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May 23, 2006

Your file - Votre référence 2AM-LUP0008

Our file - Notre référence IQA-N 9545-1-2LUPS UNC / #80346

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Re: 2AM-LUP0008 - Kinross Gold Corp. - 2005 Annual Report

On behalf of Indian and Northern Affairs Canada (INAC) I have reviewed the above-mentioned application. The following specialist advice has been provided pursuant to INAC's mandated responsibilities for the enforcement of the *Nunavut Waters and Nunavut Surface Rights Tribunal Act* (NW&NSRT), *Arctic Waters Pollution Prevention Act* (AWPPA), and the *Department of Indian Affairs and Northern Development Act* (DIAND Act).

Background Information

Kinross Gold Corp. has submitted an Annual Report of water use and waste disposal associated with the operation of its Lupin Gold Mine in 2005 as required under Part B - Item 5 of its current water licence. A total of 345,572 m³ of freshwater was consumed from Contwoyto Lake throughout this period, a quantity that is within the 1,700,000 m³ licence limit. Effluent was discharged from the Mine's Tailings Containment Area (TCA) between July 15 and August 11, 2005 and the Sewage Lakes Disposal system was decanted from July 1 to September 3, 2005.

INAC Comments

It is recommended that the following areas of concern be taken into consideration when reviewing the proponent's 2005 Annual Report.

- INAC recommends that the proponent submit the Lab Reports for Surveillance Network Program (SNP) data acquired prior to July 15, 2005 and after August 16, 2005. SNP stations were sampled before and after these dates and their results have been summarized in Table 2 of Appendix A.
- It is suggested that the Nunavut Water Board remind the proponent that it must adhere to the time-lines for analysis of SNP stations as specified in its licence. In particular, those SNP stations that are to be sampled two (2) weeks after the cessation of discharge from the TCA should be sampled at the correct time (i.e., stations 925-22, 925-24, and 925-25). The proponent sampled these stations on August 23, 2005 when it should have conducted these analyses on August 25, 2005.



If there are any changes to the proposed project, INAC should be notified, as further review may be necessary. Please do not hesitate to contact me if you have any questions or comments with regards to the foregoing by telephone (867) 975-4555 or by email via abernethyd@inac-ainc.gc.ca.

Sincerely,

David W. Abernethy Water Resources Coordinator

cc. Jim Rogers - Manager of Water Resources, Indian and Northern Affairs Canada, Iqaluit