CULLATON LAKE GOLD MINES LTD.

WATER LICENSE NWB1CUL0207

ANNUAL WATER LICENSE REPORT 2003

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ᐅᑯᐊ Cullaton Lake Gold Mines Ltd.-ᑯᑦ ᐅᔭᕋᓐᓂᐊᖅᑏᑦ ᓇᖕᒥᓂᕆᔭᐅᓪᓚᕆᒃᑐᑦ ᐅᓄᖓ Barrick Gold Inc. (Barrick)-ᑯᓐᓄᑦ ᓇᖕᒥᓂᕐᑲᓪᓚᕆᕐᑲᑕᐅᔪᑦ Barrick Gold Corporation-ᑯᑦ.

ᐅᑯᐊ Cullaton Lake Gold Mine-ᑯᑦ ᐱᕐᑯᑖᑦ ᐅᕙᓃᑦᑐᖅ ᐅᐊᖕᓇᖓᓅᖓᔪᖅ ᓄᓇᖓᓅᖓᓪᓗᓂ ᑭᕙᓪᓕᐅᑉ ᓄᓇᕗᑦᒥ. ᓇᖕᒥᓂᕆᔭᖅ ᓄᓇ ᐱᓕᕆᕕᒃ ᐃᒫᒃ ᐅᖓᓯᖕᓂᓕᒃ 250 km ᐅᐊᓕᓂᐊᓃᑦᑐᖅ ᐊᖅᕙᐊᑦ, ᓄᓇᕗᑦᒥ, 400 km-ᓂᒃ ᑲᓇᖓᓂ ᑕᓕᕐᐱᐊᓄᑦ ᓵᖓᔪᖅ Churchill, Manitoba-ᒧᑦ, ᐊᒻᒪᓗ ᐃᒫᒃ ᐅᖓᓯᖕᓂᓕᒃ 645 km ᑲᓇᖓᓂ Thompson, Manitoba-ᒧᑦ. ᐅᔭᕋᒃᓴᖅᓯᐅᖅᕕᒃ ᐊᐅᓚᑦᓯᕕᐅᓚᐅᖅᓯᒪᔪᖅ ᐊᕐᕌᒍᓐᓂᒃ ᓯᑕᒪᓂᒃ, ᐱᒋᐊᕐᓯᑎᒃ 1981 ᑎᑭᑦᓯᒍ 1985. ᐊᑯᖖᒐᓐᓂ September 1985 ᐊᐅᔭᖓᓂᓗ 1991-ᒥ, ᐅᔭᕋᒃᓴᖅᓯᐅᕕᒃ ᒪᑭᒪᑎᑕᐅᓚᐅᖅᓯᒪᔪᑦ.

ᐱᓕᕆᕕᖕᒥᒃ ᓄᕐᑲᑎᑦᓯᒍᑏᑦ ᐊᑑᑕᐅᓪᓗᑎᒃ ᐅᕙᓂ 1991/92 ᐱᓕᕆᐊᖑᓪᓗᓂ ᐅᔭᕋᒃᑕᕐᓂᑯᕐᑲᐅᑦ ᐅᕙᓂ ᑕᓯᖓᓂ No. 1, ᐃᓚᕐᑲᖅᓯᓂ ᓴᓇᔭᐅᑎᓪᓗᒋᑦ ᑰᒃᕕᓴᖓ ᑰᒌᒃᑯᒨᖓᔪᖅ ᐊᒻᒪᓗ ᐅᓕᒃᑐᕐᑕᐅᓪᓗᓂ ᕐᑳᖓᒍᑦ ᐅᔭᕋᒃᓴᓕᕆᔾᔪᑎᒥᓂᕐᑲᐅᑦ ᐃᒥᕐᒥᒃ ᐅᕝᕙᓗᑭᐊᖅ ᐲᔭᖅᑕᐅᓂᑯᓄᑦ ᐅᔭᕐᑲᓄᑦ; ᐃᒪᐃᔭᕐᑕᐅᓪᓗᓂ ᐅᔭᕋᒃᓴᓕᕆᔾᔪᑎᒥᓂᖅᑕᓕᒃ ᑕᓯᖅ ᐃᑲᓃᑦᑐᖅ No. 2-ᒥ (ᕐᑭᓪᓚᖅᓴᐅᑎᒥᓂᕐᑕᓕᒃ ᑕᓯᖅ).

