Our reference File #9545-2-2BE.TUKA CIDMS #401418

May 20,010

Ida Porter Licensing Administrative Assistant Nunavut Water Board Gjoa Haven, Nunavut X0E 1J0 Your reference 2BE-TUK

Sent Via Email

Dear Ida,

Subject Water License #2BE-TUK----, Advanced Explorations Inc.,
Tuktu Project Area, Qikiqtani Region, New License Application

Please be advised that on behalf of Indian and Northern Affairs Canada, I have completed a review of the above referenced Advanced Explorations Inc. submission to the Nunavut Water Board.

A Technical Review Memorandum (attached) is provided to the Board for consideration.

Should you have any questions regarding this submission, feel free to contact me at 867 975-4555 or david.abernethy@inac-ainc.gc.ca.

Regards,

David W. Abernethy
Water Resources Regional Coordinator
Operations Directorate, Nunavut Regional Office
Indian and Northern Affairs Canada
Iqaluit, Nunavut
X0A 0H0

Attached.

Cc: Lou-Ann Cornacchio, INAC Water Resources Manager

Peter Kusugak, Manager of Field Operations Melissa Joy, INAC Water Resource Officer



TECHNICAL REVIEW MEMORANDUM

Date: May 20/10

To: Ida Porter, Nunavut Water Board

From: David Abernethy, Indian and Northern Affairs Canada

Re: Water License #2BE-TUK----, Advanced Explorations Inc.,

Tuktu Project Area, Qikiqtani Region, New License Application

A. PROJECT DESCRIPTION

On Apr. 21/10 the Nunavut Water Board (NWB or Board) distributed Advanced Explorations Inc.'s Mar. 22/10 license application for water use and waste disposal associated with exploration activities in their Tuktu Project area. The NWB invited interested parties to make representations by May 21/10.

Advanced Explorations Inc. intends to carry out a multi-year exploration program in their Tuktu Project area which is situated on Crown Lands administered by Indian and Northern Affairs Canada in the Melville Peninsula. A seasonal twenty (20) person camp will be established to support this undertaking. Project activities will consist of ground mapping, geological sampling, ground geophysics, diamond drilling, and initial baseline environmental sampling and studies.

B. RESULTS OF REVIEW

In carrying out my review I reviewed the completed application form and supporting documentation posted on the NWB's online public registry, the Nunavut Planning Commission's Mar. 23/10 conformity review, and the Nunavut Impact Review Board Apr. 26/10 screening decision.

On behalf of Indian and Northern Affairs Canada, I am providing the following comments / recommendations for the Board's consideration,

1. General

• Standard license conditions that concern exploration and camp operations should be applied to this project's license.

2. Water Use

Question #26 of the NWB Exploration / Remote Camp Supplementary Questionnaire asks for a description of all water source locations. In the submitted questionnaire it is stated that, "Water sources for camp and drilling operations will be the nearest lake of sufficient size to provide the water required without impacting the lake level of flow." It is recommended that Advanced Explorations provide the actual locations and descriptions of all water sources that will be utilized.

3. Waste Management

 Any incineration of solid waste should be conducted in accordance with Environment Canada's "Technical Document for Batch Waste Incineration." This technical document provides information on appropriate incineration technologies, best management and operational practices, monitoring, and reporting.

4. Spill Contingency Planning

- All fuel and hazardous materials must be located in areas that are at least thirty-one (31) metres away from the high water mark of any water body and in such a manner as to prevent their release into the environment.
- Secondary containment must be used when storing barreled fuel, chemicals, and other hazardous materials at all locations.
- Secondary containment must be used at all refueling locations.
 Furthermore, appropriate spill response equipment and clean-up materials must be readily available during any transfer of fuel or hazardous materials, as well as at vehicle maintenance areas and at drill sites.
- There can be no direct release of effluent collected within secondary containment structures used for the storage/handling of fuel and hazardous materials if a visible sheen of oil and grease is present. A filtration system designed to remove hydrocarbons must be employed prior the release of any effluent with a visible sheen of oil and grease.

5. Abandonment and Reclamation

 All drill holes must be backfilled or capped prior to the end of each field season. All sumps should be backfilled and restored to original and/or stable profile prior to the end of each field season.

6. Monitoring Program

According to Question #36 of the Question #26 of the completed NWB
 Exploration / Remote Camp Supplementary Questionnaire, Advanced
 Explorations Inc. intends "to monitor sub-watersheds adjacent to the camp
 at their discharge points on a monthly basis during the summer months as
 part of the longer term environmental monitoring program." INAC is
 supportive of this initiative and requests that program findings, including
 water quality sample data, be incorporated into Annual Report
 submissions. It is also recommended that Advanced Explorations Inc.
 provide a summary of this monitoring initiative to the Board for review.
 This submission should include the objectives of, and a description of the
 monitoring plan (i.e., locations monitored, frequency of monitoring, and
 parameters monitored).

Prepared by David Abernethy

Cc: Lou-Ann Cornacchio, INAC Water Resources Manager Peter Kusugak, Manager of Field Operations Melissa Joy, INAC Water Resource Officer