



Water Resources Division
Nunavut Regional Office
Iqaluit, NU X0A 0H0

CIDMS#:340463

June 22, 2009

Richard Dwyer
License Administrator
P.O. Box 119
Gjoa Haven, NU, X0A 1J0

**Re: 2BE-BAR0712 – Annual Report, 2008 – Indicator Minerals Inc. –
Barrow Lake Project**

Please be advised that Indian and Northern Affairs Canada (INAC) has completed a review of #2BE-BAR0712 Type “B” Water License 2008 Annual Report for the Barrow Lake Project. The NWB circulated the Report for information purposes only, on April 17, 2009. All associated documents related to this license posted on the NWB ftp site under 2BE-BAR were included in my review (see attached Technical Review Memo).

Should you have any questions or comments, please do not hesitate to contact me at (867) 975-4738 or by email at Andrea.Cull@inac.gc.ca.

Yours truly,

Original Signed By

Andrea Cull
Water Management Specialist

Cc: Kevin Buck – Water Resources Manager, INAC



Technical Review Memorandum

To: Richard Dwyer – License Administrator, NWB
Peter Kusugak – Field Operations Manager, INAC
Andrea Maynes – Indicator Minerals Inc.

From: Andrea Cull – Water Management Specialist, INAC

Re: **2BE-BAR0712 – Annual Report, 2008 – Indicator Minerals Inc. –
Barrow Lake Project**

The 2008 Annual Report satisfactorily addressed some of the requirements of Part B, Item 2 of the current water licence #2BE-BAR0712. However the following information was not included/ provided,

1) Part B: Item 2, (i) of the water license requires a summary report of water use and waste disposal activities and, as per Item 2 (ii), a list of unauthorized discharges and a summary of follow-up actions taken. There is no indication in the report in regard to the amount of water used in drilling operations as required by Part J, Item 1 of the license.

2) Part B: Item 2, (v) requires a summary of all information requested and results of the Monitoring Program. According to the Annual report on ice drilling was performed during spring 2008. There is no indication in the Report as to whether drill additives were used. Pursuant to Part F, Item 6 if drill additives were not used then return water must be non-toxic and not result in an increase in total suspended solids in the immediate receiving waters (above CCME Guidelines for the Protection of Aquatic Life). Indicator Minerals should update their Annual Report to provide this information.

Further to this the proponent is required to establish water quality conditions prior to and upon completion any drilling through lake ice – Part F, Item 7. No monitoring results were provided in the report. It is assumed that Indicator should be providing water quality monitoring results to satisfy this condition of the license in accordance with Part J, Item 4 (please note that Part J, Item 4 refers to Part F, Item 11 – should this be Item 7 as there is no Item 11).

Recommendations

Indicator Minerals should provide the information referred to above both to the NWB and an INAC Inspector by July 30, 2009. If the proponent has not



undertaken the required monitoring then a plan of action detailing how compliance with Part F, Item 6 and Part J, Item 4 will be achieved during 2009.

The NWB should review Part F, Item 7 of the license and correct the apparent typographical error in Part J, Item 4.

Cc: Kevin Buck – Water Resources Manager, INAC