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NUNAVUT WATER BOARD
NUNAVUT IMALIRIYIN KATIMAYINGI

File: NWB2CHU0305/Renewal

May 18, 2005

By Email and Regular Mail

Pamela Strand
President, Shear Minerals Ltd.
Suite 200, 9797-45th Avenue
Edmonton, Alberta
T6E 5V8

Subject: Water Licence NWB2CHU Renewal Application

Dear Ms Strand;

The Nunavut Water Board ("NWB") would like to acknowledge receipt of the Application for renewal of Licence NWB2CHU0305 and the subsequent follow-up information prior to distribution for review and comment. The comment period ended April 11, 2005. In the follow-up final technical review of the comments and application some clarification is required and several deficiencies have been noted that need to be addressed prior to finalizing the licence renewal. These are as follows:

General Application

- i. The application was submitted under the name of 4579 Nunavut Ltd. The current Licence and all supporting documentation (spill plan, A&R plan) including the current land use permit with DIAND, are under the company name of Shear Minerals Ltd. The renewed Land Use Permits from the Kivalliq Inuit Association are under both company names.

Due to the uncertainty as to the party that has the interest (including access to land) in the undertaking¹, and the need to have consistency with the applicant, plans and the Licensee, **the NWB is requesting clarification in order to complete the renewal process.**

- ii. Letters received since the application was filed, indicated that the camp location has been altered from the original coordinates submitted, as per recommendations from the community of Chesterfield Inlet. The new coordinates (lat and long) however were not included in the letter of May 3, 2005 to the NWB. **The new camp location coordinates and a map of appropriate scale are required for the Licence renewal.**
- iii. The application indicated the start date for the 2005 program to be February 15, 2005. The applicant is reminded that the current water Licence, under Amendment 1 authorizes water use for a camp referred to as the Churchill Property Campsite (63° 04'N and 91° 48'W) and does not address the new location identified in the renewal application.

¹ Section 44(1) of the NWNSRTA allows the NWB to assign a licence upon disposition by a Licensee of any right, title or interest in an appurtenant undertaking. Section 48(2f) of the Act enables the NWB to request confirmation with respect to the interest in the undertaking.

- iv. The water source for the new camp needs to be specified. The original application only identified the source as “local camp lakes”. This information was not provided with the change of camp location indicated in the letter of May 3, 2005. **Please indicate the source of water complete with the coordinates.**
- v. Questions 18 and 20 of the Supplementary Questionnaire indicate that lake based drilling will be carried out. **The source of the water supply for the lake based drilling needs to be identified (name if available and coordinates).**
- vi. With respect to drilling, the total water use being applied for needs to be identified. Item 7 of the application and Q27 of the questionnaire both indicated a rate/day/drill. **The Licensee is required to provide the quantity of water involved as per Box 7 of the application (litres per second, litres per day or cubic metres per year). This quantity is for total water use for each purpose (camp and/or drilling).**

Waste Management

Sections under Q32 of the questionnaire indicate that most wastes will be shipped off site, possibly including the Camp sewage (incinerate or ship off site). In a letter dated January 30, 2005 it was indicated that Pacto Toilets would be used which bag the sewage for later shipment off site. The Northern Remote Site Protocol, prepared for the NIRB, does not recommend the use of honey bags or pit toilets for other than light use camps (under 300 person days/year). The recommendation for medium use camps consists of incineration, chemical or composting toilets with small treatment systems suggested for larger year/round camps. **The applicant is requested to clarify which system will be used for treatment of sewage/blackwater at this site. Also, the approved location for disposal of sewage and other waste materials needs to be identified.**

Spill Contingency Planning

The Spill Contingency Plan (SCP) is to be developed as a stand-alone plan, and as such is required to include the basic information that is specified under the appropriate regulations and guidelines, as a minimum. With the issuance of Amendment 1 to Licence NWB2CHU0305 on May 26, 2004, Shear Minerals Ltd. was required to include a number of items in a revision to the SCP within thirty (30) days. Not all of these items have been included in the November 2004 revision. **Therefore, the NWB requests that the following be incorporated into a revised Plan for approval:**

- i. A table of contents for easy reference to information contained in the SCP;
- ii. A fuel storage inventory is required to be included with the fuel cache locations provided;
- iii. Section 3.3 references an Environment Canada personnel contact that should be changed (a error on the part of the NWB in Amendment 1). The correct contact number is 867-975-4644. The E.C. 24-hour Emergency pager number is 867-920-5131;
- iv. Section 3.2.3, 3.3.2 and section 4.2 refer to the NWT Spill Report Form in two different appendices. This should be clarified (no appendices were included with the submitted SCP) and the Report form should be included with the Plan (an electronic version of this form is available on the NWB ftp site under Administration);
- v. Section 3.4 should include the DIAND Water Resources Inspector found under Sec. 3.3 (not a “water licence inspector” identified as Philippe di Pizzo);
- vi. The contacts section should be revised to include all the appropriate agencies within Nunavut;
- vii. Section 4.1 of the SCP (and a number of sections that follow) incorrectly indicate that "Advice on spill containment and cleanup may be obtained from the 24-Hour Spill Report Line". This information should be removed from the Plan. Other contacts that may be available to assist with spill cleanup should be included in the Plan;

- viii. A map, as requested in Amendment 1, Item 1(iii) is to be included in the revision. This map should be of appropriate scale to indicate the camp layout, including the location of spill response kits and additional spill response resources as well as indicating proximity of facilities to any water bodies and sensitive areas that may be affected by a spill incident;
- ix. Section 5.0 of the Plan identifies the spill equipment materials that are available for response at the site however, the number of kits available and their locations needs to be documented (and included in the map for possible reference by those not familiar with the site);
- x. Additional information is required for the handling of contaminated soils and other materials, their containment and eventual disposal. If the materials are to be disposed of in an "approved" location, that location should be included in the contact list information;
- xi. Material Safety Data Sheets have not been included as part of the SCP. The most recent information from the suppliers is to be made available in the Plan for reference and the safe and effective clean-up of a spill;

Abandonment & Restoration

The Abandonment & Restoration Plan submitted with the renewal application is inconsistent and lacking in the detail that is required of current Licensee's.

The Licensee is required to submit to the Board, prior to the issuance of the Licence renewal, an Abandonment and Restoration Plan prepared in accordance with applicable sections of the "*Guidelines for Abandonment and Restoration Planning for Mines in the Northwest Territories (1990)*".

This Plan is to include, but not be limited to:

- i. Title Page and Table of Contents
- ii. Preamble – include the effective period, project name and location, reference to maps (included), and any regulatory instruments in place (ie Land use permits);
- iii. Introduction – description of the project and area, scope of the Plan, and when it is to be used; when either seasonal or final abandonment plans would be implemented;
- iv. Schedule – estimated time frame for carrying out the Plan, estimated start and finish dates
- v. Infrastructure – either a description of the infrastructure to be build or what is currently on site to support the project; including types of structures, materials and locations;

The seasonal and final abandonment scenarios above should address: Buildings and Content, water system, Blackwater (sewage) system, Greywater system (sump for wash water, kitchen, showers), campsite, electrical (generators), fuel and chemical storage, waste facility and incinerator, helicopter pad/airstrip, drilling locations, contamination clean up if required and documentation and inspection.

Once the above clarification and additional information has been received, the NWB will be in a position to complete the renewal process. Should you have any questions regarding the above, please feel free to contact me at (780) 443-4406, at your earliest convenience.

Yours truly,



David Hohnstein, C.E.T.
Technical Advisor Mining

cc Distribution list