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Nunavut Regional Office
P.O. Box 100
Iqaluit, NU, X0A 0H0

January 6, 2004¹⁶

Echo Bay Mines Ltd.
Lupin Operations
9818 Edmonton International Airport
Edmonton, AB
T5J 2T2

Re: Lupin Mine Abandonment and Reclamation Planning

Dear Mr. Bried,

Thank you for your letter of December 8, 2004, in which you notify Indian and Northern Affairs Canada (INAC) Water Resources of your intention to suspend mining operations at the Lupin Mine site in February, 2005. Your letter also identifies the completion, in January, 2005, of technical studies and reports pertaining to abandonment and reclamation. INAC welcomes this opportunity to initiate dialogue on the requirements and procedures for mine closure and reclamation planning and implementation.

Operations at the Lupin Mine are currently licenced under water licence NWB1LUP0008 (the Water Licence). Part I of the Water Licence specifically addresses the terms and conditions with respect to abandonment and reclamation (A&R) activities. In accordance with Part I, Items 1 and 5, Echo Bay Mines Ltd., as the Licencee, has filed an Interim A&R Plan and annual updates thereof with the NWB.

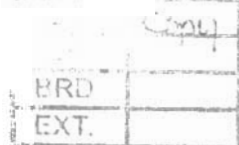
Based on your comments, we would also like to draw your attention to Part I, Item 3 of the Current Licence, which stipulates that a Final Abandonment and Restoration Plan be submitted a minimum of three years prior to final abandonment. The required components of a final A&R plan are identified in Part I, Items 1 and 3 of the Current Licence, and direction can also be obtained from the *Guidelines for Abandonment and Restoration Planning for Mines in the Northwest Territories, September 1990*, and the *INAC Mine Site Reclamation Policy for Nunavut, 2002*.

As the review and approval of the abandonment and reclamation activities is mediated through the terms and conditions of the Water Licence, all documentation pertaining to abandonment and reclamation documentation should be directed through the Nunavut Water Board (NWB).



Your file - Votre référence

Our file - Notre référence
9545-3-1-LUP



The Nunavut Water Board can be contacted at the address below:

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

Submission of abandonment and reclamation documents to the NWB to meet Water Licence requirements does not, however, preclude Echo Bay from the conditions and covenants of the Land Leases it continues to hold with the Crown. In a letter of December 21, 2004, INAC Lands requested that an updated abandonment and reclamation plan be provided by February 15, 2005. Given our subsequent receipt of your aforementioned letter, we would request that a similar letter be provided to the INAC Lands, as well as copies of any abandonment and reclamation materials submitted to the NWB. The address for INAC Lands is:

Carl McLean
Indian and Northern Affairs Canada
P.O. Box 100
Iqaluit, NU
X0A 0H0

Please do not hesitate to contact the undersigned should you have any questions or concerns with respect to the information contained herein.

Best regards,

Original signed by:

Stephanie Hawkins
A/Manager, Water Resources
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cc: Phyllis Beaulieu, NWB
Carl McLean, INAC Lands