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File: NWB4REP0506/D1

September 20, 2005

Marc Losier Technical Coordinator Mosher Engineering Limited 1358 Queen Street Halifax, NS B3J 2H5 By Email

marc@mosher.ca

Subject:

Licence NWB4REP0506, Mosher Engineering Ltd.; Part D: Conditions Applying to Waste Disposal, Discharge of water related to the Hydrostatic Testing Operations, Repulse Bay, Nunavut.

Dear Mr. Losier;

The Nunavut Water Board ("NWB") would like to acknowledge the receipt on September 20, 2005 of the Analytical Report required under Part D, Item 1 and the request to approve the release of water from the hydrostatic testing operations, back to the original source lake.

Upon reviewing the results, it was noted that the sampling and analysis as set out in Table D1 have not been fully completed. In order to proceed with the release of process water, the NWB is imposing the following additional requirements.

During the release of water used for the purposes of hydrostatic testing, the Licensee shall:

- i. Sample the effluent from the hydrophobic filter system used to treat the water, upon initial start-up of the discharge program and again near the completion of the discharge program, and analyze as per Part D, Table D1 and Part D, Item 4, noting the approximate amount of water released at the time of sampling;
- ii. take every precaution to prevent and minimize the erosion of soil and the release of sedimentation due to the discharge of water from the hydrostatic testing program. These precautions may include, but not be limited to the installation of temporary silt curtains and/or silt fences, reduction in the velocity of the discharge or the dispersion of the discharge flow;
- iii. Inspect on a regular basis, any downstream flow through to the receiving lake for evidence of erosion and sedimentation;
- iv. Provide the information required above to the inspector upon completion of the program and receipt of the analytical reports from the laboratory;

- v. Provide the complete analytical report for the water prior to release from the storage tanks for all parameters listed in Table D1; and
- vi. Submit these results within the Annual Report required by Part B, Item 1.

Upon meeting the above additional requirements, Mosher Engineering Ltd. is authorized to proceed with the release of waters used for hydrostatic testing purposes under Licence NWB4REP0506.

Should you have any further questions, please feel free to contact me at (780) 443-4406 at your earliest convenience.

Yours truly,

Original signed by:

David Hohnstein, C.E.T. Technical Advisor Mining

Cc: Jim Rogers, DIAND Iqaluit
Scott Stewart, DIAND Inspector
Tongola Sandy, Kivalliq Inuit Association
Gladys Joudrey, Nunavut Impact Review Board
Josee Gallipeau, Nunavut Wildlife Management Board
Colette Spagnuolo, Environment Canada
Earle Baddaloo, GN-DOE
Derrick Moggy, Department of Fisheries and Oceans
Tania Gordanier, Department of Fisheries and Oceans