



September 12, 2011

Our reference
IQALUIT-#479839

Sent by email: iporter@nunavutwaterboard.org

Ida Porter
Licensing Administrative Assistant
Nunavut Water Board
Gjoa Haven, Nunavut
X0E 1J0

Your reference
2BE-PBP1115

**Re: Type 'B' Water Licence No. 2BE-PBP1115, Amendment Application –
Pistol Bay Project – Northquest Ltd. – Kivalliq Region**

Dear Ida,

Thank you for your August 12, 2011 request for written representations on the above referenced amendment application.

A Technical Review Memorandum is provided for the Board's consideration.

Please do not hesitate to contact me by telephone at 867 975-4555 or email at David.Abernethy@aandc-aadnc.gc.ca to discuss this submission.

Regards,

David W. Abernethy
A/ Manager of Water Resources
Water Resources Regional Coordinator
Operations Directorate
Nunavut Regional Office
Iqaluit, Nunavut
X0A 0H0

Encl.

c.c.: J. Allen, Water Management Specialist
J. Mercer, A/Manager of Field Operations

Technical Review Memo

| | | |
|----------------|---|---|
| TO | Ida Porter Licensing Administrator Nunavut Water Board | OUR REFERENCE File #9545-2-3.3BC.NWTA IQALUIT-#479839 |
| FROM | David Abernethy A/ Manager of Water Resources Water Resources Regional Coordinator Aboriginal Affairs and Northern Development Canada | YOUR REFERENCE 2BE-PBP1115 Date September 12, 2011 |
| SUBJECT | Type 'B' Water Licence No. 2BE-PBP1115, Amendment Application – Pistol Bay Project – Northquest Ltd. – Kivalliq Region | |

A. PROJECT DESCRIPTION

On August 12, 2011 the Nunavut Water Board (the Board) provided notification of Northquest Ltd.'s application to amend their Type 'B' water licence to allow for an increase to their daily water consumption allowance for drilling purposes from 50 to 85 cubic metres (m³) per day. As stated in the cover letter that accompanied this application, "a mathematical error was made in the initial calculations of water consumption for the drill. The original estimate of 50 m³ of water per 24 hour shift was incorrect." No change to the 1 m³ daily water consumption allowance for domestic purposes was requested.

Also included in the submitted application were an Abandonment and Restoration Plan, Spill Contingency Plan, and a map.

B. RESULTS OF REVIEW

On behalf of the Aboriginal Affairs and Northern Development Canada (AANDC) Water Resources Division, I am providing the following comments/recommendations for the Board's consideration,

- The AANDC Water Resources Division does not object to the submitted amendment application.
- The Abandonment and Restoration Plan and Spill Contingency Plan distributed for review do not address the revisions specified in Part H, Item #2 and Part I, Item #2 of the water licence. As such, the AANDC Water

Resources Division recommends that Northquest Ltd. submit addendums to these plans with their 2011 Annual Report as required by their water licence.

- The Water Resources Officer telephone contact information provided in Part H, Item #2 of the current water licence is incorrect. The telephone number is 867 975-4295.
- The submitted map, titled, "Proposed Drilling and Campsite Location," is a valuable reference material. However, the AANDC Water Resources Division continues to recommend that the Spill Contingency Plan be revised to include a topographic map (or maps) that identifies the project camp, nearby water sources (including the camp's water source), fuel caches, and any other aspects of the project that may have the potential to impact surrounding water sources. This map (or maps) should be set to an appropriate scale.

Prepared by David Abernethy

c.c.: J. Allen, Water Management Specialist
J. Mercer, A/Manager of Field Operations