ᐃᒥᖅᑕᖅᕕᒃ ᐃᒥᕋᒃᓴᒥᒃ, ᒥᑦᑐᐊᕈᑎᓕᒃ, ᓱᑦᑐᓖᑦᑐ ᐃᑲᓃᑦᑐᑦ ᑲᐃᕝᑎᑕᓖᑦ ᓯᑎᔪᖅᓯᐅᑎᓂᒃ ᓄᓇᒥ ᐃᑲᓃᑦᑐᖅ Kognak ᑰᖓᓂ ᐲᔭᖅᑕᐅᓪᓗᓂ 1991-ᒥ. ᐊᑑᑎᑎᓪᓗᒍ 1993, ᑕᒪᕐᒥᒃ ᐃᒡᓗᔾᔪᐊᒥᓃᑦ ᓴᓃᓪᓗ ᑕᑲᖓᑦ ᓄᓇᒥᒃ ᐲᔭᖅᑕᐅᔪᔪᑦ. ᐅᕙᓂ 1995 ᐊᒻᒪᓗ 1996 ᐱᓕᕆᕖᑦ ᐃᒡᓗᐃᑦ ᐲᔭᖅᑕᐅᔪᖕᒥᔪᑦ. ᐃᓚᖏᓪᓗ ᐊᑑᑎᓂᕐᑲᕈᓐᓃᕐᑐᑦ, ᓇᕝᕚᕋᒃᓴᐅᒍᓐᓃᕐᑐᑦ ᑕᒪᕐᒥᒃ ᓯᕐᑯᑦᑎᖅᑕᐅᔪᔪᑦ ᐊᒻᒪᓗ ᐃᑎᖅᓴᒧᑦ ᔩᕐᑲᖅᑕᐅᓪᓗᑎᒃ. 1997-ᒥ, ᐅᓕᒃᑕᐅᑲᓐᓂᔪᔪᖅ ᕐᑳᖓᒍᑦ ᐅᔭᕋᒃᓴᓕᕆᔾᔪᑎᒥᓂᖅᑕᓕᒃ ᐱᕈᖅᑐᒃᓴᓂᒡᓗ ᒪᖖᒍᒃᓴᓂᒃ ᔫᖅᓯᓪᓗᑎᒃ ᓄᓇᐅᑉ ᐃᓗᐊᓄᑦ, ᐱᕈᑉᐹᓪᓕᕈᑎᒃᓴᖏᓐᓂᓪᓗ ᐅᑭᐅᖅᑕᕐᑐᒧᑦ ᓈᒻᒪᒃᑐᓂᒃ ᑕᒫᖓᔭᒃᓴᓂᒃ ᐃᓕᕐᑯᓯᕐᓱᕐᑐᓂᒃ ᐃᓚᒋᓕᐅᑎᑦᓯᓪᓗᑎᒃ, ᑕᐃᑲᓂᓗ ᐅᔭᕋᒃᓴᓕᕆᕕᕕᓂᕐᒥᒃ ᐃᒡᓗᔾᔪᐊᑉ ᐃᓂᕕᓂᖓᓂ. ᐅᑭᐅᒃᑯᑦ ᐅᕙᓂ 1998/99 ᐱᐅᓕᔭᐅᔪᔪᑦ ᐱᐅᓕᔭᒃᓴᑦ ᓴᓇᕐᕈᑎᒥᓃᑦ, ᓅᑕᐅᓪᓗᑎᒡᓗ ᑕᐃᑲᖓᑦ ᓄᓇᒥᒃ.

