



Nunavut Regional Office
Field Operations
P.O. Box 100, Iqaluit, Nunavut, X0A 0H0

Our File: N2012C0006
CIDM #: 740679

September 16, 2013

Jason Brewster, President
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RE: Compliance

Thank you for your letter received by my office Sept 16th, 2013. I have reviewed your comments and would like to provide some feedback on compliance with regards to Anconia's Land Use Permit N2012C0006 and Water Licence 2BE-MRC1217 which are both enforced by this office. This will aid us in moving forward and perhaps prevent any further misunderstandings.

I will start by bringing your attention to the *Nunavut Water and Nunavut Surface Rights Tribunal Act (ACT)*, Section 86 as well as the *Territorial Land Use Regulations, Section 38*. These sections provide an Inspector with prescribed powers and duties which are used to determine compliance with the legislation your authorizations are issued under. Please note this Act and Regulations are available in complete online (www.canlii.org).

Having provided the legislative basis of my duties, I will now provide clarity on Anconia's role as a Proponent and the importance of providing clear and precise information pre and post field season. It is the duty of the Proponent to contact the Resource Management Officer (H. Kablalik) and Water Resource Officer (C. Wilson) prior to entering the field and discuss the terms and conditions of the authorizations to ensure compliance.

Below I will summarize specific parts/sections of the authorizations which I recommend Anconia becomes more familiar with before next year inspection.

Matter specific to the Water Licence 2BE-MRC1217:
Failure to provide notice to the applicable agencies

Part C item 3

The Licensee shall provide a notice to an Inspector and the Board that includes the coordinates of each water source used for the purposes outlined in Part C, Item 1 at least ten (10) days prior to using the water source.

This term and conditions is to be fulfilled by contacting the AANDC Inspectors prior to commencing the field program at a minimum of 10 days notice. All notices must be forwarded to the regional Water Resource Officer (undersigned) and the Nunavut Water Board (NWB); Manager of Licensing licensing@nunavutwaterboard.org as per Part B item 9 (a) and (b).

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Failure to implement an approved Plan

Part B item 8

Every Plan to be carried out pursuant to the terms and conditions of this Licence shall become a part of this Licence, and any additional terms and conditions imposed upon approval of a Plan by the Board become part of this Licence. All terms and conditions of the Licence should be contemplated in the development of a Plan where appropriate.

The approved Spill Contingency Plan (SCP): Table 1, dated January 10th, 2012, indicates that two barrels of fuel will be present at the active drill sites with the remainder located at the camp fuel cache. It was observed by a Kivalliq Inuit Association Inspector that potentially 17 drums of fuel were present at a drill site located at N 62.67342°, W95.48822° on September 15th, 2013.

Failure to submit revisions to a Plan

Part H item 2

The Licensee shall submit with the 2012 Annual Report, an Addendum to the Plan referred to in Part H, Item 1, in the format set out by the Consolidation of Spill Contingency Planning and Reporting Regulations R-068-93 addressing the following issues:

- a. Identification of the on-site person in charge including the name, title and contact information; and*
- b. A topographic map of the site that depicts the location of all fuel storage facilities, spill kits, site infrastructure and nearby water bodies.*

Submissions required by the Board form a term and conditions of this Licence therefore failing to submit the required revisions contribute to over all non-compliance with Anconia's authorizations. To date these revisions have not been posted on the Nunavut Water Board website. If this is in error, please submit a copy of these revisions to the AANDC Inspectors and the Nunavut Water Board.

Failure to store fuel 31 meters from water

Part H item 3

The Licensee shall prevent any chemicals, petroleum products or wastes associated with the project do not enter water. All fuel caches shall be located at a distance of at least thirty one (31) meters from the ordinary high water mark of any adjacent water body and inspected on a regular basis.

Hazardous materials are to be stored at a minimum of (31) meters from water and inspected daily (as per part J item 4) with a record of each inspection logged. This log must be available upon the Inspector request. If this daily monitoring cannot be fulfilled all hazardous materials must stored in secondary containment.

In addition, it is the responsibility of the Licensee to ensure all documents are receive by the NWB Manager of Licensing (part B item 11)



Matters specific to Land Use Permit N2012C0006

Notice to Land Use Inspector and Engineer

- 31 (1) (b) (6) *The Permittee's Field Supervisor shall contact the Land Use Inspector at the Rankin Inlet office of the Department of Aboriginal Affairs and Northern Development Canada, phone number (867)645-2831 at least 48 hours prior to the commencement of this land use operation.*
- (7) *The Permittee's Field Supervisor shall provide notification of commencement of the land use operation to the Engineer at the Iqaluit office of the Department of Aboriginal Affairs and Northern Development either by emailing landsmine@aandc.gc.ca or by telephone at (867)-4283.*

Failure to secure fuel and report fuel locations

- 31 (1) (k) (45) *The Permittee shall report in writing to a Land Use Inspector the locations and quantity of all petroleum fuel chances with ten (10) days after the establishment.*
- (46) *The Permittee shall not place any petroleum fuel storage containers within thirty-one (31) meters of the normal high water mark of any water body.*
- (50) *The Permittee shall use adequate secondary containment or a surface liner (eg. Self supporting insta-berms and fold-a-tanks) when sorting barreled fuel and chemicals at all locations as well as re-fueling stations.*

AANDC's preferred option is to work with clients to address instances of non-compliance with their authorizations or the Act and risks to the environment.

Should you require more information or clarification on any aspect of this letter please contact the undersigned at the coordinates below. I look forward to continuing to work with you and your staff. If you have any questions please do not hesitate to contact our office here in Iqaluit.

Sincerely,

Original signed on file

Christine Wilson
Water Resource Officer
Bldg 918, PO Box 100
Iqaluit, Nu X0A 0H0
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Fax: (867)979-6445
Email: Christine.Wilson@aandc.gc.ca

cc: Land Administrator, AANDC
cc: Resource Management Officer, Rankin Inlet
cc: Manager of Field Operations, AANDC

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