



AANDC, Nunavut District Office  
Box 100  
Iqaluit, NU, X0A 0H0

August 12, 2013

Ken Armstrong  
North Arrow Minerals Inc.  
Suite 860-625 Howe St.  
Vancouver, BC V6C 2T6  
Email: [brendan@northair.com](mailto:brendan@northair.com)

**RE: Inspection of Water Licence 2BE-HBP1116 July 10 2013**

On July 10 2013 an opportunistic inspection was conducted at the Hope Bay Project site. Included at the end of the report is a summary of observations made during the inspection with respect to issues of non-compliance or non-conformity with the issued Water License or the Nunavut Water and Nunavut Surface Rights Tribunals Act, and the actions required of North Arrow Minerals Inc. as a result. There are matters requiring immediate attention at this site.

The Licensee is reminded that the submission of an Annual Report is required every year whether or not work has been done on the project.

Should you require more information or clarification on any aspect of the enclosed report please contact me at the coordinates listed below. I look forward to continuing to work with you and your staff. If you have any questions please do not hesitate to contact the office here in Iqaluit.

Sincerely,

Eva Paul  
Water Resources Officer  
Aboriginal Affairs and Northern Development Canada  
Nunavut Regional Office  
Building 918, PO Box 100  
Iqaluit, NU X0A 0H0

Phone | Tél. : 867-975-4548  
Cell | Mobile: 867-222-6490  
Fax | Téléc. : 867-979-6445  
[Eva.Paul@aadnc-aadnc.gc.ca](mailto:Eva.Paul@aadnc-aadnc.gc.ca)

CC: Phyllis Beaulieu, Manager of Licensing – Nunavut Water Board  
Erik Allain, Manager of Field Operations – Aboriginal Affairs and Northern Development Canada  
Tracey McCaie, A/Manager Lands Administration – Aboriginal Affairs and Northern Development Canada  
Nicole Westcott, North Arrow Minerals, Licensing – [WestcottNicole@gmail.com](mailto:WestcottNicole@gmail.com)



## INDUSTRIAL WATER LICENCE INSPECTION REPORT

|  |   |
|--|---|
| <b>Date:</b> July 10, 2013                 | <b>Licensee Rep. (Name/Title):</b> None |
| <b>Licensee:</b> North Arrow Minerals Inc. | <b>Licence No.:</b> 2BE-HBP1116         |

I arrived on-site by helicopter while working in the area. The camp is currently not in use. Immediate attention is required.

### WATER SUPPLY

|                       |                                     |
|-----------------------|-------------------------------------|
| <b>Source(s):</b> n/a | <b>Quantity used:</b> NA - inactive |
|-----------------------|-------------------------------------|

Indicate: **A** - Acceptable **U** - Unacceptable **NA** - Not Applicable **NI** - Not Inspected

|                              |                              |                              |                            |
|------------------------------|------------------------------|------------------------------|----------------------------|
| <b>Intake Facilities:</b> NI | <b>Storage Structure:</b> NI | <b>Treatment Systems:</b> NI | <b>Chemical Storage:</b> U |
| <b>Flow Meas. Device:</b> NI | <b>Conveyance Lines:</b> NI  | <b>Pumping Stations:</b> NI  | <b>Screen:</b> NI          |

**Comments:** No water is currently being used.

### WASTE DISPOSAL

**SEWAGE:** Sewage Treatment System (Prim./Sec/Ter.): **NI**

- |  |   |
|--|---|
| <input type="checkbox"/> <b>Natural Water Body</b>                   | <input type="checkbox"/> <b>Wetlands Treatment</b>            |
| <input type="checkbox"/> <b>Continuous Discharge</b> (land or water) | <input type="checkbox"/> <b>Seasonal Discharge</b>            |
| <input type="checkbox"/> <b>Incineration</b>                         | <input checked="" type="checkbox"/> <b>Pit-privy/outhouse</b> |

**Comments:** No human waste is currently being produced. Outhouse pit is to be properly backfilled and contoured.

### **SOLID WASTE:**

- |   |   |
|---|---|
| <input type="checkbox"/> <b>Landfill</b>            | <input type="checkbox"/> <b>Burn &amp; Landfill</b> |
| <input type="checkbox"/> <b>Open Burn</b>           | <input type="checkbox"/> <b>Incinerate</b>          |
| <input checked="" type="checkbox"/> <b>Backhaul</b> | <input type="checkbox"/> <b>Other:</b> _____        |

Indicate: **A** - Acceptable **U** - Unacceptable **NA** - Not Applicable **NI** - Not Inspected

|                                 |  |                                   |
|---------------------------------|--|-----------------------------------|
| <b>Waste Management Area:</b> U | <b>Waste Segregation Practices:</b> NI | <b>Incinerator Efficiency:</b> NI |
| <b>Signage:</b> NI              | <b>Records:</b> NI                     |                                   |

**Comments:** Materials have been left littering the site; an immediate cleanup is required.

### FUEL and HAZARDOUS MATERIALS MANAGEMENT

- |   |  |
|---|--|
| <input checked="" type="checkbox"/> <b>Fuel</b>       | <input type="checkbox"/> <b>Lubricants</b>                 |
| <input type="checkbox"/> <b>Drill additives/Salts</b> | <input checked="" type="checkbox"/> <b>Hazardous Waste</b> |
| <input type="checkbox"/> <b>Other:</b> _____          | <input type="checkbox"/>                                   |



