

Kinross Gold Corporation George Lake Project

Mineral Exploration Operations
Nunavut Territory

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KINROSS GOLD CORPORATION

George Lake Project

Section 1.0 – Application for Renewal of Water License



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NUNAVUT WATER BOARD
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WATER LICENSE

APPLICATION FORM

Application for: (check one)

☐ New ☐ Amendment ☒ Renewal ☐ Assignment - License No. NWB2GEO9702

LICENCE NO:
(for NWB use only)

**1. NAME AND MAILING ADDRESS
OF APPLICANT/LICENSEE**

Kinross Gold Corporation
802 E. Winchester, Suite 100
Murray, Utah 84107

Phone: (801) 290-1112
Fax: (801) 290-1102
e-mail: jbokich@kinross.com

**2. ADDRESS OF CORPORATE
OFFICE IN CANADA (if applicable)**

Kinross Gold Corporation
Scotia Plaza, 52nd Floor
40 King Street West
Toronto, Ontario M5H 3Y2
Canada
Phone: (416) 365-5123
Fax: (416) 363-6622
e-mail: rthomas@kinross.com

3. LOCATION OF UNDERTAKING (describe and attach a topographical map, indicating the main components of the Undertaking)

Kinross Gold's George Lake Project, Water License No. NWB2GEO702, is located in Nunavut Territory, approximately 470 kilometers Northeast of Yellowknife. A topographical map is attached as Figure 1.

Latitude: 65° 56' North Longitude: 107° 30' West NTS Map No. 75 G/14 Scale 1:50,000

4. DESCRIPTION OF UNDERTAKING (attach plans and drawings)

See Attachment A.

5. TYPE OF UNDERTAKING (A supplementary questionnaire must be submitted with the application for undertakings listed in "bold")

- | | |
|--|---|
| <input type="checkbox"/> Industrial | <input type="checkbox"/> Remote/Tourism Camps |
| <input type="checkbox"/> Mine Development | <input type="checkbox"/> Municipal |
| <input checked="" type="checkbox"/> Advanced Exploration | <input type="checkbox"/> Power |
| <input checked="" type="checkbox"/> Exploratory Drilling | Other (describe): |

7. QUANTITY OF WATER INVOLVED (litres per second, litres per day or cubic metres per year, including both quantity to be used and quality to be returned to source)

RESPONSE: Maximum water usage for this phase of mineral exploration activities for the George Lake project will be 36,500 cubic meters per year. There will be no water returned to the source, George Lake, during this phase of operations. See Attachment A for further detail.

8. WASTE (for each type of waste describe: composition, quantity, methods of treatment and disposal, etc.)

☒ Sewage
☒ Solid Waste
☒ Hazardous
☒ Bulky Items/Scrap Metal

☒ Waste oil
☒ Greywater
☒ Sludges
___ Other (describe): _____

RESPONSE:

- Sewage is from the camp and ranges from that generated from between 25 and 50 people. All sewage, that is toilet waste, is disposed of in two latrines located on the west side of the George Lake airstrip, as shown on Figure 1. They have a substantial capacity of approximately 30 cubic metres. Both are completed in well drained eskerine sands and gravels.
- Solid wastes consists of paper, container materials, and general refuse. All solid waste is incinerated in 200 litre drums, and ashes stored in 200 litre drums. The ash is then shipped out by aircraft and deposited in licensed landfills in Yellowknife.
- Only small volumes of Hazardous wastes, including paints, solvents and other materials are utilized in the exploration process. These materials are stored in 200 litre drums (used fuel drums), and maintained in a closed condition. Drums are then removed from the site by aircraft and transported to Yellowknife for proper disposal in licensed facilities.
- Bulky items / scrap metals are accumulated and then transported out by aircraft to Yellowknife for disposal or recycling.
- Waste oil is used in incinerator to help burn solid wastes.
- Greywater is planned to be drained into a natural depression. The area of greywater deposition will be located to the west of the camp on the side away from George Lake.
- Drill cuttings are collected at each exploration drill and transported to a natural depression for deposition. The area of deposition of drill cuttings will be located to the west of the camp away from George Lake.

9. PERSONS OR PROPERTIES AFFECTED BY THIS UNDERTAKING (give name, mailing address and location; attach if necessary)

Land Use Permit

KIA Lands Division	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	Permit No. KTL200CO10 – Class II License
DIAND	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	If no, date expected <u>Not Applicable</u>
Regional Inuit Association	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	If no, date expected _____
Commissioner	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	If no, date expected <u>Not Applicable</u>

10. PREDICTED ENVIRONMENTAL IMPACTS OF UNDERTAKING AND PROPOSED MITIGATION MEASURES (direct, indirect, cumulative impacts, etc.)

NIRB Screening Unknown ☐ Yes ☐ No If no, date expected _____

RESPONSE: It is not known by Kinross if NIRB Screening has been completed for the George Lake Project. The project has been under permit by the Nunavut Water Board and KIA for Land Use Permits since 1992, however, Kinross was not provided information by the previous owners indicating whether or not NIRB Screening was completed. It is difficult to believe that NIRB Screening has not been completed however, due to the length of time it has been permitted, and based on the information for other related projects such as Goose Lake. The current plan is consistent with the plans submitted for those previously approved permits, and Kinross Gold has retained the same operating conditions and practices as approved by the NIRB in their screening approvals for the Goose Lake Project, also operated by Kinross.

