

Fisheries and Oceans Canada Pêches et Océans Canada

Eastern Arctic Area

Secteur de l'Arctique de l'est

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April 7, 2010

Phyllis Beaulieu Manger of Licensing Nunavut Water Board PO Box 119 Gjoa Haven, Nunavut X0B 1J0

via e-mail: licensing@nunavutwaterboard.org

Dear P. Beaulieu:

Subject: Commander Resources Ltd. – Nadluardjuk Lake Project - Amendment – Type "B"

Fisheries and Oceans Canada (DFO), Habitat Management, would like to thank the Nunavut Water Board for the opportunity to provide input into the water license amendment application submitted by Commander Resources Ltd. in support of their Nadluardjuk Lake Project proposal.

DFO is the federal department responsible for developing and implementing policies and programs in support of Canada's scientific, ecological, social and economic interests in oceans and freshwater. DFO would like to provide the following comments on the proposal within the scope of our mandate and regulatory responsibilities.

Our review consisted of:

- "Water Licence Application Form" submitted by Commander Resources Ltd..
- "Exploration/Remote Camp Supplementary Questionnaire Dewar Lakes Camp" completed by Commander Resources Ltd.
- "Exploration/Remote Camp Supplementary Questionnaire Malrok Lake Camp" completed by Commander Resources Ltd.

It is our understanding that the amendment proposal consists of the following key elements:

- Continued seasonal occupancy of two exploration camps (Dewar Lakes Camp, Malrok Lake Camp) and mineral exploration activities to occur between 68° 25'68"N, 70° 38'74"W from March 2010 to March 2015.
- Withdraw up to 2 cubic meters of water per day from Dewar River and Malrok Lake for domestic consumption. Approximately 60 cubic meters of water will be withdrawn per day from lakes proximal to drilling activities.
 - Water will be pumped from Dewar River and Malrok Lake via a small Honda water pump.
 - The water intake will be equipped with a foot valve and screened to prevent the entrainment or impingement of fish.



 Exploration activities include prospecting, geological mapping, geophysical surveying and land based drilling.

DFO has produced a new Operational Statement titled "Mineral Exploration Activities" which can be found at the following website:

http://www.dfo-mpo.gc.ca/region/central/habitat/os-eo/provinces-territories-territories/nu/os-eo24-eng.htm

This operational statement covers activities associated with mineral exploration on land including:

- site reconnaissance,
- water withdrawal,
- line cutting,
- temporary work camp operations,
- small diameter/low density drilling,
- high density drilling and/or bulk sampling (extraction of large samples of mineralized material) through large diameter drilling, pitting, trenching and surface stripping, and
- small diameter/low density drilling carried out on ice.

The Operational Statement outlines the conditions under which the Operational Statement is applicable to and also outlines measures to protect fish and fish habitat. If the proponent is able to follow the Operational Statement they do not require a DFO review. If the proponent cannot meet all of the conditions and cannot incorporate all of the measures then the project could result in the violation of the Fisheries Act and could be subject to enforcement action. In this case, it is recommended that the proponent contact the Nunavut DFO office to obtain DFO's opinion on the possible options to avoid contravention of the Fisheries Act.

I trust the information provided will be of assistance in the Nunavut Water Board's review for the Type "B" water license amendment application submitted by Commander Resources Inc. in support of their Nadluardjuk Lake Project proposal. If you or the proponent have any questions concerning the above, or if my understanding of the proposal is either incorrect, incomplete, or if there are changes to the proposed work, please contact me directly by telephone at (204) 983-2632, by fax (204) 983-7983, or by e-mail at Loriena.Melnick@dfompo.gc.ca.

Yours sincerely,

Loriena Melnick

Habitat Management Biologist

Melnick

Fisheries and Oceans Canada - Eastern Arctic Area

Copy: Eric Kan – Fisheries and Oceans Canada