Indicate: **A** - Acceptable **U** - Unacceptable **NA** - Not Applicable **NI** - Not Inspected

|                              |                               |                              |
|------------------------------|-------------------------------|------------------------------|
| <b>Berms &amp; Liners:</b> U | <b>Water within Berms:</b> NA | <b>Evidence of Leaks:</b> U  |
| <b>Drainage Pipes:</b> NI    | <b>Pipeline Condition:</b> NI | <b>Condition of Tanks:</b> U |
| <b>Pump Station:</b> NA      | <b>Spills:</b> U              | <b>Contingency Plan:</b> U   |

**Comments:** Approximately 60 barrels containing various fuels (Diesel, Gasoline, Jet B) are littered around this site with no secondary containment. Fuels are of mixed origin, however, North Arrow barrels are mixed among the others. One Gasoline and one Diesel (at a tent) were found leaking at the time of the inspection. I righted those two barrels to prevent further contamination. Two barrels containing diesel were stored in a pile of materials near the water (significantly < 30m, contrary to the Spill Contingency Plan (SCP) and the Licence). I righted those two barrels also, to lessen the likelihood of a spill to water. Fuel inspections are not being conducted as per the SCP and no preventative measures were put in place prior to camp abandonment.

## **SITE CONDITIONS**

Indicate: **A** - Acceptable **U** - Unacceptable **NA** - Not Applicable **NI** - Not Inspected

|  |                                 |                                    |
|--|---------------------------------|------------------------------------|
| <b>Ore &amp; Waste Rock Stockpiles:</b> NI | <b>Mine Water Discharge:</b> NI | <b>Geotechnical Inspection:</b> NI |
| <b>Erosion:</b> NI                         | <b>Seepages:</b> NI             | <b>Construction:</b> NI            |
| <b>Restoration Activities:</b> U           | <b>A&amp;R Plan:</b> U          |                                    |

**Comments:** Fuel caches are not being inspected for leaks as per the A&R Plan. Drums not stored on flat ground as per the A&R Plan. Empty drums not backhauled as per A&R Plan.

## **MONITORING PROGRAM**

Indicate: **A** - Acceptable **U** - Unacceptable **NA** - Not Applicable **NI** - Not Inspected

|                                   |                            |                    |
|-----------------------------------|----------------------------|--------------------|
| <b>Samples Collected:</b>         | <b>Owner / Operator:</b> - | <b>AANDC:</b> -    |
| <b>Signs Posted:</b>              | <b>SNP:</b> NA             | <b>Warning:</b> NA |
| <b>Records &amp; Reporting:</b> U |                            |                    |

**Comments:** No Annual Reports have been submitted for this licence.

### **Non-Compliance of Act or Licence:**

*It is noted that North Arrow Minerals was directed in 2012 by AANDC Resource Management Officer Baba Pederson to install secondary containment, provide a spill kit, and to clean up the camp. This work has not been undertaken as directed.*

Part B Item 2. Failure to file Annual Reports.

Part B Item 6. Failure to implement Spill Contingency Plan and Abandonment and Restoration Plan.

Part E Item 1. Materials stored on the immediate banks of the lake and stream.

Part H Item 2. Failure to submit addendum to the Spill Contingency Plan.

Part H Item 3. Storage of fuel within 30 m of the water and with no secondary containment.

Part H Item 3. Failure to monitor fuel on a regular basis, resulting in spills to the environment.

Part I Item 2. Failure to submit addendum to the Abandonment and Restoration Plan.

### **Action Required Immediately:**

1. ALL FUEL IS TO BE REMOVED FROM SITE OR STORED IN SECONDARY CONTAINMENT, and COVERED to prevent water accumulation in the containment during periods of inactivity.
2. Spills are to be reported to the NT-NU Spill Line and cleaned up according to the Spill Contingency Plan.
3. Hazardous waste and empty drums are to be backhauled.
4. All materials shall be moved to <31m from the high water mark of any water body.
5. A report with photographs demonstrating that this work has been completed is to be submitted



to the inspector by October 15, 2013.

6. 2011 and 2012 Annual Reports for this project are to be submitted to the Nunavut Water Board by December 31, 2013, including the addenda to the SCP and the A&R Plan as required by the licence.

Failure to implement the recommendations of the Inspector will result in the issuance of an Inspector's Direction under the *Nunavut Waters and Nunavut Surface Rights Tribunal Act*.

Eva Paul

Inspector's Name

Inspector's Signature

July 25, 2013

Date

### Photos of July 10 Inspection



**Figure 1. Overview of camp. Barrels visible in several locations.**



**Figure 2. Materials stored on waters' edge. Empty barrels requiring backhaul. Two full barrels by the**





**water.**



**Figure 3. Materials near creek; barrels stored with no containment.**



**Figure 4. Barrels of mixed provenance; stored with no containment. Leaking barrel found.**





Figure 5. Leaking barrel of gas.



Figure 6. Materials stored in proximity to water. Barrels are full and within 30 m of the water.





**Figure 7. I stood the barrels up to reduce the likelihood of spills.**



**Figure 8. Leaking barrel found behind one tent. I righted it also.**