Environment Canada Environnement Canada

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14 October 2010

EC file: 4704 004 065
NWB file: 2BE-STO----

Richard Dwyer
Licensing Administrator
Nunavut Water Board
PO Box 119
Gjoa Haven, NU X0B 1J0

Via email:licensingadmin@nunavutwaterboard.org

RE: 2BE-STO---- Storm Project Commander Resources

Environment Canada (EC) has reviewed the information submitted with the above-mentioned application to the Nunavut Water Board (NWB). The following specialist advice has been provided pursuant to the *Canadian Environmental Protection Act*, Section 36(3) of the *Fisheries Act*, the *Migratory Birds Convention Act*, and the *Species at Risk Act*.

Commander Resources Ltd. (Commander) is applying for a Type 'B' water license with the Nunavut Water Board (NWB) to support a small drilling program on the northern part of Somerset Island, approximately 112 km south of the hamlet of Resolute. Project activities will include a drilling program that will occur over 4 to 6 weeks in the summer of 2010 with the potential for continuation in the summer of 2011, and the construction of a small, 12-person temporary tent camp. Additional information regarding water use and waste disposal associated with the exploration activities was submitted to supplement the June 2010 application.

Further to the comments previously submitted regarding the June 2010 application, EC provides these additional comments and recommendations for the NWB's consideration:

- If solid waste is shipped to the nearest community (i.e., Resolute) for disposal, EC suggests that confirmation and authorization be obtained from the intended community landfill prior to shipment.
- Refueling shall not take place below the high water mark of any water body and shall be done in such a manner to prevent hydrocarbons from entering any water body frequented by fish.
- EC recommends that the proponent include the provision that drip pans be used when refueling equipment on site in order to help prevent spills from occurring.

If there are any modifications to the proposed project, EC should be notified, as further review may be necessary. Comments previously submitted on behalf of EC on 14 June 2010 would still apply to this project (see attached). Please do not hesitate to contact the undersigned with any questions or comments with regards to the foregoing at (867) 975-4631 or by email at Paula.C.Smith@ec.gc.ca.

Yours truly,

Paula C. Smith
Environmental Assessment Coordinator

cc: Carey Ogilvie (Head, Environmental Assessment-North, EPO, Yellowknife, NT)
Ron Bujold (Environmental Assessment Technician, EPO, Yellowknife, NT)

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Commander Resources Ltd. (Commander) is applying for a Type 'B' water license with the Nunavut Water Board (NWB) to support a small drilling program on the northern part of Somerset Island, approximately 112 km south of the hamlet of Resolute. Project activities will include a drilling program that will occur over 4 to 6 weeks in the summer of 2010 with the potential for continuation in the summer of 2011, and the construction of a small, 12-person temporary tent camp. An airborne geophysical survey may occur to identify other areas of interest. Dependent on the outcomes of this program, a diamond drilling program may occur in the future.

EC provides the following comments and recommendations for the NWB's consideration:

General

- The proponent shall not deposit, nor permit the deposit of chemicals, sediment, wastes, or fuels associated with the project into any water body. According to the *Fisheries Act*, Section 36 (3), the deposition of deleterious substances of any type in water frequented by fish, or in any place under any conditions where the deleterious substance, or any deleterious substance that results from the deposit of the deleterious substance, may enter any such water, is prohibited.
- The proponent shall not erect camps or store materials on the surface ice of lakes or streams, except that which is for immediate use.
- All sumps, spill basins, and fuel caches should be located in such a manner as to ensure that their contents do not enter any water body, are to backfilled, and re-contoured to match the surrounding landscape when they are no longer required.

- No disturbance of the stream bed or banks of any definable watercourse should be permitted.
- Suitable erosion control measures should be implemented at all stream/lake crossings.

Drilling

- Chemical additives or drilling muds used in connection with this drilling program shall be disposed of such that they do not enter any waterbody either by surface or ground water flows.
- Regardless of the type of drilling conducted, the following conditions will apply:
    - Drilling wastes from land-based drilling should be disposed of in a sump such that they do not enter any body of water.
    - For lake-based winter drilling the proponent may refer to the Interim Guidelines for On-Ice drilling. Return water released to the lake must be non-toxic. Return water release must not result in an increase in total suspended solids in the waters of the lake that exceeds Canadian Council of Ministers of the Environment (CCME) Guidelines for the Protection of Freshwater Aquatic Life (i.e. 10 mg/L for lakes with background levels under 100 mg/L, or 10% for those above 100 mg/L).
    - Drilling additives or mud shall not be used in connection with holes drilled through lake ice unless they are re-circulated, contained such that they do not enter the water, or are demonstrated to be non-toxic.
- The proponent should be aware that the Canadian Environmental Protection Act lists calcium chloride (CaCl) as a toxic substance. The proponent shall therefore ensure that if CaCl is used as a drill additive, all sumps containing CaCl are properly constructed and located in such a manner as to ensure that the contents will not enter any water body.