ᐊᑑᑎᓕᕐᑎᓪᓗᒍ 2000, ᓇᓗᓇᓚᐅᖅᓯᒪᖏᑦᑐᖅ ᑕᐃᓐᓇ ᑲᓐᑐᕌᒃᔪᔪᖅ ᐱᔭᕇᕈᓐᓇᖅᓯᔪᖏᒻᒪᑦ ᐱᓕᕆᓪᓗᓂ ᐊᒻᒪᓗ ᐲᔭᕆᐊᓕᖕᓂᒃ ᑕᐃᑲᓃᑦᑐᓂᒃ ᓯᓕ ᓴᓇᕐᕈᑎᓂᒃ ᐊᒻᒪᓗ ᓯᓇᒃᑯᑖᓂᒃ. ᓯᓕᓖᒃ, ᐱᓕᕆᐊᖑᓂᐊᔪᔪᑦ ᐱᒃᑯᔾᔨᔪᒧᑦ ᐊᑑᑎᓂᕐᑲᒃᑲᓐᓂᕈᓐᓇᕐᑐᑦ ᓴᓇᕐᕈᑎᑦ ᐊᒻᒪᓗ ᓯᓇᑐᐃᓐᓇᐃᑦ ᐊᑲᐅᓈᔪᖏᒻᒪᑕ ᓈᒻᒪᓕᔪᖕᒪᑦ ᑭᓯᐊᓂ ᐊᒃᑕᕐᓗᒋᑦ ᑕᐃᑲᓃᑦᑐᑦ. October 2000-ᒥ ᑐᒃᓯᖅᑑᑦ ᓄᓇᕗᑦ ᐃᒪᓕᕆᔩᑦ ᑲᑎᒪᔨᖏᓐᓅᕐᑕᐅᔪᔪᖅ ᐊᖏᖅᑕᐅᔪᒃᓴᒫᖅ ᑕᒪᒃᑯᓄᖓᖓᔪᑦ ᐅᑎᕐᑎᓪᓗᒋᑦ ᐊᑑᑕᐅᑭᐊᕐᑲᓚᐅᕐᓯᒪᔪᑦ ᐊᖏᖅᑕᐅᔪᒃᓴᒫᑎᒍᑦ ᐅᑎᕐᕕᒋᓗᒋᑦ ᑕᐃᑯᐊᓴᐃᓐᓇᐃᑦ ᐊᖏᖅᑕᐅᓗᑎᒃ ᐊᒃᑕᕈᑎᓕᕆᔪᑦ, ᓴᐅᔭᐅᓚᐅᖅᓯᒪᔪᑦ ᐃᑎᖅᓴᒧᑦ. ᐊᖏᖅᑕᐅᒋᐊᕐᑲᔪᔪᑦ ᑕᒪᒃᑯᓄᖓᖓᔪᑦ ᐱᔭᐅᔪᔪᑦ ᐅᕙᓂ December 11, 2000-ᒥ.

ᐊᐅᔭᖓᓂ 2001, ᑕᒪᕐᒥᒃ ᕐᑭᑲᖅᑐᑦ ᓯᓇᑐᐃᓐᓇᐃᑦ ᐃᑎᖅᓴᒨᕐᑲᖅᑕᐅᓚᐅᕐᓯᒪᔪᑦ ᐊᒻᒪᓗ ᓴᐅᔭᐅᓚᐅᕐᓯᒪᔪᖅ ᐃᒫᒃ ᐃᔾᔪᓂᓕᖕᒧᑦ 2 meters ᓄᓇᔭᒧᑦ. ᑕᒪᕐᒥᒃ ᐊᒃᑕᑯᑦ ᐅᕐᓯᖅᑎᕈᑎᒥᓃᑦ ᐊᒻᒪᓗ ᐊᐅᓚᐅᑎᓯᐅᑎᒥᓃᑦ ᐅᕐᓯᕐᑎᕈᑏᑦ, ᐊᒃᓴᓗᐊᑦ ᐊᒻᒪᓗ ᕚᑕᓖᑦ ᐲᔭᖅᑕᐅᔪᔪᑦ ᓴᓇᕐᕈᑎᓕᒫᓂᒃ ᓯᕗᖓᒍᑦ ᓯᕐᑲᓪᓕᔭᐅᓚᐅᕐᑎᓐᓇᒋᑦ, ᓴᐅᔭᐅᓚᐅᕐᑎᓐᓇᒋᓪᓗ. ᐊᒃᑕᑯᑦ ᐅᕐᓯᐃᑦ, ᐅᖅᓯᖅᑎᕈᑏᓪᓗ ᑯᕕᔪᓐᓇᕐᑐᑦ, ᐊᒃᓴᓗᐊᓪᓗ, ᕚᑕᓖᓪᓗ ᓇᕐᓯᐅᔭᐅᓪᓗᑎᒃ ᓄᓇᖓᓄᑦ Thompson, Manitoba-ᒧᑦ ᐊᒃᑕᖅᕕᓪᓚᑖᒧᑦ ᑕᒪᒃᑯᓄᖓᖓᑭᐊᓕᖕᓄᑦ. ᐊᒻᒪᓗ ᒫᓂᕐᑭᔪᑦ ᐅᔭᕐᑲᑦ ᐲᔭᖅᑕᐅᓂᑯᑦ ᐃᑲᓂ Shear Lake ᑕᓯᖓᓅᖓᔪᖅ ᐊᖕᒪᔪᖅᑕᓕᖕᒧᑦ ᐃᓗᒻᒧᑦ, ᐱᑕᓕᒃ ᓯᕐᑯᐃᖅᑕᐅᓯᒪᔪᓂᒃ ᐆᑎᓇᔪᓐᓇᑐᕐᑕᓕᒃ, ᓄᐊᑕᐅᔪᔪᑦ ᐊᒻᒪᓗ ᔩᕐᑕᐅᓗᓂ ᔩᒃᓴᔭᒧᑦ ᐃᓗᐊᓄᑦ ᓄᓇᐅᑉ ᓴᓂᐊᓃᑦᑐᒧᑦ ᐊᖕᒪᔪᖅᑕᓕᖕᒧᑦ. ᐊᖏᖅᑕᐅᔪᔪᑦ ᑐᒃᓯᕌᖑᔪᔪᑦ ᐅᕙᓂ October 2001-ᒥ.

