

Ministre des Affaires indiennes et
du Nord canadien et interlocuteur fédéral
auprès des Métis et des Indiens non inscrits



Minister of Indian Affairs and
Northern Development and Federal Interlocutor
for Métis and Non-Status Indians

Ottawa, Canada K1A 0H4

NOV 05 2007

Your file: 2AM-DOH0713

**Mr. Thomas Kabloona
Interim Chair
Nunavut Water Board
PO Box 119
GJOA HAVEN NU X0B 1J0**

Facsimile: (867) 360-6369

Dear Mr. Kabloona:

Thank you for your letter received September 20, 2007, conveying water licence no. 2AM-DOH0713 for the Doris North Gold Mine Project, and the Nunavut Water Board's reasons for decision. I thank the Nunavut Water Board for its work in the development of this licence.

I have approved the licence effective immediately and a signed copy is enclosed. A copy of this letter is being sent to the project proponent, Miramar Hope Bay Ltd. and to the Kitikmeot Inuit Association, the designated Inuit organization, to inform them of my approval of the project's water licence as required by the Nunavut Waters and Nunavut Surface Rights Tribunal Act. I have also instructed the Nunavut regional office of Indian and Northern Affairs Canada to consult with Miramar on the form and posting of security in the amount of \$11.714 million to be held by the Government of Canada in accordance with section 76 of the Act and section 12(3) of the Regulations.

The issue and amount of security was an important concern in my consideration of this licence. You received written submissions from departmental officials (August 24, 2007), which dealt with my authority to hold and apply water licence security. Under the legislative framework for water licensing in Nunavut, the Government of Canada cannot hold security, nor can I draw against the Board-ordered security, for any purpose other than those specifically authorized in the Act.

...2

- 2 -

I recognize the challenge of anticipating the costs of reclamation for resource development projects like the Doris North gold mine. It is possible that the landowner may seek from the proponent an additional reclamation bond. Officials from Indian and Northern Affairs Canada will be pleased to participate in any discussions of reclamation security and welcome opportunities to work with proponents, landowners, and the Board on this issue so critical to sustainable development in Nunavut.

I thank the Water Board again for its efforts and energies in the development of the Doris North project's water licence and look forward to the economic benefits this mine will bring to the people of Nunavut.

Sincerely,

A handwritten signature in black ink, appearing to read "Chuck Strahl". The signature is fluid and cursive, with the first name "Chuck" written in a larger, more prominent script than the last name "Strahl".

Chuck Strahl

Encl: Doris North Gold Mine Project Water Licence no. 2AM-DOH0713

c.c.: Mr. Tony Walsh
Mr. Donald Haviyok



NUNAVUT WATER BOARD WATER LICENCE

Pursuant to the Nunavut Waters and Nunavut Surface Rights Tribunal Act and the Agreement Between the Inuit of the Nunavut Settlement Area and Her Majesty the Queen in right of Canada, the Nunavut Water Board, hereinafter referred to as the Board, hereby grants to

MIRAMAR HOPE BAY LTD.

(Licensee)

300 - 889 HARBOURSIDE DRIVE, NORTH VANCOUVER, B.C. V7P 3S1

(Mailing Address)

hereinafter called the Licensee, the right to alter, divert or otherwise use water or dispose of waste for a period subject to restrictions and conditions contained within this Licence:

Licence Number/Type:	<u>2AM-DOH0713 Type "A"</u>
Water Management Area:	<u>07</u>
Location:	<u>KITIKMEOT REGION, NUNAVUT</u>
Purpose:	<u>MINING AND MILLING AND ASSOCIATED USES</u>
Description:	<u>MINING AND PROCESSING</u>
Quantity of Water not to be Exceeded:	<u>480,000 CUBIC METRES ANNUALLY</u>
Date Licence Issuance:	<u>September 19, 2007</u>
Expiry of Licence:	<u>September 30, 2013</u>

This Licence issued and recorded at Baker Lake, Nunavut includes and is subject to the annexed conditions.

Thomas Kabloona,
Nunavut Water Board
A/Chair

APPROVED
BY:

Minister of Indian and
Northern Affairs
Canada

DATE LICENCE APPROVED:

Nov 5, 2007