11. INUIT WATER RIGHTS

Will the project or activity substantially affect the quality, quantity, or flow of water flowing through Inuit Owned Lands and the rights of Inuit under Article 20 of the Nunavut Land Claims Agreement?

RESPONSE: The project will not substantially affect the quality, quantity or flow of water flowing through Inuit Owned Lands and the rights of Inuit.

If yes, has the applicant entered into an agreement with the Designated Inuit organization to pay compensation for any loss or damage that may be caused by the alteration. If no compensation agreement has been made, how will compensation be determined?

12. CONTRACTORS AND SUB-CONTRACTORS (name, address and functions)

RESPONSE: Bradley Brothers Drilling Ltd., 98 14th Street, Rouin Noranda, Quebec – Drilling Contractor (819)797-0755

13. STUDIES UNDERTAKEN TO DATE (list and attach copies of studies, reports, research, etc.)

RESPONSE: Studies undertaken to date include the initiation of baseline studies by companies preceding Kinross, including Homestake Minerals, Kit Resources and Wheaton River Resources. Environmental baseline studies commenced in 1993 when the George Lake camp was built. During 1993 and 1994 environmental monitoring included water quality sampling and analyses from seven sites plus a blind duplicate, taken twice each year. Bathymetry, acid base accounting and limited hydrological studies were also conducted. Daily records were maintained regarding climate and local wildlife sightings.

There is no baseline data for 1995 or 1996 because no exploration work was conducted on the property during that time.

In 1997, Kit Resources NWT Ltd. Increased the frequency of the collection of water quality samples and implemented an automated system for recording hydrological measurements. The Proponent also completed an aerial wildlife survey, an aquatic resource and habitat survey, a socio-economic study of the communities of the Kitikmeot Region, and an archaeological and heritage resource impact assessment. Additional acid base accounting was also completed. Climate and local wildlife sightings information was also recorded.

Kit Resources NWT Ltd. also participated in the Naonayaotit Traditional Knowledge Study conducted by the Kugluktuk Angoniatit Association. The NTK study was expanded in 1997 due to involvement of the Proponent to include additional interviews with people in the communities of Bathurst Inlet and Umingmaktok.

The George Lake Environmental Baseline Studies Report for a compilation of these data and reports was submitted in 1997 with the reapplication by Kit Resources.

This information is included as Attachment B.

14. THE FOLLOWING DOCUMENTS MUST BE INCLUDED WITH THE APPLICATION FOR THE REGULATORY PROCESS TO BEGIN

Supplementary Questionnaire(where applicable: see section 5) ☒ Yes ☐ No If no, date expected _____

Inuktitut/English Summary of Project ☐ Yes ☒ No If no, date expected: Jan 5, 2002

Application fee \$30.00 (c/o of Receiver General for Canada) ☒ Yes ☐ No If no, date expected _____

15. PROPOSED TIME SCHEDULE

☐ Annual (or) ☒ Multi Year See Attachment A

Start Date: January 2002

Completion Date: To be Determined

December 18,

Name (Print)

Title (Print)

Signature

Date _____

For Nunavut Water Board use only

APPLICATION FEE

Amount: \$_____

Receipt No.:

WATER USE DEPOSIT

Amount: \$ _____

Receipt No.:

KINROSS GOLD CORPORATION

George Lake Project

**Section 2.0 – Application for Renewal of Water License – Supplemental
Questionnaire for Camp**



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NUNAVUT WATER BOARD

NUNAVUT IMALIRIYIN KATIMAYINGI

EXPLORATION/ REMOTE CAMP SUPPLEMENTARY QUESTIONNAIRE

Applicant: Kinross Gold Corporation Licence No: NWB2GEO9702
(For NWB Use Only)

ADMINISTRATIVE INFORMATION

1. Environment Manager: John Bokich Tel: 801-290-1112 Fax: 801-290-1102
Email: jbokich@kinross.com
2. Project Manager: Rodney N. Thomas Tel: 416-365-1076 Fax: 416-363-6622
E-mail: rthomas@kinross.com
3. Does the applicant hold the necessary property rights? Yes
4. Is the applicant an 'operator' for another company (i.e., the holder of the property rights)?
If so, please provide letter of authorization.

RESPONSE: Kinross Gold has acquired a 100 percent interest in the George Lake Project.

5. Duration of the Project
☐ Annual
☒ Multi Year:
If Multi-Year indicate proposed schedule of on site activities

RESPONSE: Start: January 2002 Completion: Undefined – Ongoing at least through 2010 - Annual Work Schedule is year round

CAMP CLASSIFICATION

6. Type of Camp
☐ Mobile (self-propelled)
☐ Temporary
☐ Seasonally Occupied: _____
☐ Permanent
☒ Other: Mineral Exploration Camp – Term Unknown

7. What are the design population of the camp and the maximum population expected on site at one time? What will be the fluctuations in personnel?

