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Nunavut Regional Office
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Your file - Votre référence

NWB2GEO0210

Our file - Notre référence

IQA-N 9545-1

May 19, 2006

Phyllis Beaulieu
Licensing Administrator
Nunavut Water Board
P.O. Box 119
Gjoa Haven, NU, X0A 1J0

**Re: 2BE-GEO0210 (previously NWB2GEO0210) - Kinross Gold Corporation -
George Lake Project - 2005 Annual Report Review**

On behalf of the Department of Indian Affairs and Northern Development (DIAND), I have reviewed the 2005 Annual Report, submitted by Kinross Gold Corporation with respect to the George Lake Project. The 2005 Annual Report was reviewed with respect to License NWB2GEO0210.

The requirements for an Annual Report are laid out in Part B, Item 2 of the water License. Item 2i requires a summary report of water use and waste disposal activities. Listed under Item 2i of the 2005 Annual Report is a table stating the maximum licensed amount of water to be used and amount actually consumed. However, the units of measurement for 'Total Quantity Used Drilling' does not include a unit of time, i.e. cubic meters per day. Thus, it appears that the total water used for drilling, 800.8 cubic meters, exceeds the allowable amount, 100 cubic meters. Originally, it was thought that this was due to a composition error in data reporting. However, after reviewing License 2BE-GEO0510 there is no mention of annual allowable limits. Therefore, to ensure water use is in compliance with ecosystem and water license requirements it is important this issue is addressed, both by the proponent and the Nunavut Water Board.

Also, the proponent should update their Spill Contingency Plan to include Mr. Peter Kusugak, (867) 975-4295 as their INAC contact.

Should you have any questions or comments, please do not hesitate to contact me at (867) 975-4548 or by email at BathoryS@ainc-ianc.gc.ca.

Sincerely,

Original Signed By

Stephen Bathory
Regional Coordinator

cc- P.Kusugak