



Indian and Northern
Affairs Canada

Affaires indiennes
et du Nord Canada

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NIRB#01WR008

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March 02, 2001

Nunavut Impact Review Board
P.O. Box 2379
Cambridge Bay, NU X0E 1L0
Fax: (867) 983-2594

ATTENTION: Gladys Joudrey, Environmental Assessment Officer

RE: Water Licence #NWB1BOS9801 - renewal of the Hope Bay Joint Venture licence for the Boston Gold project - advanced exploration

The Water Resources Division, Yellowknife, with the assistance of our Inspector in the Nunavut regional office, has reviewed the above noted licence renewal application and supporting documentation, and has provided some additional comments on your attached screening comment form, as well as in this letter. Most of the comments received deal more with the licence renewal than its screening. As you have indicated, this project has been well screened in the past, not only by the NWT Water Board, but also by NIRB in February 2000. Continued collection of baseline data and monitoring activities should, as the company notes, suffice in predicting any additional environmental impacts due to further exploration work. However, without delving too far back into the project's past, staff here make the following suggestions relating primarily to licensing, for consideration. Sections relate to those referenced by the applicant in its clause by clause review, application form, as well as the accompanying supplementary questionnaire. No concerns were expressed with Parts A, B, or C.

1. **Part D, Item 3:** (re amendment for use as a soil additive) references the Nunavut Water Board's wastewater discharge guidelines. However, Section 7 of the latest version (Third Draft, 2001/01) of the *Guidelines for the Discharge of Domestic Wastewater in Nunavut* outlines that sewage sludge may not be disposed of on the surface of the land, and may only be incorporated into the soil if previously stabilized and tested.
- What the company is asking for has not been commonly done before. Further information should be submitted regarding possible locations and the quantity of sludge to be used before a change to the clause can be made. There is also concern over the potential for run-off and information should be submitted regarding what measures might be taken to control it.
2. **Part E, Item 11:** potential contradiction between land use permit and water licence: we agree with the applicant that this should be clarified, and reworded here if necessary to

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avoid conflict. Legal advice may be warranted to determine which of the Land-Use Permits or the Water Licences takes precedence over water-related issues on IOL; i.e. if nothing is set out straight, the Licensee may rely on the most lenient one... and enforcement will become more complicated than it needs to be.

3. **Part E, Item 12:** It should be noted that the Licensee must receive prior approval from the NWB before proceeding with a solid waste disposal site, not simply provide a subsequent notification.
4. **Part H, Item 1:** Fuel storage structures should be properly constructed, regardless of their distance from a body of water. However, considering that any storage structure may eventually leak, an adequate buffer zone is necessary to prevent immediate spillage into waters even if fuel storage close to water isn't much of an issue at Boston.
-This clause should remain as written. The concept of constructing a building safe enough to store fuel that is able to stand within thirty meters of a water body does not take into consideration the possibility of human error. If the licensee is considering building a fuel storage facility within that distance then an application would have to be made to the Board and the licence amended at that time.
5. **Part H, Item 5: SPILL REPORTING** This is perhaps more of a management and/or policy issue surrounding the Spill Line than a decision to be taken by the NWB. As it is, the Nunavut Government is a signatory to the revised Working Agreement, in which no clause has been included allowing the reporting of minimal quantities of hazardous materials.
It is also not clear that legal jurisdiction was ever established in regards to the closure of spill files on IOL; i.e. INAC or KIA inspectors).
-This clause should remain as written; at this time the Water Resources Division recommends that all spills be reported.
6. **Part I, Item 7:** it is recommended that the annual review of the A&R plan clause remain as is, since it actually constitutes the best opportunity for the Licensee to demonstrate the extent of the progressive reclamation undertaken.
7. **Schedule 1: SNP :** In general, additional monitoring of the waste rock piles needs to be done, to ensure that no acid rock drainage is coming from the piles. Has any geochemical testing been done on the waste rock piles?

-Testing for the level of nutrients at SNP sites 1652-3 to 1652-5, should be done. As many of the lakes in the north are oligotrophic in nature, the introduction of phosphates to the lakes can result in depressed oxygen levels and fish kills in the winter months. Discharge criteria should be set for these stations, in relation to nutrients, as well.
8. **SNP; Part B, Item 1:** A current QA/QC plan must be in effect, and changes in the processes (resulting from changes of ownership or otherwise) must be taken into account.

9. **Schedule III:** Procedures regarding public hearings are set out in the NWTWA, the NLCA and the NWB's Rules of *Practice and Procedures for Public Hearings*. (i.e. it's not up to the Licensee to decide if a hearing is required or not).
10. **Application, Item 8:** Sludges should be added (ie sewage sludges from the RBC unit).
10. **Application, Item 9:** the Regional Inuit Association Land Use permits should be listed.
11. **Supplementary Questionnaire, Item 21:** Re the Inspector, at this time it is unclear where the sewage sludge is disposed of... a response is pending to a direction to advise DIAND as to what happens to it.
12. **Supplementary Questionnaire, section 2, item 25**
Additional monitoring of the waste rock piles needs to be done, to ensure that no acid rock drainage is coming from the piles. Has any geochemical testing been done on the waste rock piles?
13. **Supplementary Questionnaire, Item 30:** If conditions have remained stable, camp water usage could be estimated using the past year's consumption. Likewise, exploration water use can be estimated using the number of active drills required for the 2001 program. More attention ought to be given to water use.
14. **Supplementary Questionnaire, Item 42:** It is stated that underground exploration drilling could lead to discharges of water with elevated levels of salt contents; however Item 32 states that all water in the underground mine is recycled. There are also some unresolved questions regarding mine water and discharges in general, for which the Inspector is awaiting a response.
15. **Part B, Items 2, 3 and "Schedule 111": Security Deposit:** At present the security deposit required by the water licence is in a form that is unacceptable to the Government of Canada. It is currently posted with Citibank of Canada listing the Receiver General for Canada and the Kitikmeot Inuit Association (KIA) as joint beneficiaries. As such that means that there must be consent from both parties before either can access the funds. As stated in a letter to the Nunavut Water Board from David Livingstone dated September 17, 1999, Canada's ability to access the security deposit has been improperly constrained. The KIA has no water related regulatory mandate, yet their consent will be required if the Government of Canada must gain access the funds as a result of a breach of the water licence by the licensee. While the licence is undergoing the renewal process the situation could be rectified easily by the licensee replacing the security deposit with one that has the Receiver General for Canada listed as the sole payee. If a separate security deposit is required by the KIA for land related liabilities then a separate requirement should become a condition of the land use permit.

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If there are any questions or comments regarding the above, please contact me at (867) 669-2656, or our Inspector, at 867-975-4298.

Sincerely,



Greg Cook
Environmental Assessment Coordinator
Water Resources Division

cc. Nunavut District