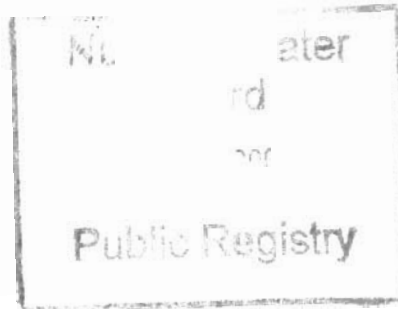




March 11, 2003

To: Phyllis Beaulieu
A/Licensing Administrator
Nunavut Water Board
P.O. Box 119
Gjoa Haven, NU X0B 1J0



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Re: Ferguson Lake Project, Starfield Resources Inc.

NIRB: #03ER019

NWB: #NWB2FER

Enclosed is the completed NIRB Screening Decision Report for the application for water renewal permit for continued mineral exploration at Ferguson Lake Area.

NIRB has screened this application for ecosystemic and socio-economic impacts of the proposal.

NIRB's indication to the Chairperson is:

The decision of the Board in this case is 12.4.4(a) the proposal may be processed without a review under Part 5 or 6; NIRB may recommend specific terms and conditions to be attached to any approval, reflecting the primary objectives set out in Section 12.2.5;

Please contact Stephanie Briscoe, Executive Director at (867) 983-2593 if you have any questions about the Screening Report.

Yours truly,


Jorgen Komak

Torger Komak
Environmental Technologist
Nunavut Impact Review Board
P.O. Box 2379
Cambridge Bay, NU X0B 0C0
Tel: (867) 983-2593 Fax: (867) 983-2574



Date: March 11, 2003

Mr. Thomas Kudloo
Chairperson, Nunavut Water Board
Gjoa Haven, NT

Dear Mr. Kudloo:

**RE: Screening Decision of the Nunavut Impact Review Board (NIRB) on Application:
NIRB 03ER019 NWB NW2FER
Ferguson Lake Project (Starfield Resources Inc.)**

Authority:

Section 12.4.4 of the Nunavut Land Claim Agreement states:

Upon receipt of a project proposal, NIRB shall screen the proposal and indicate to the Minister in writing that:

- a) the proposal may be processed without a review under Part 5 or 6; NIRB may recommend specific terms and conditions to be attached to any approval, reflecting the primary objectives set out in Section 12.2.5;
- b) the proposal requires review under Part 5 or 6; NIRB shall identify particular issues or concerns which should be considered in such a review;
- c) the proposal is insufficiently developed to permit proper screening, and should be returned to the proponent for clarification; or
- d) the potential adverse impacts of the proposal are so unacceptable that it should be modified or abandoned.

Primary Objectives:

The primary objectives of the Nunavut Land Claims Agreement are set out in section 12.2.5 of the Land Claims Agreement. This section reads:

In carrying out its functions, the primary objectives of NIRB shall be at all times to protect and promote the existing and future well-being of the residents and communities of the Nunavut Settlement Area, and to protect the ecosystemic integrity of the Nunavut Settlement Area. NIRB shall take into account the well-being of the residents of Canada outside the Nunavut Settlement Area.

The decision of the Board in this case is 12.4.4 (a) **the proposal may be processed without a review under Part 5 or 6; NIRB may recommend specific terms and conditions to be attached to any approval, reflecting the primary objectives set out in Section 12.2.5;**

Reasons for Decision:

NIRB's decision is based on specific considerations that reflect the primary objectives of the Land Claims Agreement. Our considerations in making this decision included:

- the impact of drilling activities on the ecosystem;
- disposal of drill cuttings and waste water;
- impact to water quality, aquatic habitat and wildlife and fish populations from chemicals, drill waste, drill fluids and potential fuel spills;
- storage and disposal of chemicals, fuel, garbage, sewage, and gray water, and impact of these on the ecosystem;
- the impact of noise from drilling activities and their disturbance to wildlife and traditional users of the area;
- the impact of campsite and equipment on terrain;
- the impact of exploration activities on archaeological sites or cultural landmarks in the area; and
- clean-up/restoration of the drilling locations upon abandonment.

