



Our File; 2001-0590-050
June 6, 2001

Kitikmeot Inuit Association
Lands Division
P.O. Box 360
Kugluktuk, NU
X0B 0E0

Attention: Jack Kaniak, KIA Lands Manager

Re: Review of ARD CD Documents

Dear Jack:

Lorax and FSC have completed the review of the documentation you provided. Lorax's full review is attached. Your original CD is included in the package as requested. To summarize:

- ❑ The Rescan report appears to misinterpret the data produced from the sampling program. It appears that the acid generating potential of the property has been over estimated.
- ❑ The projections for contamination by copper seem to be over estimated.
- ❑ There exists a concern for pH neutral leaching of arsenic, nickel and possibly antimony. However, the extent of this potential was not fully documented in the Rescan report.
- ❑ Monitoring programs should be developed which include present and future considerations.

Prior to mine development:

1. Arsenic leaching may be a concern from waste rock as indicated by the humidity cell data from the altered basalt and B3 alteration halo units. The form and extent of arsenic occurrence in the waste should be delineated.
2. As available data suggest that arsenic and nickel are being released from the stockpiled materials. However, further work should be focussed to establish the source of metal loading and the actual impact to the receiving environment prior to implementing or bonding for a large-scale remediation program for all materials at site. A geochemical modeling exercise could be undertaken to evaluate the water quality and determine if secondary minerals are actually controlling maximum metal concentrations in the site drainage.

3. The distribution of metals from the overall waste materials needs to be understood so that the representivity of the humidity cell samples, or future field or laboratory leach samples, can be established.
4. A water balance and the chemistry of liquid discharges from the waste rock and ore stockpile needs to be established to determine what management is required.
5. The NP of iron-containing carbonate minerals should be determined to allow a NP correction factor to be applied to the ABA results.
6. The geochemical leaching characteristics of the mine tailings should be determined to facilitate the design of management facilities.
7. Delineate the extent of material with the potential for metal release in order to allow segregation during operation, thus, minimizing the cost and volume of mine waste requiring special management techniques.

Following Full Scale Mine Development.

1. Determining the presence, distribution and form of the arsenic in the critical geologic units that will be mined should be the primary focus of future characterization and monitoring programs.
2. An on-going determination of ARD and metals leaching should be undertaken for new areas of the mine as they are developed.
3. An inventory should be maintained of which materials are placed in which location.
4. Monitoring stations should be established to assess the quality of water discharged from stockpiles, tailings and other altered surfaces including the roads and camp site(s).

Please contact me if you have questions.

Yours truly,
Ferguson Simek Clark

Ron Kent, P. Eng.,
Head, Environmental Department