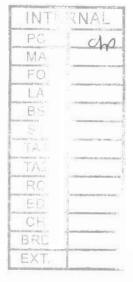


March 31, 2004

Ms. Phyllis Beaulieu Licensing Administrator Nunavut Water Board P.O. Box 119 Gjoa Haven, NU X0A 1J0

Dear Ms. Beaulieu:



Nunavut Water Board Public Registry

Project No.: FOX-2 (3.6)

RE: 2003 Annual Report for Water Use License #NWB5LON0308

UMA Engineering Ltd. is submitting the following annual report as per the requirements of Part B.1 of the above noted water use license. The report is being submitted on behalf of Defence Construction Canada and the Department of National Defence.

In the 2002 due diligence investigation, hydrocarbon-impacted soils with total petroleum hydrocarbon concentrations in excess of the assessment criteria of 2,500 parts per million, were detected in close proximity to the shoreline. Because of this issue, it was determined that the hydrocarbon-impacted soils in this area should be excavated and stored for treatment during the overall site clean up.

The work program at FOX-2 was developed to address the hydrocarbon-impacted soil at the Beach POL in the near-shore area. Also, the airstrip and access roads around the Beach POL area were in poor condition, and as such, repair work to these areas was undertaken. The following work was completed in 2003:

- Excavation and transport of approximately 1,600 cubic metres of Type B hydrocarbon impacted soil from the beach area to the existing bermed tank area, which was lined with an HDPE liner. The excavation was to the design parameters, as shown on the attached drawing.
- Excavation, transport, placement and compaction of approximately 1,600 cubic metres (inplace volume) of clean, granular backfill material for the Beach POL excavation from an adjacent source.
- Excavation, transport, placement and compaction of suitable granular material from local sources to repair eroded sections of the airstrip and access road.

March 31, 2004 Ms. Phyllis Beaulieu Nunavut Water Board Page 2



No further work is required at FOX-2 until the full site investigation, which is scheduled for 2005 and the site clean up, which is scheduled for 2009.

A sump was constructed for the collection of sewage and greywater. The sump was covered with granular material at the end of the work program. No samples were collected.

Commercially bottled water was provided for drinking purposes. All other water required for the camp was obtained from the existing water supply lake. A total of 10 cubic metres of water from the water supply lake were used for the camp over a 2-week period.

Dewatering was required during excavation of the hydrocarbon-impacted soils at the Beach POL area. The water entering the excavation was pumped into existing, empty fuel tanks at the site, located in the northwest corner of the tank farm as shown on Sketch 102. Two water samples were collected to determine if the water was suitable for discharge. At the end of construction, the water was discharged from the tanks to the land in an area located northeast of the tanks. GPS coordinates were not collected at the discharge location. The discharge area was more than 150 m away from the shoreline and surface watercourses. The results of the samples collected from the two storage tanks are provided in the following table.

Results - Excavation Dewatering

Parameter (mg/L)	Sample	Location	Target Discharge
	Tank #13	Tank #14	Criteria* (mg/L)
Dissolved Cu	0.006	0.006	0.2
Dissolved Ni	0.021	0.015	0.2
Dissolved Co	< 0.003	< 0.003	0.05
Dissolved Cd	< 0.001	< 0.001	0.01
Dissolved Pb	< 0.01	< 0.01	0.05
Total Zn	0.029	0.026	1
Total Cr	< 0.005	< 0.005	0.1
Total As	0.007	0.006	0.1
Total Hg	< 0.4	<0.4	0.0006
PCBs	<3	<3	0.005
Oil & Grease	None visible	None visible	None visible
Phenols	0.062	0.165	0.02
pH (pH units)	7.6	7.6	6.0-9.0

^{*}Discharge criteria as proposed in the Monitoring Plan submitted to the NWB in August 2003. The comparative criteria are based on the Guidelines for Municipal Type Wastewater Discharges in the Northwest Territories and the document, An Approach for Assessing and Managing Wastewater and Effluent Quality from Federal Facilities – Final Report, June 1, 2000

March 31, 2004 Ms. Phyllis Beaulieu Nunavut Water Board Page 3



There were four spill incidences during the 2003 construction season at FOX-2. A summary of the information for each spill is provided below, and copies of each spill report filed with the Spill Report Line are attached to this report.

