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File: NWB1LUP0008/H3

March 2, 2006

By Email and Regular Mail

Michael Tansey Reclamation Manager, Lupin Kinross Gold Corporation Lupin Operation 9818 Edmonton International Airport Edmonton, AB T5J 2T2

Subject: Water Licence NWB1LUP0008; 2005 Spill Contingency Plan Submission

Dear Mr. Tansey;

The Nunavut Water Board ("NWB") would like to acknowledge the timely submission of the Lupin Operations, 2005 Spill Contingency Plan under Water License NWB1LUP0008, submitted by letter dated July 27, 2005 in response to the request made by the NWB on June 1, 2005.

Upon receipt, the Plan was reviewed internally for technical completeness. Over the Past two years, several revisions to the Plan have been made, in 2003, when the Lupin Mine was placed into care and maintenance and again in March, 2004 when the mine resumed operations again. Prior to finalizing the review process, Kinross Gold Corporation submitted a notice regarding the suspension of mining at Lupin, effective February 4, 2005.

There were no immediate concerns identified during this review. The NWB has noted a few inconsistencies and clarification required, that should be addressed in an addendum as part of the 2005 Annual Report submission.

These are as follows:

- i. Clearly identify the person in charge, corporately, for the operation of the site giving name, position, address and phone number;
- ii. Clearly identify the person responsible, on site, giving the name, position and 24 hour phone number for contact;
- iii. Update the telephone listing to include Nunavut contacts for Environment Canada (Phone 867-975-4644, 24hr emergency pager 867-920-5131), Government of Nunavut Environmental Protection (Phone 867-975-5910 Fax 867-975-5980) and the Water Resources Inspector at 867-

- iv. Include the requirement to contact the Water Resources Inspector upon reporting a spill to the NWT Spill Report Line. The number is 867-975-4298. This should be included in the flowchart on page 6, Fig.1 as well as on page 7, Sec. 2.3;
- v. It was indicated that the tailings were no longer being pumped to the TCA and under Sec. 5.1 stated that occurrences are no longer possible. It should be clarified if the tailings line is still in use for mine water, fresh water or if it is permanently taken out of service;
- vi. The action plan for the tailings line, pg 39-40, should be revised or removed if no longer required;
- vii. The action plan for minewater indicates that the piping is now completely contained within the headframe and mill buildings, and no longer discharged to the sewage pond. If minewater is still being pumped from underground, clarification should be given that the action plan would still be required;
- viii. Section 5.5 on Mine Water discusses the reduction in the probability of a spill occurring as water is being pumped on an intermittent basis through the tailings line. The section refers the reader to Sec. 5.1 for response information, however this section states that occurrences are no longer possible? This discrepancy needs to be clarified;
- ix. Section 3.3.1, Petroleum Products needs to be expanded with a more detailed description of the facility and section 4.0 Operations System, requires a section on the fuel tank farm and component malfunction prevention with respect to the storage of bulk and barreled fuels, bulk lubricants and miscellaneous product storage; and
- x. Current MSDS's are required for the Spill Plan. Most data sheets submitted with the Plan are from 8-10 years old and required revision. New information should be available from the Canadian Centre for Occupational Health and Safety (CCOHS).

With the above in mind, the NWB hereby accepts the Lupin Operations, 2005 Spill Contingency Plan as submitted under Licence NWB1LUP0008.

Should you have any questions regarding the above, please feel free to contact me at (780) 443-4406, at your earliest convenience.

Yours truly,

Original Signed By:

David Hohnstein, C.E.T. Technical Advisor Mining

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