



Water Resources Division
Nunavut Regional Office
Indian and Northern Affairs Canada
Iqaluit, NU X0A 0H0

Our File: 9545-1-2-CRAR / CIDMS 201303

Reference: 2BE-CRA

March 12, 2008

Richard Dwyer
Licence Administrator
Nunavut Water Board
Gjoa Haven, NU X0B 1J0

**Re: 2BE-CRA0710 / Committee Bay Resources Ltd. / Committee Bay Project /
Kivalliq Region / Licence Amendment Application**

Indian and Northern Affairs Canada (INAC) has reviewed the 2BE-CRA0710 licence amendment application submitted by Committee Bay Resources Ltd. for its Committee Bay Project. The following advice has been provided pursuant to INAC's mandated responsibilities for the enforcement of the *Nunavut Waters and Nunavut Surface Rights Tribunal Act* and the *Department of Indian Affairs and Northern Development Act*.

The Committee Bay Project is situated on Crown and Inuit Owned Land in the Kivalliq Region, having a general coordinate of 60° 00' north latitude, 95° 00' west longitude. Project activities include sampling, mapping, prospecting, claim staking, geophysical survey, and diamond drilling operations. The current licence indicates that five (5) camps have been established to accommodate project personnel, namely, the Hayes, Ingot, Inuk, Bullion, and Dore Camps. The Proponent is requesting a licence amendment to allow for four (4) diamond drills to be used concurrently and a daily freshwater consumption allowance of 140 cubic metres.

Indian and Northern Affairs Canada recommends that the following comments be considered when reviewing this licence amendment application.

General

1. Upon review of the submitted licence application, INAC notes that the Proponent refers to its mineral exploration program as the Committee Bay Project. This project name should be clearly referenced in a renewed licence if this is correct. Consultation with the proponent on this matter is advised.
2. INAC believes that the Proponent's request to have a daily water consumption of up to 140 cubic metres is reasonable.

3. Through consultation with the Proponent, the Nunavut Water Board should consider extending the 2BE-CRA0710 licence term to December 2012 through this licence amendment application. INAC prefers the issuance of five (5) year licence terms if there is a strong probability for project activities to be carried out for this duration of time.
4. The Dore Camp's operational status should be made known. This camp is identified in the current licence but not in Items 6, 7, and 8 of the submitted Exploration / Remote Camp Supplementary Questionnaire (Camp Classification section). However, the Dore Camp is referenced in Item 9 of the Questionnaire (Camp Location section).
5. Item 1 of Part F: Conditions Applying to Drilling Operations should be removed from the 2BE-CRA0710 licence. Drilling near water bodies is acceptable so long as waste products are disposed of in a properly constructed sump or an appropriate natural depression located at least thirty (30) metres from the ordinary high water mark of any adjacent water body, where direct flow into a water body is not possible and no additional impacts are created.
6. Upon completion of land-based drilling activities, drill holes should be sealed and capped to prevent the infiltration of precipitation runoff and the development of sinkholes. All drill holes should be sealed at their respective permafrost (both upper and bottom if necessary) and surface levels.
7. The Canadian Council of Ministers for the Environment Guidelines for the Protection of Freshwater Aquatic Life should be followed when performing on-ice drilling activities. Specifically, when drill additives are not being used, return water released must be non-toxic, and not result in an increase in total suspended solids in the immediate receiving waters above the thresholds identified in the above-mentioned guidelines (i.e., 10 mg/L for lakes with background levels under 100 mg/L, or 10% for those above 100 mg/L).

Spill Contingency Plan

8. The Project's Spill Contingency Plan should be revised and provided to the Nunavut Water Board prior to the commencement of this year's exploration season. Furthermore, this Plan should be revised on a yearly basis and filed with Annual Reports.
9. The Proponent should conduct a detailed review of the terms and conditions specified in Part G: Conditions Applying to Spill Contingency Planning, of the 2BE-CRA0710 licence. To ensure licence compliance, licence terms and conditions must be satisfied. The current Spill Contingency Plan is incomplete.

10. The Project's Spill Contingency Plan should include contact information for Peter Kusugak, Manager of Field Operations, INAC Nunavut Regional Office (NRO); David Ningeongan, Water Resource Officer; and Henry Kablalik, Resource Management Officer.

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Abandonment and Reclamation

11. The Abandonment and Reclamation Plan should be revised to include seasonal, interim, and final abandonment and reclamation procedures specific to the Committee Bay Project. The Plan should also include reclamation procedures for drilling activities.
12. Indian and Northern Affairs Canada requests notification of changes in the proposed project, as further review may be necessary. Please contact me should you have any questions or comments with regards to the foregoing. I can be reached by telephone at (867) 975-4555 or email at AbernethyD@inac-ainc.gc.ca.

Regards,
Original signed by

David W. Abernethy
Regional Coordinator

Cc. Jim Rogers, Manager of Water Resources – INAC, NRO
Peter Kusugak, Manager of Field Operations – INAC, NRO
David Ningeongan, Kivalliq Water Resource Officer – INAC, NRO
Henry Kablalik, Kivalliq Resource Management Officer – INAC, NRO
Phyllis Bealieu, Manager of Licensing – Nunavut Water Board