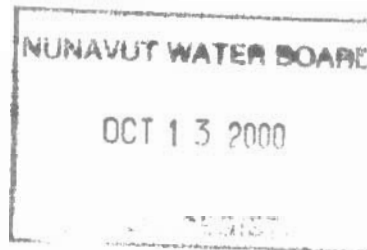




October 4, 2000

Philippe di Pizzo, Executive Director
Nunavut Water Board
P.O. Box 119
Gjoa Haven, NU
X0E 1J0



Dear Mr. di Pizzo:

Re: Cullaton Lake Water Licence NWB1CUL9902

Homestake Canada Inc. currently holds Water Licence NWB1CUL9902 on the Cullaton Lake property located 250 km west of Arviat. While the majority of the restoration work has been completed at this former mine site, some work remains unfinished, and some mining equipment and materials remain on site.

Reclamation work is proceeding under an Abandonment and Restoration (A & R) Plan, approved in July 1996. This plan was amended in 1998 to change the reclamation of the quarry pit.

The contractor hired by Homestake in 1996 has been unable to complete the restoration of the site. Once Homestake became aware of this situation, we proceeded with a site investigation to assess the status of the site and the work required to complete the restoration of the property. Based on this investigation, Homestake has completed a revised work schedule for the final clean up of the site. This revised work schedule requires that Homestake return to the original A&R (1996) Plan for the quarry site. Therefore, by this letter and attached revised implementation schedule and summary, Homestake requests approval to revert to the original reclamation plans for the quarry, as outlined in, and approved by, the A&R (1996) Plan.

As it is important to finalize the choice of a contractor for the 2001 season as soon as possible, Homestake is requesting an accelerated review of our revised implementation schedule. If you require additional information, please contact the undersigned.

Yours truly,
HOMESTAKE CANADA INC.

Sharon Meyer
Environmental Analyst

cc. INAC Lands Administration, Yellowknife

Homestake Canada Inc.

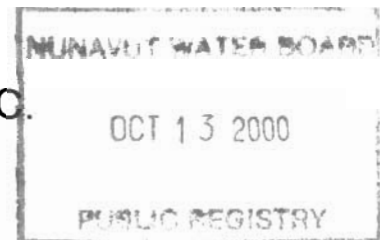
P.O. Box 11115 • 1100 - 1055 West Georgia Street • Vancouver, BC V6E 3P3 • Phone (604) 684-2345 • Fax: (604) 684-9831

WORK PLAN

**FOR THE FINAL RESTORATION OF
CULLATON LAKE GOLD MINES**

INTERNAL	
PC	72
LA	Oct 16/00
OM	
TA	
BS	
ED	
CEO	
BRD	

HOMESTAKE CANADA INC.



October 2000

Submitted to:
Indian and Northern Affairs Canada
Nunavut Water Board

WORK PLAN FOR THE FINAL RESTORATION OF CULLATON LAKE GOLD MINES

Background

The Cullaton Lake mine site is located 240 kilometres due west of Arviat in the Nunavut Territory. It is also approximately 390 kilometres northwest of Churchill, Manitoba, 640 kilometres north of Thompson, Manitoba and 820 kilometres east of Yellowknife, NWT. Access to the site is via aircraft only. The airstrip is capable of handling a variety of aircraft, but will require some minor remedial work to bring it into safe working condition for larger aircraft.

The site could also be accessed by winter road from Arviat (the closest community), although the last 80 kilometres of any road would traverse the tree line and as such the construction would be over some very difficult terrain. Because of the potential for damage to the land, plus the high cost to construct and maintain a winter road for such a small project, a winter road to the site is deemed not practical, nor environmentally sound.

The site has been closed since 1985. Reclamation of the tailings impoundment began in 1991. Reclamation of the rest of the site (mill complex, Shear zone, exploration camp, etc.) began shortly afterwards. Homestake acquired the property in 1993 and continued with the reclamation work. In 1996 Homestake's Abandonment and Restoration (A&R) Plan was submitted to and approved by DIAND and the NWT Water Board. Work to complete the components of the A&R Plan continued on the site. However, in 1999 Homestake realized that the contractor hired to complete the work was unable to do so. Homestake completed a site investigation in 2000 to assess the status of the site and the work required to complete the restoration of the property. A work plan has been developed to complete the work in 2001. That plan is detailed below.

Remaining Work

The restoration work remaining at the site is as follows:

- Clean up and dispose of the remaining equipment and materials.
- Fill the quarry pit and mound and contour the overburden such that no water can pond in the pit.
- Clean up and remove rebar protruding from the mill complex foundations.
- Remove exposed liner on the tailings impoundment dam.

Work Plan

The work plan will consist of completing the remaining requirements of the approved A&R Plan (1996) as quoted below. This will be done as outlined in Table 1. An implementation schedule is included.

- Equipment and Materials Remaining on Site

The A & R Plan states, "All economically salvageable equipment will be removed from the mine site..." and "All inert, non-salvageable material will be cut and crushed and placed in our selected disposal site."

The equipment and materials remaining on site have been assessed as non-salvageable. They will be cleaned of hydrocarbons, cut to size and disposed of in the quarry pit disposal site. Batteries will be removed and taken off site for recycling or proper disposal.

- Airstrip

The A & R Plan states, "All inert, non-salvageable material will be cut and crushed and placed in our selected disposal site...the airport runway and runway apron will be graded and left in good condition. The airstrip will remain as is. The culverts located at the airstrip will remain in place. The 0.5 m windsocks are in fair condition and will remain...Airstrip buildings will be dismantled and removed unless Regulatory Agencies request that the small building located near the airstrip remain intact."