ᐅᕙᓂ March 2002-ᒥ, ᐅᑯᐊ Barrick-ᑯᑦ ᑐᒃᓯᕋᔪᖕᒪᑕ ᓄᓇᕗᑦ ᐃᒪᓕᕆᔩᑦ ᑲᑎᒪᔨᖏᓐᓂᒃ

ᓄᑦᑭᓕᐊᖅᓯᒪᔨᒥᐅ ᐃᒪᓕᕆᔨᐸᑎᖅᑎᒥᐅ ᓪᓚᖅᓯᐅᑦ ᐊᓴᖅᑕᑦ NWB1CUL9902, ᐃᓱᓕᓴᕐᓂᖅᓯᒪᔨᖅ ᐅᓂᓂ October 2002-Γ. ᓄᑦᑭᓕᐊᖅᑕᐅᔨᔨᖅ ᓪᓚᐃᓴ ᐅᓂᓂ October 2, 2002-Γᐅ ᐃᒪᓕᕆᔨᑦ ᓪᓚᐃᓴ ᐊᓴᖅᐅᑎᓕᐅ ᐃᒧᐅ NWB1CUL0207.

ᐅᑯᐊ Barrick-ᑯᑦ ᐱᓕᕆᔨᖏᑦ ᐊᐅᓪᓗᓂᔨᔨᑦ ᓄᓇᖏᓂᒃ ᖃᐅᔨᓴᖅᓯᐅᑎᒃ ᐅᓂᓂ July 29, 2003-Γ. ᑕᒪᖅᑎᒃ ᐃᒪᓕᕆᔨᐸᑎᖅᓪᓕᒧᑦ ᐊᓱᒪᓗ ᖃᐅᔨᓴᖅᑭᑦ ᓯᕐᓴᓂᖏᓂᒃ ᓂᐅᓕᓇᕐᓂᖏᓂᒃ ᐅᓂᓂᓗᑭᐊᖅᖃᖅ ᐅᓇᕐᓂᖏᓂᒃ ᐱᓕᕆᐊᖏᓴᕐᓂᑦ ᑕᒪᒃᑯᓄᖏᓐᓄᑦ ᖃᐅᔨᓴᖅᑕᐅᓪᓗᑎᒃ ᖃᐅᔨᓴᖅᑐᖅᑎᓪᓗᒍ. ᓴᖅᑭᖅᑐᖅᑲᓂᕐᓂᖅ ᐃᓱᒪᓗᑎᒃᓂᒃ ᐅᓂᓂᓗᑭᐊᖅᖃᖅ ᓴᖅᑭᖅᑐᖅᑲᓂᕐᓂᖅ ᐊᓱᓚᐅᑎᒃ ᖃᐅᔨᓴᖅᑐᖅᓯᒪᓂᒃ ᕿᓱᓕᖅᑐᒥᒃ ᖃᐅᔨᓴᖅᑐᕐᓗᒍ.

EXECUTIVE SUMMARY AND SITE HISTORY

Cullaton Lake Gold Mines Ltd. Is a wholly owned subsidiary of Barrick Gold Inc. (Barrick) which in turn is a wholly owned subsidiary of Barrick Gold Corporation.

