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Sent by Email

October 30, 2017

Licensing Nunavut Water Board P.O. Box 119 Gjoa Haven, NU X0B 1J0

Re: September 2017 – Monthly Monitoring Report for Water Licence 2AM-DOH1323

This report is comprised of monitoring requirements as set out in Part J and Schedule J of water licence 2AM-DOH1323 Amendment 1, and additional requirements from INAC.

During the subject period of this report the focus of activities at Doris North was underground mining, construction, ore processing, water management and environmental compliance. Sampling locations monitored under this licence (seasonally or when facilities are operational) are provided in Figure 3 at the end of this report.

Site Wide Water Quality Monitoring Program (Part J Items 3, 8, and Schedule J)

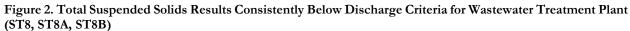
Water quality sampling was conducted in September at monitoring stations identified in Schedule J of the licence (ST-1 through ST-13, TL-1 through TL-12). Water quality samples were not collected for monitoring stations that were inactive during the month being reported (e.g., facilities that had not yet been constructed, were frozen during the month, or were not operationally active). All parameters were compared to the applicable effluent quality limits outlined in Part G of the licence and no exceedances were observed. Results of this monitoring are attached to the report in Appendix A.

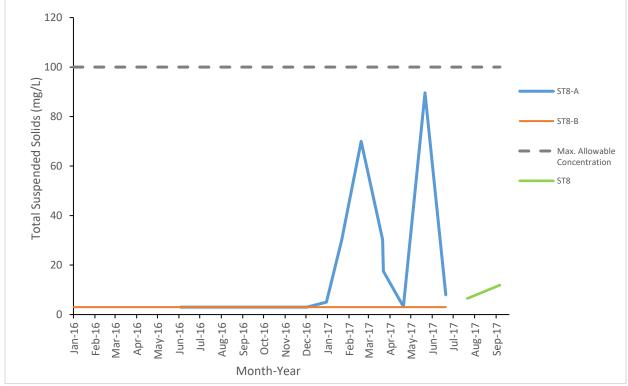
Figure 1 and 2 illustrates effluent quality characteristics for parameters of interest at select monitoring stations.

90 80 ST8-A 70 Biological Oxygen Demand (mg/L) ST8-B 60 Max Allowable 50 Concentration ST-8 40 30 20 10 111.76 AUE 16 Sep. 16 0ct.76 MOV.76 Dec. 76 Jan-17 Keb.71 DOL'NOT'S Month-Year

Figure 1. Biological Oxygen Demand Results Consistently Below Discharge Criteria for Wastewater Treatment Plant (ST8, ST8A, ST8B)

Note: Maximum Average Concentration as per Part G Item 4(b).





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Flow and Volume Measurements (Part J Items 11, 12, and Schedule J)

Table 1. Effluent discharge, September 2017

| Facility | Station Code | Discharge Volume (m³) | Exceedances of Discharge Criteria | Discharge Location | Licence Reference | |
|---|-----------------|--------------------------|-----------------------------------|-------------------------------------|--------------------------|--|
| Sedimentation Pond | ST-1 | 4,657 | 0 | Tailings Impoundment Area | Part G Item 22 | |
| Pollution Control Pond #1 | ST-2 | 21 | N/A | Tailings Impoundment Area | Part G Item 22 | |
| Landfill Sump | ST-3 | 0 | 0 | Facility not constructed | Part G Item 24 (a, b, g) | |
| Landfarm Sump | ST-4 | 0 | 0 | Tundra Discharge 13W 432450 7559600 | Part G Item 24 (c, d, g) | |
| Doris Tank Farm | ST-5 | 0 | 0 | Tundra Discharge 13W 432960 7559270 | Part G Item 24 (e, f, g) | |
| Rob Bay 5ML Tank Farm | ST-6a | 0 | 0 | Tundra Discharge 13W 432973 7563440 | Part G Item 24 (e, f, g) | |
| Rob Bay Three 5ML Tank Farm | ST-6b | 0 | 0 | Tundra Discharge 13W 432730 7563200 | Part G Item 24 (e, f, g) | |
| Wastewater Treatment Plant, Effluent | ST-8 | 786 | 0 | Tundra Discharge 13W 432933 7559057 | Part G Item 23(b-d) | |
| Wastewater Treatment Plant, Sewage Cake | N/A | 26.4 | N/A | Tailings Impoundment Area | Part J Item 12 (g) | |
| Reagent and Cyanide Storage Facility Sump | ST-11 | 0 | 0 | Tailings Impoundment Area | Part G Item 23 (a) | |
| Pollution Control Pond #2 | ST-13 | 0 | 0 | Facility not constructed | Part G Item 22 | |
| Mine Water Discharge | TL-12 | 0 | N/A | Tailings Impoundment Area | Schedule J Table 2 | |

Records of visual monitoring of discharge to tundra are maintained on file as per Part J Item 18.

