



April 6, 2018

By Email

Karen Kharatyan
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Nunavut Water Board
P.O. Box 119
Goja Haven, NU, X0E 1J0

NPC File # 148649
NIRB File #15EN028
NWB File #2BE-KDP1722
INAC Ref File #1213875

**RE: Dunnedin Ventures Inc. Response to INAC Review and Technical Comments
Kahuna Project Type "B" Water Licence Amendment Application 2BE-KDP1722
(Temporary Field Camp)**

Dear Mr. Kharatyan,

Thank you for the opportunity to address comments Indigenous and Northern Affairs Canada (INAC) sent the Nunavut Water Board (NWB) concerning Dunnedin Ventures Inc.'s (Dunnedin) application to amend Water Licence 2BE-KDP1722. Dunnedin would like to thank all interested parties and the NWB for their input.

Dunnedin is currently authorized by the NWB for water use up to 100 m³ per day for exploration activities on the Kahuna Project. Approved activities include: prospecting and sampling; trenching; ground geophysical surveying; diamond and/or reverse circulation drilling; bulk sampling of up to 1,500 tonnes; use of helicopters and winter trail to transport cargo and personnel; and three fuel caches totalling 195 drums (120 diesel/75 jet fuel).

However, at the time of the initial water licence application in 2016, a temporary field camp was not included as a named activity. Therefore, the main purpose of the NWB Amendment Application referenced herein is to:

- Amend the current NWB Licence to include the recently approved Kahuna Field Camp as an authorized activity;
- Clarify that proposed camp water use would be within the authorized 100 m³ daily volume (3 m³/day for camp and 96 m³/day for exploration) and;
- Adjust authorized locations and size of fuel caches on the property from a total of 195 drums - to a total of 310 drums (and 20 propane cylinders). The changes to fuel caches in the NWB amendment reflect those in recently amended Kahuna Land Use Permits and Work Plans for 2018.

As a general remark, we note that some of INAC's comments regarding this NWB "temporary field camp" Amendment refers to exploration activities and management plans already screened by NIRB and approved by regulators since 2015. Management plans were reviewed, revised and approved again two months ago as part of another screening for the Kahuna Camp Proposal (NPC File # 148649; NIRB File #15EN028; INAC File #N2015C0019; NWB File #2BE-KDP1722; KIA Files #KVL315B01 and #KVRW16F01).

However for additional clarity, Dunnedin provides the following responses to INAC's comments below. Replies are organized using the numbered format used by INAC in their Technical Review.

1. Dunnedin Cover Letter

INAC Comment:

INAC would like clarification that the 'temporary field camp' is proposed for the duration of the water licence or just the 2018 field season.

Dunnedin Response:

Dunnedin intends to operate annually as needed for the duration of the water licence, and not just in 2018. The temporary Kahuna Field Camp will operate seasonally, depending on the type of work proposed and approved each year.

2. Spill Prevention and Response Plan (SPRP)

INAC Comment:

INAC would like clarification from the licensee if the fuel caches will be increased by 150 – 205 L drums for diesel and jet fuel, 10 – 205 L drums of gasoline and 20 – 100 lb. cylinders of propane or that it will also include what is already located at the Kahuna Diamond Project as stated in Kahuna Diamond Project detailed description and work plan Dated: January 21, 2016

Dunnedin Response:

The Kahuna Project description and work plan (dated January 21, 2016) initially proposed three caches totalling 195 drums (120 diesel/75 jet fuel). However, Dunnedin has not stored any fuel on the Kahuna Property to date. Due to changes in exploration plans and the addition of a field camp in 2018, the initial estimate and location of fuel was adjusted to **total 310 drums which will be stored adjacent to camp** (i.e. a 115 drum increase), plus propane. Temporary, bermed supply caches of less than nine drums will be staged as needed at drill sites and bulk sampling sites. The total amount of fuel to be stored on the property to support exploration in 2018 is:

- 150 drums – jet fuel
- 150 drums – diesel
- 10 drums – gasoline
- 20 cylinders – propane

INAC Comment:

Spill Prevention and Response Plan: Kahuna Property Dunnedin Ventures Inc. Revised February 13, 2018

- Appendix A Maps. No maps were shown in Appendix A - Maps

INAC recommends specific maps showing detailed camp layout, drilling bulk sampling locations, fuel locations, fueling procedures, on-site coordinator contact

Dunnedin Response:

The property map that was to be included in Appendix A of the SPRP was omitted in error, and we apologise for the oversight. Please refer to the 2018 Work Plan (Section 3) included in the NWB submission for the Property Location Map.

At the time of submission, the Kahuna Field Camp was not fully permitted and camp construction had not yet commenced. Once established, a detailed map and photos showing the location of caches, fuel, storage areas, offices, kitchen, sleeping shelters, generators, etc. will be included in 2018 Annual Reports submitted to NWB, INAC, NIRB and KIA. A proposed layout of the temporary field camp site is found in Section 1 of the NWB Field Camp Amendment submission and included in the 2018 Work Plan (Section 3).

