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NUNAVUT WATER BOARD
NUNAVUT IMALIRIYIN KATIMAYINGI

File: NWB2BAF0204/Renewal

July 4, 2005

By Email and Regular Mail

Doug Winzar
De Beers Canada Inc. – Exploration Division
Unit 4, 2555 Maley Drive
Sudbury, Ontario
P3A 4R7

Email: doug.winzar@cadebeersgroup.com

Subject: Water Licence NWB2BAF Renewal Application

Dear Mr. Winzar;

The Nunavut Water Board (“NWB”) would like to acknowledge receipt of the Application for renewal of Licence NWB2BAF0204. The comment period ended May 21, 2005. In the follow-up final technical review of the comments and application some clarification is required and several deficiencies have been noted that need to be addressed prior to finalizing the licence renewal.

Licence NWB2BAF0204, when issued contained a condition under Part F, Item 2, to revise the approved Spill Contingency Plan (SCP) entitled “*Operating Procedure 031-Spills Procedure*” annually to reflect changes in operation and/or technology, or as directed by the Board. On June 25, 2002, the NWB issued a letter to De Beers Canada Exploration, attention of Mr. Paul Hundt, with respect to the approved SCP and a number of items to be included in a revision. This revision was to be submitted *PRIOR TO* the commencement of activities under the Licence.

The NWB records do not show that this revision was received. The SCP submitted with the renewal application does not address the eight items that were identified in April 2002 as being deficient within the Plan and furthermore remains as a “generic” guide to the development of a site specific plan. As an example, the document does not indicate who to call for reporting a spill event associated with the project.

The NWB requests that De Beers Canada Exploration submit to the Board for approval, prior to the issuance of the Licence renewal, a revised Spill Contingency Plan, prepared in accordance with the “*Guidelines for Contingency Planning, January 1987*”. The Plan shall also include the following:

- i. notification of the DIAND Water Resources Inspector at (867) 975-4298 following the occurrence of any spill of chemicals, petroleum products or waste associated with the project;
- ii. contact information should include the Environment Canada, 24 hour pager service at 867.920.5232 and other relevant Iqaluit governmental office numbers;

Licence NWB2BAF0204, when issued also contained a condition under Part G, Item 1, to revise the approved "Operating Procedure 018-Abandonment of Exploration Activity" annually to reflect changes in operation and/or technology as required with Part B, Item 1 or as directed by the Board. On June 25, 2002, the NWB issued a letter to De Beers Canada Exploration, attention of Mr. Paul Hundt with respect to the approved Abandonment & Reclamation Plan (A&R Plan) and a number of items to be included within a revision to be submitted PRIOR TO the commencement of activities under the Licence.

The NWB records do not show that this revision was received. The A&R Plan submitted with the renewal application does not address the items that were identified in April 2002 as being deficient. Furthermore, the document submitted as the A&R Plan is a "generic" guide to the development of a plan and does not contain site specific information about the project. It also contains information that is not relevant to the project (see Section 3.2.2 Removal of culverts, low bridges and other structures).

The NWB requests that De Beers Canada Exploration submit to the Board for approval, prior to the issuance of the Licence renewal, an Abandonment and Restoration Plan prepared in accordance with applicable sections of the "*Guidelines for Abandonment and Restoration Planning for Mines in the Northwest Territories (1990)*".

Once the above information has been received and accepted, the NWB will be in a position to continue with the renewal process. Should you have any questions regarding the above, please feel free to contact me at (780) 443-4406, at your earliest convenience.

Yours truly,

A handwritten signature in black ink, appearing to read 'D. Hohnstein', written in a cursive style.

David Hohnstein, C.E.T.
Technical Advisor Mining

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