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Water Resources Division  
Qimugjuk Building  
P.O. Box 2200  
Iqaluit, Nunavut  
X0A 0H0

Tel: (867) 975-4548

Fax: (867) 975-4560

June 26, 2001

David Hohnstein  
Environmental Coordinator  
Lupin Mine  
Echo Bay Mines Ltd.  
9818 International Airport  
Edmonton, Alberta  
T5J 2T2

Your file - Votre référence

N7L2-0925 00 Annual

Our file - Notre référence

NWB1LUP0008

Dear Mr. Hohnstein:

Re: Review of 2000 Annual Report - Lupin Mine - NWB1LUP0008

Please accept this letter as notification that the 2000 Annual Report submitted by Echo Bay Mines Ltd., Lupin Mine as required under licence NWB1LUP0008 Part B, Item 5 has been reviewed and found satisfactory.

Attached for your records is the 2000 Compliance Report; compliance reports are prepared annually in order to assess the Licensee's compliance with the terms and conditions of their licence.

During the year currently under review (2000), the Licensee has complied satisfactorily with the conditions of licence NWB1LUP0008. However, the Licensee should ensure that the deadlines outlined in the licence are followed. For example, the as-built drawings of the Mdam modification were submitted after the deadline in Condition E-3. Other non-compliance issues include; the maximum discharge rate at the Tailings Containment Area was exceeded on August 9, 2000, and wastewater discharge through the culvert in the Sewage Lakes Disposal System was observed during the July 12, 2000 inspection.

In addition, the Licensee has not made a sincere effort to notify the inspector of the commencement of discharges. The intent of this condition is that the inspector will know the precise date of commencement of wastewater discharges and can therefore make a decision as to whether or not he will observe the event. It is therefore required that future notification be within the five day period mentioned in the licence.

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Canada

Should you have any questions or comments, please do not hesitate to contact me at the number above or by e-mail at [johnsonmi@inac.gc.ca](mailto:johnsonmi@inac.gc.ca).

Sincerely,

A handwritten signature in cursive script, appearing to read "M. Johnson", followed by a small flourish.

Michelle Johnson  
Kitikmeot/Kivalliq Regional Coordinator

c.c.: Nunavut Water Board, Gjoa Haven  
INAC RMO, Kugluktuk



2000 Compliance Report for Water Licence NWB1LUP0008

Echo Bay Mines - Lupin Mine

Prepared by: M. Johnson  
Kitikmeot/Kivalliq Regional Coordinator  
DIAND, Nunavut Regional Office  
Iqaluit, NU

Date: June 26, 2001  
Water Register: NWB1LUP0008

## **2000 Compliance Report**

### **Echo Bay Mines - Lupin Mine**

#### **Water Licence NWB1LUP0008**

#### **Introduction**

The Northwest Territories Water Board issued a licence renewal on June 1, 1995 (licence N7L2-0925) which expired on May 31, 2000. This Licence allowed for the Lupin Mine's water use and waste disposal associated with mining activities. The Nunavut Water Board issued a renewal (NWB1LUP0008) on July 1, 2000 that will expire on July 30, 2008. However, the *Northwest Territories Waters Regulations* licensing criteria for industrial undertakings identify the Lupin Mine operations as those befitting a Type "A" licence. As Subsection 14(6)a of the *Northwest Territories Waters Act* states that the NWB may only issue such a licence with the approval of the Minister, no Water Licence previously or currently assigned to the Lupin Mine can consequently be considered valid at this time.

In the absence of a binding Water Licence, the present compliance report was conducted on the terms and conditions of the current licence without prejudice. This Report assesses compliance with the licence for the period between July 1, 2000 and December 31, 2000. The Licence permits the use of up to 1,700,000 cubic metres of water per year for water use and waste disposal activities at the Lupin Mine. The format of this report follows that of the Licence; however, conditions with no licensee requirements for the year 2000 are not outlined as a compliance assessment does not apply.

#### **Compliance Assessment**

##### **Part B - General Conditions**

Condition Number and Summary	Compliance Assessment
1. The water use fee shall be paid annually.	The fee was received by the Board on June 28, 2000 (covering the period between July 1, 2000 to June 30, 2001)
2. The security deposit shall be posted and maintained as required by the Minister of Indian Affairs and Northern Development.	The issue of the security deposit is pending resolution.

Condition Number and Summary	Compliance Assessment
3. N/A	
4. N/A	
5. An Annual Report shall be filed prior to March 31 of the year following the calendar year reported.	The Report was received by the Board on March 29, 2001.
6. The Surveillance Network Program (SNP) shall be completed.	Shortfalls in the SNP were noted in the Jul 12, 2000 inspection. An unrecorded and unreported flow was observed at station 925-14.
7. N/A	
8. Meters and other such methods of measuring water usage and discharges shall be installed, operated, and maintained.	During the 2000 water licence inspection, an unrecorded flow through the culvert at the decant structure from the Sewage Lakes Disposal System was noted.
9. Signs identifying SNP stations shall be maintained.	The Licensee has complied with this section as signage was deemed acceptable during the inspection.
10. A copy of the Licence shall be kept at the site at all times.	The Licensee has complied with this section.

### Part C - Conditions Applying to Water Use

Condition Number and Summary	Compliance Assessment
1. All water shall be obtained from Contwoyto Lake.	The Licensee has complied with this section.
2. Quantities of water withdrawn shall not exceed 1,700,000 m <sup>3</sup> /year.	A total of 656,715 m <sup>3</sup> was used in 2000.
3. The fresh water intake shall be equipped with a mesh screen.	The Licensee has complied with this section.