- On August 31, 2003, approximately 100 litres of diesel fuel were spilled as a result of puncturing a barrel during off-loading of the sea-lift. The impacted soil was excavated and placed within the bermed storage area.
- On September 6, 2003, approximately 34 litres of diesel fuel were spilled as a result of a
 punctured barrel. Absorbent pads were placed around the spill area, excess diesel fuel was
 transferred to another barrel, and the soil was excavated and placed within the bermed
 storage area.
- On September 10, 2003, there were two spill occurrences. One spill involved a break in the engine line of a truck resulting in 5 litres of engine oil to be spilled. The other spill resulted from the puncture of a reserve fuel tank on a truck and 10 litres of diesel fuel were spilled. Absorbent pads were placed around the spill areas, and the impacted soil was excavated and placed within the bermed storage area.

An overall site plan and a sketch of the West Beach POL Area are included to show the locations of the various work areas described in this report.

We trust the information provided is consistent with the requirements of Water Use Licence #NWB5LON0308. Please feel free to contact the undersigned if you have any questions or comments.

Sincerely,

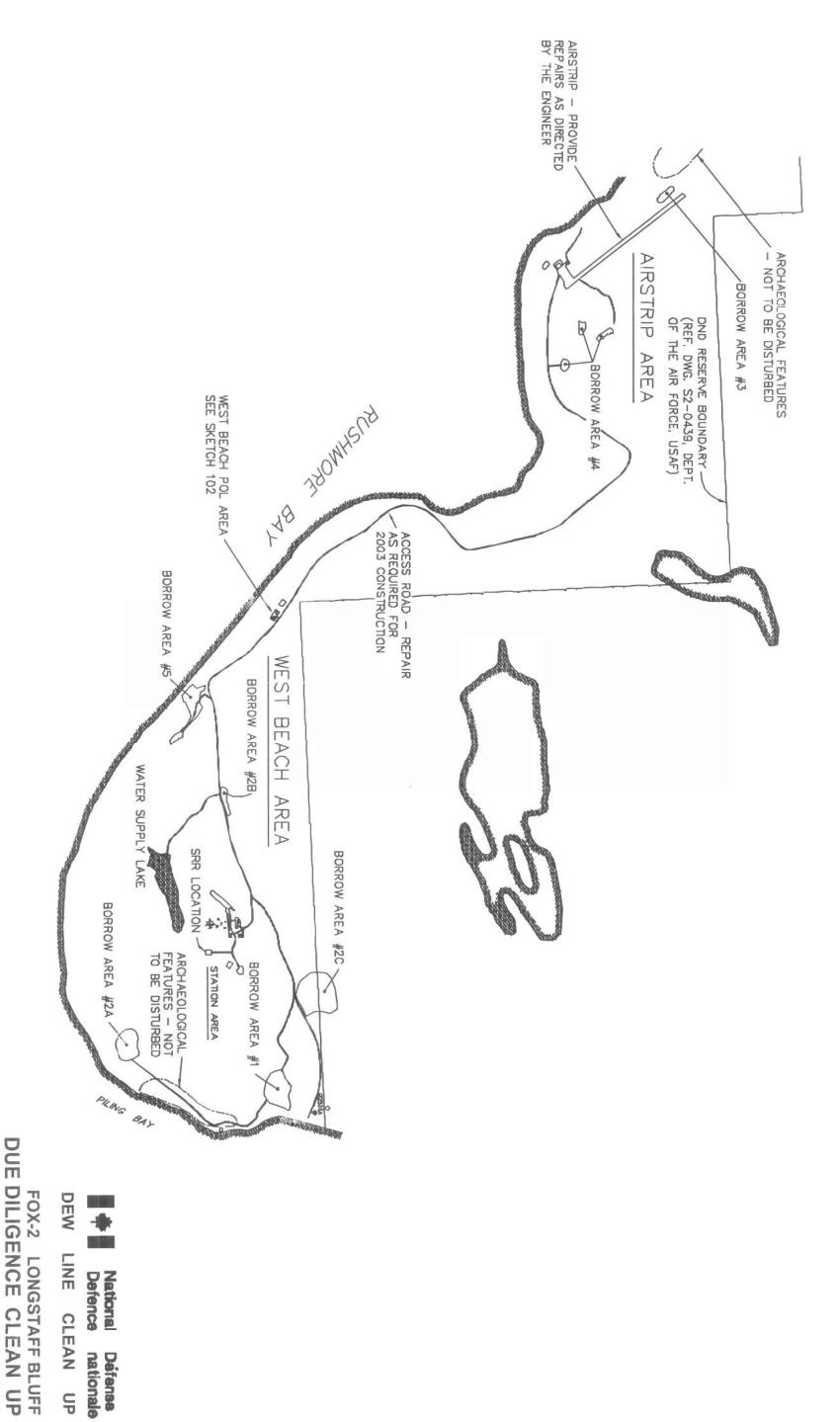
UMA ENGINEERING LTD.