Waste Disposal

- Used absorbent materials oily or greasy rags, and equipment servicing wastes (such as used engine oil, antifreeze, hydraulic oil, lead acid batteries, brake fluid, and other lubricants) should be safely stored and transported in sealed containers (odour-free to prevent animal attraction) and safety transported to a facility that is authorized for the treatment and disposal of industrial hazardous wastes.
- The proponent states that sewage waste will be incinerated. Raw sewage should not be burned in batch incinerators that are typically used in the north. Raw sewage should only be burned in incineration equipment designed for this type of waste. If Commander decides to pursue sewage sludge incineration, it should provide the Board with the design specifications of the incinerator and a letter from the manufacturer stating that this equipment is suitable for burning this type of waste.
- EC recommends the use of an approved incinerator for the disposal of combustible camp wastes. EC has developed a Technical Document for Batch Waste Incineration, and is available at the following web link:
  http://www.ec.gc.ca/gdd-mw/default.asp?lang=En&n=F53EDE13-1
  The technical document provides information on appropriate incineration technologies, best management and operational practices, monitoring and reporting. This information should be incorporated into an incineration management plan for the camp. EC would like the opportunity to review this plan prior to implementation.

Fuel/Spill Contingency

- The Spill Contingency Plan should be updated with a current project map and should include locations of all spill kits on site.
- Decanting of snow or water from the berm area should proceed only if the appropriate chemical analysis has determined that the contents will not violate the requirements of Section 36.3 of the *Fisheries Act*, such as contact with hydrocarbons.

Wildlife and Species at Risk

- Section 6 (a) of the *Migratory Birds Regulations* states that no one shall disturb or destroy the nests or eggs of migratory birds. The best mitigation measure to ensure compliance is to conduct activities with a risk of disturbing or destroying nests or eggs outside of the migratory bird nesting season. High risk activities include disturbance of large amounts of habitat during the nesting season or conducting activities in areas with large concentrations of nesting birds.
  Other mitigation measures may help reduce the risk of accidental disturbance or destruction of nests or eggs during the nesting season, but will not necessarily completely eliminate the risk. Flushing nesting birds also increases the risk of predation of the eggs or young, or may cause the parent bird to abandon its nest. If project activities are conducted during the nesting season, areas should be checked for nests before work begins and all crew members should be trained on how to recognize signs that a bird might be nesting in the area. If an active nest is found, the area should be avoided until nesting is completed (i.e. the young have left the vicinity of the nest).
  In the northern Arctic region of the Northwest Territories and Nunavut (Figure 1), migratory birds may be found incubating eggs from May 31 until August 4, and young birds can be present in the nest until August 28.
- Environment Canada recommends that food, domestic wastes, and petroleum-based chemicals (e.g., greases, gasoline, glycol-based antifreeze) be made inaccessible to wildlife at all times. Such items can attract predators of migratory birds such as foxes, ravens, gulls, and bears. Although these animals may initially be attracted to the novel food sources, they often will also eat eggs and young birds in the area. These predators can have significant negative effects on the local bird populations.
- Section 5.1 of the *Migratory Birds Convention Act* prohibits persons from depositing substances harmful to migratory birds in waters or areas frequented by migratory birds or in a place from which the substance may enter such waters or such an area.
- In order to reduce aircraft disturbance to migratory birds, Environment Canada recommends the following:
    - Fly at times when few birds are present (e.g., early spring, late fall, winter)
    - If flights cannot be scheduled when few birds are present, plan flight paths that minimize flights over habitat likely to have birds and maintain a minimum flight altitude of 650 m (2100 feet).
    - Minimize flights during periods when birds are particularly sensitive to disturbance such as migration, nesting, and moulting.
    - Plan flight paths to avoid known concentrations of birds (e.g., bird colonies, moulting areas) by a lateral distance of at least 1.5 km. If avoidance is not possible, maintain a minimum flight altitude of 1100 m (3500 feet) over areas where birds are known to concentrate.
    - Avoid the seaward side of seabird colonies and areas used by flocks of migrating waterfowl by 3 km.
    - Avoid excessive hovering or circling over areas likely to have birds.
    - Inform pilots of these recommendations and areas known to have birds.

