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Your file - Votre référence
2BE-DBY0509

Our file - Notre référence
7255-7-N2005C0028 UNC / #80568

May 24, 2006

Richard Dwyer
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Nunavut Water Board
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Via Email

Re: 2BE-DBY0509 - Indicator Minerals Inc. - Darby Project - 2005 Annual Report

On behalf of Indian and Northern Affairs Canada (INAC) I have reviewed the above-mentioned application. The following specialist advice has been provided pursuant to INAC's mandated responsibilities for the enforcement of the *Nunavut Waters and Nunavut Surface Rights Tribunal Act* (NW&NSRT), *Arctic Waters Pollution Prevention Act* (AWPPA), and the *Department of Indian Affairs and Northern Development Act* (DIAND Act).

Background Information

Indicator Minerals Inc. has submitted an Annual Report of water use and waste disposal in 2005 associated with its Darby Project as required by Part B, Item 2 of its licence. The Darby Project is situated in the Kitikmeot Region, approximately 180 km southeast of Gjoa Haven and 190 km southwest of Kugaaruk (has a coordinate of 67°24'43"N, 93°12'25"W). The licence allows for the use of freshwater and disposal of wastes associated with mining exploration and the domestic needs of personnel. An annual total of 806 m³ of freshwater can be consumed from local sources. More specifically, a daily limit of 32 m³ can be consumed, of which 2 m³ is dedicated to the domestic needs of project personnel and 30 m³ for drilling operations.

The Annual Report indicates that freshwater was not consumed in the project's 2005 field season. The work completed in this season consisted of airborne geophysics, heavy mineral and mobile metal ion sampling, and ground geophysics. There were no hazardous material spills and no revisions were made to the approved Spill Contingency and Abandonment and Reclamation Plans.

Commentary

It is recommended that the proponent submit site photographs with complimentary documentation of the project's water supply facilities, waste disposal facilities, and general site layout to the Nunavut Water Board shortly. This information is required in Annual Reports as indicated in Part B, Item 2(6) of the licence.

If there are any changes in the proposed project, INAC should be notified, as further review may be necessary. Please do not hesitate to contact me if you have any questions or comments with regards to the foregoing by telephone (867) 975-4555 or by email via abernethyd@inac-ainc.gc.ca.

Sincerely,

Original signed by

David W. Abernethy
Water Resources Coordinator

cc. Jim Rogers - Manager of Water Resources, Indian and Northern Affairs Canada, Iqaluit