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NUNAVUT WATER BOARD
NUNAVUT IMALIRIYIN KATIMAYINGI

NWB File No: NWB1BOS0106/TR/B7

October 31, 2005

Matthew H. Kawei
Senior Environmental Coordinator
Miramar Hope Bay Ltd.
300-889 Harbourside Drive
North Vancouver, BC V7P 3S1

Email: mkawei@miramarmining.com

Re: Acknowledgement Annual Report 2004

Dear Mr. Kawei:

The Nunavut Water Board (NWB) acknowledges receipt on April 7, 2005 of your 2004 Annual Report as required by Part B, Item 7 of the current water licence. Included with the Annual Report were the Cover letter, the Windy Lake Revised updated Spill Report – Spill #04-388, MHL Fuel Dispensing Procedure and a list of 2004 Public Consultation. The Board has reviewed your Annual Report and requests clarification and additional information in accordance with Part B, Item 7(p), as follows, to be reported in and along with the 2005 Annual report due no later than March 31, 2006, or as otherwise noted.

1. On November 9, 2004 the NWB issued a review letter outlining items identified in the 2003 Annual Report that were to be addressed in the 2004 Annual Report. A copy of the letter has been included for your reference. There were essentially three items that were noted in the letter, which to date, have not been addressed. They are as follows:
 - i. The issue of monthly reporting was identified and although data from August and September have been included within the 2004 Annual Report, no monthly reports were received following the July report, nor for the following 2005 calendar year. As monthly reporting is required under the Surveillance Network Program, Item D, **the NWB requests that MHL provide these reports and all data generated under the Program;**
 - ii. The Surveillance Network Program requires monitoring at Stations 1652-3, 4 and 5 for nutrients, field data and accompanying QA/QC data. This information has not been received for the 2003 program, nor for the current 2004 Annual report. **The NWB requests that this information be provided as addendums to the 2005 Annual Report;**
 - iii. The quality of effluent from the Sewage Treatment Facility (RBC) has been a concern of reviewers with comments received regarding the need for improved efficiency of the process. Following the review of the 2003 Annual Report, Miramar responded in

November, 2004 indicated that the issue of treatment and discharge would be looked into early in 2005. The data presented is characteristic of inflow sewage to an RBC (based on design criteria on file with the NWB) and typically is not receiving the biological treatment associated with this type of facility.

Other exploration properties in Nunavut have demonstrated treatment efficiencies very close to the design parameters for these types of systems. Section 4, Item (f) of the 2004 Annual Report states that "MHBL will urgently investigate methods that could help reduce the number of fecal coliforms in the waste water". **Miramar is encouraged to seek operational advice and assistance, in order to comply with *all* licensed effluent quality and to provide the NWB an update in the 2005 Annual Report on the status of the Sewage Treatment System at the Boston Camp.**

2. Part B, Item 7(d) of the Licence requires the reporting of the monthly and annual quantities in cubic metres of treated Sewage effluent discharged at Station Number 1652-2. Both the 2003 and the 2004 Annual Reports indicated that MHBL would investigate methods for accurately measuring the flows from the RBC. **The NWB requests that this information be provided in the 2005 Annual Report submission.**

3. **Part D, Item 3** of the Licence requires that all sludge generated by the ROTODisk RBC treatment plant be disposed of in a sump located a minimum of thirty (30) metres from the normal high water mark and such that they do not enter any water body. Item 4(e) of the 2004 Annual Report indicates that there was no "sludge" to be removed from the RBC during the winterization for 2004 and states that the RBC was flushed a number of times and then discharged through the existing pipeline. Sludge disposal for a properly operated RBC treatment plant is a normal procedure and may be required one or more times per year. **The Licensee is requested, under Part D, Item 4, to submit a proposal for sludge disposal if intending to use alternative methods to Part D, Item 3.**

4. The NWB generally requires that Landfarm facilities be operated under a water licence. Understanding that the Land Treatment Area at the Boston Camp was essentially imposed as a treatment method for the handling of petroleum contaminated soils due to Spill Nos.03-452, 457 and 541, the **NWB recommends that the Licensee incorporate the Land Treatment Area (Landfarm) into the current Licence through application for amendment to be submitted as a stand-alone amendment or in conjunction with other foreseeable changes required. This application should be submitted at least four (4) months prior to active monitoring in 2006.** In this way, terms and conditions can be incorporated into the Licence that will address the handling of waste and the treatment and disposal of water impacted by the process. Also, the final disposal of the treated soils can be addressed along with any materials that do not respond to the landfarming process.

