From: Mark Balog

To: Andrew Keim; bernie.macisaac@inac.gc.ca; Bryan Rayner
Cc: John Witteman; Peter Kusugak; Phyllis Beaulieu; Sandy Barham
Subject: RE: 2008 and 2009 Water License Inspections - Meliadine West

Date:Thursday, May 06, 2010 3:24:54 PMAttachments:KIA amendment 0.3 hec to Com Lease.pdf

CMF response Aug 09 08 InspectorsDirective.pdf

Hi Andrew,

We received an email from you (below) on April 30, 2010. Attachments to your email were letters dated April 17, 2009 (which referred to a water inspection report from 2008), a letter dated January 6, 2010 (which referred to a water inspection done in August 2009), and a series of photos.

The 2010 letter alleges three non-compliance issues by Comaplex on the Meliadine property and goes on to say you are submitting "a second recommendation to proceed to more formal enforcement actions". This is the first indication that we have had from you that we are in non-compliance. For your information, the three items in question have all been fixed or are currently being directly addressed. In no particular order:

- 1) <u>Security Bond</u>: Comaplex have submitted letters to various groups in the last several months on this matter. As per a discussion with Bernie McIsaac of INAC on May 5, 2010, Comaplex, INAC, and the KIA will be discussing this matter in detail in the coming weeks to resolve the situation.
- 2) <u>Inspector's 2008 Direction</u>: Comaplex has addressed this matter several times now. As per our Aug 1, 2009 Water License, there was a requirement to address the Inspector's direction within 2 weeks of the license being granted. This was done and the letter attached sent to your office, among others, on August 12, 2009 (see attached). All of the points in your direction have been addressed.
- 3) New Sump/Wetlands: Comaplex agrees that the old sump is tired and needs to be replaced. In July 2009, we submitted a plan for the Meliadine camp consisting of a new wastewater treatment plant and a new, larger sump/wetlands area. The plan was considered by the NWB and a new water license was granted on August 1, 2010, with the prevision that "within 60 days following issuance of the License and prior to the commissioning of the Sewage Disposal Facility", a new Waste Management Plan be submitted to the Board for approval. This was done and submitted in September 2009.

A second consideration with the new wetlands area was approval of an amendment from the KIA for the additional 0.3 hectares of wetlands (new sump area) into the Commercial Lease (on which we have a \$950,000 Letter of Credit). This was originally applied for on July 21, 2009 and we did not receive approval of that amendment from the KIA until May 3, 2010 (see attached). Comaplex intends to build the new sump as soon as the snow melts and the ground thaws, some time in late June, early July and start up the Biodisk at that time.

Issues and delays by both sides are common in Nunavut and Comaplex's approach to these matters is to work with the regulators. We feel we have addressed your concerns and hope that once you review the details referenced above, you will agree. We look forward to hearing from you.

mark

----Original Message----

From: Andrew Keim [mailto:Andrew.Keim@inac-ainc.gc.ca]

Sent: Friday, April 30, 2010 11:58 AM

To: Mark Balog

Cc: John Witteman; Peter Kusugak; Phyllis Beaulieu

Subject: 2008 and 2009 Water License Inspections - Meliadine West

Mark Balog COMAPLEX MINERALS CORP. Suite 901, 1015 4thSt. SW Calgary AB T2R 1J4

Please find enclosed the Water License Inspection Reports for 2008 and 2009. I will be in touch in the coming weeks to set dates for the 2010 Inspection.

If you have any questions or concerns please do not hesitate to contact me.

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