Eva Schulz, P.Ag. Environmental Scientist eschulz@umagroup.com

Encl. Site Sketches

Spill Reports

cc: Jim Wall/Philippe di Pizzo, NWB Phil Warren, DCC



0 0.6 1.2km 0.6 0.3 1:30000

MARCH, 2003
OVERALL SITE PLAN
SKETCH 101

POX-2 (3.6)



NWT SPILL REPORT

(Oil, Gas, Hazardous Chemicals or other Materials)

24 – Hour Report Line Phone: (867) 920-8130 Fax: (867) 873-6924

Temfories		2	(/
A Report Date and Time	B Date and Time of spill (if known)	C Original Report	Spill Number
SOFT 8/2003 11:00	est August 31, 2003	Update no	-
		104	
FOX-2 LANGStar	A Bluff, DEWLine Si	te, Nunavut	
Partly responsible for spile	v		
Nunavut Easte	rn Arctic Stiffing titles (provide metric volumes/weights if possible)		
Product(s) spilled and estimated quan	tities (provide metric volumes/weights if possible)		
Diese / Punel ~	-1001 Hres		2 0
G Cause of spill	100	- Locustien SOX	In ecist of
Principles in de	in durin offloudin 750	in lift west fol A	prich aveis
Is spill terminated? If spill is con	indury of floury of Se tinuing, give estimated rate Is further spillage po	- Location 500 and lift West Act B estable? K Extent of contaminated area	a (in square meters if possible)
yes no	yes	no 15 v2	10 -101
Factors effecting spill or recovery (we	ather conditions, terrain, snow cover, etc.)	M Containment (natural depression, dike	s, etc.)
The second of th		IVI	
None Action, if any, taken or proposed to co	entain, recover, clean up or dispose of product(s) and con	staminated materials	
Shier Co. com	entain, recover, clean up or dispose of product(s) and con red circumunt file train to remain contents of te	absorb which lear	I to the delay
in identification	, remain contents of to	nh truns ferred to a	nother tanks
Smil will h	e excupated a Placed i	a Starice Area	
O Do you require assistance?	P Possible hazards to person,	property, or environment; eg: fire, drink water	fish or wildlife
yes, describe:			
Q Comments or recommendations		FOR SP	PILL LINE USE ONLY
UTM CO	rdinates	Lead agency	
		Lead agency	
18491	856 eust	6-10	
		Spill significa	ince
764	3569 Worth.		
		Lead Agency	y contact and time
		Is this file no	ow closed? yes
Reported by	Position Employer Location	Teiephone	Ш
Koren Wintson	Site Engineer DCC- 1	20/ 5/2 (6/2)	788-3832
Reported to		Telephone	100-3834
	Position Employer, Location		700 1106 S
Scall Hemillan	Envoffier DCC	-Otto Wa (6/3)	478-4383



NWT SPILL REPORT

(Oil, Gas, Hazardous Chemicals or other Materials)

24 - Hour Report Line Phone: (867) 920-8130 Fax: (867) 873-6924

A Report Date and Time Sept 8; 2003 D Location and map coordinates (if know	B Date and Time of spill (if known) Sign + 6, 2003	Original Report	Spill Number
Location and map coordinates (if know	Staff Bluff DEWL	ne Site, Nanac	ut.
	INECVI y - itities (provide metric folumes/weights if possible)		
DIESE / N			
G Cause of spill Puncture of	and of the drivers spillage po		
H is spill terminated? If spill is con	inuing, give estimated rate J Is further spillage po	no 18 × 14.	(in square meters if possible)
L 250 0.00	ather conditions, terrain, snow cover, etc.)	Containment (natural depression, dikes	s, etc.)
N Action if any, taken or proposed to co	placed; fueltroins le	taminated materials	drum
Scil will be O Do you require assistance? No Do you require assistance?	Prossible hazards to person.	property, or environment, eg: fire, drinkwater	fish or widdife
Q Comments or recommendations		FOR SP	ILL LINE USE ONLY
U.Tim Co.	ordinates	Lead agency	
1849	1860 east	Spill significa	nce
76 4	3578 . Worth	Lead Agency	contact and time
		Is this file no	w closed?
Reported by	Position Employer Location	Telephone	0000
herry Watson	Site Encineer, Da	C- ON-Sitc. (6/3)	188-3832.
Reported to	Position Employer Cocation	DCC - CHaller (613	May (1000)
Scott Hamilton	END. Office	10(1- (Marson (6)3	17/8-755



