



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

Your file - Votre référence  
2BE-FER0712

November 28, 2013

Our file - Notre référence  
CIDM# 754287

Phyllis Beaulieu  
Manager, Licensing  
Nunavut Water Board  
P.O. Box 119  
Gjoa Haven, NU, X0A 1J0

**Re: Canadian North Resources and Development Corp. – Renewal Application – 2BE-FER0712**

Dear Phyllis Beaulieu:

Please be advised that Aboriginal Affairs and Northern Development Canada (AANDC) have completed a review of the submission for the licence renewal application 2BE-FER0712 submitted by Canadian North Resources and Development Corp. (formerly held by Starfield Resources Inc.). The Nunavut Water Board ("NWB") circulated the renewal application on October 29, 2013. All documents related to the request posted on the NWB ftp site under 2BE-FER0712 were included in my review (See attached Technical Review Memo).

Should you have any questions or comments, please do not hesitate to contact me at (867) 975-4568 or by e-mail at [Rory.MacDonald@aandc-aadnc.gc.ca](mailto:Rory.MacDonald@aandc-aadnc.gc.ca)

Regards,

Sent via Email

Rory MacDonald  
Water Resources Technician

Cc. Murray Ball, Manager of Water Resources, AANDC  
Erik Allain, Manager of Field Operations, AANDC



Technical Review Memorandum

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

From: Rory MacDonald – Water Resources Technician, AANDC

Existing Licence: 2BE-FER0712

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**Re: Canadian North Resources and Development Corp. – Renewal Application – 2BE-FER0712**

1. Project Description

Located 160 kilometers south of Baker Lake, Nunavut, the Ferguson Lake Project was historically explored by the International Nickel Corporation (INCO) between 1949-1957 for its significant nickel, copper, palladium, and platinum group metals. After acquiring the property in 1999, Starfield Resources Inc. ("Starfield") continued exploration activities that were initiated by INCO.

Historical use of the property utilized the privately owned Ferguson Lake Fishing Lodge located on an island in Ferguson Lake. Starfield established a new camp in 2007 on the mainland to provide safer and more convenient access to the exploration areas and allow for potential expansion as activity on site increases.

On July 12, 2013 the Nunavut Water Board received an application from Starfield to assign the water licence 2BE-FER0712 to Canadian North Resources and Development Corp. On September 19, 2013 the Nunavut Water Board granted the assignment to the Canadian North Resources Development Corp. as new owner of the Ferguson Lake Property.

The Canadian North Resources and Development Corp. is requesting a renewal licence term of 63 months to continue exploration activities at the Ferguson Lake property. The renewal application requests water use of 100m<sup>3</sup>/day (90m<sup>3</sup>/day for drilling; 10m<sup>3</sup>/day for domestic purposes) to be drawn from Ferguson Lake.

All combustible wastes will be disposed in an incinerator and ash will be collected for offsite disposal. All other wastes (i.e. greywater & sludge) will be directed to a sump, and sewage will be collected in PACTO toilets and incinerated. Non-combustible and hazardous waste materials will be stored on site and backhauled for disposal in approved sites in compliance with the regulations.

2. Results of Review and Recommendations

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

A. General

- An annual report for 2012 has not been submitted pursuant to Part B: General Conditions, Item 2 of the water licence 2BE-FER0712. It is recommended that the Proponent submit a report indicating what work, if any, has been conducted in 2012 as per licence conditions.



- AANDC recommends that the Proponent revise and/or update all relevant plans to reflect the new property owner. All contact information should be updated to include Canadian North Resources Development Corp. and/or authorized representatives.

#### B. Water Use

- Clarification is required on water use as submitted in the 2010 and 2011 annual reports. The attached table to the 2010 and 2011 annual reports presents water consumption in "gallons". AANDC requests that all submissions regarding water use for all purposes be reported in cubic meters (m<sup>3</sup>) as per Part J, Item 1 of the water licence 2BE-FER0712. It is also recommended the proponent provide all source water body locations in latitude and longitude (i.e. degrees, minutes and seconds).

#### C. Waste Disposal

- The Ferguson Lake Property has a 40 m x 40 m lined, earthen, bermed fuel containment area (FCA) utilized for bulk fuel storage. Contact water from snowmelt and rainfall collects annually in the containment area. AANDC recommends for the Board's consideration terms and conditions similar to other exploration projects with bulk fuel storage. AANDC recommends that the Licensee provide an Inspector at least ten (10) days notification prior to initiating release of effluent (i.e. contact water) from the FCA. It is also recommended that all effluent being discharged not exceed the Canadian Council for Ministries of the Environment (CCME) *Guidelines for Protection of Aquatic Life*.
- AANDC recommends that the Proponent remove all hazardous materials, including waste oil, from the site on a regular basis to prevent the over-accumulation of these materials. Hazardous waste/waste oils must be disposed of at an approved facility outside of the Territory of Nunavut (no known facilities within Nunavut). All transfer of this type of waste must be in accordance with the Government of Nunavut's "Guideline for General Management of Hazardous Waste - January, 2002". In addition hazardous wastes should be stored within a lined secondary containment structure to prevent any off site impacts (other secured structures would also be acceptable).

#### D. Spill Contingency Plan

- AANDC recommends that the Proponent revise and/or update Spill Contingency Plan to reflect the new property owner. All contact information should be updated to include Canadian North Resources Development Corp. and/or authorized representatives.
- A winter trail has been proposed in previous years to haul equipment/supplies between Rankin Inlet and the Ferguson Lake Property. AANDC recommends that all proper authorizations and permits be received before issuance of the water licence (i.e. right of way authorizations, AANDC land use permits etc.). With the proposed winter trail from Ferguson Lake to/from Rankin Inlet, AANDC recommends that the Spill Contingency Plan be updated to include the winter trail and provisions for spill containment and clean-up. A spill response kit should be included with any vehicles or machinery proposed to operate along the winter trail and each vehicle or machine should also be equipped with 'drip pans' for any prolonged parking to minimize spills.

AANDC also recommends that if any water is to be drawn for the purposes of winter trail construction (i.e. re-surfacing), that the Proponent provides source locations in latitude and longitude (i.e. degrees, minutes and seconds) and quantities used in cubic meters



(m<sup>3</sup>) to be included in the annual report submission. Additionally the Proponent should provide locations of potential stream, river, or lake crossings.

- The proponent should identify by way of the Spill Contingency Plan, how accumulated contact water in the fuel containment area will be treated prior to discharge to the environment. Further, the plan should include a description of the sampling procedures the proponent will employ to verify that potentially contaminated contact water has achieved acceptable parameters for discharge.