

Water Resources Nunavut Regional Office P.O. Box 100 Iqaluit, NU, X0A 0H0

July 7, 2011

Phyllis Beaulieu Licensing Administrator Nunavut Water Board P.O. Box 119 Gjoa Haven, NU, X0A 1J0 Your file - Votre référence 2BE-CWL----Our file - Notre référence CIDM# 470825

Re: 2BE-CWL---- Combay Walker Lake Project – Golden Bull Resources Corporation – Kitikmeot Region - New Water Licence Application

Aboriginal Affairs and Northern Development Canada (AANDC) has performed a review of the new water licence application, 2BE-CWL---- (Combay Walker Lake Project) submitted to the Nunavut Water Board (NWB) by Inukshuk Exploration Incorporated on behalf of Golden Bull Resources Corporation. The following advice has been provided pursuant to AANDC's mandated responsibilities for the enforcement of the *Nunavut Waters and Nunavut Surface Rights Tribunal Act* (NW&NSRT Act) and the *Department of Indian Affairs and Northern Development Act* (DIAND Act). In conducting our review, AANDC referred to the documents on the NWB's FTP-site under 2BE-CWL----.

Should you have any questions or comments, please do not hesitate to contact me at (867) 975-4738 or by e-mail at Jean.Allen@inac-ainc.gc.ca

Sincerely,

Original Signed By

Jean Allen Water Management Specialist

Cc. Tanya Trenholm, A/Manager of Water Resources, Aboriginal Affairs and Northern Development Canada, Nunavut Regional Office Kevin Robertson, A/Manager of Field Operations, Aboriginal Affairs and Northern Development Canada, Nunavut Regional Office

Technical Review Memorandum

To: Phyllis Beaulieu – Manager of Licensing, Nunavut Water Board

From: Jean Allen – Water Management Specialist, Aboriginal Affairs and Northern Development Canada

Re: 2BE-CWL---- Combay Walker Lake Project – Golden Bull Resources
Corporation – Kitikmeot Region - New Water Licence Application

A. Project Description

On May 27, 2011, the Nunavut Water Board (Board) distributed Golden Bull Resources Corporation's (GBR) application for a Type B water licence for water use and waste disposal in association with the Combay Walker Lake Project located along the Committee Bay Greenstone Belt in Nunavut. The applicant has requested a licence term of 5 years (February 1, 2012 to December 31, 2016) to undertake an exploration program on their 22 Committee Bay Greenstone Belt mineral claims.

In early 2012, GBR proposes to re-establish a base camp on a small island at the north end of Walker Lake (a potential alternate/back-up camp site is proposed at the northwest end of Cay Lake) consisting of approximately 15 tents to accommodate all exploration crews working on all 22 mineral claims. In late spring 2012, a base camp of 15-25 people will be established at Walker Lake and will be re-established every spring depending on results of the preceding exploration program. No permanent structures will be used and all camp material will be dismantled and removed at the end of each field season.

All 22 mineral claims and the 2 proposed base camps are located on Crown Land. The camp is approximately 190-305 km northeast of Kugaaruk and 245-365 km northeast of Baker Lake. All equipment and supplies will be transported to the camp site from Yellowknife, Rankin Inlet, and Baker Lake. Crews based at the Walker Lake Camp will be mobilized on a daily basis via a camp-based helicopter.

Walker Lake (or potentially Cay Lake) is the proposed water source for the base camp and the proposed water source for drilling projects include nearby lakes. GBR proposes to use approximately 5 m³ per day and 50 m³ per day of water for camp and drilling activities respectively. Drill and camp grey water will be filtered through a sump.

Sewage will be collected via a Pacto-type latrine and either treated with lime and buried or incinerated and the ash buried or sent to a landfill. Solid waste will be backhauled or incinerated on site. Hazardous waste will be sent to a hazardous waste facility and fuel drums will be backhauled for recycling. Waste oil will be backhauled or incinerated and wood will be incinerated at final closure.

B. Results of Review

AANDC Water Resources Division offers the following comments/ recommendations for the Board's consideration:

1. General

- AANDC recommends a water licence term of 5 years as requested by the applicant.
- Baseline water quality data and regular water quality monitoring are encouraged
- There appears to be inconsistencies with solid waste treatment (burn vs. incineration) in the application form, supplementary questionnaire, and associated plans. AANDC does not encourage the open burning of solid waste (i.e. camp waste, used absorbent material, wood, etc) and recommends that combustible solid waste either be incinerated in approved incinerator equipment designated for the proposed type of waste or backhauled to an approved solid waste disposal facility. Any burning of waste should be conducted in accordance with Environment Canada's Technical Document for Batch Waste Incineration.

2. Camps

 AANDC recommends that the final location for the initial base camp be submitted to the Board once established by the applicant.

3. Fuel Spill Contingency Plan

AANDC recommends that the Fuel Spill Contingency Plan be updated prior to the field season to include the following information:

- The contact for the Manager of Field Operations is (867) 975-4295
- The NT/NU 24 Hour Spill Line for NWT and Nunavut is 1-867-920-8130
- The proposed quantity of drilling chemicals / additives to be stored on site
- Locations of all stored hazardous material (i.e. drums at each tent, generator shed, kitchen tent, fuel caches, fuel storage site, etc)
- Clarification on the method of disposal of used absorbent material (incineration vs. backhaul)

4. Waste Management Plan

AANDC recommends that the Waste Management Plan be updated prior to the field season to include the following information:

- Written authorization from the Hamlet of Baker Lake confirming that they
 will accept and dispose of solid waste, bulky items/scrap metal, hazardous
 waste, and/or empty barrels. A copy shall be submitted to the Board
 should Baker Lake be included in the Waste Management Plan.
- The disposal of sewage (i.e. lime treatment and bury vs. incineration; ashes buried or backhauled).
- The disposal of waste oil (incineration on site vs. backhaul to an approved facility).
- GBR proposes to burn camp waste in either a burn barrel or an incinerator. As noted above (under 'General'), AANDC does not encourage the open burning of solid waste.
- AANDC recommends secondary containment for the storage of fuel, chemicals, and other hazardous materials and wastes.

5. Abandonment and Decommissioning Plan

 At closure, GBR proposes to burn wooden components on site on a gravel area. As noted above, AANDC does not encourage the open burning of waste and recommends that it is recycled, backhauled, or incinerated.

6. Wildlife Mitigation and Monitoring Plan

- In appendix II of the plan, fertilizer is included as a mitigation procedure for anticipated impacts. AANDC does not recommend the application of fertilizer to mitigate ground disturbances (pathways, platforms, etc).
- cc. Tanya Trenholm, A/Manager of Water Resources, Aboriginal Affairs and Northern Development Canada, Nunavut Regional Office Kevin Robertson, A/Manager of Field Operations, Aboriginal Affairs and Northern Development Canada, Nunavut Regional Office