NWT SPILL REPORT

(Oil, Gas, Hazardous Chemicals or other Materials)

24 - Hour Report Line Phone: (867) 920-8130 Fax: (867) 873-6924

A Report Date and Time	B Date and Time of spill (if known)	C Original Report	Spill Number
Scpt 18103	Scp110,2003	Update no	
D Location and map coordinates (if know			
Fox-2 Long	Staff Bluff, DEW Lin	e. Site Wangun	+
Partly responsible for spill	J. O. W.	J. J. J. O. VETT. TO VI	4
Mosher Engin	ties (provide matric volumes/weights if possible)		
Product(s) spilled and estimated quant	ties (provide metric volumes/weights if possible)		
Diese I fue	1 approx 10 cities		
G Cause of spill	77100 10017163		
	mp truch reserve fun	n	
Is spill terminated? If spill is cont	nuing, give estimated rate Is further spillage poss		(in square meters if possible)
yes no	yes no	2mx3mx	O. Kan down
Factors effecting spill or recovery (wea	ther conditions, terrain, snow cover, etc.)	Containment (natural depression, dikes	
None		IVI	
N Action, if any, taken or proposed to cor	ntain, recover, clean up or dispose of product(s) and conta	minated materials	
Placed absorbe	nt puds to soull up por	rdedfuel 9 Soil o	xcavated
	in storage area		
Do you require assistance?	<u> </u>	raperty or environment on fire drink water	fich or wildlife
no yes, describe:	P Possible nazaros to person, p	roperty, or environment; eg: fire, drink water,	tish or wildine
		500.00	
Q	1		ILL LINE USE ONLY
Delays in com	municuty spill resul	TC d Lead agency	
from discus	tien in communicati		
bot we low	Communica 1	Spill significan	nce
netween f()	X-2 + outside contact	5	
		Lead Agency	contact and time
			- 1
			- 1
			- 1
			1
		Is this file nov	w closed? yes no
Reported by	Position. Employer, Location	Telephone	
Karen Watson	Site Engineer - Notons	oustered a land 1. CC	171 Acco 7577
Reported to	Position, Employer Location	Telephone	31 108 30 20
Scott Hamilton	Position Employer Location Environment Officer	11 (13)998-408
Juli Mamilton	Mironnet Officer-	Desence Construction 6	1))110 130,
	(a)	nady	

PADLF2-Perm. FOX-2(3.6)



NWT SPILL REPORT

(Oil, Gas, Hazardous Chemicals or other Materials)

24 - Hour Report Line Phone: (867) 920-8130 Fax: (867) 873-6924

A Report Date and Time		
Sept 18/0	B Date and Time of spill (if known) Sept 10103	Original Report Spill Number Update no
D Location and map coordinates		Numary
E Party responsible for spill) TO THOUSE
'	Engineeric polymes/weights if possible)	
1 7	1 approx SLitres	
H is spill terminated? I if sp		Extent of contaminated area (in square meters if possible) [] [] [] [] [] [] [] [
Factors effecting spill or recon	very (weather conditions, terrain, snow cover, etc.) M Containm Wo	
N Action, if any, taken or propose Place dabso	sed to contain, recover, clean up or dispose of product(s) and contaminated materials for the pended fine in 370 rage area	als
O Do you require assistance?	P Possible hazards to person, property, or env	ironment; eg: fire, drink water, fish or wildlife
Q Comments or recommendation	ons	FOR SPILL LINE USE ONLY
Delays in	communicating spill resulted	Lead agency
11	1. Austina	
troin d	isruption in communication	Spill significance
between	FOX-2 9 outside contacts.	Spill significance Lead Agency contact and time
between	FOX-2 9 outside contacts.	
between	FOX-2 9 outside contacts.	
hetween	FOX-2 9 outside contacts.	
hetween Reported by	FOX-2 9 outside contacts.	Lead Agency contact and time
hetween	FOX-2 9 outside contacts.	Lead Agency contact and time Is this file now closed? yes no
hetiveen Reported by	Position Employer, Location Site Engineer - Possence Construct Position. Employer, Location	Lead Agency contact and time Is this file now closed? yes no Telephone Telephone Talan Canada (G(3) 788-3836