



Water Resources Division
Nunavut Regional Office
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Our File: / CIDMS
9545-2
240547

July 31, 2008

Phyllis Beaulieu
Manager of Licensing
Nunavut Water Board
PO Box 119
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**Refer: 2BE-BOR – Indicator Minerals Inc. / Borden Property / Type B
Licence Application for New Water License**

Please be advised that Indian and Northern Affairs Canada (INAC) has completed a review of an initial Type B Water License Application submitted by Indicator Minerals Inc for their Borden Property exploration project. In conducting our review, INAC has referred to the documents on the NWB's FTP-site under 2BE-BOR.

Upon reviewing the water license application, remote camp questionnaire and accompanying documentation, INAC has determined the information provided by the proponent in the application is insufficient to conduct a meaningful assessment.

INAC does not object to the Proponent carrying out proposed activities such as prospecting, staking, geological mapping, rock and soil/will sampling, airborne geophysics, and ground geophysics while having crews based out of Arctic Bay for the 2008 sampling season. INAC is recommending that the Nunavut Water Board require Indicator Minerals Inc. to resubmit a water license application with all required accompanying documentation associated with the establishment of a camp and/or drilling activities. The resubmitted application and required documentation should contain detailed descriptions of any proposed project activities and appropriate timelines.

The proponent must consider providing the following information in their re-submission for consideration by the Nunavut Water Board during the review/approval process,

General

- The Proponent indicated in the remote camp questionnaire, with respect to selection of camp location; 'The camp location is being proposed based on exploration needs along with a *pre-existing airstrip* and sufficient water



supply'. As per question 8 of the remote camp questionnaire, the Proponent should provide a history of the site if it has been used in the past. Further, the Proponent should submit maps and/or aerial photographs exclusively of the selected camp area.

Water Use

- The Proponent should provide a map which clearly demonstrates the water bodies they intend to draw water from for the purposes of drinking or drilling.

Infrastructure

- The Proponent has indicated in the license application that 'Proposed activities for 2009 will also include the establishment of a camp (on Crown land) and drilling'. Further, in the remote camp questionnaire the Proponent states 'The camp will be established in 2008', and finally, in the non-technical summary 'at this time, it is not known whether a camp will be set up to conduct exploration on the Borden Property in 2008 or 2009'. Due to conflicting and incomplete information, INAC suggests the Proponent submit documentation that contains detailed information about proposed project activities with accurate timelines.

Waste Disposal

- The Proponent has not identified the means by which they intend to incinerate food waste and other combustibles. For example, Indicator Minerals response to question 33 of the supplementary questionnaire; 'Food waste and other combustibles will be incinerated using XXXXX'. XXXX should be definitively stated
- The Proponent should also provide the NWB with signed authorization to dispose of non-combustible waste in the Arctic Bay landfill.

Fuel / Chemical Management

The Proponent has not outlined the specific types and quantities of fuel to be kept on site. Standard conditions usually imposed by NWB for fuel storage would be applicable.



Spill Contingency Plan

- MSDS sheets should be attached to the Spill Contingency Plan. The Spill Plan should be updated to reflect the types and quantities of fuel kept on site.
- Spill containment should be used where all transfer of fuel occurs.

Abandonment and Restoration Plan

- The Abandonment and Restoration Plan (A&R Plan) is incomplete. If the Proponent intends to establish a camp, the A&R Plan should be amended to include detailed seasonal shut down and final abandonment plans that address, at a minimum, the following components; buildings and contents, water system, fuel cache and chemical storage, waste, sumps, equipment, drill sites, contamination and clean-up, inspections and documentation.

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. Kevin Buck, Manager of Water Resources – Indian and Northern
Affairs Canada