

P.O. Box 119 Gjoa Haven, NU X0B 1J0 Tel: (867) 360-6338 Fax: (867) 360-6369 ຼຼວວ ΔL ← ሲትና ቴ∩ Lት ዣ NUNAVUT WATER BOARD NUNAVUT IMALIRIYIN KATIMAYINGI OFFICE DES EAUX DU NUNAVUT

File: 2BE-GRA----

May 6, 2010

Andrea Maynes Senior Geologist Indicator Minerals Inc. 275 – 1075 West Georgia Street Vancouver BC V6E 3C9

Email: andream@indicatorminerals.com

Subject: Water Licence Application New Type "B" Exploration – Grail Project

Dear Ms. Maynes,

The Nunavut Water Board (NWB) received Indicator Minerals Inc.'s (Applicant) response to comments received during the review of the water licence application on February 26, 2010. The Applicant's response was distributed to interested parties on March 11, 2010 for their consideration and responses were provided by the Hamlet of Gjoa Haven, Environment Canada, and Fisheries and Oceans Canada by March 17, 2010. This information has been uploaded to the NWB's ftp site and is available at the following link using username: "public" and password: "registry".

ftp://nunavutwaterboard.org/1%20PRUC/2%20MINING%20AND%20MILLING/2B/2BE%20-%20Exploration/2BE-GRA----%20Indicator/2%20ADMIN/3%20SUBMISSIONS/

In addition to the above-referenced comments, the Taloyoak Hunters and Trappers Organization (HTO) contacted the NWB by telephone on March 22, 2010. The HTO indicated that they do not support the proposed project and reiterated their concerns for impacts on wildlife, water and commercial fishing areas used by the Hamlet of Taloyoak, as originally stated in their submission of February 3, 2010. Although wildlife issues fall outside the jurisdiction of the NWB, the latter concerns, related to water and potential impacts to the fishery, are issues that must be considered further.

Based on the information provided by the HTO, and after considering the Applicant's response to comments, it is unclear where the project is located in relation to the fishing area(s). Therefore the NWB requests that the following information be submitted for review:

- ➤ Identification of lakes in the project area in relation to proposed activities (camp, caches, drill targets);
- An understanding of water flow in the project area and fishing area; and
- > The potential for the project to impact water quality and quantity in the areas of concern identified by the HTO.

The NWB requests that all parties with information concerning the above, work cooperatively together to submit the requested information. Submissions should be provided to the NWB on or before May 28, 2010. If additional time is required to respond, please contact the NWB's Manager of Licensing (licensing@nunavutwaterboard.org).

Should you have any questions, please do not hesitate to contact the undersigned at (780) 443-4406 or  $\underline{dts@nunavutwaterboard.org}$ .

Yours truly,

(Original signed by)

David Hohnstein, C.E.T. Director Technical Services DH/tla

c.c.: Distribution list Kitikmeot