The Cullaton Lake Gold Mine (Cullaton Lake) property is located in the southern part of the District of Keewatin in the Nunavut Territory. The property is 250 km west of Arviat, Nunavut, 400 km northwest of Churchill, Manitoba, and 645 km north of Thompson, Manitoba. The mine was in operation for four years, from 1981 to 1985. Between September 1985 and summer 1991, the mine was in a care and maintenance mode.

Decommissioning began in 1991/92 with the rehabilitation of Tailings Pond No. 1, which included construction of a spillway in the dam and the covering of exposed tailings with water or till/mine rock; and the elimination of Tailings Pond No. 2 (the polishing pond).

The fresh water intake, pump house and pipelines at the old diamond drill camp on the Kognak River were dismantled and removed in 1991. By 1993, all buildings and debris around the drill camp had been removed. In 1995 and 1996 the mill buildings were dismantled. Some of the inert, non-salvageable material was crushed and placed in the quarry pit. In 1997, additional cover material was placed over the tailings area and the area was seeded and fertilized with a special arctic seed mix, as was the former mill site. During the winter of 1998/99 some salvageable equipment and material was removed from the property.

By 2000, it was clear that the contractor that had been engaged would not able to complete the project and remove remaining equipment and material. As well, it was determined by a consultant that the salvage value of the equipment and material was negligible and the best alternative was to dispose of it on site. Accordingly, in October 2000 application was made to the Nunavut Water Board for approval to revert to the originally approved disposal method, which was burial in the quarry pit. Approval to do this was received on December 11, 2000.

During the summer of 2001, all inert material was placed in the former quarry pit and covered with 2 meters of till. All waste oils and hydraulic fluids, as well as tires and batteries were removed from equipment prior to it being crushed and buried. The waste oils, hydraulic fluids, tires and batteries were removed to Thompson, Manitoba for proper disposal. In addition, waste rock at the Shear Lake Portal area, which had been determined to be acid generating, was collected and encapsulated in till adjacent to the portal. Approval to do this was requested in October 2001.

In March 2002, Barrick applied to the Nunavut Water Board for renewal of Water License NWB1CUL9902, which was due to expire in October 2002. The License was renewed on October 2, 2002 with Water License NWB1CUL0207.

Barrick personnel conducted a site inspection on July 29, 2003. All required water quality and thermistor monitoring was conducted during this inspection. No concerns or issues were noted during the inspection.

1.0 2003 SITE INSPECTION

A site inspection of the closed Cullaton Lake Gold Mine (Cullaton Lake) was conducted on July 29, 2003 by Mr. Vernon Betts of Barrick. Access to the site was via a chartered aircraft from Thompson, Manitoba and approximately 5 hours were spent on site.

During this inspection, water samples required pursuant to Water License NWB1CUL0207 were collected. As well, visual inspections of the site in general and the quarry pit, tailings area and encapsulated waste rock near Shear Lake in particular were conducted.

No erosion or stability issues were noted during the inspection. The cover over the backfilled quarry pit appeared to be stable with no signs of settling. Drainage from the pit is directed to Tailings Pond No. 1 although there was no flow at the time of the inspection. No seepage was noted from the encapsulated waste rock near Shear Lake. The areas seeded during the 2001 reclamation program showed improved growth over 2002 although growth remains sparse.

2.0 WATER LICENSE

Management of Cullaton Lake is conducted pursuant to Water License NWB1CUL0207, which was issued on October 2, 2002 and will expire on September 30, 2007.

On November 13, 2003, application was made to the Nunavut Water Board to change the name on License NWB1CUL0207 from Homestake Canada Inc. to Barrick Gold Inc. to reflect changes resulting from the 2001 merger of Barrick Gold Corporation and Homestake Mining Company.

Part C, Section 1(d) of the License requires that an inspection of the Tailings Containment Area be conducted between June and September annually by a qualified geotechnical engineer.

The required inspection was conducted on July 29, 2003 and the report submitted to the Nunavut Water Board on November 28, 2003.

Part E, Section 3 of the License requires annual review and, as necessary, modification of the Spill Contingency Plan to reflect changes in operations, technology and personnel.

