



Our reference
File #9545-2-1.2BE.CRAA
CIDMS #384449

Feb. 5, 2010

Phyllis Beaulieu
Manager of Licensing
Nunavut Water Board
Gjoa Haven, Nunavut
X0E 1J0

Your reference
2BE-CRA0710

Sent Via Email

Dear Phyllis,

**Subject Water License #2BE-CRA0710, CBR Gold Corp., Committee
Bay Project, Kitikmeot Region, Amendment and Renewal
Application**

Please be advised that on behalf of Indian and Northern Affairs Canada, I have completed a review of the above referenced CBR Gold Corp. submission to the Nunavut Water Board.

A Technical Review Memorandum (attached) is provided to the Board for consideration.

Should you have any questions regarding this submission, feel free to contact me at 867 975-4555 or David.Abernethy@inac-ainc.gc.ca.

Regards,

David W. Abernethy
Water Resources Regional Coordinator
Operations Directorate, Nunavut Regional Office
Indian and Northern Affairs Canada
Iqaluit, Nunavut
X0A 0H0

Attached.

Cc: Lou-Ann Cornacchio, INAC Water Resources Manager
Peter Kusugak, INAC Field Operations Manager
Jo Price, CBR Gold Corp.

TECHNICAL REVIEW MEMORANDUM

Date: Feb. 5/10

To: Phyllis Beaulieu, Nunavut Water Board

From: David Abernethy, Indian and Northern Affairs Canada

Re: **Water License #2BE-CRA0710, CBR Gold Corp., Committee Bay Project, Kitikmeot Region, Amendment and Renewal Application**

A. Project Description

On Jan. 12/10 the Nunavut Water Board (NWB or Board) distributed CBR Gold Corp.'s Dec. 9/09 water license amendment and renewal application to interested parties for review. CBR Gold Corp. is requesting that their license be amended to have a water use allowance of 214 cubic meters per day and be renewed for a five (5) year term.

CBR Gold Corp. is conducting a mineral exploration program (primarily gold) in the Committee Bay Greenstone Belt. Their project area is situated on both Crown Owned and Inuit Owned Lands. Four existing (4) exploration camps will support project activities that typically occur from March to September annually. These are the Hayes, Bullion, Ingot, and Crater Lake Camps. The Hayes Camp is the main camp (can accommodate 40 people) and is supported by a natural esker airstrip and a prepared winter ice-strip on Sandspit Lake. The remaining camps are smaller (can accommodate 25 people), serving as seasonal exploration bases. No more than two (2) camps will be active at any given time. CBR Gold Corp. anticipates having up to six (6) diamond drills in operation at any time.

CBR Gold Corp. intends to construct a 10 km winter road from their Hayes Camp to the Three Bluffs deposit in March 2010. Up to four (4) drills will be operated in this exploration area from March through May.

The complete set of documents included in CBR Gold Corp.'s license amendment and renewal application have been reviewed.

Results of Review

The following comments / recommendations are provided for the Board's consideration,

1. General

- All standard Type B license terms and conditions applicable to camp and exploration drilling operations should be included in an amended and renewed license.

2. Drilling Operations

- When CBR Gold Corp. is drilling within one hundred (100) metres of the ordinary high water mark of a water body, they should employ a recirculating drill and ensure that cuttings do not enter any water body;
- Where flowing water from bore holes is encountered CBR Gold Corp. must plug the bore hole in such a manner as to permanently prevent any further outflow of water; and, the artesian occurrence must be reported to an Inspector immediately; and,
- When drilling on ice, CBR Gold Corp. must use a closed circuit drilling system and dispose all cuttings into land-based sumps.

3. Solid Waste Management

- CBR Gold Corp. must ensure that their solid waste management practices satisfy license conditions. Part D, Item #s 3 and 4 of the current license state,
 - "The Licensee shall not practice open burning or on-site land filling of domestic waste, unless approved by the Board in writing."; and,
 - "The Licensee is authorized to dispose of all acceptable food waste, paper waste, and untreated wood products in an incinerator."

The submitted application does not appear to comply with the above items with respect to open burning. CBR Gold Corp. should address this issue prior to the start of their upcoming field season; and,

- Any incineration of solid waste should be conducted in accordance with Environment Canada's March 2009 "Technical Document for Batch Waste Incineration."

4. Winter Road Construction and Operation

- CBR Gold Corp. must construct and maintain winter roads with a minimum of ten (10) centimetres packed snow at all times during their use. If this cannot be done they must construct ice roads in a manner that is acceptable to the Board; and,
- Materials should not be stored on the ice surface of water bodies other than that required for immediate use.

5. Spill Contingency Planning

- Section 8 (Spill Equipment) of the submitted June 10/09 Spill Contingency Plan does not reference where containment booms and skimmers used for responding to hazardous material spills in water will be stored. This plan's section should be revised to include these details as well as any other spill response equipment that have been omitted (e.g., small watercraft);
- Fuel transfers or refueling operations must be done in areas that are equipped with drip pans and / or secondary containment. A spill kit and a copy of the Spill Contingency Plan must be present during such activities;
- Fuel storage locations should be surrounded by impact barriers and clearly identified with safety markers which are high enough to be visible during snow cover. This is to protect the fuel storage from being impacted and damaged by mobile equipment;
- CBR Gold Corp. must ensure that any water that collects within secondary containment facilities do not result in the harmful contamination of surrounding water sources. Any effluent released should have no visible sheen of oil and grease. It is noted that CBR Gold Corp. have secondary containment facilities equipped with passive filtration systems designed to remove hydrocarbons; and,
- CBR Gold Corp. should revise their Spill Contingency Plan to include a single Indian and Northern Affairs Canada contact. This should be the Manager of Field Operations, Peter Kusugak. Peter's can be reached by telephone at 867 975-4285, facsimile at 867 979-6445, and email at peter.kusugak@inac-ainc.gc.ca. Please note that this contact procedure is consistent with the Part, B, Item #7 of the License.

6. Abandonment and Restoration Plan

- The submitted Abandonment and Restoration (A&R) Plan was last revised in 2007. Part I, Item #1 of the May 1/08 License amendment requires CBR Gold Corp. to submit a revised plan by June 1/08. Revisions were required to address changes in operation and/or technology. It is recommended that CBR Gold Corp. be required to submit a current, stand alone A&R Plan. As a minimum, this plan must include/address,
 - A description of the Committee Bay Project's current operational status;
 - Diagram(s) of the project area that reference all exploration camps and fuel caches;
 - Seasonal, temporary, and final shutdown/reclamation procedures;
 - Progressive reclamation procedures;
 - The terms and conditions specified in Part I of the License (Conditions Applying to Abandonment and Restoration);
 - The Part B, Item #2 License requirement to provide a description of all progressive and/or final reclamation work undertaken, including photographic records of site conditions before, during, and after completion of operations in Annual Report submissions; and,
 - Reclamation procedures for soils contaminated by hazardous materials.
- For greater efficiency, CBR Gold Corp.'s A&R Plan should integrate the requirements associated with leasing surface rights and water licensing.

Prepared by David Abernethy

Cc: Lou-Ann Cornacchio, INAC Water Resources Manager
Peter Kusugak, INAC Field Operations Manager
Jo Price, CBR Gold Corp.