



Environment Canada **Environnement Canada**

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April 19, 2006

Phyllis Beaulieu
Licensing Trainee
Nunavut Water Board
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Gjoa Haven, NU X0B 1J0
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Via Email

**RE: Environment Canada's Response to True North Gems Information Submission
Regarding Concerns with its Licence Application**

Dear Ms. Beaulieu,

On behalf of Environment Canada (EC), I have reviewed True North Gems Inc.'s letter to the Nunavut Water Board regarding the EC concerns with the information submitted in their Type B licence application (letter dated March 22, 2006). The proponent's information satisfies EC's concerns regarding the disposal of drill water, the establishment of culverts, and the revision of its project's spill contingency plan. Environment Canada reminds the proponent that at all times it must meet the provisions of Section 36(3) of the *Fisheries Act* when disposing of any drilling wastes.

Environment Canada is appreciative of the proponent's willingness to maintain open dialogue with federal regulators throughout this environmental assessment process and looks forward to learning of its progress in the Beluga Sapphire Project. Due to my departure from EC on April 21, 2006, please contact Colette Spagnuolo if you have any questions or comments with regards to the foregoing. She can be reached by office telephone at (867) 975-4639 or by email via colette.spagnuolo@ec.gc.ca.

Sincerely,

David W. Abernethy

cc. Twila Skinner – Senior Geologist, True North Gems Inc., Vancouver
Colette Spagnuolo – Environmental Assessment / Contaminated Sites Specialist, Environment Canada, Iqaluit