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Environnement Canada

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April 12, 2001

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Public Registry

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Our file: 4703-001

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Re: Comments on Land-Use Permit NIRB01EN031 and Water License NWB2KLA - Caledonia Mining Corporation, Kitikmeot, NU.

On behalf of Environment Canada (EC), I have reviewed the above noted Land-Use Permit NIRB01EN031 and Water License NWB2KIK0002. The comments provided for the above water license have been made under Section 36 of the *Fisheries Act*, the *Canadian Environmental Protection Act (CEPA)* and the *Migratory Birds Convention Act (MBCA)*.

Caledonia Mining Corporation has proposed an exploratory diamond drilling program approximately 20 kilometers southeast of Kikerk Lake in the Tree River area. The drilling program will consist of ten core holes broken up into four separate locations within the claim area. Drilling will commence April 1, 2001 and will be completed April 1, 2003. The camp will house eight people in total however these numbers will fluctuate depending on the time of the year. Typically, the summer will be the period when samples will be taken and the winter program will consist of land-based drilling. Camp setup will be five canvas prospector tents, an outhouse, and a generator.

Comments and Recommendations

The proponent has taken great care in developing the application, however, not all issues were effectively addressed. For instance, Section 12.0 and 13.0 of Appendix "B" Fuel Spill/Containment Contingency Plan is considered to be inadequate. It does not include a detailed spill reporting structure nor exact instructions on how to effectively action a spill on site.

The proponent also neglected to:

- include detailed maps showing the locations of drill holes in relation to water;
- include detailed maps showing the locations of sumps for land-based drilling and camp activities;
- include the estimated volume of proposed sumps for drilling and camp activities;
- include location of fuel storage in relation to water for aircraft, camp and drilling uses.

The following conditions should be applied to the proposed land permit and water license throughout all phases of the project.

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- The proponent shall ensure that any drill cuttings, chemicals, fuel or wastes associated with the proposed project do not enter waters frequented by fish. All sumps, spill basins and fuel caches should be located in such a manner that the contents do not enter a waterbody.
- EC encourages proponents, when storing barreled fuel at a location, to use a secondary containment rather than relying on "natural depressions". Self supporting insta-berms are available from various suppliers within Canada.
- EC recommends that a reporting structure be included within the spill contingency plan, which specifically outlines the path which a spill report is to follow;
- No disturbance of the bed or banks of any definable watercourse is permitted. Special efforts must be made to avoid bed and bank disturbance during the spring.
- EC recommends the use of an approved incinerator for the burning of wastes;
- EC should be notified of changes in the proposed or permitted activities associated with this water license and land-use permit.

Please do not hesitate to contact me with any questions or comments with regards to the foregoing at (867) 975-4639 or by email at lawrence.ignace@ec.gc.ca.

Yours truly,



Lawrence Ignace
Environmental Assessment Specialist

cc: (Paula Pacholek, Northern Environmental Assessment Coordinator, Yellowknife)