- The following comments are pursuant to the *Species at Risk Act* (SARA), which came into full effect on June 1, 2004. Section 79 (2) of SARA, states that during an assessment of effects of a project, the adverse effects of the project on listed wildlife species and its critical habitat must be identified, that measures are taken to avoid or lessen those effects, and that the effects need to be monitored. This section applies to all species listed on Schedule 1 of SARA. However, as a matter of best practice, Environment Canada suggests that species on other Schedules of SARA and under consideration for listing on SARA, including those designated as at risk by the Committee on the Status of Endangered Wildlife in Canada (COSEWIC), be considered during an environmental assessment in a similar manner.

Terrestrial Species at Risk	COSEWIC Designation	Schedule of SARA	Government Organization with Primary Management Responsibility
Peary Caribou	Endangered	Pending	Government of Nunavut
Red Knot (*islandica* subspecies)	Special Concern	Pending	EC
Polar Bear	Special Concern	Pending	Government of Nunavut

Environment Canada recommends:

- Species at Risk that could be encountered or affected by the project should be identified and any potential adverse effects of the project to the species, its habitat, and/or its residence noted. All direct, indirect, and cumulative effects should be considered. Refer to species status reports and other information on the Species at Risk registry at www.sararegistry.gc.ca for information on specific species.
- If Species at Risk are encountered or affected, the primary mitigation measure should be avoidance. The proponent should avoid contact with or disturbance to each species, its habitat and/or its residence.
- Monitoring should be undertaken by the proponent to determine the effectiveness of mitigation and/or identify where further mitigation is required. As a minimum, this monitoring should include recording the locations and dates of any observations of Species at Risk, behaviour or actions taken by the animals when project activities were encountered, and any actions taken by the proponent to avoid contact or disturbance to the species, its habitat, and/or its residence. This information should be submitted to the appropriate regulators and organizations with management responsibility for that species, as requested.
- For species primarily managed by the Territorial Government, the Territorial Government should be consulted to identify other appropriate mitigation and/or monitoring measures to minimize effects to these species from the project.
- Mitigation and monitoring measures must be taken in a way that is consistent with applicable recovery strategies and action/management plans.

- Environment Canada notes that the Red Knot (a shorebird) was designated as a species of Special Concern by COSEWIC in April 2007. The Red Knot (*islandica* subspecies) breeding range overlaps with the location of the proposed project area. Although the major threats to Red Knot relate to habitat degradation in the wintering areas and decreases in food resources during spring migration, the proponent should ensure that extra precautions are taken to avoid any disturbance to the Red Knot or its habitat during the breeding season. Red Knots nest on barren habitats (often less than 5% vegetation) such as windswept ridges, slopes or plateaus. Nest sites are usually in dry, south-facing locations, and may be located near wetlands or lake edges, where

the young are led after hatching. Nests are simple scrapes on the ground in small patches of vegetation. Nesting will occur in June with hatching in early July. If an active Red Knot nest is encountered during project activities, or observations of Red Knot in the area suggest that a nest could be nearby, the proponent should avoid all activities in the area until nesting is complete (i.e., likely only resume activities in the area until after mid-July).

- All mitigation measures identified by the proponent, and the additional measures suggested herein, should be strictly adhered to in conducting project activities. This will require awareness on the part of the proponents' representatives (including contractors) conducting operations in the field. Environment Canada recommends that all field operations staff be made aware of the proponents' commitments to these mitigation measures and provided with appropriate advice / training on how to implement these measures.
- Implementation of these measures may help to reduce or eliminate some effects of the project on migratory birds and Species at Risk, but will not necessarily ensure that the proponent remains in compliance with the *Migratory Birds Convention Act*, *Migratory Birds Regulations*, and the *Species at Risk Act*. The proponent must ensure they remain in compliance during all phases and in all undertakings related to the project.

If there are any changes in the proposed project, EC should be notified, as further review may be necessary. Please do not hesitate to contact me with any questions or comments with regards to the foregoing at (867) 975-4631 or by email at Paula.C.Smith@ec.gc.ca.

Yours truly,

Paula C. Smith
Environmental Assessment Coordinator

cc: Carey Ogilvie (Head, Environmental Assessment-North, EPO, Yellowknife, NT)
Ron Bujold (Environmental Assessment Technician, EPO, Yellowknife, NT)
Myra Robertson (Population Management Biologist, CWS, Yellowknife, NT)
James Hodson (Environmental Assessment Officer, CWS, Yellowknife, NT)