Terms and Conditions:

That the terms and conditions attached to this screening report will apply.

Drill Sites

1. The Licensee shall not conduct any land based drilling within thirty (30) metres of the normal high water mark of a water body.
2. The Licensee shall not use drilling muds or additives in connection with drill holes unless they are re-circulated or contained such that they do not enter the water, or are certified to be non-toxic.
3. The Licensee shall ensure that any drill cuttings and waste water that cannot be re-circulated be disposed of in a properly constructed sump or an appropriate natural depression that does not drain into a waterbody or removed to appropriate disposal location.
4. The Licensee shall ensure that drilling wastes do not enter any water body. The use of biodegradable, salt free drill additives is encouraged over non-biodegradable types.
5. The Licensee shall ensure that the sump/depression capacity is sufficient to accommodate the volume of waste water and any fines that are produced so that there will be no additional impacts.
6. The Licensee shall not locate any sump within thirty (30) metres of the normal high water mark of any water body.

7. The Licensee shall not deposit nor permit the deposit of slash, debris or sediment into any waterbody. These materials shall be disposed of above the high water mark in such a fashion that they do not enter the water.
8. The Licensee shall ensure that disturbance of vegetation from deposit of drill fluids/cuttings is restricted to the area of the sump and the ground prepared for revegetation upon abandonment.
9. The Licensee shall, where flowing water from bore holes is encountered, plug the bore hole in such a manner as to permanently prevent any further outflow of water. The occurrence shall be reported to the Nunavut Water Board and Land Use Inspector within 48 hours.
10. If the drilling requires water in sufficient volume that the source waterbody may be drawn down details must be submitted (volume required, size of waterbody, etc.) to DFO-FHM for review. DFO-FHM does not recommend the use of streams as a water source.

Water

11. The Licensee shall ensure that all water intake hoses are equipped with a screen with an appropriate mesh size to ensure that there is no entrapment of fish. Refer to the *Freshwater Intake End-of Pipe Fish Screen Guideline* (DFO 1995).

Fuel and Chemical Storage

12. The Licensee shall ensure that fuel storage containers are not located within thirty (30) metres of the ordinary high water mark of any body of water.
13. The Licensee shall ensure that any chemicals, fuels or wastes associated with the project do not spread to the surrounding lands or enter into any water body.
14. Fuel storage shall either be bermed or equipped with secondary containment and other hazardous materials should be located in such a manner as to prevent their release into the environment.
15. The Licensee shall take all reasonable precautions to prevent the possibility of migration of spilled petroleum fuel or chemicals over the ground surface.
16. The Licensee shall have an approved emergency response and spill contingency plans in place prior to the commencement of the operation.
17. The Licensee shall immediately report all spills of petroleum and hazardous chemicals to the twenty-four (24) hour spill report line at (867) 920-8130.

Waste Disposal

18. The Licensee shall not discharge or deposit any refuse substances or other waste materials in any body of water, or on the banks thereof, which will impair the quality of the waters of the natural environment.
19. The Licensee shall not locate any sumps or areas designated for waste disposal within thirty (30) metres of the ordinary high water mark of any body of water, and be sufficiently

bermed or otherwise contained to ensure that these substances do not enter a waterway unless otherwise authorized.

20. The Licensee, prior to the discharge of fluids from any sump, shall carry out an analysis of the fluid in a manner prescribed by the NWB.
21. The Licensee shall backfill and recontour all sumps to match the natural environment prior to the expiry date of the license.
22. The Licensee shall incinerate all combustible and food wastes on an approved incinerator.
23. The Licensee shall ensure that all non-combustible and hazardous wastes, including any hazardous drill waste sludge and waste oil, are to be segregated and sent to the appropriate facilities for treatment and/or disposal.

