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NUNAVUT WATER BOARD
NUNAVUT IMALIRIYIN KATIMAYINGI

October 14th, 2006

File: 1AR-NAN0208/H6
By Email: bcarreau@breakwater.ca

Bob Carreau
Corporate Manager, Environmental Affairs
Breakwater Resources Limited
Suite 950, 95 Wellington Street West
Toronto, Ontario M5J 2N7

Subject: Consolidated Review of the 2004 and 2005 Nanisivik Mine Geotechnical Inspection Report (Part H, Item 6)

Dear Mr. Carreau,

The NWB has conducted a review of the 2004 and 2005 Nanisivik Mine Geotechnical Inspection Reports produced by BGC Engineering Inc. on your behalf and would like further information on specific issues. The NWB understands that the 2006 Geotechnical Inspection Report is currently being prepared for NWB presentation. Some of the issues addressed in the bullets below may be discussed through the 2006 Geotechnical Inspection Report. If this is the case the NWB invites BRI to reference the appropriate sections in the 2006 submission and/or provide detailed discussion through a separate piece of letter correspondence.

- i. The 2005 Geotechnical Inspection Report submission did not include a covering letter identifying what actions BRL has taken in response to the recommendations brought forward by BGC in 2005. The NWB requests this covering letter from BRI indicating what work was carried through in response to BGC's 2005 recommendations.
- ii. **East Adit Treatment Pond Dike** – The NWB understands that this structure was in place for the 2005 season. From the 2004 and 2005 reports BGC indicates potential seepage. BGC recommends monitoring the pond level. Has BRI taken steps to monitor these levels? The BGC report hints that this dike may be removed in the 2006 season. If the structure is not removed in 2006 does BRI plan to develop the contingency plan suggested by BGC in their 2004 and 2005 reports?
- iii. **East Adit Retention Pond Dike** – Through the BGC reports the NWB understands that BRI has deferred BGC's 2003 recommendations in repairing the GCL. The BRI 2004 covering letter indicates that this structure would be removed in 2005 resulting in no remedial action by BRI in the 2005 season. This structure was still in place during the 2005 season. Has this dike been removed during the 2006 season? If it is not removed in 2006 does BRI intend to action BGC's recommendations in 2003, 2004, and 2005?
- iv. **Tank Farm Spill Containment Berm** – Through their 2004 Geotechnical Inspection report BGC recommends that BRI provide as-built survey information, including location of the internal GCL, for the new lift placed in the berm crest. Was this information provided? The 2005 Geotechnical Inspection Report directs BRI to repair the liner tears and cover the liner in areas where it is exposed. Has BRI acted on these recommendations?

- v. **Day Tank Farm Spill Containment Berm** – Action was not taken on this structure as the 2004 BRI covering letter indicated that this area will be reclaimed in 2005. This structure was still in place for the 2005 season. If this structure has not been removed in 2006 will BRI follow the recommendations set by BGC in 2004 and 2005 (Liner repair and backfill)?

I would like to reiterate that some of the above bullets may be answered through your upcoming 2006 Geotechnical Inspection Report. If answers to the above listed bullets are not contained within the 2006 submission the NWB requests detailed discussion on these issues through a separate letter document. If you have any questions whatsoever please feel free to contact me at telephone number 867.360.6338, mobile number 867.445.3924, or email dirts@nunavutwaterboard.org.

Regards,

Original signed by:

Joe

Joe Murdock
Director of Technical Services
Nunavut Water Board