



Your file - Votre référence
2BE-PBP1520

June 26, 2017

Our file - Notre référence
IQALUIT-#1156613

Licensing Department
Nunavut Water Board
P.O. Box 119
GJOA HAVEN, NU, X0B 1J0

Sent via email: licensing@nwb-oen.ca

**Re: Technical Review of Water Licence Amendment Application (No. 2BE-PBP1520) –
Pistol Bay Project (NORDGOLD)**

To Whom It May Concern,

Thank you for the Nunavut Water Board's May 25, 2017 notice of the above mentioned water licence application.

A memorandum is provided for the Nunavut Water Board's consideration. Comments and recommendations have been provided pursuant to Indigenous and Northern Affairs Canada's mandated responsibilities under the *Nunavut Waters and Nunavut Surface Rights Tribunal Act* and the *Department of Indian Affairs and Northern Development Act*.

Please do not hesitate to contact me by telephone at 867-975-3877 or email at Amanda.Winegardner@aadnc-aadnc.gc.ca for further information.

Sincerely,

Amanda Winegardner
Water Management Specialist
Water Resources Division
Indigenous and Northern Affairs Canada
P.O. Box 100
Iqaluit, NU X0A 0H0

Encl.

Cc. Ian Parsons, A/Manager, Water Resources, INAC, Nunavut Regional Office (NRO)
Erik Allain, Manager, Field Operations, INAC, NRO

Canada 

Memorandum

To: Licensing Department, Nunavut Water Board

From: Amanda Winegardner, Water Management Specialist, Indigenous and Northern Affairs Canada (INAC)

Cc: Ian Parsons, A/Manager, Water Resources, INAC
Erik Allain, Manager, Field Operations, INAC

Date: June 26, 2017

Re: Technical Review of Amendment Application No. 2BE-PBP1520 for the Pistol Bay Project

Applicant: NORDGOLD (Northquest Ltd.)
Project: Pistol Bay Project
Region: Kivalliq

Comments:

A. Background

NORDGOLD (the Licensee) has applied for an amendment to their current Type 'B' Water Licence, 2BE-PBP1520 for the Pistol Bay Project. The purpose of the amendment is to account for increased water use associated with camp activities and an exploration drilling program, as well as an increase in wastewater due to this increased water use. The Pistol Bay Project is located near the community of Whale Cove and some parts of the property are on Commissioner's Lands. The Licensee began an exploration program at the Pistol Bay Project in 2011 that includes prospecting, till sampling, geological mapping, ground geophysical studies and diamond drilling on both land and ice. The camp that supports the Pistol Bay Project is owned by Henik Lake Adventures Ltd. (Arviat).

In 2016, water use for camp activities exceeded the daily allowable water use limit (2016 use was 1.66 m³/day; current limit is 1 m³/day). The 2017 exploration program is planned for late June to late September and will see approximately 26 people working at the project. An increase in allowable water use is anticipated for camp activities. Additionally, an expanded drilling program is planned for the summer of 2017 as well as winter of 2018. As such, the Licensee is requesting an increase in daily allowable water use for camp activities associated with the exploration program, for a limit of 5 m³ per day. The Licensee is also requesting an increase in daily allowable water use from 120 m³ per day to 295 m³ per day to support expanded drill activity.

The Licensee has submitted up to date annual reports under the Terms and Conditions of 2BE-PBP1520. The Land Use Permit issued by Indigenous and Northern Affairs Canada for the Pistol

Bay Project was inspected in 2015. The Water Licence for the Pistol Bay Project was inspected in 2013 (according to the public registry).

The Licensee has not requested an amendment to the licence term of 2BE-PBP1520.

B. Results of review

On behalf of INAC's Water Resources Division, the following comments and recommendations are provided for the NWB's consideration:

1. Water use

Source:

- 1) 2BE-PBP1520 Northquest Amendment Application, Section 13: Quantity of Water Involved

Comment: The Licensee has estimated their water use under the amended Water Licence to include up to 5 m³ per day for camp use and up to 295 m³ per day for drilling. The combined total of this maximum use would equal 300 m³ per day, pushing the Water Licence into a Type 'A' classification.

Recommendation 1: INAC recommends that the Licensee clarify their daily total usage of water for both camp use and drilling activities. If the Licensee estimates use of 300 m³ or greater per day, then a Type 'A' application is recommended.

2. Use of camp

Source:

- 1) 2BE-PBP1520 English summary version final

Comment: The Licensee has indicated that the camp used to support activities at the Pistol Bay Project is owned by Henik Lake Adventures Ltd. based in Arviat. No documentation could be found in the application materials indicating whether activities associated with Henik Lake Adventures Ltd. would occur concurrently at the camp with exploration activities at the Pistol Bay Project, thereby potentially resulting in increased pressure to nearby water sources than reported under 2BE-PBP1520. INAC was also unable to confirm from the public registry whether Henik Lake Adventures Ltd. holds a separate Water Licence or Authorization without a Water Licence for this camp.

Recommendation 2: INAC recommends that the Licensee confirm whether Henik Lake Adventures Ltd. will also occupy the camp and use water during the same time as workers with the Pistol Bay Project and whether Henik Lake Adventures Ltd. holds a separate Water Licence for camp use.

Recommendation 3: INAC advises the Licensee that if another Water Licence is in use for the camp at the same time as 2BE-PBP1520 that care must be taken to record water

withdrawal and use accurately.

3. Waste production as a result of amended water use

Source:

- 1) 2BE-PBP1520 Northquest Amendment Application, Section 15: Quantity and Quality of Waste Involved

Comment: The Licensee has indicated in their amendment application that there will be an increase in wastewater produced due to the increased water use if the amendment is approved. The Licensee did not comment on potential increases to other forms of waste due to expanded drilling program.

Recommendation 4: INAC recommends that the Licensee comment on whether there will be increases in the quantity of other forms of waste produced due to the amended Water Licence.

3. Non-hazardous waste disposal

Source:

- 1) 2BE-PBP1520 Northquest 2016 Final Report of Activities to NWB, p. 4
- 2) 2BE-PBP1520 Renewal Licence, Part D: Conditions Applying to Waste Disposal

Comment: In their 2016 annual report, the Licensee indicated that “2017 transportation of non-hazardous waste to the Whale Cove municipal dump remains subject to approval...”.

Recommendation 5: INAC recommends that the Licensee confirm to the NWB that the necessary approvals are in place for waste disposal as per Part B of 2BE-PBP1520 for the 2017 field season.

4. Spill Contingency Plan

Source:

- 1) 2BE-PBP1520 Spill Contingency Plan April 10 2017
- 2) 2BE-PBP1520 Northquest 2016 Final Report of Activities to NWB

Comment: The Spill Contingency Plan, revised April 10, 2017 includes Appendix II which is a placeholder for the appropriate Material Safety Sheets (MSDSs). These sheets are not included in the stand-alone Spill Contingency Plan, but have been included in the Spill Contingency Plan section of the Licensee’s 2016 annual report.

Recommendation 6: INAC recommends that the Licensee include the MSDSs in the stand-alone Spill Contingency Plan or give clear direction where a user of the Spill Contingency Plan would find the MSDSs.

5. Secondary containment for fuel storage

Source:

- 1) 2BE-PBP1520 Northquest 2016 Final Report of Activities to NWB

Comment: The 2016 annual report includes many pictures of fuel storage using berms and other forms of secondary containment.

Recommendation 7: INAC encourages the Licensee to continue the practice of using secondary containment for fuel storage.