



Your file – Votre référence
2BE-HRP----

July 24, 2014

Our file – Notre référence
IQALUIT-#821193

Phyllis Beaulieu
Manager of Licensing
Nunavut Water Board
Gjoa Haven, NU X0E 1J0

Re: Aboriginal Affairs and Northern Development Canada Review of WPC Resources Inc. Application for a New Water Licence, #2BE-HRP----

Dear Ms. Beaulieu,

Thank you for your email of June 25, 2014, concerning the above mentioned application. A memorandum is provided for the Board's consideration. Comments have been provided pursuant to Aboriginal Affairs and Northern Development Canada's mandated responsibilities under the *Nunavut Waters and Nunavut Surface Rights Tribunal Act* and the *Department of Indian Affairs and Northern Development Act*.

Please contact me by telephone at 867-975-4568 or by email at courtney.cox@aandc-aadnc.gc.ca for further information.

Sincerely,

Courtney Cox
Water Resources Technician
Water Resources Division
Aboriginal Affairs and Northern Development Canada
Iqaluit, NU X0A 0H0

Encl.

c.c.: Murray Ball, Manager of Water Resources, AANDC Nunavut
Erik Allain, Manager of Field Operations, AANDC Nunavut
Megan Porter, Licensing Administrator, NWB

Memorandum

To: Nunavut Water Board

From: Courtney Cox, Aboriginal Affairs and Northern Development Canada

CC: Murray Ball (AANDC), Erik Allain (AANDC), and Megan Porter (NWB)

Date: July 24, 2014

Re: **New Water Licence Application, #2BE-HRP----**

Licensee: WPC Resources Incorporated
Project: Hood River
Region: Kitikmeot

Comments:

A. Background

On June 25, 2014, the Nunavut Water Board ("NWB" or "Board") provided notification of a new Type 'B' Water Licence application that would allow WPC Resources Incorporated (the "Applicant") to use water and dispose waste associated with the Hood River Project. The Applicant is requesting a five year licence. Interested parties were asked to review the application and provide comments by July 24, 2014.

According the submitted application, project activities will include prospecting, geological mapping, geophysical surveys, geochemical surveys, trenching, and diamond drilling programs. The Applicant will base these activities from the existing Ulu Camp that is licensed to Bonito Capital Corp. (wholly owned subsidiary of Elgin Mining Inc.). As a result, all domestic water use and waste materials will be managed under the Ulu Water Licence, #2BM-ULU0914. The Ulu Gold Project is in Care and Maintenance.

B. Results of review

On behalf of Aboriginal Affairs and Northern Development Canada ("AANDC"), the following comments and recommendations are provided:

1.	Authorization for use of Ulu Camp facilities Comment: The Applicant has not provided documentation from Bonito Capital Corp. confirming that they have been granted authorization to use the Ulu Camp. This documentation should be provided because Bonito Capital Corp. is responsible for the use of water and disposal of waste at this camp pursuant to Water Licence #2BM-ULU0914.
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	<p>Recommendation: The Applicant should provide a letter from Bonito Capital Corp. confirming that it has permission to use Ulu Camp.</p>
2.	<p>Compliance with Water Licence #2BM-ULU0914</p> <p>Comment: The Applicant must work with Bonito Capital Corp. to ensure that the terms and conditions of Water Licence #2BM-ULU0914 are satisfied. Of particular interest, this water licence will expire on August 31, 2014. The Applicant will not be able to use the Ulu Camp after this date if the water licence is not renewed.</p> <p>Recommendation: The Applicant should be reminded that it must work with Bonito Capital Corp. to ensure that the terms and conditions of Water Licence #2BM-ULU0914 are satisfied.</p>
3.	<p>Secondary containment for fuel storage</p> <p>Comments:</p> <p>The Applicant's Fuel Spill Contingency Plan does not clearly indicate that fuel products (i.e., drums) will be stored within secondary containment to prevent the contamination of soils and water from spills or leaks. However, Section 3.0 of the Applicant's Fuel Management Plan states, "fuel caches (and any potentially hazardous materials) will be located within secondary containment areas... designed for extreme arctic temperatures and appropriate for waste water, petroleum products, and various chemicals."</p> <p>Recommendation:</p> <p>The Applicant should ensure that all fuel and potentially hazardous materials are stored within secondary containment to prevent the release of spills or leaks into the surrounding environment. The Fuel Spill Contingency Plan should be updated to include the secondary containment details included in the Fuel Management Plan.</p>
4.	<p>Spill Contingency Plan contacts</p> <p>Comments: The AANDC Water Licence Inspection contact details included in Section 5.4 of the Fuel Spill Contingency Plan are outdated.</p> <p>Recommendation: The AANDC Water Licence Inspection contact details provided in Section 5.4 should be revised. The contact name "Peter Kusugak" should be replaced with "Field</p>

	Operations Division Manager.”
5.	<p>Quantity of water usage</p> <p>Comments:</p> <p>The estimated water use requirement for drilling operations presented in the licence application form is unclear. The Applicant estimates that 100m³ of water per day will be used for drilling purposes but also states that there may be up to two drill rigs operating that will each use 60m³ of water per day.</p> <p>Recommendation:</p> <p>The Applicant should provide a clear estimate of the quantity of water they plan to use per day.</p>

Prepared by Courtney Cox