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Water Resources
Nunavut Regional Office
Iqaluit, NU, X0A 0H0
Tel. (867) 975-4555
Email: abernethyd@inca-ainc.gc.ca

Your file - Votre référence
2BE-GEO

Our file - Notre référence
File 9545-1603(N7.3) / CIDMS 125238

January 19th, 2007

Richard Dwyer
Licensing Trainee
Nunavut Water Board
P.O. Box 119
Gjoa Haven, NU X0B 1J0
Email: licensingtrainee@nunavutwaterboard.org

Sent via email

Re: 2BE-GEO - Dundee Precious Metals Inc. - Back River JV Project George Lake Abandonment and Restoration Plan

On behalf of Indian and Northern Affairs Canada (INAC) I have reviewed the above-mentioned application. The following specialist advice has been provided pursuant to INAC's mandated responsibilities for the enforcement of the *Nunavut Waters and Nunavut Surface Rights Tribunal Act* (NW&NSRT), *Arctic Waters Pollution Prevention Act* (AWPPA), and the *Department of Indian Affairs and Northern Development Act* (DIAND Act).

Dundee Precious Metals Inc. (Dundee) has submitted a copy of its January 2006 Back River JV Project's George Lake Abandonment and Restoration Plan for review and approval as per the requirements of its 2BE-GEO licence. The George Lake Camp is used solely for emergency purposes. Exploration activities are based out of the Goose Lake Camp. The George Lake Camp has a coordinate of 66°N, 107°30'W and comprises of a prepared esker airstrip, generator shack, tool shed, kitchen and washroom facilities, machine storage shed, two camp trailers, and two 70 cubic metre fuel tanks.

Indian and Northern Affairs recommends that the Nunavut Water Board (NWB) consider the following comments when reviewing the George Lake Abandonment and Restoration (A&R) Plan.

- Why is this Abandonment and Reclamation Plan specific to the George Lake Camp? INAC recommends that Dundee provide a Plan that is applicable to the entire Back River JV Project.
- The George Lake A&R Plan should clearly indicate the time-frame of its relevance to the Back River JV Project. INAC recommends that the Plan be made applicable to the duration of the 2BE-GEO licence. The Plan currently has January 2006 included in its title and states that it is applicable to the 2006 spring and summer drilling programs (Section 1.5 - Scope of Reporting).
- The A&R Plan's table of contents requires a couple minor revisions. The page number for section 4.12 is not provided and the plan does not contain section 4.13 as indicated.
- The proponent's Environmental Policy should be provided for review because of its reference in Section 2.0 (Responsibilities for the Plan). Project personnel are responsible for adhering to this Policy.
- Contact information for the Goose Lake Project Manager and Site Supervisor should be provided in the Plan because it is their responsibility to implement Abandonment and Restoration activities.

- Peat moss will be applied to contaminated soils when they cannot be removed and absorbent pads are ineffective. Dundee should describe what will happen to the peat moss after it has absorbed spilled hydrocarbons? Will this material be left on site or collected and brought to an approved disposal area? If left on site, why is this considered an acceptable practice?
- All hazardous wastes, including waste oil and batteries, should be delivered to an approved disposal facility. Section 3.2.2 (Non Combustible Solid Waste Placement) states that batteries will either be brought to a metal recycler or an approved designated landfill area.
- INAC recommends that all fuel caches (including those situated at remote drill sites) have some form of secondary containment, such as self-supporting insta-berms. Section 4.7 (Petroleum Products and Storage Facilities) states that empty drums at remote drill sites will be flown back to camp. INAC encourages the proponent to provide assurance to the NWB that fuel drums left on-site will not be susceptible to polluting freshwater sources.
- Section 4.7 states that the George Lake fuel farm's secondary containment area will be cleared of any debris and decanted. The decanted water will be pumped to a lined pond and tested to confirm that it is safe for release into the surrounding environment. INAC recommends that Dundee specify the dimensions of the lined pond and the anticipated amount of contaminated water that it will retain on an annual basis. Furthermore, a contingency plan should be presented which outlines treatment practices for collected water considered unsafe for release.
- Section 5.1.8.1 (205 litre drums) mentions that a drum crusher will be brought to the Back River Project area. INAC recommends that pre-crushing treatment measures be provided for review. Specifically, will the drums be rinsed with water or cleaned with absorbent padding to remove remnant hydrocarbons prior to crushing? If so, what will happen to the removed hydrocarbons? If no pre-crushing treatment measures are practiced, what justification has been used in making this decision?
- Section 5.2.2.2 (Iron Casing Management) states that drill holes which encounter artesian water flow or those drilled under lakes will be plugged with cement and capped. INAC recommends that drill holes which penetrate the permafrost layer be permanently sealed and capped to prevent induced contamination of groundwater or salinization of surface waters. Further, INAC requests notification of permafrost depths for data management purposes.

Indian and Northern Affairs Canada requests notification of any changes in the proposed project, as further review may be necessary. Please do not hesitate to contact me if you have any questions or comments with regards to the foregoing.

Sincerely,

Original signed

David W. Abernethy
Regional Coordinator

Cc. Jim Rogers - Manager of Water Resources, Indian and Northern Affairs Canada, Iqaluit