



Water Resources Division
Nunavut Regional Office
Indian and Northern Affairs Canada
Iqaluit, NU X0A 0H0

File 9545-2-3.2BE-NADA
CIDMS 241463

August 5, 2008

Richard Dwyer
Licence Administrator
Nunavut Water Board
Gjoa Haven, NU X0B 1J0

**Re: 2BE-NAD0608, Commander Resources Ltd., Nadluardjuk Lake
Project, Qikiqtani Region, Licence Renewal Application**

Dear Mr. R. Dwyer,

Please be advised that Indian and Northern Affairs Canada (INAC) has reviewed the water licence 2BE-NAD0608 renewal application submitted by Commander Resources Ltd. This licence is for water use and waste disposal associated with exploration and camp activities for the Nadluardjuk Lake Project, in the Qikiqtani Region of Nunavut.

The Nadluardjuk Lake Project is a gold and base metal exploration program that has been in operation since 2003. This project is supported by a twenty-five (25) person camp located on Dewar Lakes, immediately adjacent to the Distant Early Warning site FOX-3 airstrip. Project activities include ground geophysics, prospecting, rock sampling, geological mapping, and diamond drilling. The project area has a general coordinate of 68°37'11" north latitude, 73°12'46" west longitude. The nearest communities are Clyde River, 225 kilometers (km) to the northeast and Qikiqtarjuaq, 400 km to the east.

The following recommendations/comments are provided for the Board's consideration when reviewing this license renewal application.

General

- To limit the frequency of Type B license renewal application reviews, licences should have terms greater than two (2) years. INAC recommends that the 2BE-NAD0608 license be renewed for a five (5) year period.
- The NWB should impose the standard terms and conditions applicable to undertakings of this size and magnitude. This should prevent or minimize any adverse environmental impacts associated with this project.

Water Use

- According to Item 7 of the submitted Water Licence Renewal Application Form, Commander Resources Ltd. is requesting the use of greater than 100 cubic meters (m^3) of water per day. Daily water consumption for domestic purposes will be approximately 60 litres per person. Exploration activities will require a maximum of 30,000 litres of water per day for the operation of a diamond drill. The Board should confirm whether the requested use of greater than 100 m^3 per day is necessary. Daily water use for a 25 person camp and operation of diamond drill rig is calculated to be 31.5 m^3 when following the domestic and exploration activity water consumption rates provided by Commander Resources Ltd.

Waste Disposal

- The submitted licence renewal application states that combustible solid waste products will be burned in a high temperature fuel-fed burn barrel incinerator. Non-combustible solid waste material, waste oil, scrap metal, and ashes produced from the burn barrel incinerator will be backhauled to an approved waste disposal facility. The collection of ash from the burn barrel will limit the release of leachate through runoff however there is concern for the deposition, into waters, of contaminants from waste materials associated with incomplete combustion. The Government of Nunavut's Department of Environment recommends, for camps between 10 – 50 persons, that proponents apply appropriate technologies to ensure complete combustion of wastes. Therefore a dual chamber, forced air incinerator is recommended. As such there should be no open burning of wood treated with preservatives, plastics, electrical wire, asbestos or like materials including hazardous waste

Spill Contingency Planning

- The Spill Contingency Plan specific to licence 2BE-NAD0608 filed with the Nunavut Water Board is dated April 27, 2006. Commander Resources Ltd. should submit a revised plan to the Board for review. This plan should reference all fuel caches, such as the two (2) fuel caches that will be positioned at Durette Lake and Ridge Lake.

Abandonment and Restoration Planning

- The Reclamation Plan specific to licence 2BE-NAD0608 filed with the Nunavut Water Board is dated January 1, 2006. Commander Resources should submit a revised plan to the Board for review.

Please contact me should you have any questions or comments with regards to this licence renewal application. I can be reached by telephone at (867) 975-4555 or email at AbernethyD@inac-ainc.gc.ca.

Regards,
Original signed by

David W. Abernethy
Regional Coordinator

Carbon copy:
Kevin Buck, Manager of Water Resources – INAC, Nunavut Regional Office