Table 2. Discharge from TIA to Doris Creek, September 2017

| Month | Number of days of discharge | Discharge Volume (m³) | Exceedances of Discharge Criteria* | | |
|-------------------|-----------------------------|-----------------------|------------------------------------|--|--|
| January | 0 | 0 | 0 | | |
| February | 0 | 0 | 0 | | |
| March | 0 | 0 | 0 | | |
| April | 0 | 0 | 0 | | |
| May | 0 | 0 | 0 | | |
| June | 0 | 0 | 0 | | |
| July | 0 | 0 | 0 | | |
| August | 0 | 0 | 0 | | |
| September | 0 | 0 | 0 | | |
| Annual Cumulative | 0 | 0 | 0 | | |

^{*} Discharge criteria outlined in Part G Items 29, 30, 31 and Part J Item 8.

A comparison of flows between TL-4 and TL-2 as per Part G Item 32 of the licence was not conducted as no water was discharged for the Tailings Impoundment Area to Doris Creek this month.

Table 3. Water usage, September 2017

| | Windy Lake (ST-7A) | | | | Doris Lake (ST-7) | | | | |
|------------------|----------------------------|--------------------------------|-------------------------------|-----------------------------|----------------------------|--------------------------------|-------------------------------|-----------------------------|-------------|
| Month | Domestic Water* (m³) | Surface Exploration (m³) | Industrial Usage** (m³) | Dust Suppression (m³) | Domestic Water* (m³) | Surface Exploration (m³) | Industrial Usage** (m³) | Dust Suppression (m³) | Total Usage |
| January | 849 | 0 | 15 | 0 | 0 | 0 | 0 | 0 | 864 |
| February | 801 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 801 |
| March | 925 | 1 | 0 | 0 | 0 | 0 | 32 | 0 | 958 |
| April | 873 | 0 | 2 | 0 | 0 | 0 | 608 | 0 | 1,483 |
| May | 892 | 0 | 3 | 0 | 0 | 0 | 512 | 32 | 1,439 |
| June | 946 | 0 | 1 | 0 | 0 | 0 | 26 | 838 | 1,811 |
| July | 844 | 0 | 7 | 0 | 0 | 0 | 0 | 1,356 | 2,207 |
| August | 849 | 0 | 0 | 0 | 0 | 0 | 34 | 1,784 | 2,667 |
| September | 814 | 0 | 0 | 0 | 0 | 0 | 1 | 335 | 1,150 |
| Annual Total | 7,793 | 1 | 28 | 0 | 0 | 0 | 1,213 | 4,345 | 13,380 |
| Annual Allowance | 22,995 | | | | | | | | 480,000 |

^{*} As permitted by water licences 2BE-HOP1222 and 2AM-DOH1323

Table 4. Volume of Reclaim Water from the TIA, September 2017

| Month | Reclaim Water (m³) * |
|-------------------|----------------------|
| January | 31,200 |
| February | 94,080 |
| March | 107,880 |
| April | 100,800 |
| May | 107,880 |
| June | 104,400 |
| July | 81,721 |
| August | 96,586 |
| September | 92,016 |
| Annual Cumulative | 809,123 |

^{*} As per Part J Item 11(d)

^{**} Includes industrial uses such as underground drilling, core processing, concrete batching, etc. September Ice Road Development: 0m³. Cumulative total for Ice Road Development in 2017: 16m³.

Table 5. Waste Rock and Process Volumes, September 2017

| Month | Waste Rock Stored on Temporary Waste Rock Pile (tonnes)* | Waste Rock Returned Underground* (tonnes) | Quantity of Ore Processed** (tonnes) | Dry Tailings Placed in TIA** (tonnes) | Dry Cyanide Leach Tailings Placed Underground** (tonnes) | Volume of Void Space Created Underground (tonnes) | Volume of Void Space Created Underground (m³) |
|------------------|--|--|--|---|---|--|--|
| January | 24,811 | 0 | 2,020 | 600 | 0 | - | - |
| February | 22,584 | 1,392 | 6,174 | 5,927 | 247 | - | - |
| March | 23,917 | 5,060 | 11,177 | 10,970 | 207 | 618,048 | 220,731 |
| April | 23,437 | 11,226 | 19,058 | 17,761 | 1,297 | -162 | -58 |
| May | 24,341 | 7,660 | 20,867 | 20,418 | 449 | 4,269 | 1,525 |
| June | 22,189 | 4,320 | 20,662 | 19,867 | 796 | 25,491 | 9,104 |
| July | 19,121 | 11,960 | 18,464 | 17,652 | 812 | -5,711 | -2,040 |
| August | 8,164 | 1,380 | 23,995 | 23,075 | 913 | 27,180 | 9,707 |
| September | 17,326 | 12,920 | 17,337 | 16,681 | 655 | 23,451 | 8,375 |
| Cumulative Total | 584,857 | 55,918 | 139,754 | 132,951 | 5,376 | 692,556 | 247,345 |

^{*} As per Part J Item 11(e, f)

Note: The cumulative total of void space underground is determined as the sum of the initial void space as calculated in March 2017 and void space created each month from mining activities. A negative volume of void space created indicates that a higher volume of waste rock and dry cyanide leach tailings was returned underground compared to the volume of void space created from new mining activities.