Wildlife

24. The Licensee shall ensure that there is no damage to wildlife habitat in conducting this operation.
25. The Licensee shall not feed wildlife.
26. The Licensee shall use the latest bear detection and deterrent techniques to minimize man-bear interactions and shall report any Man-Bear Interactions to the nearest Renewable Resource Officer.
27. The Licensee shall ensure that the drill sites avoid known environmentally sensitive areas (denning, nesting etc.) by a minimum of 250 metres.
28. The Licensee shall not locate any operation so as to block or cause substantial diversion to migration of caribou.
29. The Licensee shall cease activities that may interfere with migration or calving, such as airborne geophysics surveys or movement of equipment, drilling activities until the caribou and their calves have vacated the area.
30. The Licensee shall not conduct any activity associated with the land use operation during critical periods of wildlife cycles (eg. caribou migration, calving, fish spawning or raptor nesting).
31. That the Licensee shall ensure that there is no hunting by employees of the company or any contractors hired.
32. The Licensee shall ensure compliance with Section 36 of the *Fisheries Act*, which requires that no person shall deposit or permit the deposit of a deleterious substance on any type in water frequented by fish or in any place under any conditions where the deleterious substance may enter such a water body.
33. The harmful alteration, disruption or destruction of fish habitat is prohibited under Section 35 of the *Fisheries Act*. No construction or disturbance of any stream/lake bed or banks of any definable watercourse is permitted unless authorized by DFO.

Environmental

34. The Licensee shall ensure that the land use area is kept clean and tidy at all times.
35. The Licensee shall be required to undertake any corrective measures in the event of any damage to the land or water as a result of the Licensee's operation.

36. The Licensee shall not remove any material from below the ordinary high water mark of any waterbody.
37. The Licensee shall not move any equipment or vehicles unless the ground surface is in a state capable of fully supporting the equipment or vehicles without rutting or gouging.
38. The Licensee shall suspend overland travel of equipment or vehicles if rutting occurs.

Structure & Storage Facilities

39. The Licensee shall use the existing Ferguson Lake Fishing Lodge.

Archaeological Sites

40. The Licensee shall follow all terms and conditions for the protection and restoration of archaeological resources as outlined by the Department of Culture, Language, Elders and Youths (CLEY) in attached letter.

Reclamation

41. The Licensee shall remove all scrap metal, discarded machinery and parts, barrels and kegs, buildings and building material upon abandonment.
42. The Licensee shall complete all clean-up and restoration of the lands used prior to the expiry date of the permit.
43. The Licensee shall plug or cap all bore holes and cut off any drill casings that remain above ground to ground level upon abandonment of the operation.

Other Recommendations

1. NIRB would like to encourage the proponent to hire local people and services, to the extent possible.
2. NIRB strongly advises proponents to consult with local residents regarding their activities in the region, and do community consultation on the project to keep the communities informed.
3. Any amendment requests deemed by NIRB to be outside the original scope of the project will be considered a new project.
4. The Environmental Protection Branch (DOE), Department of Fisheries and Oceans (DFO), Nunavut Impact Review Board (NIRB), and the Nunavut Water Board (NWB) should be advised of any material changes to plans or operating conditions associated with the project.

11-Mar-2003 03:52pm From-Nunavut Impact Review Board
Mar-11-2003 03:21pm From-

T-038 P.001/008 F-448
T-021 P.002/003 F-057

Validity of Land Claims Agreement

Section 2.12.2

Where there is any inconsistency or conflict between any federal, territorial and local government laws, and the Agreement, the Agreement shall prevail to the extent of the inconsistency or conflict.

Dated Mar 11/03 at Arviat, NU.


Elizabeth Copland, Chairperson

025009

Received 11-Mar-2003 02:17pm From-

To-Nunavut Impact Review Page 002