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August 31, 2012

Simeon Robinson, Project Manager North Country Gold Corp. Suite 220, 9797-45 Avenue Edmonton, Alberta T6E 5V8

Sent via e-mail: Simeonr@northcountrygold.com

Subject: Licence No. 2BE-CRA1015; Part D Conditions Applying to Waste Disposal

Dear Simeon,

As advised by North Country Gold (NCG or the Licensee) and requesting clarification on the above Licence condition and requirements, the NWB is aware that the Inspector has requested information identifying the Licensee's authority to conduct open burning in accordance with the NWB's Licence and any applicable terms and conditions issued by the Board. At the outset, I must point out that in contrast to some older NWB Licences, the Licence in question, 2BE-CRA1015, does not include a general condition prohibiting open burning, unless authorized by the Board. Rather, it is a term of the Licence that prohibits the open burning of specified waste types such as plastics, coated wiring, treated wood, Styrofoam, etc. Part D, Item 4 of Licence 2BE-CRA1015 reads:

The Licensee shall not open burn plastics, wood treated with preservatives, electric wire, Styrofoam, asbestos or painted wood, to prevent the deposition of waste materials of incomplete combustion and/or leachate from contaminated ash residual, from impacting any surrounding waters, unless otherwise approved by the Board in writing.

In addition, the Licensee, by way of the Waste Management Plan¹ filed with the Board in association with the 2010 license amendment application, indicated that their waste management plans included open burning of untreated wood, cardboard etc. The section of the Plan reads:

All wastes will be separated/sorted and disposed of as follow:

Combustible wastes – will be incinerated in the incinerator on site. See the Incineration Guidelines for more information on what cannot be burned in the current incinerator.

¹ North Country Gold Corp., Three Bluffs Project, Waste Management Plan, November 2010

- Untreated wood and large pieces of cardboard will be burned in a controlled open burn according to the GN Municipal Solid Wastes Suitable for Open Burning Guidelines.
- Scrap metal will be removed from site and taken to Rankin Inlet and/or Churchill, MB for disposal.
- Non-combustible inert wastes will be removed from site and taken to Rankin Inlet.
- Non-combustible waste oil and oily rags will be shipped from site in a sealed drum and taken to Rankin Inlet where they will be sent south via air or barge. See the Hazardous Materials Management Plan for more detail and information.
- Hazardous Wastes see the Hazardous Materials Management Plan

Having reviewed this Plan, and the comments received on the overall Application, the Board is aware of the limited controlled open burning planned to take place at the site. As the Licence does not contain a prohibition on open burning of these materials and the Board has been advised of the Licensee's plans for open burning, it is the NWB's view that no further Board authorization or amendment to the terms or conditions of the existing Licence terms are required to authorize the Licensee to conduct open burning of the materials specified in the Waste Management Plan. The Board does however note, that open burning of the waste types prohibited under the Licence, Part D, Item 4, is not acceptable and would constitute a contravention of the Licence. As with the incineration residues, ashes and non-combustible residues are to be collected for shipment and disposal off-site at an approved facility.

Should the Licensee, AANDC and the Inspector have questions, comments or require follow up with respect to this matter, please contact myself at Ph. (780) 443-4406 or the Manager of Licensing, Phyllis Beaulieu at licensing@nunavutwaterboard.org, or Ph.(867) 360-6338 x27.

Sincerely,

David Hohnstein, C.E.T. Director Technical Services Nunavut Water Board

Cc. Jo Price, M.Sc., P. Geol., NCG Eva Paul, AANDC Andrew Keim, AANDC

