



Water Resources Division
Nunavut Regional Office
P.O. Box 100
Iqaluit, NU X0A 0H0

NWB File: 2BE-NUE0810
CIDMS #: 704774

August 9, 2013

Phyllis Beaulieu
Manager of Licensing
Nunavut Water Board
PO Box 119
Gjoa Haven NU X0B 1J0

Re: 2BE-NUE0810 – Water License Renewal Application – URU Metals Limited – Nueltin Lake Project

Please be advised that Aboriginal Affairs and Northern Development Canada (AANDC) have completed a review of the renewal application for water license 2BE-NUE0810 (Nueltin Lake) submitted by URU Metals Limited. The NWB circulated the renewal application for comments on July 11, 2013. All documents related to the request posted on the NWB ftp site under 2BE-NUE0810 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) 975-4282 or by email at Ian.Parsons@aandc-aadnc.gc.ca.

Sincerely,

Original signed by

Ian Parsons
Regional Coordinator

Cc. Murray Ball, Manager of Water Resources – AANDC, Nunavut Regional Office



Technical Review Memorandum

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

From: Ian Parsons – Regional Coordinator, AANDC.

Re: 2BE-NUE0810 – Water License Renewal Application – URU Metals Limited – Nueltin Lake Project

Background

The Nueltin Lake project is located in the Kivalliq Region of Nunavut 10km north of the border between Nunavut and the Province of Manitoba.

The Nueltin Lake Project will be run out of the Prosperity Goldfields Kiyuk Lake camp. There will be between 7-10 drills working on site with workers being transported daily by helicopter. All garbage will be transported back to the Kiyuk Lake camp. The drill program is expected to last three weeks.

Recommendations/Comments

Application

Questions 7 and 8 of the application pertaining to approvals from both the Nunavut Planning Commission (NPC) and Nunavut Impact Review Board (NIRB) respectively were answered YES, however the proponent indicates that this process is still in progress. AANDC recommends that the proponent submit to the NWB the aforementioned approvals when received from both NPC and NIRB.

Spill Plan

AANDC has noticed that the contact number indicated for AANDC's manager of field operations is incorrect. The Spill Contingency Plan should be revised to include the new AANDC Manager of Field Operations, Erik Allain, as the primary AANDC contact for the reporting of spills. The manager can be reached by telephone at (867) 975-4295 or fax at (867) 975-6445.



AANDC recommends storing all fuel in secondary containment to reduce the risk of a spill. AANDC recommends that URU Metals provide the NWB with the intended locations, types and quantities of fuel to be stored at the drilling sites.

Fuel stored in drums should be located 30 meters from any streams or bodies of water, preferably in an area of low permeability.

AANDC recommends that URU Metals keep a copy of the spill plan on site at the drilling locations.

Other

AANDC recommends that the URU Metals not only adhere to their own approved renewal water license terms and conditions but that they adhere to the terms and conditions of the water license approved for Prosperity Goldfields camp as URU Metals has indicated that they will be basing operations out of this camp.

AANDC also notes that the applicant has indicated that they had planned to start their drilling program in July. AANDC notes that it is now August and water licensing is still in progress. AANDC recommends that no work be started until all permitting has been approved.

Cc. Murray Ball, Manager of Water Resources – AANDC, Nunavut Regional Office
Erik Allain, Manager Field Operations– AANDC, Nunavut Regional Office