



August 15, 2014

Your file - Votre référence  
2BE-SCH0712

Our file - Notre référence  
IQALUIT-#831883

Phyllis Beaulieu  
Manager of Licensing  
Nunavut Water Board  
GJOA HAVEN, NU X0E 1J0

**Re: Aboriginal Affairs and Northern Development Canada Review of the Forum Uranium Corporation's Application to Renew Water Licence #2BE-SCH0712**

Dear Ms. Beaulieu:

Thank you for your email of July 18, 2014, concerning the above mentioned application. A memorandum is provided for the Board's consideration. Comments and recommendations have been provided pursuant to Aboriginal Affairs and Northern Development 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 867-975-4555 or email at [david.abernethy@aandc-aadnc.gc.ca](mailto:david.abernethy@aandc-aadnc.gc.ca) for further information.

Sincerely,

David Abernethy  
Regional Coordinator  
Water Resources Division  
Resource Management Directorate  
Aboriginal Affairs and Northern Development Canada  
IQALUIT, NU X0A 0H0

Encl.

c.c.: Murray Ball, Manager of Water Resources, AANDC Nunavut  
Erik Allain, Manager of Field Operations, AANDC Nunavut

## Memorandum

To: Phyllis Beaulieu, Nunavut Water Board

From: David Abernethy, Aboriginal Affairs and Northern Development Canada

CC: Murray Ball (AANDC), Erik Allain (AANDC)

Date: August 15, 2014

**Re: Water Licence Renewal Application, #2BE-SCH0712**

Licensee: Forum Uranium Corporation  
Project: North Thelon  
Region: Kivalliq

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### Comments:

#### A. Background

On July 18, 2014, the Nunavut Water Board (the "NWB") provided notification of an application to renew Forum Uranium Corp.'s (the "Licensee") Type 'B' Water Licence, #2BE-SCH0712, for five years to allow the continued use of water and deposit of waste associated with its North Thelon Project (formerly referred to as the Schultz Lake Project). The project is a mineral exploration undertaking situated on Inuit Owned and Crown Lands approximately 70 km to northwest of the Hamlet of Baker Lake. Project activities include ground geophysics, geological mapping, prospecting, rock sampling, and core and reverse circulation drilling. Personnel will be based from a temporary camp that will be constructed on the eastern shoreline of Judge Sissions Lake. This camp will accommodate up to 19 people but is expected to normally accommodate between 10 to 14 when project activities are underway. Project activities were previously based from a camp on Thom Lake and the Hamlet of Baker Lake. Included in the application are a Spill Contingency Plan, Abandonment and Reclamation Plan, and Uranium Exploration Plan.

The Licensee has applied to renew its Inuit Owned and Crown Land use authorizations.

Interested parties were asked to review this application and provide comments by August 18, 2014.

## B. Results of review

On behalf of Aboriginal Affairs and Northern Development Canada ("AANDC"), the following comments and recommendations are provided:

<b>1.</b>	<b>Annual Reporting</b>  <b>Comment</b> The Licensee has not provided annual reports for the years 2011, 2012, and 2013 pursuant to Part B, Item 2 of the licence. Although a March 23, 2012 letter from the NWB to the Licensee posted on the NWB public registry <sup>1</sup> indicates that a 2011 Annual Report was provided. The report cannot be found.  <b>Recommendation</b> The Licensee should provide all outstanding annual reports (i.e., 2011, 2012, and 2013).
<b>2.</b>	<b>Thom Lake Camp Closure Status</b>  <b>Comment</b> According to the Licensee's 2012 Work Plan, the Licensee purchased Tanqueray Resources Ltd.'s Thom Lake Camp in 2011 and began moving it to the new Judge Sissions Lake camp location that year. This work plan states that the remainder of the camp was to have been relocated in the spring of 2012 and that its former location would be fully decommissioned in the summer of 2012.  <b>Recommendation</b> The Licensee should provide an update on the Thom Lake Camp's closure status. This information should be presented in applicable annual reports. It is noted that Part B, Item 2 iv of the licence requires that annual reports include, "descriptions of all progressive and or final reclamation work undertaken, including photographic records of site conditions before, during and after completion of operations."
<b>3.</b>	<b>Use of Baker Lake Landfill Facility</b>  <b>Comment</b> The Licensee plans to dispose non-hazardous waste materials at the Hamlet of Baker Lake's landfill facility (i.e., bagged sewage, incinerator ash, and any other non-hazardous solid waste materials). The application includes a copy of an email from the Licensee to the Hamlet of Baker Lake requesting confirmation that it can use their landfill facility. The application does not include a written response from the Hamlet of Baker Lake.  <b>Recommendation</b> The Licensee should provide written confirmation from the Hamlet of Baker Lake that is can dispose non-hazardous waste materials in their landfill facility.

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<sup>1</sup> Nunavut Water Board. *Subject: Submission of 2011 Annual Report – 2BE-SCH0712*. Letter from Ms. Phyllis Beaulieu of the Nunavut Water Board to Mr. Anthony Williamson of Forum Uranium Corp. March 23, 2012.

4.	<p><b>Spill Contingency Plan Updates</b></p> <p><b>Comment</b> The Spill Contingency Plan requires certain updates to better understand the Licensee's overall approach to addressing potential hazardous material spills; the on-site contact information of project personnel; and the layout of the Judge Sissions Lake Camp.</p> <p><b>Recommendation</b> The Licensee should updated its Spill Contingency Plan to include:</p> <ul style="list-style-type: none"> <li>• A complete Response Organization Flow Chart (Section 3);</li> <li>• On-site company contact information, once available (e.g., the On-Scene Coordinator referenced in section 3.1 and the On-Site Geologist referenced in Table 2); and</li> <li>• A schematic of the Judge Sissions Lake Camp that references where fuel caches and spill response kits are situated, as well as nearby water sources.</li> </ul>
5.	<p><b>Operation of Judge Sissions Lake Camp</b></p> <p><b>Comment</b> Part E, Item 1 of the licence does not permit the installation or operation of camps. If this condition is not revised the Licensee will not be allowed to establish a camp at Judge Sissions Lake.</p> <p><b>Recommendation</b> Part E of the licence, "Conditions for Camps, Access Infrastructures and Operations," should be revised to include standard provisions for the operation of camp facilities.</p>
6.	<p><b>Licence Addendum and the Management of Uranium in Drill Core and Drill Cuttings</b></p> <p><b>Comment</b> The Uranium Exploration Plan makes reference to a licence addendum that outlines procedures for the disposal of drill cuttings exceeding 0.05% uranium and the storage of mineralized intersections. There are no licence addendums posted on the NWB public registry.</p> <p><b>Recommendation</b> Part I of the Licence, "Conditions Applying to the Abandonment and Restoration or Temporary Closing," should be revised to include the following condition to be consistent with the 2012 <i>Saskatchewan Mineral Exploration Guidelines</i> and the 1996 <i>Saskatchewan Mineral Industry Environmental Protection Regulations</i>:</p> <p>a) Drill mud solids or cuttings with a uranium concentration greater than 0.05 per cent are to be collected and then disposed of down the drill hole and sealed.</p> <p>This revision should address the Uranium Exploration Plan's licence addendum reference. The licence already includes provisions for the storage of mineralized intersections (Part I, Item 14 is states, "for the long term storage of drill core, radiation levels must be reduced to less than 1.0 µSv measured at 1 metre from the surface and in no instance is the level allowed to exceed 2.5 µSv").</p>

Prepared by David Abernethy