



Field Operations Division
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6 January 2014


Christina Redhead
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RE: July 15 2013 Water Licence Inspection 2BE-PCD0812

Ms. Redhead,

Please find attached the report on the Water License Inspection conducted at the Prince of Wales, Chartrand Lake and Devon Island Projects. Included at the end of the report is a summary of observations made during the inspection and any issues of non-compliance or non-conformity with the issued Water License or the Nunavut Water and Nunavut Surface Rights Tribunal Act, and the actions required of De Beers Canada Inc. as a result. There remain some gaps in the documentation for these projects.

Please do not hesitate to contact me at the coordinates listed below. I look forward to continuing to work with you and your staff.



Eva Paul

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WATER LICENCE INSPECTION REPORT

Date: July 15, 2013	Licensee Rep. (Name/Title): N/A
Licensee: De Beers Canada Inc.	Licence No.: 2BE-PCD0812

Administrative review:

Nine (9) fly-camp locations were included in the 2006 2BE-PCD---- application and were subsequently approved in the 2BE-PCD0607 licence:

1. Fly camp-A: 73°19.0' N and 98°54.5' W (Prince of Wales Project)
2. Fly camp-B: 72°20.5' N and 98°01.5' W (Prince of Wales Project)
3. Fly camp-A: 75°26'00" N, 89°51'00" W (Devon Island Project)
4. Fly camp B: 76°18.0' lat. and 92°18.0' long. (Devon Island Project)
5. Fly camp-A: 69°42.5' N and 94°13.0'W (Chartrand Lake Project)
6. Fly camp-B: 69°46.5' N and 95°2.5' W (Chartrand Lake Project)
7. Fly camp-C: 70°45'50" N and 95°16'11" W (Chartrand Lake Project)
8. Fly Camp-D: 70°55'6" N and 92°54'15" W (Chartrand Lake Project)
9. Fly Camp-E: 70°29'6" N and 93°18'45" W (Chartrand Lake Project)

The datum of these coordinates is not clear in the application, nor whether the locations are intentionally given in two different position grid systems (d°m's" vs. d°m.mm'). They are assumed to be in NAD83.

The 2006 Annual Report indicates that two camps were actually established (below, coordinates as given). Photographs of the camps were submitted but reclamation was not discussed in the report as required by the licence.

10. Eden Point camp on Devon Island (16 X 459288 8332967), and
11. Muskox Hill Camp on Prince of Wales Island (14 X 502584 8103283).

The 2007 Annual Report indicates that no work was conducted out of the camps during that field season. No reclamation work was discussed in the 2007 Report.

In 2007 a renewal application was submitted. This application included the same 9 fly camps were proposed but the application did not acknowledge the two actual camps that were established the previous year nor indicate whether reclamation of these camps took place. Drilling was also proposed in the 2007 renewal, with targets identified. Due to HTO rejection of the application, De Beers withdrew all proposed camp locations at Chartrand Lake and Prince of Wales Islands. The renewal licence 2BE-PCD0812 was issued authorizing only the two camp locations on Devon Island (3 and 4 above), and multiple drilling locations on Cornwallis Island.

No annual reports were submitted from 2008-2012 and no correspondence received until 2012. At this time De Beers submitted a letter to the Inspector (Andrew Keim) indicating that no work was conducted during that period and requested closure of the licence. The Mr. Keim outlined information that was required before a final inspection could be conducted. The requested plans and reports have not been submitted.



In June of 2013 another information request was sent to De Beers by AANDC Inspector Eva Paul requesting specific information in order to facilitate an inspection. At the time of this writing the information has not been provided.

Inspection:

On July 15 2013 I attempted inspection of the known locations associated with this licence, particularly Eden Point and Muskox Hill camps. Unfortunately, due to weather, mechanical delays out of Resolute, and aircraft limitations I was not able to land at any sites and several sites were overflown completely due to cloud cover. The sites I was able to inspect are listed in the order I visited them, and reference the sites as listed above:

(10) Eden Point camp: N75°04'46.3" W88°24'59.9" (Devon Island): The airstrip at Eden Point camp was located from the air. No camp structures remain. The area was photographed from the air as the pilot was unwilling to land. The camp appears to be completely removed.

(3) Fly camp-A: N75°26'00", W89°51'00" (Devon Island): The Houghton Crater site was occupied. There are three water licences issued for the same area. At the time of the inspection there were two planes parked on the airstrip preventing us from landing. The location indicated in De Beers' licence is west of the airstrip. There were three crates or boxes (contents unknown) visible from the air at the location indicated in the licence.

(1) Fly camp-A: N73°19'00.0" W98°54'30.0" (Prince of Wales Island): No evidence of use was noted.

(11) Muskox Hill camp: N73°01'30.4" W98°55'14.5" (Prince of Wales Island): No evidence of camp or airstrip was located.

(2) Fly camp-B: N72°20'30.0" W98°01'30.0" (Prince of Wales Island): No evidence of use was noted.

(5) Fly camp-A: N69°42'30.0" W94°14'34.0" (Chartrand Lake): No evidence of use was noted.

Non-compliance with the Water Licence:

2BE-PCD0607

Part B Item 2(iv): Failure to provide a description of progressive or final reclamation work undertaken.

2BE-PCD0812

Part B Item 2: Failure to submit annual reports for 2008, 2009, 2010, 2011, and 2012.

Part H Item 2: Failure to submit an addendum to the Spill Contingency Plan as required by the Board.

Part I Item 2: Failure to submit an addendum to the Abandonment and Restoration Plan as required by the Board.

Contraventions of the *Nunavut Waters and Nunavut Surface Rights Tribunal Act*:

S.86 (4): Failure to furnish information requested by the Inspector for the purposes of carrying out an inspection.



Action Required:

There remain several questions with respect to this file. The licensee must conduct a thorough review of these projects and produce the information that has been requested by AANDC Inspectors. The following is required to be submitted to the Inspector:

- Documentation with dates and photos of the reclamation of the Eden Point and Muskox Hill Camps.
- Factual documentation of any fuel caches that were established over the term of these projects and the use or removal of the fuel.
- Confirmation that no further camps were established under these projects.
- Confirmation of whether or not any drilling occurred over the term of these projects.
- Land Use Permit numbers or other crown authorizations related to these projects, and any Final Plan /Final Report documents that were submitted in relation to the same.

The following is to be submitted to the Board and copied to the Inspector:

- All outstanding annual reports.
- Any outstanding fees.

Cancellation of the licence is not recommended until these matters are resolved.

Eva Paul
Water Resources Officer

January 6, 2014

Date



Photos of July 15 2013 Inspection:



Figure 1. Eden Point site. Note faint traces of airstrip. Camp is believed to have been located immediately above the airstrip.



Figure 2. Houghton Crater site. Boxes with unknown contents.