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June 20, 2002

Ms. Stephanie Briscoe Executive Director Nunavut Impact Review Board PO Box 2379 Cambridge Bay, NU X0E 0C0 Mr. Philippe di Pizzo Executive Director Nunavut Water Board PO Box 119 Gjoa Haven, NU X0E 1J0

Dear Ms. Briscoe and Mr. di Pizzo,

re: Doris Hinge Project - request for amendment to water licence NWB2HOP0207

Thank you for the opportunity to comment on the action you propose to take for this amendment, described in your letter of June 13, 2002. While we acknowledge the right of Hope Bay Joint Venture (HPJV) to explore the Doris ore body, Indian and Northern Affairs Canada (INAC) has a number of concerns with respect to the proposal of the Boards to approve and licence, in particular, the proposed site development work under 12.10.2 (b) and 13.5.5 of the NLCA.

Our first concern relates to the Boards' process in making this decision. INAC did not receive notification of the application for the amendment to the water licence, which was apparently submitted on May 31, 2002. The first we became aware of it was on June 17, 2002, after receiving your letter dated June 13, 2002. We trust this diversion from the usual NWB process was an oversight.

Second, INAC does not feel it is appropriate for the NWB to issue an amendment to the Windy Lake licence for site development work at the Doris site. In our opinion, any work to be completed at Doris Lake is considered distinct from the existing HBJV sites. Doris Lake is 12 kilometers from Windy Lake and the proposed work conducted there will have separate environmental issues that will require environmental assessment and approval. This is particularly important, as our initial review of the application for amendment to the water licence indicates that the proposed work will result in a significant quantity of waste rock (40,000 tonnes) being used for site development at the Doris site. These activities create the potential for environmental effects on water resulting from potential changes to

hydrology, potential acid rock drainage, suspended solids, and ammonia.

Although we realize that timely reviews are required for a successful project, we are concerned that the Boards would allow the proponent to proceed with site development work without benefit of adequate public consultation and consideration of mitigative measures that would normally occur through the environmental assessment and regulatory processes.

Finally, the short time frame provided for comments has not provided INAC with adequate time to consider the legal implications your proposed course of action may have on the Minister's responsibilities for the environmental assessment and regulatory processes for the Doris Hinge Project under the NLCA and other legislation. The department must consider the impacts of the Boards' proposed decision on the responsibility of the Minister with respect to the recommendation of NIRB for a review of the Doris Hinge Project, given that the project description and applications considered site development work a part of that project. The Minister has not yet made a decision to refer the Doris Hinge Project for review, so it is not clear to us whether NIRB has the authority to invoke 12.10.2 (b) prior to such a referral. The achievement of a timely decision on the part of the Minister has been complicated by the Boards' proposed actions.

In INAC's opinion, the best option at this time is for NWB to ask HBJV to apply for a new licence for exploration at Doris. We recommend NIRB screen the proposal so that the public is consulted, effects are identified and appropriate mitigation is applied. We feel this course of action will allow for better environmental management at the Doris site.

Sincerely,

Stephen Traylor Director, Operations

Nunavut Regional Office

cc. Hugh Wilson, HBJV