



Water Resources Division
Nunavut Regional Office
Iqaluit, NU
X0A 0H0

NWB File: 2BE-GOO1015
CIDMS #: 527114

May 12, 2012

Re: 2BE-GOO1015 – Water License Amendment 3 Application – Goose Lake Project – Sabina Gold and Silver Corporation

Please be advised that Aboriginal Affairs and Northern Development Canada (AANDC) has completed a review of the water license amendment 3 application for water license 2BE-GOO1015 (Goose Lake Project) submitted by Sabina Gold and Silver Corporation. The NWB circulated the amendment application for comments on April 12, 2012. All documents related to the application posted on the NWB ftp site under 2BE-GOO1015 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) 979-4282 or by email at Ian.Parsons@aandc.gc.ca.

Sincerely,

Original signed by

Ian Parsons
Regional Coordinator

Cc. Murray Ball, Manager of Water Resources – AANDC, Nunavut Regional Office



Technical Review Memorandum

To: Phyllis Beaulieu – Manager of Licensing, NWB.

From: Ian Parsons – Regional Coordinator, AANDC.

Re: 2BE-GOO1015 – Water License Amendment 3 Application – Goose Lake Project – Sabina Gold and Silver Corporation

Background

The Goose Lake project is located in the Kitikmeot Region of Nunavut 160km South of Bathurst Inlet. The Goose Lake Project is part of the much larger Back River Project which includes several other properties. Goose Lake will be the operational base for drilling activities at Boot Lake, Boulder Pond, Wishbone Trend and Del Lake claims. It is also the base of operations for George Lake; however, George Lake has its own Water License. Existing facilities at Goose Lake consist of an emergency gravel airstrip, jetty/floating dock, 4 helipads and other site structures associated with running and maintaining a drilling operation that can accommodate a maximum of 120 people.

Amendment

Sabina Gold and Silver Corporation are looking to amend their Goose Lake project water license for a third time.

The amendment application activities include:

- 1) The expansion and upgrade of the current emergency gravel airstrip to become an all-weather airstrip
- 2) The construction of an all-weather road connecting the airstrip to Goose Camp.
- 3) Reducing the license boundaries associated with the project as requested by the water board.



Recommendations/Comments

Application

The application package notes that some authorizations approved for this site have expired. AANDC recommends that all relevant leases, permits, conformity checks and screenings as well as any other authorizations are in place and proper approvals received before any work commences.

Comprehensive Spill Contingency Plan

AANDC recommends that the proponent submit a revised site specific spill plan that contains only relevant information pertaining to water license application #2BE-GOO1015. Any other information contained in the spill plan not relevant to this specific water license should be omitted from the spill plan.

AANDC recommends the use of drip pans and/or other secondary containment device when refuelling or fuel transfer operations take place.

AANDC recommends that all references to specific AANDC personnel contained within any plans and applications submitted by Sabina be replaced with the AANDC Manager of Field Operations. Contact numbers for the manager of field operations are as follows: Telephone at (867) 975-4295 or Fax at (867) 975-6445.

Transportation Management Plan

AANDC recommends the use of best management practices to minimize sedimentation and siltation of waterways from erosion caused during the construction and upgrade of the airstrip and connecting road, as per Part C Item 7 of water license #2BE-GOO1015.

AANDC notes in *Section 2.3 - Rock Quarries* that the number and locations of the rock quarries are not indicated. AANDC recommends that the number and locations of the rock quarries be submitted to the NWB.

AANDC notes that the rock quarries have been pre-tested and determined to be non- potentially acid generating and metal leaching. The associated water management plan appears to be adequate. Water that collects within the rock quarries will be directed to a holding area within the quarry boundaries. The water will be sampled and subsequently discharged (no direct flow into receiving water bodies) after analysis results confirm that the limits for applicable parameters have not been exceeded.



AANDC also recommends that when discharging water or wastewater the proponent take all necessary measures and precautions to minimize and eliminate any erosion that may arise from such activities as per Part C Item 7.

AANDC reminds the proponent of the requirement to notify an AANDC inspector 10 days prior to any discharge of water or wastewater to the environment as per Part D Item 12 of Water License #2BE-GOO1015.

AANDC notes that *Section 3.1 – Surface Inspection and Maintenance* states “*water may be used as a dust suppressant*”. AANDC recommends that the proponent keep a log of how much water is being used for this purpose as well as notifying the water board. This additional water use may involve another amendment.

AANDC notes that *Section 5.2 – Water Quality* states “*when there is noticeable flow out of a quarry, likely during spring melt, a water sample will be collected before this water enters a receiving water body*”. AANDC would like clarification on how the water will be prevented from entering a receiving water body if it has already exited the quarry.

AANDC recommends that the proponent submit exact locations of water quality monitoring/sampling stations.

As well AANDC recommends that in addition to monthly sampling events sampling should also be conducted during or just after a major rain event to give an indication of suspended sediment loading during rain events.

AANDC recommends keeping silt curtains or other applicable materials in place to prevent siltation/sedimentation of the waterways.

Waste Management Plan

AANDC recommends that the proponent have the proper authorizations from any hamlet or any other municipality or landfill where project wastes will be deposited.

AANDC also recommends that the proponent be advised that in order to transport hazardous wastes in Nunavut the waste generator must be registered with the Government of Nunavut, Environmental Protection Division and provide the final destination for the hazardous wastes (approved registered facility).

Abandonment and Restoration (A&R) Plan

AANDC recommends that the proponent submit an updated and revised site specific Abandonment and Restoration plan to reflect any new structures



associated with the Goose Lake project, water license #2BE-GOO1015, that will be constructed and that will have to undergo reclamation activities in the future. Any other information contained in the Abandonment and Restoration plan not relevant to this specific water license should be omitted from the A&R plan.

Cc. Murray Ball, Manager of Water Resources – AANDC, Nunavut Regional Office
Andrew Keim, A/Manager – AANDC, Nunavut Regional Office