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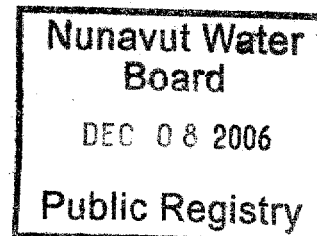
Nunavut Regional Office  
P.O. Box 2200  
Iqaluit, NU, X0A 0H0

Our File:

December 4, 2006

Your File:

Josh Gladstone  
Technical Advisor  
Nunavut Impact Review Board  
P.O. Box 1360  
Cambridge Bay, Nunavut X0B 0C0



Dear J. Gladstone:

Refer: Industrial Water Use Inspection of August 12, 2006

Your November 4, 2006 letter to J. Rogers, Manager of Water Resources has been forwarded to me for response. As the Manager of Field Operations, I am responsible for the inspection of projects for compliance with the terms and conditions of water licences issued by the Nunavut Water Board. The Inspectors visit sites, such as Tahera's Jericho project, to evaluate whether, in their opinion, the proponent is complying with the terms and conditions in the licence and may issue directions to take reasonable measures to ensure the conditions are being met. If necessary, the Inspectors may request technical assistance from other divisions of INAC or other agencies. The Inspectors inform the proponent and the Nunavut Water Board on compliance and, if any letters of directions are issued, the Federal Minister. Since the Minister may take any reasonable measures to correct adverse effects, the Inspector reports are believed to be privileged correspondence between the Minister, the proponent and the Nunavut Water Board.

Your question on whether the water licence incorporated the terms and conditions of the NIRB Project Certificate should be referred to the Nunavut Water Board. The Nunavut Water Board could identify the licence conditions which implement specific terms and conditions in the Project Certificate. The Nunavut Water Board could be requested to inform you whether the company was in compliance with their water licence without releasing any privileged information which could be detrimental to the company or the Minister.

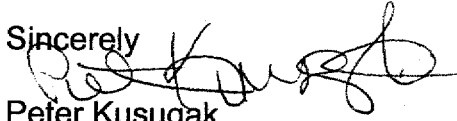
I have also scanned your monitoring report provided to the Nunavut Impact Review Board and is included on NIRB's public file transfer protocol web site. I believe the Inspector's comment is taken out of context in your report. The previous paragraph indicated that the Nunavut Water Board and the Inspector have not been able to jointly review and discuss the large number of documents, reports and to determine what constituent elements are compliant with the terms of the licence at this time. NIRB must assume that the Nunavut Water Board and

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the INAC Inspectors will ensure compliance with the licence and, therefore the terms and conditions included in the licence from the Project Certificate. The NIRB monitoring report should therefore determine if the terms and conditions have had the expected effects.

If you wish to discuss further, please contact me at (867) 975-4295.

Sincerely



Peter Kusugak  
Manager, Field Operations

cc Nunavut Water Board