



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

NWB File: 2BE-HBP----
CIDMS #: 456609

Apr 20, 2011

**Re: 2BE-HBP---- – New Water License Application – Hope Bay Project –
Kitikmeot Region - North Arrow Minerals Inc.**

Please be advised that Indian and Northern Affairs Canada (INAC) has completed a review of the new water license application for water license 2BE-HBP---- (Hope Bay Project) submitted by North Arrow Minerals. The Nunavut Water Board (NWB) circulated the new application for comments on March 29, 2011. All documents related to the new application posted on the NWB ftp site under 2BE-HBP---- 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@inac.gc.ca.

Sincerely,

Original signed by

Ian Parsons
Regional Coordinator

Cc. Jim Rogers, Manager of Water Resources – Indian and Northern Affairs
Canada, Nunavut Regional Office
Peter Kusugak, District Manager – Indian and Northern Affairs Canada,
Nunavut Regional Office



Technical Review Memorandum

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

From: Ian Parsons – Regional Coordinator, Indian & Northern Affairs Canada.

**Re: 2BE-HBP---- – New Water License Application – Hope Bay Project –
Kitikmeot Region - North Arrow Minerals Inc.**

Background

The Hope Bay Oro Project is located across from and south of the Kent Peninsula and adjacent to both Melville Sound and Robert's Bay in the Kitikmeot Region of Nunavut. The closest community is Cambridge Bay located approximately 120 km to the Northeast. The planned site will accommodate 20 people for approximately 3 months and consist of 7 sleeping tents, cooks, kitchen, dry and office accommodations, core shack, outhouse, generator shack and a fuel cache. The project is also across Roberts Bay from the Doris North Project operated by Hope Bay Mining, subsidiary of Newmont Mining.

Recommendations/Comments

INAC notes that in the water license application the applicant states that the land use authorizations (permits) for both Crown land and Inuit Owned Lands have been applied for but have yet to be granted/approved. The applicant also states that the expected date of issuance is during the winter of 2011. INAC recommends that the applicant not proceed with their proposed work schedule (Start-Up Spring 2011) until the company has received its land use permits from the Crown and the Regional Inuit Organization and has informed the Board.

INAC recommends that the NWB waits until the Nunavut Impact Review Board (NIRB) has screened the proposed project.

INAC recommends that the applicant submit to the NWB all locations where water will be obtained and used during the upcoming proposed drilling program. INAC also recommends that the applicant provide the exact location of the camp to the NWB when confirmed.

INAC recommends that the applicant have written confirmation and authorization from any municipality for the use of their facilities for disposal of wastes.



INAC recommends that, if the applicant plans to transfer hazardous wastes off site, the applicant follow all regulations in place pertaining to transportation of Hazardous wastes in Nunavut.

INAC recommends that the applicant use and place all fuel containment units and fuel caches within some sort of secondary containment (i.e., Insta-Berms).

INAC recommends that the applicant include in its spill plan how they will store and treat the contaminated soil from a large spill (where drums would be insufficient for storage of contaminated soil).

INAC recommends that the applicant submit a revised Abandonment and Restoration Plan if and when the proposed project should change in any way (i. e., significant change or increase in camp infrastructure, significant changes in drill program, etc.). INAC also recommends that the applicant submit to the NWB a Final Abandonment and Restoration Plan as soon as reasonably possible.

INAC requires that its Manager of Field Operations be notified in the event of a spill (small or large). INAC notes that the correct contact information for INAC in the Spill Plan should be stated as follows: Peter Kusugak – INAC Manager of Field Operations, phone: 867-975-4295, fax 867 975-6445.

INAC recommends that the applicant provide, to the NWB, the above referenced outstanding information pertaining to the application.

Cc. Jim Rogers, Manager of Water Resources – Indian and Northern Affairs
Canada, Nunavut Regional Office
Peter Kusugak, District Manager – Indian and Northern Affairs Canada,
Nunavut Regional Office