Northern Division Environmental Protection Operations P.O. Box 2310 5019 - 52 Street 4th Floor Yellowknife, NT X1A 2P7

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Phyllis Beaulieu Manger of Licensing P.O. Box 119 Gjoa Haven, NU X0B 1J0 TEL: (867) 360-6338 FAX: (867) 360-6369

Via email: licensing@nunavutwaterboard.ca

Re: CBR Gold Corp. – Crater Lake Project – Renewal/Amendment – Type "B" Water License

On behalf of Environment Canada (EC), I have reviewed the information submitted with the above-mentioned application. The following specialist advice has been provided pursuant to the Canadian Environmental Protection Act, Section 36(3) of the Fisheries Act, the Migratory Birds Convention Act, and the Species at Risk Act.

CBR Gold Corp. (CBR) is applying to renew and amend the Type B water licence for the Crater Lake Project to allow up to 6 drills to be used at two of the four camps open at any one time, and increase the daily allowance to 214 m³/day. Project activities will occur in two phases.

Phase one of the program will begin in March of 2010 until May 2010 and project activities will include the mobilization of crews to Hayes Camp and the preparation of the ice-strip on Sandspit Lake at Hayes camp. A temporary 10 km ice road will be utilized for the mobilization of drills and equipment. Up to four drills will be used in the Three Bluffs area. Phase two of the program will begin in late June and continue until end of September 2010. Operations will be based out of the Hayes Camp and potentially out of Bullion and Crater. The drill program is proposed for July and early August 2010. Up to six drills will be utilized at any one time, including four at Three Bluffs and two for regional exploratory drilling. Potential drilling locations include: West Plains, Ghost, Maro, Muskox, Anuri, Raven, Cop, Four Hills, Coyote, Shamrock, and Ridge, Peanut and Inuk. If successful further drilling may occur at Ibex, Cop, Four Hills, Betwixt, Castle Rock and Kinngalugjuaq, Queen, and Kanosak. Field work will include regional mapping, prospecting, till sampling, gridding, mapping and ground geophysical surveying. Fly camps may be established at the Kinng Ag, Kinng Au, Kinng Mountain and Ellice Hills areas.

Environment Canada provides the following comments and recommendations for the Nunavut Water Board's consideration:

• The proponent shall not deposit, nor permit the deposit of chemicals, sediment, wastes, or fuels associated with the project into any water body. According to the *Fisheries Act*, Section 36 (3), the deposition of deleterious substances of any type in water frequented by fish, or in any place under any conditions where the deleterious substance, or any



- deleterious substance that results from the deposit of the deleterious substance, may enter any such water, is prohibited.
- The proponent shall not erect camps or store materials on the surface ice of lakes or streams, except that which is for immediate use.
- Winter lake/stream crossings should be located to minimized approach grades and should be constructed entirely of ice and snow materials and stream crossings shall be removed or notched prior to spring break-up.
- No disturbance of the stream bed or banks of any definable watercourse should be permitted.
- Suitable erosion control measures should be implemented at all stream/lake crossings.
- In the Nunavut Water Board Supplementary Questionnaire, states that "the camp incinerator will be a forced-air, diesel fired system mounted to a metal skid. Blackwater, solid waste will be incinerated with this equipment." Raw sewage should not be burned in batch incinerators that are typically used in the north. Raw sewage should only be burned in incineration equipment designed for this type of waste. If CBR decides to pursue sewage sludge incineration, it should provide the Board with the design specifications of the incinerator and a letter from the manufacturer stating that this equipment is suitable for burning this type of waste.

Environment Canada recommends the use of an approved incinerator for the disposal of combustible camp wastes. The proponent is considering onsite incineration as another waste disposal option. EC has developed a Technical Document for Batch Waste Incineration, and is available at the following web link:

http://www.ec.gc.ca/drgd-wrmd/default.asp?lang=En&n=82401EC7-1

The technical document provides information on appropriate incineration technologies, best management and operational practices, monitoring and reporting. This information should be incorporated into an incineration management plan for the camp. EC would like the opportunity to review this plan prior to implementation.

Environment Canada has no issues with the renewal/amendment provided the proponent follows mitigation measures outlined in the application and that they are in compliance with their existing water licence. Terms and conditions applied to the existing water licence should be carried forward to the renewal. Previous comments and recommendations submitted by EC staff relating to the Crater Lake Project would still apply (see attached).

If there are any changes in the proposed project, EC should be notified, as further review may be necessary. Please do not hesitate to contact me with any questions or comments with regards to the foregoing by email at carrie.spavor@ec.gc.ca.

Yours truly,

Original signed by

Carrie Spavor Environmental Assessment Coordinator

c.c: Carey Ogilvie (Head, Environmental Assessment-North, EC, Yellowknife, NT)
Ron Bujold (Environmental Assessment Technician, EC, Yellowknife, NT)