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March 12, 2001

OUR FILE NUMBER: 12147-001 JD

**Via facsimile to: 867-360-6369**  
Original to follow by regular mail

Nunavut Water Board  
PO Box 13  
GJOA HAVEN, NUNAVUT X0B 1J0

**Attention: Rita Becker, Licencing Administrator**

Dear Madam:

**Re: Water Licence Renewal Application Hope Bay Joint Venture - NWB1BO9801**

We act as counsel for the Kitikmeot Inuit Association (KIA) in this matter.

Thank you for your letter of March 9, 2001 in which you advise of the extension of the deadline for comment on the above application until March 14<sup>th</sup> 2001. Thank you as well for forwarding the application itself and other supporting materials, filed by the Hope Bay Joint Venture (HBJV), and dated February 6, 2001 on the Nunavut Water Board's (NWB or the Board) Public Registry.

As you will be aware, the KIA is the owner of the lands upon which the appurtenant undertaking covered by this licence is located. KIA has a real and direct interest in any decision made by the Board with respect to this matter. KIA also intervened in the 1998 proceeding which resulted in the current licence. The applicant at that time was BHP and, subsequent to the sale of BHP's interests to the HBJV, the licence was transferred to the applicant with the concurrence of the KIA.

As a result of the provisions in the *Northwest Territories Waters Act* (the Act) which deal with the potential for liability in the event of accidents or a failure to properly abandon and restore a licenced area, it is possible that KIA, as the landowner, could be affected by the HBJV's actions in this regard. Consequently, when KIA intervened in the proceedings which lead to the current licence, we focussed primarily on the question of the adequacy of the security posted for abandonment and reclamation (A&R). The KIA remains concerned that the security held under this licence should be sufficient to cover the full cost of A&R required for this site.

Given these ongoing concerns, it is KIA's position that if the Board is contemplating a reduction in the security held for the site, a hearing should be held.

AFFILIATED WITH LAWSON, LUNDELL, LAWSON & MCINTOSH  
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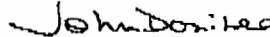
We note, on page 5 of the January 30, 2001 letter filed on behalf of the HBJV, in support of the application, under the heading "Part I: Conditions Applying to Abandonment and Restoration", that Mr. Wilson advises the Board of a "significant clean up effort in the belt during the 2000 program". He goes on to suggest that new terms and conditions for Part I be established. Paragraph 59 of the Supplementary Questionnaire again deals with A&R and the applicant's response to that question does not seem to request a change in security levels, but it again refers to the 2000 clean up.

It is not clear to KIA whether the new terms and conditions for Part I of the licence suggested by Mr. Wilson are intended to directly address security levels or not. It is KIA's position, that the application does not include sufficient evidence to justify any change in security levels. If the applicant wishes to have the NWB address security levels, KIA requests that a hearing be convened. If the applicant is satisfied to leave the current A&R terms and conditions, including the quantum of security in place, we see no reason for a hearing. KIA is not opposed in principle to any other reasonable modifications of Part I terms and conditions, however, we feel that any proposed changes should be clearly outlined by the applicant in order that we may review and comment on them. The request made by Mr. Wilson on page 5 of the applicant's letter is vague. The NWB should not act on such a request without ensuring that the proposed terms and conditions are explicitly outlined so that the interested parties can comment.

I trust that our position is clear. If there are any questions, please contact me directly.

Yours truly,

**GULLBERG, WIEST,  
MacPHERSON & KAY**



John Donihee  
signed electronically

JD/lcp

cc Charlie Evalik and Jack Kaniak, KIA (by fax)

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