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June 7, 2006

Your file - Votre référence 2BE-CHW

Our file - Notre référence 9545-1-2CHWG / #85738

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## Re: 2BE-CHW - 4579 Nunavut Ltd. - Churchill West Diamond Project - Licence Renewal

On behalf of Indian and Northern Affairs Canada (INAC) I have reviewed the above-mentioned application. The following specialist advice has been provided pursuant to INAC's mandated responsibilities for the enforcement of the *Nunavut Waters and Nunavut Surface Rights Tribunal Act* (NW&NSRT), *Arctic Waters Pollution Prevention Act* (AWPPA), and the *Department of Indian Affairs and Northern Development Act* (DIAND Act).

# **Project Description**

4579 Nunavut Ltd. is applying for a licence renewal for water use and waste disposal associated with exploratory drilling and camp operations for its Churchill West Diamond Project, in the Kivalliq Region. The project area has a general coordinate of 63°20'N, 92°30'W and is approximately 40 km north of Rankin Inlet and 82 km southwest of Chesterfield Inlet. The proponent plans to continue mining exploration activities which consist of diamond drilling operations, till sampling, and detailed ground geophysical surveys.

The proponent's licence application requests the use of 50 m³ of fresh water per day from local sources to support diamond drilling operations from March 1 to November 30 on an annual basis. The proposed time frame for this licence is from June 1, 2006 to November 30, 2008.

An 'exploration camp' is not planned for this project. Field crews are scheduled to base their activities from either Rankin Inlet or the Churchill Project camp. However, within the proponent's <u>Mineral Exploration in the Rankin Inlet Area</u> summary document, reference is made to the establishment of small temporary camps capable of accommodating four people. These camps would be occupied for up to 10 days at a time.

This licence renewal application includes a Spill Contingency Plan and an Abandonment and Restoration (A&R) Plan which includes both seasonal and final A&R procedures.



# **INAC Comments**

INAC recommends that the following comments be taken into consideration when reviewing this licence renewal application.

#### **GENERAL**

- If the proponent intends to establish temporary exploration camps in its project area, it should address domestic water use and waste disposal activities in its licence application.
- INAC recommends the use of an approved incinerator for the disposal of combustible waste.
   Ashes should be raked prior to disposal, and recovered non-combustible items (e.g., iron nails and tinfoil) should be removed from the project area and disposed of at an appropriate facility.

### SPILL CONTINGENCY

- It is recommended that the project's Spill Contingency Plan be made site specific. This would entail the inclusion on-site personnel contact information (i.e., project supervisor), a map identifying fuel cache locations, and a listing of the quantities of fuels that will be stored within the project area.
- All fuel caches shall be located above the high water mark of any water body. Further, it is recommended that some form of secondary containment, such as self-supporting insta-berms, be used when storing barreled fuel on-site.
- The proponent shall ensure that all hazardous materials, including waste oil, receive proper treatment and disposal at an approved facility.

### ABANDONMENT AND RECLAMATION

It is recommended that the project's A&R Plan's seasonal shutdown procedures address the
restoration of drill sumps. Drill sumps, whether man-made or natural depressions, should be
backfilled and contoured to match the surrounding landscape. Drilling wastes should not be
left uncovered.

If there are any changes in the proposed project, INAC should be notified, as further review may be necessary. Please do not hesitate to contact me if you have any questions or comments with regards to the foregoing by telephone (867) 975-4555 or by email via abernethyd@inac-ainc.gc.ca.

Sincerely,

Original signed

David W. Abernethy

Water Resources Coordinator

cc. Jim Rogers - Manager of Water Resources, Indian and Northern Affairs Canada, Iqaluit