



Water Resources
Nunavut Regional Office
P.O. Box 100
Iqaluit, NU, X0A 0H0

Your file - Votre référence
2BE-ILP---

July 19, 2013

Our file - Notre référence
CIDM# 701316

Phyllis Beaulieu
Manager, Licensing
Nunavut Water Board
P.O. Box 119
Gjoa Haven, NU, X0A 1J0

Re: 2BE-ILP---- HTX Minerals Corporation – New Application – Itchen Lake Project

Dear Phyllis Beaulieu:

Please be advised that Aboriginal Affairs and Northern Development Canada (AANDC) have completed a review of the request for water license 2BE-ILP--- submitted by HTX Minerals Corporation. The Nunavut Water Board ("NWB") circulated the request for comments on June 20, 2013. All documents related to the request posted on the NWB ftp site under 2BE-ILP--- 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) 975-4568 or by e-mail at Rory.MacDonald@aandc-aadnc.gc.ca

Regards,

Sent via Email

Rory MacDonald
Water Resources Technician

Cc. Murray Ball, Manager of Water Resources, AANDC
Erik Allain, Manager of Field Operations, AANDC



Technical Review Memorandum

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

From: Rory MacDonald – Water Resources Technician, AANDC

Re: 2BE-ILP---- HTX Minerals Corporation – New Application – Itchen Lake Project

1. Project Description

HTX Minerals Corp. is proposing an exploration camp at the Itchen Lake Property located 240km southwest of Bathurst Inlet, Nunavut. The property straddles the Northwest Territories border at the Contwoyto Lake property and near the IZOK corridor project. The proposed grass-roots exploration program at Itchen Lake includes airborne and ground geophysical surveys, prospecting, mapping, construction of a camp, and a small drilling program.

The exploration camp will have a capacity to accommodate up to 20 persons and will be constructed on a large esker northwest of Leanne Lake. Camp structures will include wood and canvas tents (4-5 sleeper tents), medical tent, common area/office, dry, kitchen, core processing shack, generator housing, and 2 outhouses (pacto waste units). Camp water will be drawn from Leanne Lake at a maximum of 25m³/day.

The exploration camp will be accessed by fixed wing (Twin Otter) aircraft that will land on a large esker near the camp and therefore no airstrip construction is required. Transportation around the site will be by helicopter and possibly all-terrain vehicle (ATV) or snowmobile.

A small drilling program will consist of a maximum of 10 drill holes/site and up to 8 drilling sites (total of 80 holes). A reverse circulation diamond drill will be used and there will be no drill cuttings present. Land based drill fluids will be collected in a sump or natural depression in the land. Ice based drill fluids will be collected in a tank. Water used for drilling purposes will be taken from waterbodies proximal to the drill targets at a maximum of 35m³/day.

2. Results of Review and Recommendations

AANDC Water Resources Division offers the following comments and recommendations for the Board's consideration.

A. General

- In the "Remote Camp Questionnaire" Item #16 the Proponent indicates that no reverse circulation drilling will occur, however under Item #19 the Proponent indicates that a coring diamond drill will be used with no drill cuttings "(i.e. reverse circulation drilling)". It should be noted as a point of clarification.

B. Water Use

- AANDC finds the proposed quantity of water use to be appropriate. It is recommended that sources of water are submitted on a map (scaled to an appropriate size) with coordinates for all uses including drill water sources and domestic came use.
- Sources of water should have adequate water supply as to not result in the drawdown of the source waterbody or dewatering of any waterbody when removed for domestic and/or industrial (i.e. drilling) related purposes.



C. Waste Disposal

- AANDC recommends that there be no open burning, and incineration be used as the acceptable alternative.
- AANDC recommends that the Proponent remove all hazardous materials, including waste oil, from the site on a regular basis to prevent the over accumulation of these materials. Hazardous waste/waste oils must be disposed of at an approved facility outside of the Territory of Nunavut (no known facilities within Nunavut). All transfer of this type of waste must be in accordance with the Government of Nunavut's "Guideline for General Management of Hazardous Waste - January, 2002". In addition hazardous wastes should be stored within a lined secondary containment structure to prevent any off site impacts (other secured structures would also be acceptable).

D. Ice Based Drilling

- The proponent should explain how diamond drill return-water will be managed in a manner that will not pose a negative impact on the quality of nearby freshwater sources. The proponent is advised to consider using hot water rather than drill additives to support permafrost drilling operations as a means of protecting freshwater quality.