

April 27, 2003

Our File: NWB1LUP0008-Inspections02

Your File: Water Register

NWB1LUP0008

Containtine Bodykevich
Water Resources Officer
INAC, Nunavut District Office
P.O. Box 100
Iqaluit, NU
X0A 0H0

Dear Sir:

**RE: Echo Bay Mines Ltd., Lupin Gold Mine, Contwoyto Lake, NU.; Water Licence
NWB1LUP0008; Water Licence Inspection Report - Inspection August 19, 2002.**

This letter is to acknowledge the receipt of the inspection report for an inspection carried out on August 19, 2002 which was received recently along with a letter dated March 25, 2003.

I would like to thank you for a very thorough report with a fine compliment of photos.

With regard to the received report, I would like to take this opportunity to comment on and clarify some of the issues brought forward at this time.

Inspection Report/Cover letter

Water Supply - The inspection report highlighted the pH of the freshwater as being slightly in excess of the Guidelines of Canadian Drinking Water Quality Maximum Acceptable limits with a pH of 6.48. I would like to additionally mention that in the past, the fresh water pH has been recorded below the pH of 6.5 on several occasions. In fact, 2000 and 2001 were the only two years in the past six that were recorded above the guidelines (marginally at 6.6 and 6.7). This pH is indicative of the pristine waters of Contwoyto Lake and demonstrate that waters in the area have a naturally lower pH.

The Ultra Violet water disinfection system was noted to be located in an area with excessive mill dust. While operating, there is no potential for contamination due to the sealed nature of the system. During servicing, as noted, there may be potential for dust to enter the system however the regular service requirements on the unit are minimal and when and if the unit is opened precautions can be taken by hosing off the unit prior to opening. The unit can also be flushed upon startup to avoiding contamination within the potable piping.

Waste Disposal - In discussing the combustible waste that is burned at the solid waste burn pit, there is reference made to the use of "waste oil" being used to assist in burning waste at the burn pit. This should be corrected and referred to either "waste fuel" or more appropriately contaminated fuel. On occasion there are drums of aviation fuel, stored on site for third party customers, which may have been contaminated (usually with water or outdated, seal broken etc.) and cannot be used for their intended purpose. In these cases, the drums are set aside and used to help ignite the combustible waste. This practice helps in using up the contaminated fuel as well as minimizing the amount of diesel fuel which is sometimes used in small quantities to assist in burning.

Tailings disposal - Under this section, the terms "mine tailings and mine wastewater" have been used where it should have been referenced as "mill tailings and mill wastewater". The "minewater" is currently being pumped out with the mill tailings, however this makes up less than 10% of the total solution volume that is being pumped to the Tailings Containment Area.

Fuel and Chemical Storage - This section mentioned the storage of "empty" drums within 100 metres of the potable water intake facility at Contwoyto Lake. There were no pictures included for reference and as there is only one area that has been historically used for this purpose I must assume that it was the one referenced. This area is located approximately 750m from the shoreline of Contwoyto Lake and as the drums are placed on a raised crushed rock pad, there should be little potential for the empty drums to leak and be exposed to the local runoff.

There is a possibility that the area referred to in the inspection report was an area down by the plane dock, which does have drums located on it from time to time. These drums are delivered and removed on a regular basis and must be located there in order to service the planes that use the facility. As mentioned earlier in the report, spill containment materials should be available at this location in case of incident. A portable kit will be made available for future use.

A final point of clarification for the Inspection Report is that of a follow-up spill report requirement for Spill 02-591. This report was completed and forwarded to the Nunavut District Office by letter dated December 16, 2002. A copy of this report has been included for your files as it may have been lost in the mail.

Should you have any questions or comments regarding any of the above, please feel free to contact the undersigned at (780) 890-8794, Lupin.

Yours truly,



D. Hohnstein
Environmental Coordinator, Lupin

cc Nunavut Water Board, Gjoa Haven
 B. Burton
 Mill Operations