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May 7th, 2003

Mr. Philippe di Pizzo
Executive Director
Nunavut Water Board
P.O. Box 119
Gjoa Haven, Nunavut
X0B 1J0

By FAX and e-Mail

RE: Water Compensation and the Nunavut Water Board Tahera Project Hearing

Dear Sir:

I corresponded with the Nunavut Water Board (NWB) on March 19th, 2003 on behalf of the Kitikmeot Inuit Association (KIA), advising of the KIA's position with respect to the effects of Tahera's proposed Jericho Diamond Project on waters in, on or flowing through the KIA's Inuit Owned Lands (IOL). In that letter, I advised of the KIA's intention to address this issue through the negotiation of an Inuit Impact and Benefits Agreement (IIBA) pursuant to Article 26 of the Nunavut Land Claims Agreement (NLCA).

It now appears that the joint hearings planned by the Nunavut Impact Review Board (NIRB) and the NWB later this month will occur before an IIBA can be finalized and before the requirement for compensation referred to in s.20.3.1 of the NLCA and sections 60 and 63 of the *Nunavut Waters and Nunavut Surface Rights Tribunal Act* (NWNSRTA) can be resolved. KIA hereby reiterates its claim for compensation under Article 20 of the NLCA and under sections 60 and 63 of the NWNSRTA. We note as well, for the record, that the NWB may not issue a water licence until these compensation issues have been dealt with.

KIA notes the instructions given participants in the joint hearings in the NWB's April 16th, 2003 letter to Mr. Greg Missal. We will provide the information requested by the NWB as part of our hearing submission. Given the unique nature of the KIA rights and interests and the problems outlined by our consultants with the water related contents of the Environmental Impact Statement, KIA is still, however, of the view that a separate hearing could be necessary for the NWB to adjudicate compensation issues.

KIA will be prepared to provide further detail on compensation issues to the NWB at the joint hearings.

Yours truly,

Original signed by

John Donihee
KIA Counsel

cc. Mr. Greg Missal
Mr. Charlie Evalik