^{**} As per Part J Item 12.

Table 6. Doris Lake Water Level (ST-12), September 2017

| Month | Minimum Water Level (masl) | Maximum Water Level (masl) | Mean Water Level (masl) | Monthly Water Level Variation (masl)** | Comparison of Mean Water Level from Month to Month (masl)^ | Low Action Level Trigger (masl)* |
|-----------|-------------------------------|-------------------------------|----------------------------|--|---|--|
| January | 21.783 | 21.833 | 21.810 | 0.049 | - | 21.425 |
| February | 21.804 | 21.862 | 21.831 | 0.058 | 0.022 | 21.425 |
| March | 21.814 | 21.869 | 21.837 | 0.055 | 0.006 | 21.425 |
| April | 21.827 | 21.864 | 21.850 | 0.037 | 0.013 | 21.425 |
| May | 21.845 | 22.375 | 21.929 | 0.530 | 0.079 | 21.425 |
| June | 22.114 | 22.407 | 22.235 | 0.293 | 0.306 | 21.425 |
| July | 21.761 | 22.067 | 21.886 | 0.306 | -0.349 | 21.425 |
| August | 21.708 | 21.757 | 21.732 | 0.049 | -0.154 | 21.425 |
| September | 21.706 | 21.773 | 21.751 | 0.067 | 0.019 | 21.425 |

^{*} Low action level trigger is relative to the average water level value (September 10-30, 2016) measured in Doris Lake. Low action level trigger (-0.42 m) outlined in Section 5.4 of the Doris Aquatic Effects Monitoring Plan, August 2016.

^{**} Monthly Water Level Variation is calculated as the difference between the Maximum Water Level and the Minimum Water Level measured during the month.

[^] Comparison of the change in water level from month to month. This value is calculated by subtracting the Mean Water Level of the previous month (e.g February Mean Water level - January Mean Water level). A positive value from this calculation indicates a rise in water level since the previous month; a negative value from this calculation indicates a drop in water level since the previous month.

Summary of Assessments of Water Balance and Water Quality Model (Part G Item 34)

Average monthly water quality, hydrologic, and climatic monitoring data were collected while in operations during September. Data will contribute to the assessment of the water and load balance model, and will be compared to the predicted water quality and elevation within the TIA and will be reported in the annual report for 2017.

Thermal Monitoring (Part J Items 13 and 14)

Thermal monitoring undertaken as per Part J Items 13, 14 and Schedule J is reported in the annual Geotechnical Report.

Doris North Camp Diversion Berm Effectiveness (Part J Item 19(d))

Visual monitoring was conducted during September to evaluate the diversion berm's efficacy of diverting runoff away from the camp pad. The diversion berm was observed to be functioning as per its design purpose.

Incident Reporting

Spill #17-371 – On September 30, 2017, the Nunavut Spill Line was notified via email (<u>spills@gov.nt.ca</u>) of a release of effluent from the Doris Camp Sedimentation Pond discharge line to tundra on the east side of Doris Creek. The volume of effluent released was estimated to be 200-300L.

Employees began the process of removing the in-line flow meter from the Sedimentation Pond discharge pipeline to prepare the line for winter shutdown. Cold temperatures over the previous night had caused ice to build up in the valve connection and the meter became stuck when the employees attempted to remove it from the valve. The employees attempted to re-tighten the flow meter back into the pipeline and then left the site to retrieve a torch to thaw the connection. It is believed that ice build-up within the valve blocked the connection and that when the employees left the site, the sun warmed the connection and effluent was released from the loose valve connection.

TMAC internally reviewed the incident to identify root cause and any corrective actions. Discharge was not actively occurring from the Sedimentation Pond at the time of the spill; effluent released was trapped in a low spot in this section of the discharge line. To remove the risk of a reoccurrence of the event in the future the in-line flow meter will be installed at a location at the end of the discharge pipeline within the Tailings Impoundment Area prior to discharge in 2018. A procedure will also be developed identifying steps to be completed prior to performing any maintenance or winterizing activities on the discharge line, which will include draining effluent from the pipeline prior to beginning any work.

Yours sincerely,

M. John Roberts

Vice President, Environmental Affairs

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cc. Eva Paul, Water Resources Officer, INAC

