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Submitted by e-mail only.

June 28, 2004

Mr David Hohnstein
Technical Advisor, Mining
Nunavut Water Board,
P.O. Box 119
Gjoa Haven, NU, X0E 1J0

Dear Mr. Hohnstein,

Re: Water License: NWB1BOS0106 Amendment Application for a Solid Waste Disposal Site:

This is in response to our recent telephone conversation on the above captioned subject. As we discussed, the likelihood of MHL proceeding with the Solid Waste Disposal Site at Boston in 2004 is remote, however; you suggested that to expedite the review and approval of our submission, MHL should formally respond to your letter dated January 12, 2004.

With the above mind, the following provides our response to the deficiencies noted in your letter under Parts F and J of the Water License.

1. "Design of the facility"

We recognize that the "Bryant" 2001 Report was a limited Assessment Study to establish the preliminary suitability and siting for the proposed solid waste disposal facility at the Boston property. Based on the information gathered during the site reconnaissance, steps are now being taken for the design of the facility. A primary reference source that we will use in the design of the facility will be the updated *Guidelines for the Planning, Design, Operations and Maintenance of Modified Solid Waste Sites in the Northwest Territories (April 2003)*

2 “Capacity Requirements”

“...however no factor was included for cover material (used during the operation of the landfill for control of windblown materials/dust)

Cover material and waste density will be considered in the detailed re-assessment of total volume of waste from Windy Lake and Boston. We believe with periodic compaction, the overall capacity of the proposed landfill can in part offset volume requirements needed for cover material.

“The report also noted “other nearby exploration projects” but failed to include an estimate on the volume of waste generated that may be contributed from these sources.”

Reassessment of the total capacity of waste material from other potential nearby exploration projects facilities will be identified and incorporated into the final landfill design.

3. *“..several key components were lacking. These included: Local Geology Terrain; Availability of Cover Material; Geotechnical Factors.”*

“Local Geology Terrain”

Review of the previous borehole records is in progress. If additional information is required, a drilling program to obtain information of the geology and hydrogeology will be conducted. The topography of the site has been surveyed. This information will be reviewed to reassess the local surface drainage regime and incorporate this information into the surface water management design and plan of the proposed landfill.

“Availability of Cover Material”

The low grade ore was identified as one material source for constructing the containment berm. Samples of the low grade ore will be collected for laboratory leach test and results will be analyzed to evaluate whether the material is suitable for construction without impacting the environment. Alternate construction material will be considered if the low grade ore is determined to be unsuitable for construction. It should also be noted that advanced exploration activities at Boston, including an underground program may occur in late 2004 or early 2005, which could result in a source for construction / cover material, which would be subjected to the appropriate laboratory leach tests.

The serviceability of the rock crusher for the construction project will be determined. The rock size will be specified in the construction specification for berm construction and rock size will also be specified in the operation manual for waste cover material. An alternate rock crusher will be obtained if the existing rock crusher is not serviceable.

Water infiltration and seepage of the berm will be addressed during the design stage of landfill. The cause of slope failure of the Settling Pond No. 2 will be reviewed, identified, and considered in the design.

“Geotechnical Factors”

Review of the hydrogeological information is in progress. The design of the landfill will consider the local geology and site drainage.

Given the limited types of suitable soil material for liner construction (e.g. clay), the landfill will be designed using a geosynthetics liner system with leachate control and drainage consideration.

A groundwater monitoring program including the monitoring well installation will be developed to monitor the performance of the landfill. The monitoring program will follow (at the minimum) the Guidelines for Planning, Design, Operations and Maintenance of Modified Solid Waste Sites in NWT.

- 4 *“...characterization of the ash (leach test) is integral to the successful operation of the SWDS.”*

Ash samples will be collected for leach test to determine suitability for landfilling at the design stage and representative samples will be collected during operations to ensure that ash properties continue to be suitable. Periodic ash sampling will be incorporated into the operation plan and waste inventory control procedure for the facility.

- 5 *“An operation maintenance manual which includes the method of monitoring of wastes entering the facility as well as any seepages or wind blown contamination resulting from the use of the facility is required.”*

An operation and maintenance manual will be developed in conjunction with the landfill design.

- 6 *“The actual abandonment and reclamation of the SWDS needs to be addressed in the application”*

A closure and post-closure plan identifying the abandonment and reclamation of the SWDS will be developed in conjunction with the operation and maintenance manual.

- 7 *“...the Licence requires that the applicant submit to the Board, design drawings and plans stamped by an Engineer.
...Design drawings/plans are required to be submitted.”*

The engineering design and construction drawings of the landfill containment, liner and leachate drainage system, and surface water drainage will be prepared and submitted upon completion. This could be

expected in approximately six weeks, dependent on MHBL's decision to proceed.

Should you require clarification on the contents of these reports, please do not hesitate to contact the undersigned at the numbers above or on cell number 780-975-2550 or by e-mail to hwilson@miramarmining.com; or hugh_r_wilson@hotmail.com.

Yours truly,

Original signed by "H.R. Wilson"

Hugh R. Wilson
Manager, Environmental Affairs.

Cc: John Stard, Mine General Manager, MCM
Scott Stringer, HR Manager, MCM
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