Non-salvageable equipment and a small wooden building are located along the edge of the airstrip. 2001 work will consist of removing the non-salvageable equipment and the building to the quarry pit disposal site. The airstrip will be left in good condition.

- Mill Facility and Camp

The A & R Plan states, "Extruding piping and rebar will be removed and either salvaged or placed in the disposal site...Concrete foundations will remain intact. They will be limited to 2 m in height, modified where needed to prevent ponding, and, where possible, the foundations will be covered with till, then sloped and contoured."

All material and equipment has been removed from this site. Foundations remain. Some foundations contain protruding rebar which will be cut off and disposed of. Where possible, the foundations will be covered with till and contoured or, if necessary to conform to the 2 metre height requirement, partially covered and contoured.

- Shear Zone

The A & R Plan states. "The Shear Zone sprung structure contains a cargo truck, a yellow Toyota, a miner's bus and underground electrical switchgear, 2 electric air compressors, several large mine fans, slushers, and pump accessories. In 1995 most of the equipment was either transported to the airstrip for removal, or buried...The two fuel tanks will be drained, the fuel salvaged, the tanks cut and collapsed to minimize overall volume, and then removed to the disposal site."

Two Acto trailers, a sprung tent structure, and some mine equipment and debris now remain at this location. In 2001 this non-salvageable material will be cut up/crushed and removed to the quarry pit disposal site. All fuel contaminated areas will be cleaned up and the contaminated soils will be burned in the burn pit or spread in a thin layer on the airstrip for passive remediation, as approved by DIAND in June 1996.

- Quarry Pit

The A & R Plan states, *"Crushed, inert waste material will be pushed into the pit until the space is filled. The waste will then be covered with a minimum of 1 m of overburden stockpiled from the dismantling of Tailings Dam 2. The overburden will be mounded over the waste in a convex manner to allow for settlement"*.

In 1998 Homestake received permission to modify the A & R plan (quoted above) to allow for partial filling of the quarry. The quarry would be partially filled with non-salvageable material and covered with a minimum of 1 metre of overburden. This modified plan was accepted by INAC and the NWB on the condition that the pit would be sloped to a drainage ditch that would move any water out of the pit and into the tailings pond.

The quarry was partially filled and covered as per the modification to the A & R plan, but in 1999 and again this year (2000), the pit and the drainage ditch have both filled to the top with water. As this is considered unacceptable, Homestake intends to de-water the quarry in 2001, fill the quarry to the top with the remaining non-salvageable materials (cut to size and crushed, with any voids filled with overburden). The non-salvageables will then be covered with a minimum of 1 metre of overburden from material located alongside the tailings impoundment on Homestake's surface lease. The material will be mounded over the waste in a convex manner to allow for settlement. The drainage ditch will also be filled in.

Table 1

1	Tender documents will be prepared and contract awarded. Planning and logistics review. Any permits required will be obtained.
2	Mobilize contractor's equipment and supplies to Thompson for airborne transport to Cullaton Lake. It is anticipated that support for the project would operate out of Arviat. Where practical, supplies and basic labour would be obtained in Arviat.
3	Establish camp at Cullaton. Minor airstrip remediation will be required.
4	De-water the quarry pit and direct the water to the tailings pond. Dismantle and clean up equipment and place in quarry pit. Fill voids with overburden when placing materials. Fill ditch between quarry and tailings pond. Cap quarry when full and cover with a minimum of 1 metre of overburden material. The material will be mounded to allow for settlement. The final configuration will have a positive slope so that no water pools in the area. Assess mill foundations and remove all exposed rebar. Where practical, cover the foundations with till and contour. Establish a burn pit for the burning of combustible materials. Collect all contaminated soils from Shear Lake area and burn in burn pit or spread in a very fine layer over the surface of the airstrip as per DIAND's agreement

	with Homestake in June 1996. Remove torn exposed sections of tailings pond liner and remove small weir in spillway (used for flow measurements in past and no longer required).
5	Final grading of reclamation site. Interim inspection by Homestake (and INAC/NWB inspectors if possible).
6	Final inspection and demobilization of equipment.

Implementation Schedule

A draft implementation Schedule is attached as Appendix 1. As can be seen by the schedule, in order to complete the work in 2001 it will be important to complete the tender documents and retain a contractor in 2000. Also, while dates have been placed in the schedule, it must be understood that these are weather dependant there may be some variation.

Photographs

Photographs of the site conditions at the September 2000 site inspection and assessment are attached as Appendix 2.

CULLAON LAKE GOLD MINE PROPERTY

Draft Implementation Schedule

[illegible]

Photographs – Cullaton Lake Site, September 2000



Non-salvageable materials located along east end of airstrip will be removed to the disposal area.



Non-salvageable equipment located along west end of the airstrip will be removed to the disposal area.



Former mill site has been cleaned up. Re-vegetated grasses are growing on the covered tailings impoundment (background) and at the mill site.



Foundations at mill site. The exposed rebar will be removed.



Quarry pit in foreground with tailings pond behind. The quarry and ditch connecting it to the tailings pond have filled with water.



The Shear Lake site. All structures, material and equipment will be removed from this site for disposal, and the area will be cleaned up.



Reclaimed tailings area showing fall vegetation. This area requires no additional remediation.



The tailings was seeded and fertilized in 1997 with an arctic seed mix.