



**CANADIAN
NORTH
RESOURCES INC.**

October 26, 2021

Ms. Lootie Toomasie
Nunavut Water Board
P.O. Box 119
Gjoa Haven, Nunavut, X0E 1J0

Re: Canadian North Resources Inc. Ferguson Lake Project Water Use Inspection

Dear Ms. Toomasie,

We are contacting the Nunavut Water Board on the request of the Water Use Inspector with respect to the allotted total water use of 100m^3 per day as per our license No. 2BE-FER1823. The daily total use for all water uses for the Ferguson Lake camp while open is well within this limit, however, there is a question with respect to the allotted volume for domestic water use of 5m^3 per day for the Ferguson Lake living quarters. On average approximately 2m^3 of water is used per day when measured from the bulk tanks but if domestic water use is measured daily directly from the source, then the freshwater tanks for the quarters hold 25m^3 and are re-filled once every seven days.

We request your advice on whether it is required that we request for an amendment to our license to allow for this weekly re-supply of our bulk water tanks. If an amendment is needed for our license, then we respectfully request that our allotted volume of domestic water use be increased to 20m^3 per day to allow for the refill of the bulk tanks once every 5 - 7 days. The allotted daily water use for drilling would be decreased to 80m^3 from 95m^3 so the total water use limit of 100m^3 would remain unchanged in the license.

On another matter, earlier this year we revised our documents "Ferguson Lake Project, Abandonment and Restoration Plan, 2015" and "Ferguson Lake Project, Spill Plan, 2015". Upon review and based upon the water use inspection, we are revising the documents to address the points of non-compliance with the act or license in the water use inspection report. In greater detail, we will outline in the documents the 2020-21 progress with the reclamation of the historical waste and include the plan to complete this work. The revised documents will be provided for your office for review before December 31, 2021.

Finally, as part of the addressing the quality of effluent discharged from the fuel containment area, while the camp was open, we contracted ERM Consulting to complete a water and soil sampling program of the stored historical waste and within the fuel berms and containment structures of the camp area. The report with the analytical results will be provided to your office for your review before the end of the year, with copies sent to the KIA and Water Use Inspector offices.

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www.cnresources.com



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Please do not hesitate to request additional information and / or actions as required for this program. The company has changed its name to Canadian North Resources Inc.; however, the contact information remains the same as follows:

Corporate Office

Canadian North Resources Inc.
299 Courtneypark Drive East,
Mississauga, Ontario,
Canada, L5T 2T6
Tel 905-629-1818

For inquiries, please feel free to contact me directly at boyd3@sympatico.ca or 416 919 9017 as questions and concerns arise.

Best regards,

Trevor Boyd
Canadian North Resources Inc.

cc. Luis Manzo, Director of Lands, KIA
Brenda Osmond, Lands Administrator, KIA
Isa Qamaniq-Mason, Lands Administration CIRNAC
Christine Wilson, Water Use Inspector, CIRNAC
Kaihui Yang, President and CEO, Canadian North Resources Inc.

Inc. Ferguson Lake Water Use Inspection Report, September 7, 2021
Ferguson Lake Water Use Licence, 2BE-FER1823