

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

April 9, 2008

Re:

Richard Dwyer Licensing Administrator Nunavut Water Board P.O. Box 119 Gjoa Haven, NU, X0A 1J0

Licence

Gjoa Haven, NU, X0A 1J0

Your File: 2BE-MEP

Our File: IQA-N 9545-2-MEP

Indian and Northern Affairs Canada (INAC) reviewed the Type B Water License Application for the Meliadine East Project in the Kivalliq Region, submitted to the Nunavut Water Board (NWB) by Meliadine Resources Ltd. on March 19, 2008. In conducting our review, INAC referred to the documents on the NWB's FTP-site under 2BE-MEP.

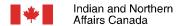
2BE-MEP – Meliadine East Project, Kivalliq – New Type B Water

INAC recommends that the Nunavut Water Board take into consideration the following comments when reviewing this licence application:

<u>General</u>

- The proponent is encouraged to apply for a 5 year water licence rather than a 2 year licence. The process of amending or cancelling a licence is easier and less time consuming than having to apply for a new water licence.
- Clarification is needed with respect to the schedule of on-site activities in the water licence application. In the Water Licence application and Exploration/Remote camp Supplementary Questionnaire, the proponent states that the drilling program will be a multi year schedule starting June 2008 and ending in October 2009. All of the other supporting documents only mention only a 2008 drilling program. Therefore, the proponent should clarify if there will be a 2009 program and provide the activities during that and subsequent seasons.
- Unless burned in an approved incinerator, all waste oils and waste fuels should be removed and back hauled for recycling or proper disposal.
- Greywater from the camp should be contained in a properly constructed sump with enough freeboard to avoid overland seepage. The sump should be located at a minimum distance of 30 metres from all freshwater bodies.
- Drill cuttings and wastes must be contained in an individual sump that does not allow for seepage into any waters or onto any land surface.
- All fuels and chemicals must be stored at a minimum distance of 30 metres from all fresh water bodies, preferably in an area of low





permeability. Drums should be stored on pallets to prevent the drums from being damaged, rusting and leaking.

- In the event that a fuel/oil spill occurs on the land, the contaminated soil should be removed immediately and placed in drums until it can be treated or disposed off appropriately.
- Used drums and propane tanks must be back hauled and returned for proper disposal.

Spill Contingency Plan

 The Spill Contingency Plan should include contact information for Peter Kusugak, Manager of Field Operations, INAC Nunavut Regional Office (NRO); David Ningeongan, Water Resource Officer (Kivalliq Region); and Henry Kablalik, Resource Management Officer (Kivalliq Region).

Peter Kusugak, Manager Tel: (867) 975-4295 Fax: (867) 979-6445 Email: KusugakP@inac-

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David Ningeongan, Water Resource Officer

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Henry Kablalik, Resource Management Officer Tel: (867) 645-2831 Fax: (867) 645-2592

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 A detailed schematic diagram indicating fuel storage, spill kits, building structures, water bodies and drainage basins, and fuel transfer areas should be included into the spill plan.

Abandonment and Restoration (A&R) Plan

- Drill rods and casings should be removed or cut off at ground level upon completion of the drilling season. Also, all drill holes should be sealed and capped at ground level to prevent the degradation of permafrost. The company should plug holes at the bottom of the permafrost if drilling extends through the permafrost. The Board also should request the company to provide the depth of permafrost at drill holes in their annual report to the Board.
- INAC recommends that the proponent provide a detailed plan for fuel and chemical storage during the winter months when the camp is not occupied.

Should you have any questions or comments, please do not hesitate to contact me at (867) 975-4568 or by email at Rumboltl@inac-ainc.gc.ca.





Sincerely,

Original signed by

Ian Rumbolt Water Resource Technician

Cc. Jim Rogers, Manager of Water Resources – Indian and Northern Affairs Canada, Nunavut Regional Office

