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Sent: Tuesday, August 28, 2001 6:33 AM

Subject: Cullaton Lake - site visit

Mr. Di Pizzo:

I visited the Cullaton Lake property with Vernon Betts of Homestake Canada Inc. on Saturday, August 25, 2001. I thought that I should provide you with the following summary for my site visit, as Dionne is currently on holiday and will not be returning to Gjoa Haven until the second week of September:

- 1. Homestake is in their final stage of their reclamation activities at the site. They mobilized their equipments and set up camp in the middle of June. Vernon indicated that they plan to demobilized their personnel and equipments sometimes this coming weekend or early next week.
- 2. One of the major activities which they have just completed was the consolidation and capping of the waste rock located near Shear Lake. It is understood that the original plan was to dispose the rock into the nearby Shear Lake (Homestake report February 2001). They said that the approval process was slow, particularly due to some concerns related to dumping the waste rock into the lake from DIAND/DFO. Consequently, Homestake had decided to go ahead with an alternative plan, as they were running out of time. When I visited the site, the burial of the waste rock had been completed. They indicated a capping of the waste rock by approximately 1m thick brown till to grey silty till materials. The selected site appears to be well drained, and higher than the surrounding area. The site is located adjacent to the Shear Lake, and is separated by rock outcrop, which isolates the area from the lake. They plan to seed the cover/capping fill to prevent erosion from rainfall runoff, etc. Vernon mentioned that they will send the application, together with the construction photos and activities to NWB..
- 3. Other activities at the site has been the general clean up of the remnants of buildings/structures such as concrete foundations, and tearing up old structures, burn box and old equipments. All of the above debris and materials were moved and buried in the southern part of the quarry pit and covered with overburden fill. I believe that approximately 95-98% of these activities is now complete.
- 4. I inspected the tailing pond No. 1, and it appeared to be in satisfactory condition. Freeboard appeared to be adequate. It was reported that there had been some heavy rainfall in the past few days prior to my site visit. Consequently, there was flowing water over the pond's spillway. There were lots of puddles in areas along the downstream toe of the dike, but there were no indication of any seepage flows through the pond dike.
- 5. Culverts along the access roads were overflowed with water, and some portion of the access road developed heavy rutting from heavy equipments and vehicles. Vernon told me that they intend to blade the access road to look more like natural conditions, and pulled all of the culverts as part of the final withdrawal activities at the site.
- 6. I believe that some water samples should be taken in the vicinity of the creek near the waste rock burial area. to check any seepage from the new and old waste rock areas (if any). DIAND was planning to drop by at the side on Sunday, August 26. They will likely be taking water

samples (including at the regular water sampling locations).

- 7. Mine portals on both the B-zone and Shear zone areas have been blocked and covered with granular materials, and contoured/mounded.
- 8. When they will be fully demobilized next week, the only remaining structures at the site would be the tailing ponds, a pond at the northern part of the quarry pit, core boxes stored on concrete pedestals (part of the foundation of fuel storage tanks) in the B-zone/mill complex, completed and capped waste rock at Shear Lake, a shack which will be left near the air strip at the request of the local hunters, and the airstrip runway.

I hope that this information will provide you with an update on the activities at the site this year. I will prepare a site visit report, and it will be ready in the next few weeks.

Regards

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