



QIA also notes that licence 2BB-MRY0710 explicitly states “on-ice drilling has not been authorized within this Licence” (Part F, Section 5). However, the current amendment application is requesting the ability to drill on-ice. Thus, QIA requests the following wording related to on-ice drilling is added to 2BB-MRY0710:

- For “on-ice” drilling where drill additives are not being used, return water released must be nontoxic, and not result in an increase in total suspended solids in the immediate receiving waters above the Canadian Council of Ministers for the Environment, Guidelines for the Protection of Freshwater Aquatic Life (i.e. 10mg/L for lakes with background levels under 100 mg/L, or 10% for those above 100mg/L).
- The Licensee shall establish water quality conditions prior to and upon completion of any drilling program through lake ice. This information shall be presented as part of the Monitoring Program as described in Part I of this Licence.

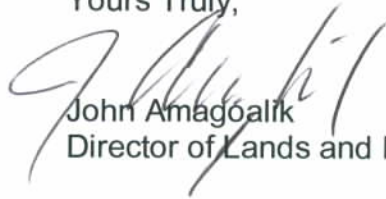
QIA requests the water licence include the addition of several Monitoring Stations (as listed in Part I, Section 2). At a minimum the following four (4) Monitoring Stations should be added: Water Supply for Rail Camp, Water Supply for Steensby Inlet Camp (if sourced from fresh water), Water Collected within the Bulk Fuel Storage Facility at Rail Camp prior to release and Water Collected within the Bulk Fuel Storage Facility at Steensby Inlet Camp prior to release.

Licence 2BB-MRY0710 contains numerous conditions requiring plans and reporting requirements, some of which are referenced in the Exploration/Remote Camp Supplementary Questionnaire, for example the Site Water Management Plan. QIA requests that all Plans and reporting requirements are updated to reflect the applied for amendment to the scope of the project. QIA notes the current amendment is seeking to extend the expiry date for 2BB-MRY0710 to include a full field season for 2010. According to the proposed project timeline the 2010 field season will also be used for initiation of construction. QIA suggests, among other regulatory approvals, a water licence amendment may be required prior to initiating construction. QIA requests to have the opportunity to review all revisions to Plans before they are put into practice and the water licence amendment granted.

Specifically, QIA is keen to review updated versions of the Abandonment and Restoration Plan and security estimate. QIA requests the proponent be required to update the security estimate and post an appropriate increase in security to reflect proposed project changes. QIA recognizes the proposed project changes reside almost entirely on Crown Lands and expects that INAC exclusively will hold any new security related to the amendment application.

Please do not hesitate to contact our Environmental Technician with any questions or comments with regards to the foregoing at (867) 975-8419 or by email at envirotech@qia.ca.

Yours Truly,

A handwritten signature in black ink, appearing to read 'J. Amagoalik', is written over the printed name.

John Amagoalik
Director of Lands and Resources