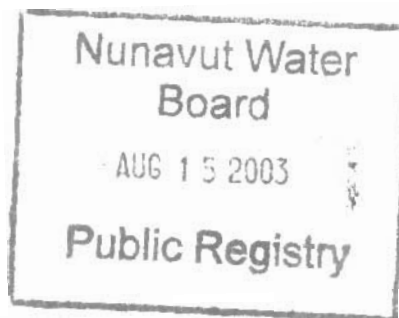


August 13, 2003

Vernon Betts
Homestake Canada Inc.
P.O. Box 11115
1100-1055 W.Georgia St.
Vancouver, B.C. V6E 3P3



Fax: (604) 684-9831

**Re: Response to comments from Environment Canada
Cullaton Lake Project**

| INTERNAL | |
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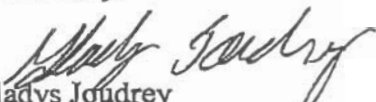
A letter was forwarded via e-mail on June 3rd to address concerns put forth by Environment Canada, the letter is attached for your reference. To the best of my knowledge the requested information has not been forwarded to either Colette from Environment Canada or myself.

Please respond to the comments forwarded by Environment Canada. Of particular interest to NIRB is the question of "passive treatment". Under section 5.2.3 "Collection and Treatment of Surface Runoff and Seepage" this was not considered a viable option.

All information is to be forwarded to Colette Meloche via fax at (867) 975-4645 or e-mail colette.meloche@ec.gc.ca and myself at NIRB.

If you have any questions, please do not hesitate to contact our office.

Yours truly,


Gladys Joudrey
Senior Environmental Assessment Officer
Nunavut Impact Review Board
Tel: (867) 983-2593 Fax: (867) 983-2574
E-mail: gjoudrey@nirb.nunavut.ca

c.c. Colette Meloche, EC
Dionne Filiatrault, NWB

030813NWBICUL NIRB to Homestake - LAE

Environment
CanadaEnvironnement
Canada

Environmental Protection Branch
Qimugluk Building 969 P.O. Box 1870
Iqaluit, NU X0A 0H0
Tel: (867) 975-4639
Fax: (867) 975-4645

May 23, 2003

Gladys Joudrey
Environmental Assessment Officer
Nunavut Impact Review Board
P.O. Box 2379
Cambridge Bay, NU X0B 0C0
Tel: (867) 983-2593
Fax: (867) 983-2594

Our file: 4705 037 CULL

Via Facsimile

RE: NIRE 03AN067 - Homestake Canada Inc. - Cullaton Lake Project

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 Environment Canada's mandated responsibilities for the enforcement of the *Canadian Environmental Protection Act*, Section 36(3) of the *Fisheries Act*, the *Migratory Birds Convention Act*, and the *Species at Risk Act*.

Homestake Canada Inc. is applying for an amendment to the abandonment and restoration plan portion of their approved water license to allow for the encapsulation of waste rock at the Shear Lake portal. Homestake Canada Inc. identified the onset of acid rock drainage (ARD) originating from the waste rock pile located adjacent to Shear Lake. Associated effects noted include depressed pH and elevated sulphate in surface waters, as well as localized damage to vegetation. An application to control the ARD via subaqueous disposal was made in March 2001. However, subsequent work by the proponent identified encapsulation as the preferred method, and this work was completed in 2001. This amendment application includes an overview of the encapsulation work that has been completed, as well as the "Assessment of Closure Options and Impacts, Shear Lake Zone Waste Rock Dump" report.

Homestake Canada Inc. has identified seepage as a potential impact resulting from the encapsulation of the waste rock pile. As such, a toe berm has been constructed around the pile to collect any potential seepage and prevent overland flow, and no seepage was noted in 2002. Environment Canada requests further information regarding the "passive treatment" measures that Homestake has identified to be implemented in the event that seepage from the pile occurred.

As no information or drawings were presented in the application indicating either the number of thermistors to be installed at SNP station 940-26 or the size / exact location of the pile, EC is unable to comment on whether the number of thermistors is adequate for the size of the waste rock pile.

Homestake Canada Inc. is proposing to monitor the water quality and temperatures at the two new SNP stations in 2003 and 2004 only. Environment Canada requests additional information regarding the parameters for the water quality monitoring at the new SNP station 940-25. Given that the two new SNP stations will be established during the 2003 site inspection, this would only allow for approximately 1½ years of data to be collected. Environment Canada recommends that the monitoring program for this waste rock disposal area be continued until 2008, which will allow

Canada



for a full 5 years of sampling data to be collected, with additional sampling to be done in years 7 and 10.

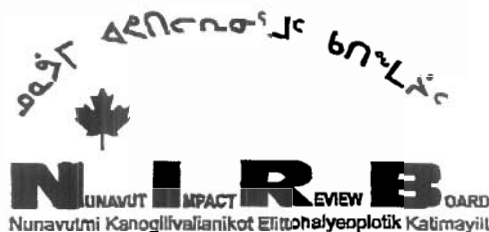
If there are any other changes in the proposed project, EC should be notified, as further review may be necessary. Please do not hesitate to contact me with any questions or comments with regards to the foregoing at (867) 975-1639 or by email at colette.meloche@ec.gc.ca.

Yours truly,



Colette Meloche
Environmental Assessment Specialist

cc: (Mike Fournier, Northern Environmental Assessment Coordinator, Environment Canada, Yellowknife)
(Anne Wilson, Water Pollution Specialist, Environment Canada, Yellowknife)



June 3, 2003

Vernon Betts
Homestake Canada Inc.
P.O. Box 11115
1100-1055 W. Georgia St.
Vancouver, B.C. V6E 3P3

E-mail: vbetts@homestake.com

**Re: Response to comments from Environment Canada
Cullaton Lake Project**

Please respond to the comments forwarded by Environment Canada. Of particular interest to NIRB is the question of "passive treatment". Under section 5.2.3 "Collection and Treatment of Surface Runoff and Seepage" this was not considered a viable option.

All information is to be forwarded to Colette Meloche of Environment Canada and myself at NIRB.

If you have any questions regarding, please do not hesitate to contact our office.

Yours truly,

Gladys Joudrey
Gladys Joudrey
Environmental Assessment Officer
Tel: (867) 983-2593
Fax: (867) 983-2574