

95 Wellington Street W Suite 1010 P.O. Box 44 Toronto, Ontario M5J 2N7 416-628-0216

Sent by Email

December 24, 2017

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

Re: November 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 November 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.

Biological Oxygen Demand (BOD) and Total Suspended Solids (TSS) were observed to be elevated at monitoring station ST8, although results for these parameters were within the effluent quality limits outlined in Part G of the licence. As part of TMAC's adaptive management strategy, trouble shooting, additional monitoring and repairs were conducted on the wastewater treatment plant by the wastewater treatment operator and a subsequent improvement in treatment performance was observed. The elevations can be attributed to degraded treatment performance in one of the two treatment units due to a plugged filter membrane.

90 80 70 ST8-A Biological Oxygen Demand (mg/L) 60 ST8-B 50 Max. Allowable 40 Concentration ST-8 30 20 10 Mayno Jun-16 40476 Jul-16 AUE 16 Sep. 16 04.76 Keb.17 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).

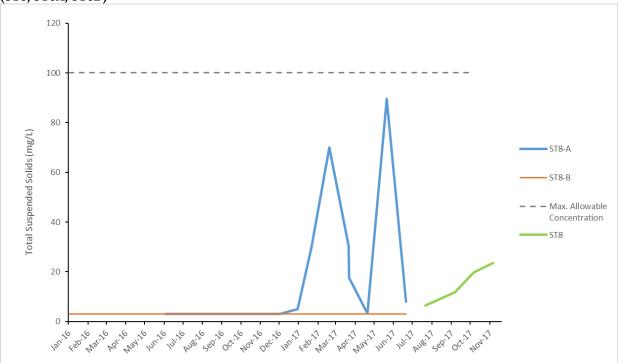


Figure 2. Total Suspended Solids Results Consistently Below Discharge Criteria for Wastewater Treatment Plant (ST8, ST8A, ST8B)

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

Month-Year

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

Table 1. Effluent discharge, November 2017

Facility	Station Code	Discharge Volume (m³)	Exceedances of Discharge Criteria	Discharge Location	Licence Reference	
Sedimentation Pond	ST-1	0	0	Tailings Impoundment Area	Part G Item 22	
Pollution Control Pond #1	ST-2	0	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	853	0	Tundra Discharge 13W 432933 7559057	Part G Item 23(b-d)	
Wastewater Treatment Plant, Sewage Cake	N/A	21.2	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, November 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	
October	0	0	0	
November	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, November 2017

	Windy Lake (ST-7A)				Doris Lake (ST-7)				Mine Inflow	
N .1	Domestic	Surface	Industrial	Dust	Domestic	Surface	Industrial	Dust	Industrial	75 . 1.55
Month	Water*	Exploration	Usage**	Suppression	Water*	Exploration	Usage**	Suppression	Usage ^	Total Usage
	(m^3)	(m³)	(m^3)	(m^3)	(m^3)	(m³)	(m^3)	(m^3)	(m^3)	
January	849	0	15	0	0	0	0	0	0	864
February	801	0	0	0	0	0	0	0	0	801
March	925	1	0	0	0	0	32	0	0	958
April	873	0	2	0	0	0	608	0	0	1,483
May	892	0	3	0	0	0	512	32	0	1,439
June	946	0	1	0	0	0	26	838	0	1,811
July	844	0	7	0	0	0	0	1,356	0	2,207
August	849	0	0	0	0	0	34	1,784	0	2,667
September	814	0	0	0	0	0	1	335	0	1,150
October	889	0	0	0	0	0	16	0	0	889
November	849	0	0	0	0	0	9	0	436	858
Annual Total	9,531	1	28	0	0	0	1,238	4,345	436	15,579
Annual Allowance	22,995									480,000

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

November Ice Road Development: 0m³. Cumulative total for Ice Road Development in 2017: 16m³.

^{**} Includes industrial uses such as underground drilling, core processing, concrete batching, etc.

[^] Mine inflow of groundwater from development in the Doris Connector zone is currently being recycled into underground sumps for use in mining activities. These volumes have been calculated based on weekly flow measurements collected at the Doris Connector face and is reported as Industrial Usage. No mine inflow is being discharged to the Tailings Impoundment Area at this time.

Table 4. Volume of Reclaim Water from the TIA, November 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
October	92,181
November	93,089
Annual Cumulative	994,393

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

Table 5. Waste Rock and Process Volumes, November 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
October	20,613	16,792	23,557	22,707	851	-4,664	-1,666
November	20,668	22,216	19,930	19,006	918	-10,342	-3,694
Cumulative Total	626,138	94,926	183,241	174,664	7,145	677,560	241,986

^{*} 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), November 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
October	21.708	21.767	21.734	0.059	-0.017	21.346
November	21.671	21.706	21.685	0.035	-0.049	21.346

^{*} Low action level trigger is relative to the average water level value (September 10-30, 2016/2017) 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 November. 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 November 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 #17-405 - On November 4, 2017, approximately 200 L of effluent was released to the roadway leading to the Tailings Impoundment Area (TIA) at a location approximately 95 metres east of the Doris Lake outflow. A planned shut-down of the mill occurred in order to conduct scheduled maintenance on mill components and associated appurtenances, including replacement of multiple flanges and valves along the tailings line. In order to conduct this work, the tailings line was drained and then flushed with reclaim water from the TIA to ensure all tailings within the pipeline were removed. The line was subsequently blown out with pressurized air in order to remove the remaining water within the line. Water from the TIA is used within the mill process and continuously recycled.

Contracted workers were tasked with replacing multiple flanges and valves along the tailings line. While disassembling one of the flanges in a low spot along the line, residual reclaim water spilled to the ground. Spill response was initiated and contaminated materials were recovered and relocated to the TIA.

Corrective actions that resulted from the investigation were as follows:

- Incorporate the use of spill containment when conducting flange and valve replacements outside of a contained area;
- Identify environmental risks when developing a work plan or task hazard analysis;
- Investigate the use of a "pigging" system for fully removing residual materials within the tailings line prior to maintenance activities.

Yours sincerely,

M. John Roberts

Vice President, Environmental Affairs

Hope Bay Project (416) 628-0216

cc. Eva Paul, Water Resources Officer, INAC

ST-9

(1km)

Figure 3. 2AM-DOH-1323 SNP Monitoring Locations (1km) ST-11 TL-11 TL-5 TL-12 TL-6 TL-1 TL-10 ST-12

ST-7a

(10km)