## Part D - Conditions Applying to Waste Disposal

Condition Number and Summary	Compliance Assessment
1. Tailings shall be discharged to the containment area or as backfill to other locations as approved by the Board.	The Licensee has complied with this section.
2. Discharge from the Tailings Containment Area shall commence no sooner than July 15 unless otherwise approved by the Board.	Discharges occurred between July 15 and September 2, 2000.
3. Discharge from the Tailings Containment Area shall not exceed 70,000 m <sup>3</sup> /day unless otherwise approved by the Board.	Average discharge in July was 63, 525 and 52, 694 in August. The discharge limit was exceeded on August 9 (70,532 m <sup>3</sup> ).
4. At least 5 days notice to an Inspector shall be provided prior to the first discharge from the Tailings Containment Area.	Notification was provided on May 18, 2000. It would be more useful to the inspector if notification were provided closer to the commencement of discharge, advising him of the exact date.
5. Discharges from the containment area shall meet the effluent quality requirements.	All discharges met the effluent quality requirements (station 925-10).
6. The Tailings Containment Area shall be constructed, operated and maintained to engineering standards.	The Geotechnical Inspection of the tailings dams was completed on August 3, 2000. The Geotechnical Inspector recommended remedial action which has been completed; however, seepages from Dam 2 and 3 were noted and are to be monitored.
7. All sewage shall be discharged to the Sewage Lakes Disposal System or as otherwise approved by the Board.	The Licensee has complied with this condition as all sewage was discharged to the sewage lakes disposal system.
8. All waste discharged from the Sewage Lakes Disposal System shall meet the effluent quality requirements.	All discharges met the effluent quality requirements (station 925-14).

Condition Number and Summary	Compliance Assessment
9. At least 5 days notice to an Inspector shall be provided prior to the first discharge from the Sewage Lakes Disposal System.	Notification was provided on May 18, 2000. It would be more useful to the inspector if notification were provided closer to the commencement of discharge, advising him of the exact date.
10. All minewater shall be discharged to either the Tailings Containment Area or the Sewage Lakes Disposal System, except as in Part D, Item 11.	The Licensee has complied with this condition as all minewater was discharged to the Sewage Lakes Disposal System (Lake 2).
11. N/A	
12. N/A	

#### Part E - Conditions Applying to Modifications

Condition Number and Summary	Compliance Assessment
1. Modifications to the water supply and waste disposal facilities may be completed without the Board's approval provided they meet the terms/conditions of the Licence.	Board received notice of modification to the Mdam of the tailings containment area; the modification was to raise the dam to increase the storage capacity of Cell 5. Modifications were also made to Cell 3, the installation of a berm parallel to the Kdam. The berm will increase the solids retention time and allow a sectional filling of the upper portion of the Cell. This modification is an initial stage in the closure of Cell 3.
2. N/A	
3. Plans and drawings of approved modifications must be submitted to the Board within 90 days of completion.	As-built drawings of the Mdam modification were included in the Annual Report which exceeded the 90 day requirement. Drawings of the Cell 3 berm are not included.

## **Part F - Conditions Applying to Construction**

Condition Number and Summary	Compliance Assessment
1. Design drawing of any dams, dikes, or water/waste management structures other than those in the Contingency Plan must be submitted to the Board.	During 2000, there was no construction of new dams, dikes, or water/waste management structures constructed.
2. N/A	
3. N/A	
4. N/A	
5. N/A	

## **Part G - Conditions Applying to Studies**

Condition Number and Summary	Compliance Assessment
1. Within 8 months of issuance of the Licence, a "Tailings Containment Area Management Report" shall be submitted to the Board.	The Report was received by the NWB on March 22, 2001 and is pending review.
2. N/A	
3. N/A	

## **Part H - Conditions Applying to Contingency Planning**

Condition Number and Summary	Compliance Assessment
1. Within 6 months of issuance of the Licence, an updated Contingency Plan shall be submitted to the Board.	A revised Contingency Plan was received by the Board on January 9, 2000.
2. N/A	
3. The Contingency Plan shall be reviewed and modified as necessary on an annual basis.	Revisions were made to reflect the change back to production.
4. Unauthorized discharges shall employ the contingency plan, be reported immediately, and summarized in a report to the Inspector within 30 days.	There were no reported unauthorized discharges in 2000.



## Part I - Conditions Applying to Abandonment and Restoration

Condition Number and Summary	Compliance Assessment
1. Within 9 months of issuance of the Licence, a revised Abandonment and Restoration Plan shall be submitted.	Approval was granted for an extension to April 30, 2001 for submission of the Plan, the Plan was received by the Board on May 23, 2001.
2. The Licensee shall submit an annually updated assessment of the mine restoration liability.	The restoration liability assessment has not been submitted (as of June 26, 2001).
3. N/A	
4. N/A (submission pending approval)	
5. N/A	
6. N/A	
7. The Licensee shall endeavor to carry out immediate restoration of areas that are no longer needed prior to closure of the operations.	Reclamation of the Centre Zone Crown Pillar (as described in the 1999 Annual Report) was put on hold due to commitments in other areas of the underground operations.
8. N/A	

### Conclusion

During the year currently under review (2000), the Licensee has complied satisfactorily with the conditions of licence NWB1LUP0008. However, the Licensee should ensure that the deadlines outlined in the licence are followed. For example, the as-built drawings of the Mdam modification were submitted after the deadline in Condition E-3. Other non-compliance issues include; the maximum discharge rate at the Tailings Containment Area was exceeded on August 9, 2000, and wastewater discharge through the culvert in the Sewage Lakes Disposal System was observed during the July 12, 2000 inspection.

In addition, the Licensee has not made a sincere effort to notify the inspector of the commencement of discharges. The intent of this condition is that the inspector will know the precise date of commencement of wastewater discharges and can therefore make a decision as to whether or not he will observe the event. It is therefore required that future notification be within the five day period mentioned in the licence.