



CANADIAN NORTH

Resources and Development Corp.

加拿大北方資源開發有限公司

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January 10, 2020

Ms. Natalie O'Grady
Avatiliriniq Coordinator
Government of Nunavut
PO Box 1000, Stn. 1500
Iqaluit, Nunavut, X1A 0H0

Dear Ms. O'Grady,

This letter is in response to the January 29, 2020 comments with respect to the **Notice of Screening for Canadian North Resources and Development Corp.'s (CNRD) "Ferguson Lake" project proposal (19RA046)** provided to Jaida Ohokannoak, Technical Advisor, Nunavut Impact Review Board (NIRB). Thank you for your time and care in responding to proposal.

Concern: Fuel and Spill Response

It is acknowledged that 2015 Ferguson Lake Spill Contingency Plan is dated and due for revision, which will be completed in 2020 bearing in mind the Government of Nunavut's (GN) updated published guidelines for the development of spill response.

It is agreed that the crews doing the hauling of the fuel should be trained and capable to handle any spills. It was not the intention for the spill plan document to expect the GN's 24-hour Spill Line to provide field technical advice but instead follow-up reporting advice depending on its severity, however, you are correct the wording of the section needs to be improved which will be done as part of the updating of the document.

As per your recommendation in terms of immediate additional information, attached with this letter is the Spill Response Policy and the Emergency Preparedness & Response Policy for Peter's Expediting Limited (PEL) who is the contractor completing this work and the holder of the active Kivalliq Inuit Association (KIA) ROW permit for the overland winter transport. PEL personnel are highly experienced in the overland transport of fuel and are capable of responding accordingly to the volume and type of spill in the expected environmental conditions, CNRD holds the active Crown-Indigenous Relations and Northern Affairs Canada (AANDC-AANDC) ROW permit. Information for both are provided to NIRB with the project proposal.

Concern: Transportation of Equipment Containing Hazardous Materials

The ball rock crusher that became stuck in transport in 2009 by the former holder Starfield Resources between Rankin Inlet and the Ferguson Lake project site contains no fuels, oils and lubricants. This is because the equipment has never been used and its engine had been removed to reduce weight prior to the transport.

The CNRD representative, the author of this response, visited the site during the summer of 2018 and closely inspected the equipment for signs of hydrocarbon staining, finding none. In order to investigate more closely, the author completed an environmental soil sampling survey under and around the equipment and submitted the batch for testing for metals and inorganics, polycyclic aromatic hydrocarbons (PAH), petroleum hydrocarbons (PHC), and volatile organic compounds (VOC) analyses at the AGAT Laboratories facility in Mississauga reporting no hydrocarbon contamination. Details of this information with the analytical results were provided to the AADNC-AANDC Land Administration office and Christine Wilson, Resource Management Officer with a copy provided to the KIA lands office. A copy of the analytical report is attached here and will be uploaded onto NIRB document folder.

Concern: Transport & Storage of Hazardous Waste

During the winter of 2015-16, it was not possible to remove any of the potentially hazardous waste or empty barrels due to CNRD's budget constraints.

For the loading and overland transport of the waste material to Baker Lake, the sea containers will be lined with a plastic layer to contain any possible leakages. The waste will then be stored at the PEL industrial yard until ready for ship transport outside of Nunavut the following summer.

The waste is estimated to be about 30 tonnes of material taking up a volume of approximately 200 cubic metres. The presence of the storage of the potentially hazardous waste had been reported to the KIA and AADNC-AANDC Lands Administration since 2013. During that year CNRD took over the Ferguson Lake Project from the bankrupt Starfield Resources Limited.

The PEL personnel who are working on the transport and storage of this waste (as well as the 120 barrels of fuel) are experienced in handling, storage and transport of hazardous materials. They are trained and hold certificates in WHMIS and the Transportation of Dangerous Goods (TDG).

CNRD plans to arrange for a ship to carry the materials from Baker Lake and a receiver in southern Canada to accept this material for which a waste manifest will be prepared.

Concern: Overland Heavy Transport Impacts on Habitat

CNRD is aware of the impacts of overland transport on habitat and will as much as possible confine its trails to frozen waterways as shown on the uploaded to NIRB route map. The contractor PEL is highly experienced in the development of winter trails and aware of this concern.

This is supported because CNRD and PEL had originally attempted to complete this project during the winter of 2018-19. During the open activity window last March after completing some scouting of potential overland routes by snowmobile, due to the lack of snow cover, it was decided it would be safer and less damaging to the equipment and flora / fauna to postpone the work until this winter. If the ground conditions are not acceptable this winter the hauling project will be postponed again.

Concern: Archaeological Resources Effects

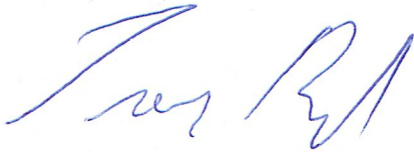
CNRD is aware of the presence of archaeological sites along the intended routes both from Baker Lake and the rock crusher site to Ferguson Lake. PEL, being an Inuit owned and operated firm based in Baker Lake, has a strong local understanding of this concern. It is believed that PEL's local knowledge will facilitate the avoidance of archeological sites located in the vicinity of the planned overland route. In addition, prior to the commencement of hauling, CNRD will work with the Territorial Archaeology Office to clearly identify known and possible archaeological sites on maps that might potentially be affected by transportation activities.

Based upon CNRD's and PEL's awareness of the concerns of the above and as well the impacts on the living environment, the exact planned winter route for overland transport remains still in the planning stage. Additional snowmobile scouting trips are planned marking GPS coordinates locations along the way during the good weather / snow cover window in March, prior to the decision to commence hauling hopefully towards the end of that month. A more detailed larger scale map of the route remains pending for this reason.

In summary, this is a permitted project to be completed largely to mitigate and remediate environmental impacts at the request of the AADNC-AANDC Land Administration office based upon comments it has received from local Rankin Inlet residents. No direct First Nation consultation was completed during 2019 except for keeping the KIA staff informed as to progress with this project. CNRD respectfully wishes to expedite this process to demonstrate to the local community that it is doing what it stated it would do, which is why it is hoped to complete this work this winter.

Please feel free to request more information, and email boyd3@sympatico.ca or telephone (416 919 9017) directly as questions arise.

Best regards,

A handwritten signature in blue ink, appearing to read 'Trevor Boyd', with a stylized flourish at the end.

Trevor Boyd, P.Geo. (NAPEG, APGO)
Canadian North Resources and Development Corp.

cc. Jaida Ohokannoak
Lee Shim
Kaihui Yang
Rick Brown
Yun Feng Ma
Maria Serra
Ashley Aupaluktug-Burton
Brenda
Frank Tootoo
Peter Tapatai
Christine Wilson