



**Environment Environnement
Canada Canada**

Northern Division
Environmental Protection Operations
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February 5, 2010

Our file: 4703 001 094
NWB file: 2BE-GRA

Phyllis Beaulieu
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Via email at: licensing@nunavutwaterboard.org

**Re: NWB 2BE-GRA- Indicator Minerals Inc. - Grail Project – New Application – Type
“B” Water License**

On behalf of Environment Canada (EC), I have reviewed the information submitted with the above-mentioned application. The following specialist advice has been provided pursuant to the *Canadian Environmental Protection Act*, Section 36(3) of the *Fisheries Act*, the *Migratory Birds Convention Act*, and the *Species at Risk Act*.

The purpose of this project is to evaluate the potential for diamonds in the project area. The Grail Property is located north of the community of Taloyoak. Project activities will include prospecting, staking, geological mapping, rock sampling, airborne and ground geophysics, helicopter supported diamond drilling and fuel transport and storage. The project is proposed to occur from April 2010 to April 2015, with drilling operations expected to occur June through to September. A camp will be located at 70°03'00"N, 94°17'50", and will include a fuel cache, sleep tents, office tent, core tent, first aid station, kitchen, mess, outhouse facility, generator building, helicopter landing area, and an incineration area.

Comments and recommendations submitted for the project on December 15, 2009 in response to the NIRB Part 4 Screening and the amendment would apply to this water license application (see attached).

If there are any changes in the proposed project, EC should be notified, as further review may be necessary. Please do not hesitate to contact me with any questions or comments with regards to the foregoing by email at carrie.spavor@ec.gc.ca.

Yours truly,

Original signed by

Carrie Spavor
Environmental Assessment Coordinator

c.c: Carey Ogilvie (Head, Environmental Assessment-North, EPO, Yellowknife, NT)
Ron Bujold (Environmental Assessment Technician, EPO, Yellowknife, NT)