” Water License

On behalf of Environment Canada (EC), I have reviewed the information submitted with the above-mentioned application. The following comments are provided pursuant to Environment Canada's mandated responsibilities for the enforcement of the *Canadian Environmental Protection Act*, Section 36(3) of the *Fisheries Act*, the *Migratory Birds Convention Act*, and the *Species at Risk Act*.

Bay Resources Limited has applied for a Type “B” water license to facilitate an exploration program for approximately 12 weeks from June-August 2004. This work will include an exploration camp that will accommodate between 12-20 over the field season. Although the program is focused on gold exploration, the area also has potential for diamond, nickel, copper and other mineral deposits. Sampling, prospecting, mapping and ground geophysics would be done in June and July with 2000 m of drilling planned for August 2004.

Environment Canada recommends that the following conditions be applied throughout all stages of the project:

1. The proponent shall not deposit, nor permit the deposit of chemicals, sediment, wastes, or fuels associated with the project into any water body. According to the *Fisheries Act*, Section 36 (3), the deposition of deleterious substances of any type in water frequented by fish, or in any place under any conditions where the deleterious substance, or any deleterious substance that results from the deposit of the deleterious substance, may enter any such water, is prohibited.
2. Any sumps, pits, spill basins and fuel caches shall be located above the high water mark of any waterbody and in such a manner as to prevent the contents from entering any waterbody frequented by fish. Therefore, please note that maintaining a buffer of a specific distance may not always be an adequate preventative measure.
3. Environment Canada recommends the use of drip pans, or other similar preventative measures, when refueling equipment on site.
4. The proponent shall ensure that all hazardous wastes, including waste oil, receive proper treatment and disposal at an approved facility.
5. Environment Canada recommends the use of an approved incinerator for the disposal of combustible material.
6. All non-combustible solid wastes (e.g., potable water bottles) shall be disposed of at an appropriate facility, i.e., Yellowknife, NWT or Iqaluit, NU. The proponent is encouraged to make use of recycling facilities for all recyclable materials.

7. Environment Canada recommends the use of secondary containment with an impervious liner, such as self-supporting insta-berms, for storage of all barreled fuel rather than relying on natural depressions to contain spills.
8. Fuel caches shall be inspected on a regular basis.
9. The proponent shall have a Spill Contingency Plan in place prior to establishing any fuel caches.
10. Please note as well that any material and equipment cached for this study must be removed at the end of the project.
11. **All spills** are to be documented and reported to the NWT 24 hour Spill Line at (867) 920-8130.

The Canadian Wildlife Service (CWS) of Environment Canada has reviewed the above-mentioned land use permit application and makes the following comments and recommendations pursuant to the *Migratory Birds Convention Act and Regulations*, and the *Species at Risk Act*.

12. Section 6 (a) of the *Migratory Birds Regulations* states that no one shall disturb or destroy the nests or eggs of migratory birds. Therefore, CWS recommends that all activities be conducted outside the migratory bird breeding season, which extends from approximately June 1 to August 1. These dates are approximate, and if active nests (i.e. nests containing eggs or young) are encountered outside of these dates the proponent should avoid the area until nesting is complete (i.e. the young have left the vicinity of the nest).
13. If activities are permitted to occur during the breeding season, CWS recommends that the proponent confirm there are no active nests (i.e. nests containing eggs or young) in the vicinity of their operations before activities commence. If active nests of migratory birds are discovered, the proponent should halt all activities until nesting is completed (i.e. the young have left the vicinity of the nest).
14. In order to reduce disturbance to nesting birds, CWS recommends that aircraft used in conducting project activities maintain a flight altitude of at least 610 m during horizontal (point to point) flight.
15. In order to reduce disturbance to resting, feeding, or moulting birds, CWS recommends that aircraft used in conducting project activities maintain a vertical distance of 610 m and minimum horizontal distance of 2 km from any observed concentrations (flocks / groups) of birds.
16. The *Species at Risk Act* (SARA) came into full effect on June 1, 2004. The purposes of the *Species at Risk Act* are to prevent wildlife species from being extirpated or becoming extinct, to provide for the recovery of wildlife species that are extirpated, endangered or threatened as a result of human activity and to manage species of special concern to prevent them from becoming endangered or threatened.
17. Species at risk that may be encountered in this area include; Grizzly Bears, Wolverines, Peregrine Falcons (subspecies tundrius), and Short-eared Owl all of which are listed as Special Concern on Schedule 3 of the *Species at Risk Act* (SARA). While conducting their operations, the proponent should be aware of the special status, and minimize disturbance or contact with these species.
18. CWS recommends that camp waste be made inaccessible to wildlife at all times. Camp waste can attract predators of migratory birds (e.g. foxes and ravens) to an area if not disposed of properly.

For all drilling activities, Environment Canada recommends that the following conditions be applied through all stages:

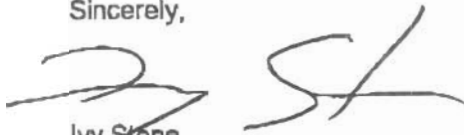
19. If artesian flow is encountered, drill holes shall be plugged and permanently sealed upon project termination.
20. If ice-based drilling occurs, the Interim guidelines for On-Ice drilling will apply. Return water released to the lake must be non-toxic. Return water release must not result in an increase in total suspended solids in the waters of the lake that exceeds Canadian Council of Ministers of the Environment (CCME)

Guidelines for the Protection of Freshwater Aquatic Life (i.e., 10 mg/L for lakes with background levels under 100 mg/L, or 10% for those above 100 mg/L).

21. Drilling additives or mud shall not be used in connection with holes drilled through the lake ice unless they are re-circulated, contained such that they do not enter the water, or are demonstrated to be non-toxic.
22. Drilling waste from land-based drilling should be disposed of in such a way that they do not enter any body of water.

If there are any changes in the proposed project, EC should be notified, as further review may be necessary. Please do not hesitate to contact me with any questions or comments with regards to the foregoing at (867) 669-4708 or by email at ivy.stone@ec.gc.ca.

Sincerely,



Ivy Stone
Environmental Assessment

cc: Steve Harbicht (Head, Assessment & Monitoring, EPB, Environment Canada, Yellowknife, NT)
Paula Pacholek (Northern Environmental Assessment Coordinator, EPB, Environment Canada, Yellowknife, NT)
Mike Fournier (Environmental Assessment Coordinator, ECB, Environment Canada, Yellowknife, NT)
Colette Meloche (Environmental Assessment/Contaminated Sites Specialist, Environment Canada, Iqaluit, NU)