Indian and Northern Affairs Canada
Affaires indiennes et du Nord Canada

Water Resources Division
Nunavut Regional Office
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Our File: / CIDMS
IQA N-9545-2
216159

June 10, 2008

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Refer: 2BE-ANG – New Water License Application – Kivalliq Energy Corporation – Angilak Project

Indian and Northern Affairs Canada (INAC) has reviewed the Type B Water License Application for the Angilak Project in the Kivalliq Region, as submitted to the Nunavut Water Board (NWB). In conducting our review, INAC has referred to the documents on the NWB's FTP-site under 2BE-ANG.

INAC recommends that the Nunavut Water Board take into consideration the following comments when reviewing this licence application:

General:

- Kivalliq Energy has indicated in the Exploration/Remote Camp Supplementary Questionnaire that they intend to do drilling on ice. INAC recommends that before approval of the water licence, the proponent submit operational plans for on ice drilling, including relative drilling locations, plans for disposal of drill cuttings and return water.
- INAC recommends that the company provide the Board with a copy of an authorization to dispose of non-combustible waste in the Rankin Inlet landfill.
- Sewage and greywater from the camp should be contained in a properly constructed sump with enough freeboard to avoid overland flow and seepage.
- The latrine sump should be located at a minimum distance of 30 metres from all freshwater bodies and be treated with lime, filled and mounded before the end of each season.

Drilling:

- INAC recommends that core storage areas should be located at least 30 metres from the high water mark of all water bodies.
- Land-based drilling should not occur within 30 metres of the ordinary high water mark of any water body or drill fluids must be contained and removed to a point 30 metres away from water.
- Drilling fluids from the sumps should not be permitted to enter into any surface waters or onto land surfaces where the drilling fluids flow or wash into any waters.

- Drill holes should have all rods and casings removed, or cut off at ground level, plugged and capped prior to abandonment.
- Drill holes that encounter uranium mineralization with a content greater than 1.0% over a length of more than 1 metre with a meter-percent concentration greater than 5% should be sealed by a consolidated material, such as cement or clay, over the entire mineralization zone, and not less than 10 metres above and below each mineralization zone.
- If artesian flow is encountered, especially with highly mineralized water, drill holes shall be plugged and permanently sealed upon project termination.
- The company should be required to plug holes at the bottom of the permafrost if drilling extends through the permafrost base. Where this occurs, INAC recommends that the Board request the company to provide the depth and location of permafrost in their annual report to the Board.

Fuel Management:

- All chemicals and fuel should be stored a minimum distance of 30 metres from any streams or bodies of water, preferably in an area of low permeability.
- INAC recommends that the fuel drums be stored on pallets to prevent the bottoms from rusting out. Fuel storage containers should be situated in a manner that allows easy access and removal of containers in the event of leaks or spills.
- Spill containment should be used at points where fuel transfer occurs.

Spill Contingency Plan:

- INAC recommends that the proponent keep a written log of fuel drum inspections on site for the review of the Inspector.

INAC thanks the Nunavut Water Board for the opportunity to review the new water license application (2BE-ANG) as submitted by Kivalliq Energy Corporation. Should you have any questions or comments, please do not hesitate to contact me at (867) 975-4566 or by email at trenholmt@inac.gc.ca.

Sincerely,

Originally signed by

Tanya Trenholm
Pollution Policy Specialist

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