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Corrected Version June 12, 2003

June 11, 2003 NWB File #: NWB1MEA

Mr. Craig Goodings
Manager, Environmental and Regulatory Affairs
Cumberland Resources Ltd.
Suite 950 – 505 Burrard Street
Box 72, One Bentall Centre
Vancouver BC V7X 1M4

Subject: Application for a Water Licence

Meadowbank Gold Project – Cumberland Resources Ltd.

Dear Mr. Goodings:

On May 8, 2003, we wrote a letter to interested parties asking them to provide comments to the Nunavut Water Board ("NWB") regarding the completeness of a water licence application submitted by Cumberland Resources Ltd. ("Cumberland") on March 31, 2003 for the Meadowbank Gold Project. This submission consisted of the NWB Water Licence Application Form, the NWB Supplementary Questionnaire, and a Project Description Report ("Application"), which were forwarded to the Nunavut Planning Commission ("NPC") for conformity with the applicable land use plan.

Responses were received from Environment Canada ("EC"), the Government of Nunavut ("GN"), and the Department of Indian and Northern Affairs Canada ("DIAND"), copies of which are available upon request or from the NWB ftp site (ftp://ftp.nunavut.ca in the NWB folder and subfolder NWB1MEA).

We have now completed our preliminary review of this Application, and of the responses received from interested parties.

First, we accept the DIAND submission in its entirety, on both the issue of jurisdiction of the NWB with respect to the use of water and the deposit of waste into water, and on the issue of deficiencies in the Application. On the former, the Board believes that it has a broad mandate that extends to any matter directly or indirectly relevant to the use and protection of freshwater consistent with its jurisdiction; on the latter, we concur that many fundamental components of the project are either insufficiently developed or simply absent from the current Application, a fact which is fully acknowledged by Cumberland itself. Second, we also agree with GN that most of the information, studies and reports will eventually be provided by Cumberland in its Feasibility Study and Environmental Impact Statement if, and when, the Application is referred by the NPC to the Nunavut Impact Review Board ("NIRB") for environmental assessment, during which process EC believes it would be more fitting to identify any deficiency.

Consequently, while the NWB recognizes that the current Application does not contain all the information required for the eventual issuance of a water licence, it has decided to accept the Application as submitted, and by copy of this letter to the NPC, we request that our sister-board resumes its review of the conformity of the Application with the applicable land use plan.

This being said, the NWB would like to take this opportunity to inform Cumberland and interested parties that it reserves the right to ask Cumberland to provide additional information during or after the environmental assessment, before any water licence can be issued. The following list is not exhaustive and may include, but not be limited to, information and studies dealing with:

- (1) Quantity and Source of Water Used: volume and source of water that will be used for all purposes during construction, operation, and abandonment of the project; any discharge point(s) of all water released; a complete water balance model, including the expected impacts of the project, should be provided;
- (2) Sewage Treatment: details on expected volume and characteristics of sewage generated during construction, operation and abandonment of the project; description of proposed sewage treatment options and justification for the preferred option, including maximum sewage capacity, expected effluent quality, specific location at the site, and final discharge point back into the receiving environment, etc., including design drawings;
- (3) Solid Waste Disposal: description and characteristics of all solid waste generated during construction, operation, and abandonment of the project, including residues from incineration, bulky and metal waste, hazardous waste, etc.; description of alternatives for solid waste disposal, and justification for the preferred methods, including proposed location and design drawings;
- (4) Tailings Disposal and Treatment: description and characteristics of tailings (geochemistry, ARD and metal leaching issues); description of alternatives for disposal and treatment, and justification of the preferred method, including proposed location and design drawings of any dams, dykes, or other earthworks;
- (5) Waste Rock and Overburden: description and characteristics of waste rock, overburden; location of storage areas; identification of ARD and metal leaching potential, and proposed specific means of mitigating of ARD and metal leaching issues;
- **Roads and Earthworks:** The location and design of all earthworks and permanent, temporary or winter roads on site and off site, with respect to stream crossings and their effects on the normal flow of water on the site. This will include a description of the materials to be used for earthwork and road construction, including an assessment of that material's ARD and metal leaching potential;
- (7) Winter Road: The exact route that will be used by the winter road, including an appropriately scaled map to assess what rivers and watersheds will potentially be affected by the traffic. This should also include a spill contingency plan in case of any spills that occur during the shipment of chemicals, fuel, or supplies that may affect water quality;

- (8) Contingency Plans: list of all hydrocarbon and hazardous material to be used; location and description of any storage areas and tank farms, spill clean-up procedures on and off-site, contingency for total dyke failures, sewage treatment system malfunction, tailing line breach, and hydrocarbon spills. This contingency plan should include contingency options during construction phase, operation and abandonment of the project;
- (9) **De-watering**: Where will all the water from the dyked areas of the lakes be pumped to? It is mentioned that the water will be pumped into the tailings circuit. Does the volume required match the volume to be pumped? If there is excess water, where will it go, and how will it be treated?
- (10) Monitoring Programme: proposed sampling locations, parameters to be analyzed, sampling frequency and duration, etc.;
- (11) Abandonment and Restoration Plan for all components of the project, including detailed reclamation cost assessment based on third party rates;
- (12) Inuit Water Rights: description of any compensation agreement with the responsible Designated Inuit Organization as may be required pursuant to Article 20 of the Nunavut Land Claims Agreement; and
- (13) Other: any other information required by the NWB to assess the qualitative and quantitative effects of the project on water.

Again, this list is not comprehensive and should only be used as a guide. The NWB will provide additional guidelines later in the process.

Finally, we also would like to remind all parties that the NWB may decide to hold a public hearing before approving the Application, regardless of any other public review that may be eventually conducted by the NIRB.

Please contact the undersigned in writing should you have any questions about the foregoing.

Sincerely,

Original signed by:

Philippe di Pizzo Executive Director

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