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NUNAVUT WATER BOARD
NUNAVUT IMALIRIYIN KATIMAYIT
OFFICE DES EAUX DU NUNAVUT

File: 2BE-STO1015

September 28, 2012

Stephen Potts
VP Exploration
Commander Resources Ltd.
Suite 1100, 1111 Melville Street
Vancouver, BC V6E 3V6

Email: spotts@commanderresources.com

RE: 2BE-STO1015 Type 'B' – Amendment No. 1

Dear Mr. Potts:

Please find attached, Amendment No. 1 to Licence No. 2BE-STO1015 Type "B" issued to Commander Resources Ltd. by the Nunavut Water Board (NWB) (**Motion 2012-B1-005**) pursuant to its authority under Article 13 of the *Agreement between the Inuit of the Nunavut Settlement Area and Her Majesty the Queen in Right of Canada* and the *Nunavut Waters and Nunavut Surface Rights Tribunal Act*. The terms and conditions of the original Licence and attached amendment related to water use and waste disposal remain an integral part of this approval.

The NWB notes that, among others, there is the Nunavut Impact Review Board's (NIRB) Decision File No.10EN013¹ which states that the proposed amendment does not change the general scope of the original project activities. Therefore, the application is exempt from the requirement for screening pursuant to Section 12.4.3 of the NLCA and the activities therein remain subject to the terms and conditions recommended in the original May 13, 2010 Screening Decision Report. The Nunavut Planning Commission (NPC) states that proposed activities do not require a conformity determination². Originally proposed project activities conform to the North Baffin Regional Land Use Plan (NBRLUP).

The NWB strongly recommends that the Licensee consult the comments received by interested persons on issues identified³. This information is attached for your consideration.

¹ NIRB Exemption Decision dated July 6, 2012.

² NPC Conformity Determination dated September 21, 2012.

³ Aboriginal Affairs and Northern Development Canada (AANDC), September 11, 2012; Environment Canada (EC), September 7, 2012; and Fisheries and Oceans Canada (DFO), September 11, 2012.

Sincerely,

A handwritten signature in dark ink, appearing to read 'T. Kabloona', with a long horizontal flourish extending to the right.

Thomas Kabloona
Nunavut Water Board
Chair

TK/kk/pb

Enclosure: Licence No. **2BE-STO1015 - Amendment No. 1**

Comments – AANDC, DFO and EC

Cc: Qikiqtani Distribution List

LICENCE 2BE-STO1015

AMENDMENT No. 1

Licensee:	Commander Resources Ltd.
Licence No:	2BE-STO1015 Type “B”
Licence Issued:	November 3, 2010
Effective Date:	September 28, 2012

Pursuant to its authority under Article 13 of the *Agreement between the Inuit of the Nunavut Settlement Area and Her Majesty the Queen in Right of Canada* and the *Nunavut Waters and Nunavut Surface Rights Tribunal Act*, with respect to the application for amendment dated July 6, 2012, made by Commander Resources Ltd., for the Storm Project, the Nunavut Water Board hereby grants the following Licence amendment.

The Licence issued November 3, 2010, with an expiry date of July 31, 2015 shall be amended to include the following terms and conditions, with respect to use of water and deposit of waste during drilling operations, allowing Commander Resources Ltd. to include additional areas for the exploration program and to use new water sources for drilling purposes.

The overall quantity of water to be used shall not be changed.

Spill Contingency Plan

The submitted Amendment application included an updated Spill Plan entitled “*Commander Resources Ltd. Fuel Spill Contingency Plan for the Storm Project, Nunavut Canada*” dated June 2012. The Board has accepted the update to the approved Spill Contingency Plan.

Abandonment and Restoration Plan

The Plan entitled “*Commander Resources Ltd. Abandonment and Restoration Plan for the Storm Project, Nunavut Canada*” dated June 2012 has been approved by the Board.

Comments Received

The NWB received comments on the amendment application from Aboriginal Affairs and Northern Development Canada (AANDC), Environment Canada (EC) and Fisheries and Oceans Canada (DFO).

In its submission, AANDC stated that in order to transport hazardous wastes in Nunavut the waste generator must be registered with the Government of Nunavut, Environmental Protection Division, providing the final destination for the hazardous wastes. EC expressed no concerns with the application at the time of submission. DFO indicated that DFO's Operational Statement for Mineral Exploration Activities may help to provide useful mitigation measures, and DFO's Freshwater End of Pipe Intake Guidance should be applied to the project.

AMENDMENT No. 1

The Licence, (Page ii), shall be amended to indicate the following:

DECISION

Licence Number: 2BE-STO1015

This is the decision of the Nunavut Water Board (NWB) with respect to an application dated April 14, 2010 for a new Water Licence made by:

COMMANDER RESOURCES LTD

to allow for the use of water and disposal of waste during camp operations and activities related to exploration that include prospecting, geophysics, drilling etc. at the Storm Project located within the Qikiqtani Region, Nunavut, generally located at the geographical coordinates as follows:

Project Extents:

NW:	Latitude: 73° 41' 00'' N	Longitude: 94° 24' 00'' W
NE:	Latitude: 73° 41' 00'' N	Longitude: 93° 58' 30'' W
SE:	Latitude: 73° 37' 30'' N	Longitude: 93° 58' 30'' W
SW:	Latitude: 73° 37' 30'' N	Longitude: 94° 24' 00'' W
NW:	Latitude: 73° 45' 00'' N	Longitude: 94° 59' 30'' W
NE:	Latitude: 73° 45' 00'' N	Longitude: 94° 40' 00'' W
SE:	Latitude: 73° 40' 30'' N	Longitude: 94° 40' 00'' W
SW:	Latitude: 73° 40' 30'' N	Longitude: 94° 59' 30'' W

Camp Location(s)

Latitude: 73° 40' 00'' N Longitude: 94° 18' 00'' W

PART C: CONDITIONS APPLYING TO WATER USE

Amend Item 1

The Licensee shall obtain all water for domestic camp use from an unnamed lake proximal to the camp. Total camp water use shall not exceed two (2) cubic metres per day. Drill water shall be obtained from a number of lakes proximal to the drilling targets as outlined in the amendment application and shall not exceed fifteen (15) cubic metres per day. The volume of water for the purposes of this Licence shall not exceed seventeen (17) cubic metres per day.

PART H: CONDITIONS APPLYING TO SPILL CONTINGENCY PLANNING

Amend Item 2

The Licensee shall implement the Plan entitled “*Commander Resources Ltd. Fuel Spill Contingency Plan for the Storm Project, Nunavut Canada*” dated June 2012, that was originally approved by the Board.

**PART I: CONDITIONS APPLYING TO ABANDONMENT AND RESTORATION
OR TEMPORARY CLOSURE**

Amend Item 1

The Board has approved the Plan entitled “*Commander Resources Ltd. Abandonment and Restoration Plan for the Storm Project, Nunavut Canada*” dated June 2012, that was submitted as additional information with the amendment application.

All remaining terms and conditions of the Licence 2BE-STO1015 Type ‘B’ dated November 3, 2010 still apply.

This Licence Amendment issued and recorded at Gjoa Haven, NU on September 28, 2012.

Approved by,

A handwritten signature in dark ink, appearing to read 'T. Kabloona', is written over a horizontal line.

Thomas Kabloona
Nunavut Water Board
Chair