Like the camp layout, exact drill and bulk site locations are still being prioritised. Once finalized, detailed maps, photos and coordinates showing the location of all work sites will be included in 2018 Annual Reports submitted to NWB, INAC, NIRB and KIA. For clarity, drilling and bulk sampling have already been approved as part of the current NWB Licence, and is not the subject of this NWB temporary field camp Amendment Application.

Fuel Management procedures are included in the Fuel Management Plan (Appendix B) and the SPRP. Dunnedin has added specific wording from INAC's comments to these plans.

As the field camp is not yet operational, there is no on-site coordinator. Once camp operations commence and communications established, a field office number with the name of the Camp Manager will be included in management plans and documents posted in camp.

INAC Comment:

*Spill Prevention and Response Plan: Kahuna Property Dunnedin Ventures Inc. Revised February 13, 2018
- Appendix C MSDS Sheets. No MSDS sheets found in this section*

Dunnedin Response:

Dunnedin had to send a reduced version of the Spill Prevention and Response Plan (without the large MSDS Appendix C) due to email size restrictions for NWB electronic correspondence. A second and complete digital copy on USB storage (that includes MSDS sheets) was couriered to the NWB. The full SPRP document is also available on Kahuna Project page of the NIRB website.

INAC Comment:

*Spill Prevention and Response Plan: Kahuna Property Dunnedin Ventures Inc. Revised February 13, 2018
Last page "Contents" In the Spill and Prevention and Response Plan under contents
INAC recommends documenting the amount of hazardous materials and fueling on site and including on Appendix A Maps.*

Dunnedin Response:

The estimated amount and type of hazardous materials on-site is documented in the Waste Management Plan. Handling, storage and description of hazardous materials is also discussed in the Fuel Management Plan. The amount of proposed fuel on site is included under Section 1.4.2 Fuel Storage of the Spill Prevention and Response Plan. Since no hazardous materials or fuel is currently on the property, a map showing their location is not possible at this time. A map and inventory detailing actual fuel and hazardous material on site will be included 2018 Annual Reports submitted to NWB, INAC, NIRB and KIA.

3. Waste Management Plan

INAC Comment:

*Section 3.1.7 Used Rags and Sorbents states "Used rages and sorbent pads will be incinerated on site in a duel chamber, forced air- incinerator".
INAC recommends not to incinerate used rags or sorbent pads and to remove off site.*

Dunnedin Response:

As per INACs recommendation, used rags and sorbent pads will be placed into empty fuel drums and removed off site to an authorized disposal facility.

INAC Comment:

Item # 6 of the Waste Management Plan: Inspection and Monitoring

Water running off bulk sample locations should be analyzed for quality; reclamation should be completed within the year; include inspection or monitoring of fuel caches or hazardous waste materials left on site after the camp is fully closed and dismantled.

Dunnedin Response:

Again for clarity, this NWB amendment application is for the addition of a field camp. Bulk sampling activities have already been approved and current NWB Licence conditions include reclamation, monitoring and testing before wastewater discharge. These topics are also included in of Dunnedin's Abandonment and Restoration Plan.

Fuel and hazardous material locations will be inspected regularly during programs. Waste and empty drums will be progressively removed from site to approved facilities during, and at the end of seasonal operations. Dunnedin will conduct a final inspection and inventory of any fuel and hazardous waste storage as part of preparation for seasonal shutdown. Upon final closure and once further exploration activities are finished, all fuel, equipment, buildings, waste (including hazardous) will be removed from site. Please refer to the Fuel Management and Abandonment and Restoration Plans.

4. Work Plan

INAC Comment:

6.1.2.1 Camp Fuel Cache

INAC would like clarification if water will be used to make a winter trail.

Dunnedin Response:

No water will be used for ice bridges or the winter trail, so it was not included in the NWB Licence Amendment. Dunnedin intends to use exiting haulage routes between Rankin Inlet and Chesterfield Inlet, which pass close to the proposed camp location.

5. Annual Report

INAC Comment:

No annual reports were submitted for the 2015 and 2016 programs. INAC recommends the applicant submit annual report for 2015 and 2016

Dunnedin Response

There was no drilling, water use, waste disposal or fuel stored on the Kahuna Property in 2015, 2016 or 2017. Exploration comprised of low-impact mapping and sampling using hand tools. Unfortunately since there was no water use, previous authors did not submit annual reports to NWB in 2015 and 2016. Dunnedin contacted Nunavut Water Board in early 2018 to clarify this, and it was also referenced in the 2017 NWB Annual Report.

If you have any further questions or require any additional information, please do not hesitate to contact me at (604) 646-4538, or by email, jward@dunnedinventures.com

Best Regards

Jeff Ward
VP Exploration
Dunnedin Ventures Inc.