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INTERNAL

June 1, 2001

Sharon Meyer Environmental Specialist Homestake Canada Inc. P.O. Box 11115 1100-1055 West Georgia Street

Public Registry

Nunavut Water Board

Vancouver, BC V6E 3P3

Dear Ms. Meyer:

Re: Review of 2000 Annual Report - Cullaton Lake Gold Mine - NWB1CUL9902

Please accept this letter as notification that the 2000 Annual Report submitted by Homestake Canada Inc. as required under licence NWB1CUL9902 Part B, Item 3 has been reviewed and found satisfactory.

Attached for your records is the 2000 Compliance Report; compliance reports are prepared annually in order to assess the Licensee's compliance with the terms and conditions of their licence. As in 1999, the company failed to report on consultations with local organizations and residents. Since restoration activities are to be completed in 2001, the Licencee is urged to communicate the nature of the closure activities to the public and include a summary of such consultations in the 2001 Annual Report.

Should you have any questions or comments, please do not hesitate to contact me at the number above or by e-mail at johnsonmi@inac.gc.ca.

Sincerely,

Michelle Johnson **Industrial Coordinator**

c.c.: Nunavut Water Board, Gjoa Haven

INAC RMO, Rankin Inlet

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2000 Compliance Report for Water Licence NWB1CUL9902

Homestake Canada Inc. - Cullaton Lake

Date: May 28, 2001

Water Register: NWB1CUL9902

Prepared by: M. Johnson Industrial Coordinator DIAND, Nunavut Regional Office Iqaluit, NU

2000 Compliance Report

Homestake Canada Inc. - Cullaton Lake

Water Licence NWB1CUL9902

Introduction

The NWT Water Board renewed this licence in 1999 and it will remain valid until October 31, 2002. This Report assesses compliance with the licence for the period between January 1, 2000 and December 31, 2000. The Licence permits the use of up to 150 cubic metres of water per day for ongoing decommissioning and monitoring activities at the Cullaton Lake Mine.

The format of this report follows that of the Licence; however, conditions with no licencee requirements for the year 2000 are not outlined as a compliance assessment does not apply.

Compliance Assessment

Part B - General Conditions

Condition Number and Summary		Compliance Assessment
1.	Security Deposit shall be posted and maintained.	The letter of credit was submitted on September 19, 2000 and will remain valid until September 30, 2001.
2.	N/A	
3.	Annual Report filed with Board prior to March 31 of the following year.	The annual report was received by the NWB on March 23, 2001 and did not fulfil requirement 3(i) regarding the public consultation report.
4.	N/A	
5.	Surveillance Network Program shall be completed.	The SNP was completed as required. Samples were not collected from station 940- 22 because there was no seepage at this location.
6.	Modifications to the SNP are permitted with the Board's approval.	Approval to remove conductivity from the SNP was granted by the Board on March 2, 2000.

Condition Number and Summary		Compliance Assessment
7.	Signs identifying SNP stations to be posted and maintained to the satisfaction of the Inspector.	The site was not inspected in 2000; however, the Inspector did not note any inadequacies with the SNP station signage during the most recent inspection.
8.	A copy of this Licence shall be maintained at the Licencee's head office at all times.	The Licensee has complied with this requirement.

Part C - Conditions Applying to Waste Disposal

Condition Number and Summary		Compliance Assessment
1.	The tailings containment area shall be operated and maintained to engineering standards.	During the site inspections, no erosion or sloughing of material from the tailings dam was observed. A inspection of the tailings dam will be conducted by a geotechnical engineer in the summer of 2001.
2.	Effluent shall meet the discharge requirements outlined in the licence.	The Licensee has complied with this requirement, all samples were found to meet the discharge requirements.
3.	All waste discharges shall be conducted in a manner to minimize surface erosion.	The Licensee has complied with this requirement.

Part D - Conditions Applying to Modifications

Condition Number and Summary		Compliance Assessment
1.	Modifications may be completed without the Board's permission provided conditions are met.	No significant modifications to the planned undertakings were made in 2000.
2. 3.	N/A N/A	

Part E - Conditions Applying to Spill Prevention and Contingency Planning

Condition Number and Summary

Compliance Assessment

1. The Licensee shall ensure that fuels, chemicals, or wastes associated with this undertaking do not enter any waters. Fuel must be stored at least 30 metres from the high water mark of any water source.

Fuels are stored appropriately at this site and there was no discharge of fuels, chemicals or wastes to water.

- 2. N/A
- 3. The Spill Contingency Plan shall be annually reviewed and modified, proposed modifications shall be resubmitted to the Board for approval.

The Spill Contingency (Response) Plan was submitted on October 6, 2000.

4. Unauthorized discharges of waste shall employ the contingency plan, be immediately reported, and be outlined is a detailed report submitted to the Inspector within 30 days.

No unauthorized discharges occurred in 2000.

Part F - Conditions Applying to Abandonment and Restoration

Condition Number and Summary

Compliance Assessment

- 1. N/A
- 2. N/A
- 3. All reclamation work shall be completed within the time scheduled in the approved Abandonment and Restoration Plan.

Activities in 2000 were conducted in accordance with the current Abandonment and Restoration Plan.

The Abandonment and Restoration
Plan shall be annually reviewed and
modified, proposed modifications
shall be re-submitted to the Board for
approval.

The Work Plan for Final Restoration at Cullaton Lake was submitted on October 4, 2000 and has since been approved.

Conclusion

During the year currently under review (2000), the Licensee has complied satisfactorily with the conditions of licence NWB1CUL9902. However, the Licensee does not appear to have conferred with local organizations/residents as there is no public consultation/participation report included in the Annual Report. Since restoration activities are to be completed in 2001, the licensee is urged to communicate the nature of the closure activities to the public.

When the final cleanup is complete, a site inspection will be scheduled to verify the adequacy of the decommissioning work. Site inspections will be conducted by the Water Resources Officer and Resource Management Officers at DIAND as per the letter from Roxanne Beavers dated October 6, 2000.