



Water Resources
Nunavut Regional Office
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Phyllis Beaulieu
Licensing Administrator
Nunavut Water Board
P.O. Box 119
Gjoa Haven, NU, X0A 1J0

Your file - Votre référence
2BE-PET----

Our file - Notre référence
CIDM# 471584

**Re: 2BE-PET---- Peter Lake Project – Canada Nickel Limited – Kivalliq
Region - New Water Licence Application**

Aboriginal Affairs and Northern Development Canada (AANDC) has performed a review of the new water licence application, 2BE-PET---- (Peter Lake Project) submitted by Canada Nickel Limited to the Nunavut Water Board (NWB). The following advice has been provided pursuant to AANDC's mandated responsibilities for the enforcement of the *Nunavut Waters and Nunavut Surface Rights Tribunal Act* (NWNSRTA) and the *Department of Indian Affairs and Northern Development Act* (DIAND Act). In conducting our review, AANDC referred to the documents on the NWB's FTP-site under 2BE-PET----.

Should you have any questions or comments, please do not hesitate to contact me at (867) 975-4738 or by e-mail at Jean.Allen@inac-ainc.gc.ca

Sincerely,

Original Signed By

Jean Allen
Water Management Specialist

Cc. Tanya Trenholm, A/Manager of Water Resources, Aboriginal Affairs and Northern Development Canada, Nunavut Regional Office
Kevin Robertson, A/Manager of Field Operations, Aboriginal Affairs and Northern Development Canada, Nunavut Regional Office



Technical Review Memorandum

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

From: Jean Allen – Water Management Specialist, Aboriginal Affairs and
Northern Development Canada

**Re: 2BE-PET---- Peter Lake Project – Canada Nickel Limited – Kivalliq
Region - New Water Licence Application**

A. Project Description

On June 16, 2011, the Nunavut Water Board (Board) distributed Canada Nickel Limited's (CNL) application for a Type B water licence for water use and waste disposal in association with the Peter Lake Project. The applicant has requested a licence term of 3 years (August 2011 to August 2014) to initiate the next phase of their diamond drilling program to evaluate potential geophysical and geological targets surveyed during 2009 and 2010.

The drill program is located on Inuit Owned Lands and is approximately 40 km west-northwest of Rankin Inlet, NU. The drill program consists of a total of 1500 metres in 8 to 12 holes. No camp is proposed: a crew of 4 people will be based out of Rankin Inlet and will fly via helicopter to the site daily. One small tent will be erected for core logging and as a safety shelter. The drill unit is heli-portable and will be mobilized from site to site via helicopter.

Water for the drilling program will be drawn from nearby lakes and the estimated water use for drilling is 30 cubic metres per day (150 m³ from each water source and 900 m³ total). Water return and drill cuttings will be directed to a local depression which will be filled and covered with peat moss after each drill move. Solid waste and waste oil will be flown to Rankin Inlet for proper disposal. Empty fuel drums and propane cylinders will be returned to M&T Enterprises in Rankin Inlet for reuse and any unused fuel and drilling additive, oil, or grease will be transported back to Rankin Inlet. Drinking water and sewage treatment are not applicable as no camp is proposed.

B. Results of Review

AANDC Water Resources Division offers the following comments/
recommendations for the Board's consideration.



1. General

- AANDC recommends that CNL obtain written authorization from the Hamlet of Rankin Inlet confirming that the solid waste disposal facility will accept and dispose of solid waste, bulky items/scrap metal, hazardous waste, and damaged fuel drums. A copy of the letter of authorization shall be submitted to the Board should Rankin Inlet be included in the waste management plan.

2. Fuel Spill Contingency Plan

- CNL indicated that contaminated material will be transported to an approved disposal or recovery site. Should this site be located within Nunavut, AANDC recommends that CNL provide a letter of authorization to the Board from the disposal or recovery site confirming that they will accept contaminated material.
- In-situ combustion was included in the plan as a disposal method for fuels and petroleum product spills on snow and ice. AANDC recommends that in-situ combustion is only to be undertaken with the approval from appropriate authorities and in accordance with the terms and conditions of the water licence.

cc. Tanya Trenholm, A/Manager of Water Resources, Aboriginal Affairs and Northern Development Canada, Nunavut Regional Office
Kevin Robertson, A/Manager of Field Operations, Aboriginal Affairs and Northern Development Canada, Nunavut Regional Office