In addition, the Licensee is requested to accompany the application with a completed copy of the NWB information request "*Landfarm Contaminated Soil Questionnaire*" available on the NWB ftp site at the following link:

<ftp://ftp.nunavut.ca/nwb/NWB%20Administration/NWB%20GENERAL%20INFORMATION/Questions/questionnaires/>

The Licensee shall also provide the “As-built” drawings for the constructed Land Treatment Area currently in use (the drawings included in the March 2004 EBA report-Project NO. 1740065, were indicated as “not to scale” and included approximate dimensions) and all other associated documents as required by the questionnaire.

5. The NWB requests that data from follow-up sampling and monitoring in 2004 with respect to the recommendations provided by EBA in their March 2004 report *be provided with the 2005 Annual Report*. Monitoring data was not provided in the 2004 Annual Report and it is unclear as to whether additional work was carried out in 2004 at the Boston Camp spill locations, or if the recommendations of the consultant were followed. In addition, monitoring carried out in 2005 as per the information provided in the Windy Lake Spill Follow-up Report (Document #MHBLENV-04-2005) is to *be provided in the 2005 Annual Report, unless preceded by a stand-alone report prior to March 31, 2006*.
6. **The NWB also requests that, for future monitoring of any processed water to be discharged from spill clean-up and containment, an ICP Metals Scan be completed and results be submitted within the corresponding monthly SNP reports and Annual Report for 2006.**
7. The Licence requires a revision to the Spill Contingency Plan (SCP) under Part L, Item 4 and reported under Part B, Item 7(i). The following items have been noted and require updating in a revised Plan.
 - i. If the Plan is to remain comprehensive for all sites, then site information for all sites covered under the Plan is required. Individual Plans are preferred and should be site specific. Maps are to be included; any facilities that have been upgraded require revision, as-built drawings where appropriate are required to be submitted and should be included in the SCP's for reference;
 - ii. The Plan (Boston) should also contain a contingency for the Land Treatment Area and possible events that may occur throughout the operation of the facility.
 - iii. The SCP (2004) does not reflect the current personnel at the site (Manager Environmental Affairs, new environmental person?);
 - iv. The Plan submitted in July 2004 does not take into account the all the changes requested in the letter of March 29, 2004 to Mr. Hugh Wilson and the follow-up email to the Manager Environmental Affairs following the review of the Spill Contingency Plan submitted with the 2003 Annual Report;
 - v. Contact names and phone numbers should be confirmed (the contacts section 6 requires revision to numbers for Water Resources Inspector (867-975-4298), Environment Canada's Emergency Response at 867-920-5131 and Iqaluit at 867-975-4644, GN DoE main number is 867-975-5910; local RCMP and Health Centres should be included as well); the NWB office is located in Gjoa Haven;
 - vi. Spills are to be reported to the appropriate authority (NWT Spill Report Line and Water Resources Inspector, KIA), regardless of quantity;

The NWB requests that these changes to the Spill Contingency Plan be included as a revised Plan for approval of the Board along with the 2005 Annual Report submission.

If you would like further clarification on the above or have any questions, please call the undersigned at (867) 360-6338 or email at licensing@nwb.nunavut.ca or alternatively, David Hohnstein, Technical Advisor Mining at (780) 443-4406 and email tech2@nwb.nunavut.ca .

Sincerely,

Original signed by:

Phyllis Beaulieu
Manager of Licensing

PB/dbh

cc. Distribution List