



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

Your file - Votre référence
2BE-BAR0712 & 2BE-GRA1217

August 28, 2020

Our file - Notre référence
CIDM#1287820

Richard Dwyer
Manager of Licensing
Nunavut Water Board
P.O. Box 119
Gjoa Haven, NU, X0B 1J0
sent via email: licensing@nwb-oen.ca

**Re: Crown-Indigenous Relations and Northern Affairs Canada's review of
Bluestone Resources Inc.'s cancellation applications for water licences
#2BE-BAR0712 for the Barrow Lake Project and #2BE-GRA1217 for the Grail
Project – Kitikmeot Region**

Dear Mr. Dwyer,

Thank you for your July 28, 2020 invitation for comments on the above referenced applications. The Water Resources Division of Crown-Indigenous Relations and Northern Affairs Canada (CIRNAC) examined the applications and provides the following comments for the Nunavut Water Board's consideration.

Water licence #2BE-BAR0712

CIRNAC notes:

- No annual reports required by the licence were found on the Nunavut Water Board's public registry.
- The water licence authorized use of water and deposit of waste for camp and drilling purposes.
- The summary of activities for the cancellation application states "*Barrow was very close to town so the crews stayed in Kugaaruk and flew back and forth daily. Activities included till sampling, airborne and ground geophysics as well as drilling. There was no infrastructure established on the property do to its proximity to Kugaaruk. Drill sites we reclaimed leaving no drill steel exposed above ground level and all waste material removed from the property.*"
- CIRNAC inspectors have not carried out a final inspection. They are aware of the cancellation application and will schedule this inspection when possible.

CIRNAC recommends the decision to cancel licence 2BE-BAR0712 be made after the final inspection is conducted, and consider findings reported.

Water licence #2BE-GRA1217

CIRNAC notes:

- No annual reports required by the licence were found on the Nunavut Water Board's public registry.
- The water licence authorized use of water and deposit of waste for camp and drilling purposes.
- The summary of activities for the cancellation application states "*Grail had no infrastructure established on or near the property as there was no drilling. Work included airborne and ground geophysics as well as till sampling. The land and water were untouched and left waste-free.*"
- CIRNAC inspectors have not carried out a final inspection. They are aware of the cancellation application and will schedule this inspection when possible.

CIRNAC recommends the decision to cancel licence 2BE-GRA1217 be made after the final inspection is conducted, and consider findings reported.

Comments have been provided pursuant to CIRNAC's mandated responsibilities under the *Nunavut Waters and Nunavut Surface Rights Tribunal Act* and the *Department of Crown-Indigenous Relations and Northern Affairs Act*. If there are any questions or concerns, please contact me at (867) 975-3876 or by e-mail at sarah.forte@canada.ca or Godwin Okonkwo at (867) 975-4550 and godwin.okonkwo@canada.ca.

Sincerely,



Sarah Forté
Water Management Specialist