Water Resources Division Qimugjuk Building P.O. Box 2200 Iqaluit, Nunavut X0A 0H0 Tel: (867) 975-4548 Fax: (867) 975-4560

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April 19, 2002

Rita Becker Licensing Administrator Nunavut Water Board P.O. Box 119 Gjoa Haven, Nunavut X0B 1J0

Dear Ms. Becker:

## Re: Amendment of Water Licence, Major General Resources

During the original application review in June 2001, the Water Resources Division determined that the Tahoe Lake Project did not require a water licence due to the scale and nature of the project. The water-related aspects of this project had been addressed by the provisions made in the application and accompanying project description and further issues, such as those pertaining to waste management, were addressed by the land use permit. The following comments have been provided in response to the application although the above remains applicable unless the proponent's water use significantly increases or the project includes the direct or indirect deposit of waste into water.

The letter dated April 5, 2002 requests an amendment to Part B, Condition 2 "The NWB shall be notified of any changes in operating plans or conditions associated with this project at least thirty (30) days prior to any such change". However, the only condition pertaining to on-ice drilling is Part D, Condition 3 "Drilling additives or muds shall not be used in connection with holes drilled through lake ice unless they are re-circulated or contained such that they do not enter the water, or are demonstrated to be non-toxic".

The application lacks the specific information to determine whether the drilling additives (calcium chloride) or drilling muds (Poly-Drill O.B.X., 133X and Clay Treat II) will be recirculated or contained. If the company can demonstrate that they will meet the Condition above, a Licence amendment is not required. Rather, the Nunavut Water Board should be provided with operating plans that include:

- the size and location of lake;
- · locations of drill sites on the lake;
- the approximate water depth at each drilling location;
- the type and extent of lake bed substrate at each location, if available;
- background levels of turbidity prior to initiating drilling activities (if not provided, these should be assumed to be zero for the purpose of estimating background levels of total suspended solids):
- · potential locations for land and water-based wastewater disposal

In addition, the company should consider Part D, Condition 2, "No land-based drilling is to be done within thirty (30) metres of the high water mark of any water body. Drill waste from land-based drilling shall be disposed of in a sump such that they do not enter any water body".

Should you have any questions or comments, please do not hesitate to contact me at the number above or by e-mail at <a href="mailto:johnsonmi@inac.gc.ca">johnsonmi@inac.gc.ca</a>.

Sincerely,

Original signed by:

Michelle Johnson Kivalliq/Kitikmeot Regional Coordinator