Nov 7, 2013

AANDC reference CIDM# 750111

NWB reference #2BE-TRE0608

Phyllis Beaulieu Licencing Administrator Nunavut Water Board Gjoa Haven, NU, X0E 1J0

Re: #2BE-TRE0608 – Tree River Project – Strongbow Exploration Inc. –

Kitikmeot Region - Licence Cancellation

Dear Ms. Beaulieu,

Thank you for your email on October 8, 2013, concerning the above mentioned water licence cancellation application.

A memorandum is provided for the Nunavut Water Board's (Board or NWB) consideration. Comments have been provided pursuant to the Department'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 867-975-4566 or email at daniel.taukie@aandc-aadnc.gc.ca for further comments or any questions.

Sincerely,

Daniel Taukie Water Technician Intern Aboriginal Affairs and Northern Development Canada P.O. Box 100 Igaluit, NU, X0A 0H0

c.c.: Murray Ball, Manager of Water Resources, AANDC
David Abernethy, Regional Coordinator, AANDC
Erik Allain, Manager of Field Operations, AANDC





Memorandum

TO Phyllis Beaulieu AANDC reference
Manager of Licencing CIDM# 750111

Nunavut Water Board

NWB reference #2BE-TRE0608

FROM Daniel Taukie

Water Technician Intern DATE

Aboriginal Affairs and Northern November 7, 2013

Development Canada

Re: #2BE-TRE0608 - Tree River Project - Strongbow Exploration Inc. -

Kitikmeot Region – Licence Cancellation

A. BACKGROUND INFORMATION

On October 8, 2013 the Board provided notification to Aboriginal Affairs and Northern Development Canada (AANDC) that Strongbow Exploration Inc. had submitted a Cancellation application for Type B water license No. 2BE-TRE0608. The submitted information is as follows:

- 1. Application for Water Licence Cancellation
- 2. Closure Summary
- Closure Letter to NWB

The Tree River Project is located approximately 140 km southeast of Kugluktuk in the West Kitikmeot Region of Nunavut. In 2004 work was conducted from three temporary short term fly camps, which consisted of 2 small tents. All supplies and structures were removed at end of 2005 field season.

No activities have taken place at Tree River since 2005.

On July 19, 2010 a final land use inspection was carried out by an AANDC Resource Management Officer and a subsequent letter was sent to the NWB from AANDC indicating that the land use permit can be closed.

On November 18, 2010, a letter from the land administration division of AANDC granted final clearance to Strongbow Exploration Inc. for Land Use Permit # N2004C0010.

The water licence expired on September 31, 2008 with the application for cancellation submitted to the NWB on August 30, 2013.

Interested parties were requested to review the information and provide comments by November 8, 2013.

B. RESULTS OF REVIEW

On behalf of AANDC, the following comments/ recommendations are submitted to the Nunavut Water Board for consideration:

1. Application For Water Licence Cancellation

- AANDC recommends that the discrepancy in ownership of the property between North Arrow Minerals and Strongbow Exploration Inc. be clarified before the NWB approves the cancellation of this licence.
 - AANDC has been unable to find any documentation on the NWB ftp site of a change of owners or assignment of the water licence despite the fact that North Arrow Minerals submitted the 2007 Annual Report to the NWB.
- AANDC recommends that the license not be cancelled until all Water use fees are paid for the years 2008-2013 and annual reports filed for the years 2008-2013. The proponent is bound by all terms and conditions of their water licence, including the paying of water use fees and the filing of reporting requirements (i.e. annual reports) even if their water licence has expired and no activity has occurred on site.
- AANDC also recommends that the licence not be cancelled until a Water Resource Officer completes an on-site inspection and provides confirmation that no compliance issues are associated and/or remain outstanding with the project. As well AANDC recommends that if the company cannot demonstrate either by photographs or other documentation what materials are historic then the current company is responsible for the clean-up and remediation of these materials.