There were no changes in operations, personnel or technology at Cullaton Lake in 2003. The mine remains closed with reclamation substantially completed. As a result, no changes were made to the Spill Contingency Plan.

Part F, Section 4 of the License requires annual review and, as necessary, modification of the Abandonment and Restoration Plan to reflect changes in operations, technology and the results of reclamation and other studies. Proposed modifications must be submitted to the Board for approval.

Water License NWB1CUL0207 required the installation of thermistors in the encapsulated waste rock at Shear Lake. An unsuccessful attempt was made to do this in July 2003. Subsequently, a report was submitted to the Nunavut Water Board

detailing this attempt and requesting that this requirement be removed from the License. Please see letter submitted to Ms. Dionne Filiatrault on November 25, 2003 for details.

Part F, Section 5 of the License required submission of an application for amendment to the approved Abandonment and Restoration Plan by January 1, 2003 for the new waste rock disposal area on the shores of Shear Lake.

Part G, Section 4 of the License required submission to the Board of a Site Map of the Project Environmental Impact Area with active Surveillance Network Program (SNP) Stations within 60 days of issuance of the License.

Part G, Section 4, Subsection (b) of the License required submission of GPS coordinates of all surface and subsurface sampling points.

Although the License was issued on October 2, 2002, it was not received until November 14, 2002. On November 21, 2002 extensions of the submittal dates was requested as follows:

Part F, Section 5	February 14, 2003
Part G, Section 4	December 31, 2002
Part G, Section 4, Subsection (b)	September 2003

These extensions were approved on December 4, 2002.

An additional extension to March 31, 2003 for Part F, Section 5 was subsequently requested and granted.

The application for amendment required pursuant to Part F, Section 5 was submitted to the Nunavut Water Board on March 31, 2003.

The Site Map required pursuant to Part G, Section 4 was submitted to the Nunavut Water Board on December 16, 2002.

The GPS coordinates required pursuant to Part G, Section 4, Subsection (b) were submitted to the Nunavut Water Board on August 29, 2003.

Part G, Section 3 requires annual review and, as necessary, modification of the approved quality assurance/quality control plan.

Quality assurance/quality control is provided by a contract laboratory, ALS Environmental, according to its standard quality assurance/quality control plan. This includes the supply of sample containers and supplies, and laboratory quality assurance/quality control. It also includes duplicate analysis of one sample from each sampling program. This plan has not changed in recent years.

3.0 WATER QUALITY MONITORING

Water sampling continued at Cullaton Lake in 2003. Duplicate sampling is required at 9 stations, once each year during peak flow. Samples were collected on July 29, 2003. See Appendix 1 for water sample results.

Station 940-2 (Tailings Pond No. 1 at discharge to Tailings Pond No. 2) – Duplicate water samples were collected on July 29. All parameters were below the limits prescribed in the Water License.

Station 940-3 (Tailings Pond No. 2) – Duplicate water samples were collected on July 29. All parameters were below the limits prescribed in the Water License.

Station 940-18 (Tailings Pond No. 1 spillway) – Duplicate water samples were collected on July 29. All parameters were below the limits prescribed in the Water License.

Station 940-19 (Tailings Pond No. 1 at piezometer) – Duplicate water samples were collected on July 29. All parameters were below the limits prescribed in the Water License.

Station 940-20 (Tailings Pond No. 1 seepage at east side) – As in past years, there was no seepage at this location on July 29 and, consequently, it was not possible to collect a sample.

Station 940-22 (Tailings Pond No. 1 seepage at northeast corner) – As in past years, there was no seepage at this location on July 29 and, consequently, it was not possible to collect a sample.

Station 940-23 (Quarry Pit) – Duplicate water samples were collected on July 29. All parameters were below the limits prescribed in the Water License.

Station 940-24 (Quarry Pit flow to Tailings Pond No. 1) - There was no flow from the Quarry Pit to Tailings Pond No. 1 on July 29 and, consequently, it was not possible to collect a sample.

Station 940-25 (Seepage from Shear Lake Encapsulated Waste Rock) - There was no indication of any seepage from the encapsulated waste rock on July 29 and, consequently, it was not possible to collect a sample.

4.0 THERMISTOR MONITORING

Thermistor readings (Station 940-21) have been taken at the tailings impoundment since 1991. Before the application of a cover on the tailings, the top 1.4 meters of tailings thawed every summer. After the application of a cover, the permafrost level rose, reducing the depth of thaw in the tailings mass to approximately 0.7 meters by the end of 1995. The 2003 readings are provided in Appendix 2. The 2001 and 2002 readings are also provided for comparison.

