



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

NWB File: 2BE-DIS----  
CIDMS #: 455950

Apr 15, 2011

Manager of Licensing  
Nunavut Water Board  
P.O. Box 119  
Gjoa Haven, NU X0B 1J0

**RECEIVED**

*By Ida Porter at 3:36 pm, Apr 18, 2011*

**Re: 2BE-DIS---- – New Water License Application – Dismal Lakes Project  
– Guyana Precious Metals Inc.**

Please be advised that Indian and Northern Affairs Canada (INAC) have completed a review of the new water license application, water license # 2BE-DIS---- (Dismal Lakes Project) submitted by Guyana Precious Metals Inc. The NWB circulated the new water license application for comments on Mar 3, 2011. All documents related to the application posted on the NWB ftp site under 2BE-DIS---- 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) 975-4550 or Ian Parsons at (867) 975-4282 or by email at [ian.Parsons@inac.gc.ca](mailto:ian.Parsons@inac.gc.ca).

Sincerely,

*Original signed by*

Jim Rogers  
Manager

Cc. Ian Parsons, Regional Coordinator, Water Resources – Indian and Northern Affairs Canada, Nunavut Regional Office  
Peter Kusugak, Manager of Field Operations – Indian and Northern Affairs Canada, Nunavut Regional Office



## **Technical Review Memorandum**

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

From: Jim Rogers – Manager, INAC Water Resources, Nunavut Regional Office.

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**Re: 2BE-DIS---- – New Water License Application – Dismal Lakes Project  
– Guyana Precious Metals Inc.**

### **Background**

The Dismal Lakes Project is located approximately 60 km south west of Kugluktuk. The site will consist of facilities capable of sustaining 25, on average, 12 people.

The current application is by Guyana Precious Metals Inc. (Guyana) on the site of an expired license which was issued to Coronation Minerals Inc. (Coronation), 2BE-KUG0810. Based on the material provided by the Nunavut Water Board, the connection between Guyana and Coronation, if any, is unclear. The Water Resources Division of Indian and Northern Affairs Canada (INAC) recommends that the Board seek evidence in relation to this question.

Coronation has not filed the required reporting nor an application to cancel on its expired water license, plus INAC has limited information regarding the site's present conditions. Therefore the Board should be mindful that determining responsibility for site conditions as between Coronation and Guyana might prove difficult in the future, especially if present and past licence applicants are unaffiliated corporations.

The site where Guyana proposes to operate is subject to existing mining claims registered to Rory Calhoun. Additional matters relating to interests in land are unclear in relation to the site. Therefore INAC recommends that pursuant to the Board's section 48(3)(f) authority under the *Nunavut Waters and Nunavut Surface Rights Tribunal Act*, the Board should determine whether Guyana has or can obtain the necessary interests to implement its project.



## **Recommendations/Comments**

INAC recommends that the above referenced water licence # 2BE-DIS---- submitted by Guyana Precious Metals Inc. not be issued until such time as all outstanding issues stated above can be satisfactorily resolved.

INAC further recommends that the Board require additional evidence from the licence applicant on the matters raised in this memorandum and, once that evidence is available for review, seek additional comment and recommendations regarding the above-referenced water licence.

Cc. Ian Parsons, Regional Coordinator, Water Resources – Indian and Northern Affairs Canada, Nunavut Regional Office  
Peter Kusugak, Manager of Field Operations – Indian and Northern Affairs Canada, Nunavut Regional Office