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Your file Votre référence

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NWB1BOS9801

December 20, 2000.

Hugh Wilson
Manager, Environmental Affairs
Miramar Hope Bay Ltd., Hope Bay Joint Venture
311 West First Street
North Vancouver, BC V7M 1B5

re: <u>October 18, 2000 reply to Water Licence Inspection Report</u>

Firstly, the Inspector apologises for the relative lateness of the water licence inspection report pertaining to the July 11, 2000 inspection of the Boston camp. However, since the summer season in Nunavut is at best brief, the Inspector trusts that the Licensee appreciates the fact that inspections of municipal and industrial undertakings throughout the territory then hold the foremost of priorities. This being said, had the Inspector observed ominous conditions which required immediate attention, the Licensee can rest assured that directives would have been issued on-site.

- **Water supply:** As the Licensee's *Amendment to Water Intake System for NWB1BOS9801 Water Permit* and the Nunavut Water Board (NWB)'s *Amendment to Licence No: NWB1BOS9801* were respectively filed on July 11, 2000 and August 2, 2000, the Inspector was aware of neither during the inspection. Thus, at the time, a paragraph of the Licensee's *April 2000 Monthly Report for Water License: NWB1BOS9801* constituted the only filed information. Nevertheless, both amendment request and approval were clearly acknowledged within the inspection report, in the sentence following the one quoted by the Licensee.

- **Ore storage pad sumps:** Clarifications relating to the use/contents/discharge of the three (3) sumps in the ore storage pad area were requested in the inspection report precisely because the Inspector did not wish to infer anything in their regards. However, certain concerns remain pending subsequent to the Licensee's reply to the inspection report:

  - **Lined sump within the ore storage pad:** As was indicated in the Licensee's October 18, 2000 correspondence, the content of the innermost sump (figure 1) was emptied shortly after the inspection (figure 2). However, analytical results from the sampling of the contents prior to discharge, as alluded to during the inspection, have yet to be submitted.

Considering the unknown nature of the solids within the sump, and the general location of the sump within the ore storage pad, the Inspector directs the Licensee to:

- provide the analytical results of relevant sampling, if taken.
- ensure, through sampling prior to discharge, that all future releases from the sump meet the effluent quality standards contained under part D of the Water licence.
- indicate the path of discharge from the sump.
- determine the disposal location of the sludges from the sewage treatment facility.

• **Lined sump in periphery of the ore storage pad:** At the time of the inspection, an uncharged line ran from the portal area (figure 3) to the sump (figure 4). However, very little, if any, additional settling material could be observed within the sump in subsequent site visits (figure 5). Nonetheless, the Inspector again points out that maintenance work ought to be carried out on the liner should the sump be utilized as a holding/settling pond of any kind.

• **Unlined sump in periphery of the ore storage pad:** At the time of the inspection, the sump contained approximately a dozen tattered bags of drill cuttings (figure 6). However, subsequent observations reveal the disposal of solid waste at the site (figure 7). In this regards, the Inspector reminds the Licensee that part F of the Water licence defines the need for prior notice relating to modifications of undertakings. Moreover, the notch in the berm (figure 8), as well as the base of the sump (figure 9), seem saturated. Further, what appears like a channel in the berm of the adjacent lined sump is noticeable (figure 7), while an uncharged line sits atop the sump's berm (figure 9), next to an area where pooled water can be observed (figure 10). In addition, signs of notable runoff are apparent downslope of the ore pad sumps (figures 11-12). Accordingly, the Inspector directs the Licensee to:

- halt all disposal of solid waste in the ore storage pad area before the planned modification is submitted to, and duly approved by, the NWB.
- confirm that at no time this summer was the sump included in the path of a discharge.
- indicate, in the contrary, the nature of the discharged substance(s).

• **Minewater discharge:** As the Licensee reiterates that no discharge from underground occurred in 2000, the Inspector wishes to clarify certain aspects of the reporting requirements. Firstly, although the Inspector appreciates the Licensee's concern with compliance to licence terms and conditions, the minewater discharge notice (Part D, Item 6) should ideally reflect field conditions, and not simply be given in order to ensure compliance of eventual discharges. Secondly, Surveillance Network Program (SNP) station 1652-2 is situated in the path of minewater discharge, downslope from the ore storage pad sumps; sampling can thus only occur during events of minewater discharge. The reporting, within the Licensee's June and July monthly SNP reports, of sampling at *SNP 1652-2 Holding Pond prior to discharge* is therefore somewhat confusing. Lastly, as no discharge of minewater is reported for 2000, minewater should, in all likelihood, have accumulated in the holding pond designated for that purpose.

Consequently, the Inspector directs the Licensee to:

- indicate the sampling location of the *SNP 1652-2 Holding Pond Prior to discharge* samples collected on June 20, 2000 and July 13, 2000.

• **Restoration activities:** The Inspector wishes to underline the fact that, as Licensee of Water licence NWB1BOS9801, Miramar Hope Bay Ltd. / Hope Bay Gold Corporation Inc. are ultimately responsible for all facets of water use and waste disposal at the Boston undertakings, restoration included. Indeed, as much as the Licensee relies on infrastructures and resources which can be attributed to the activities of the previous owner, so must the Licensee mitigate the potential impact of previous operations.

• **Spills:** The Inspector appreciates the Licensee's desire for the closure of all outstanding spill reports, and recognizes that additional on-site time should have been set aside to allow for a thorough inspection of all spill sites. This being said, the Inspector will regretfully not be able to revisit the Boston camp before the upcoming field season. However, as was related during the inspection, the Licensee can streamline the closure process by providing the Inspector with periodic follow-up reports, as per licence conditions (Part H, Item 5c).

The Inspector looks forward to resolving all misunderstandings and clarifying any discrepancies. Accordingly, should the Licensee consider it favourable to a written response, the Inspector can agree to a meeting in the new year. However, it must be emphasized that any further reservations the Licensee may entertain concerning the Inspector's statements, observations, articulation, or general conduct should be directed to Peter Kusugak, District Manager of INAC Nunavut Operations.

Please feel free to contact me at (867) 975-4298 or lavalleep@inac.gc.ca should any questions/comments arise.

Sincerely,

Philippe Lavallée
Water Resources Officer
INAC, Nunavut District

c.c. - Nunavut Water Board, Gjoa Haven
- KIA lands, Kugluktuk (Jack Kaniak)
- DFO Habitat Management, Iqaluit (Jordan DeGroot)

figure 1. Lined sump within the ore storage pad; 2000/07/11.

figure 2. Lined sump within the ore storage pad; 2000/07/20. (courtesy of NWB)

figure 3. Underground portal area; 2000/07/11.

figure 4. Lined sump in periphery of the ore storage pad; 2000/07/11.

figure 5. Lined sump in periphery of the ore pad; 2000/07/20. (courtesy of NWB)

figure 6. Unlined sump in periphery of the ore storage pad; 2000/07/11.

figure 7. Unlined sump in periphery of the ore pad; 2000/08/02. (courtesy of DFO)

figure 8. Unlined sump in periphery of the ore pad; 2000/08/02. (courtesy of DFO)

figure 9. Unlined sump in periphery of the ore pad; 2000/08/02. (courtesy of DFO)

figure 10. Area next to the ore pad's unlined sump; 2000/08/02. (courtesy of DFO)

figure 11. Ore storage pad and sumps from air; 2000/08/02. (courtesy of DFO)

figure 12. Ore storage pad and sumps from air; 2000/08/02. (courtesy of DFO)