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Operations Directorate Box 100 Iqaluit, Nunavut X0A 0H0

June 10, 2008

Earle Baddaloo Director, Environmental Protection Department of Environment Government of Nunavut Box 1000, Stn 1300 Igaluit, NU XOA OHO

Dear Mr. Baddaloo:

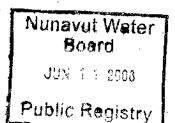
ELV and Scrap Metal Removal Project Igaluit, NU

Thank you for your letter of May 29, 2008 outlining the partnership project between the Government of Nunavut and the City of Iqaluit to remove End of Life Vehicles (ELVs) and scrap metal from the land fill, dumps and other areas in and around Iqaluit for shipment south this year.

Further to your letter and our discussion yesterday INAC is supportive of this initiative and wish you success in its implementation and completion. We would recommend that the City of Iqaluit inform the Nunavut Water Board that they are conducting this activity under their existing water licence and provide the Board with the scope of work that is being carried out. This should be provided as soon as possible.

Your letter proposed that an officer from DOE and INAC oversee and inspect the removal activities of the scrap metal from the North 40 area. Unfortunately INAC does not have the capacity to provide an inspector to the project on a continuous basis but would periodically inspect any activities under its jurisdiction by enforcing the City's water licence terms and conditions and compliance to the Nunavut Waters and Surface Rights Tribunal Act. We can also review scrap metal removal protocols that are proposed to be followed and provide suggestions and guidance.

As you know, in the past the City required granular extraction contractors operating in the North 40 to follow specific protocols if and when any hazardous materials were encountered during the extraction process. I would suggest that a similar type protocol be





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implemented for the Scrap Metal Recycling Contractor to follow if any hazardous waste is encountered during the removal and recycling process.

Your letter also mentioned your understanding that the project and stated that "...is being done on a without prejudice basis as a gesture of cooperation between our governments and not construed in any way as an admission of legal responsibility on the part of the GN for any environmental contamination or remediation of the area." We acknowledge this understanding and as you know our jurisdiction is ensuring that the City's water licence terms and conditions and compliance to the Nunavut Waters and Surface Rights Tribunal Act are in compliance.

We wish you success in this recycling initiative. Please feel free to contact me if you wish to discuss further.

Sincerely,

Carl McLean

Director, Operations

cc. SAO, City of Iqaluit

INAC Water Resource Officer

Nunavut Water Board