As discussed in Section 2.0, Water License NWB1CUL0207 required the installation of thermistors in the encapsulated waste rock at Shear Lake. An unsuccessful attempt was made to complete this installation in July 2003. Subsequently, a report was submitted to the Nunavut Water Board detailing this attempt and requesting that this requirement be removed from the License. Please see letter submitted to Ms. Dionne Filiatrault on November 25, 2003 for details.

5.0 2004 PROPOSED WORK PROGRAM

All site reclamation and remediation work was completed in 2001. The 2004 work program will consist of a site inspection as well as water quality and thermistor monitoring as required by the Water License.

Appendix 1
July 29, 2003
Water Quality Monitoring Results

Water Quality Monitoring Results
July 29, 2003

Location	Sample Number	Field PH	Temperature °C	Lab pH	Suspended Solids mg/L	Total Cyanide mg/L	Total Nickel mg/L	Total Arsenic mg/L	Total Copper mg/L	Total Lead mg/L	Total Mercury mg/L	Total Zinc mg/L
Tailings Pond No. 1 (at discharge)	940-2A	6.92	21.0	8.07	<3	<0.005	0.001	0.0025	0.002	<0.001	<0.00005	<0.005
	940-2B			8.02	<3	<0.005	0.002	0.0023	0.002	<0.001	<0.00005	<0.005
Tailings Pond No. 2	940-3A	6.88	20.8	8.07	5	0.01	0.004	0.0059	0.003	<0.001	<0.00005	<0.005
	940-3B			8.02	3	0.01	0.004	0.0060	0.003	<0.001	<0.00005	<0.005
Tailings Pond No. 1 (spillway)	940-18A	7.01	20.5	8.87	4	0.009	0.001	0.0029	0.002	<0.001	<0.00005	<0.005
	940-18B			8.85	4	0.008	0.001	0.0028	0.002	<0.001	<0.00005	<0.005
Tailings Pond No. 1 (at piezometer)	940-19A	6.91	20.8	8.08	8	<0.005	0.002	0.0036	0.002	<0.001	<0.00005	<0.005
	940-19B			8.87	4	<0.005	0.002	0.0036	0.002	<0.001	<0.00005	<0.005
Tailings Pond No. 1 (seepage at east side)	940-20	Dry										
Tailings Pond No. 1 (seepage at northeast corner)	940-22	Dry										
Quarry Pit	940-23A	6.88	20.7	8.07	10	0.006	0.002	0.0019	0.002	<0.001	<0.00005	0.007
	940-23B			8.04	7	0.005	0.002	0.0020	0.002	<0.001	<0.00005	0.007
Quarry Pit (flow to Tailings Pond No. 1)	940-24	Dry										
Seepage from Shear Lake Encapsulated Waste Rock	940-25	Dry										

Appendix 2
July 29, 2003
Thermistor Monitoring Results

THERMISTOR MONITORING RESULTS
Station 940-21
Temperature °C

July 29, 2003

Depth	T1	T2	T3	T4
1	20.8	19.1	20.8	17.5
2	17.2	15.1	20.7	15.1
3	9.9	10.3	17.2	10.3
4	6.15	7.9	9.7	3
5	1.68	5.8	5.8	-2.7
6	0.28	No reading	No reading	-2.9

July 3, 2002

Depth	T1	T2	T3	T4
1	17.5	19.12		20.83
2	4.53	6.15		7.93
3	1.68	1.68		4.53
4	-3.91	0.41		1.68
5	-5.72	-0.78		0.41
6	-3.91	-2.42		4.1

July 26, 2001

Depth	T1	T2	T3	T4
1	25.46	18.13	21.65	20.89
2	12.58	3.33	13.83	4.84
3	-2.52	1.94	4.84	3.05
4	-2.73	-1.45	-0.66	-2.52
5	-3.13	-5.37	-3.72	-7.2
6	-3.72	-5.55	-4.29	-7.2

Depth below surface

Depth 1 – 0.3 meters
Depth 2 – 0.8 meters
Depth 3 – 1.3 meters
Depth 4 – 1.8 meters
Depth 5 – 2.3 meters
Depth 6 – 2.8 meters