RESPONSE: The current design population of the George Lake camp is for 25 to 50 people. The camp has not been used by Kinross personnel over the last two year period, but has been used by another entity for a base camp for baseline environmental studies to be conducted on a potential road corridor in the area. It is not planned at this time that the camp will be utilized by Kinross in the 2002 season, but it is anticipated that it may serve as a base camp for additional environmental studies in 2002. Activities by Kinross at the camp this year will include clean up and consolidation of facilities, and removal of unwanted / unneeded items. However, Kinross does anticipate ongoing use of the camp for mineral exploration activities in future years, and fluctuations in personnel will range from none to fifty.

8. Provide history of the site if it has been used in the past.

RESPONSE: The camp was established in 1992 by Homestake Minerals, and has been maintained since that time. Exploration activities and occupation has been intermittent, with the project and camp ownership/management being assigned from Homestake to Arauco to Kit Resources to Wheaton Group and to Kinross Gold Corporation.

CAMP LOCATION

9. Please describe proposed camp location in relation to biogeographical and geomorphological features, and water bodies.

RESPONSE: The existing camp has been in place since 1992, and is located about 50 metres west of George Lake on a small hill. Other information on location and setting is described in detail in the NWB application and supplemental information.

10. How was the location of the camp selected? Was the site previously used? Was assistance from the Regional Inuit Association Land Manager sought? Include maps and/or aerial photographs.

RESPONSE: The site has been previously used, since 1992, and has been inspected and approved by the KIA Land Division.

11. Is the camp or any aspect of the project located on:
[] Crown Lands Permit Number (s)/Expiry Date: _____
[] Commissioners Lands Permit Number (s)/Expiry Date: _____
[X] Inuit Owned Lands Permit Number(s) / Expiry Date: KTL200C010 / Apr. 31, 2002

12. Closest Communities (distance in km):

RESPONSE: The closest community is Bathurst Inlet, which is approximately 70 to 120 kilometers to the northwest of the project.

13. Has the proponent notified and consulted the nearby communities and potentially interested parties about the proposed work?

RESPONSE: Kinross Gold and its predecessors on the George Lake and associated projects, have communicated openly with the nearby communities through employees on the project who are from the local communities and act as project liaison as well as project employees. In addition, Kinross and its predecessor companies on the project have dealt openly with the Nunavut Territory governmental officials that represent the communities in the region of the project. There has been full communication with the Nunavut Water Board (NWB), the Kitikmeot Inuit Association (KIA) and the Department of Indian Affairs and Northern Development (DIAND). Homestake Minerals and Kit Resources both met with the community at Bathurst Inlet, and Kinross is also planning to do so at some point in the future, depending upon project development.

14. Will the project have impacts on traditional water use areas used by the nearby communities? Will the project have impacts on local fish and wildlife habitats?

RESPONSE: There will be no effects from the Kinross Gold George Lake Project on traditional water use in the area of the project. Operational procedures and controls will prevent effects to the waters of the area.

PURPOSE OF THE CAMP

- ☒ Mining – Exploration activities associated with potential future mining operations.
 - Tourism (hunting, fishing, wildlife observation, adventure/expedition, etc.)(Omit questions # 16 to 21)
 - Other _____ (Omit questions # 16 to 22)
 - Preliminary site visit
 - Prospecting
 - Geological mapping
 - Geophysical survey
 - Diamond drilling
 - Reverse circulation drilling
 - Evaluation Drilling/Bulk Sampling (also complete separate questionnaire)
 - Other: _____
17. Type of deposit:
- Lead Zinc
 - Diamond
 - ☒ Gold
 - Uranium
 - Other: _____

DRILLING INFORMATION

18. Drilling Activities
X Land Based drilling
X Drilling on ice

19. Describe what will be done with drill cuttings?

RESPONSE: As required by the Nunavut Water Board License NWB2GEO9702, Section E, all drill cuttings will be disposed of in a sump or natural depression located on land, at least 30 metres from the high water mark of a water body.

20. Describe what will be done with drill water?

RESPONSE: Drill water will be recirculated to the maximum extent possible. Drill water that is retained with the cuttings and excess drill mud will be disposed of in the above identified area with the drill cuttings.

21. List the brand names and constituents of the drill additives to be used? Includes MSDS sheets and provide confirmation that the additives are non-toxic and biodegradable.

RESPONSE: Drill additives used are listed below, and their MSDS sheets are provided as Attachment C.

- Visco L drilling mud additive
- Vibra Stop – drilling mud
- Peladow - calcium chloride drilling additive

22. Will any core testing be done on site? Describe.

RESPONSE: Core drilling will be performed, and core may be split on site and samples taken. Core may be observed by hand lens and may be tested with a few drops of a low pH solution to determine calcareous content.

SPILL CONTINGENCY PLANNING

23. Does the proponent have a spill contingency plan in place? Please include for review.

RESPONSE: An updated 2002 Kinross Gold Spill Contingency Plan is in place and included as Attachment D to this submittal.

24. How many spill kits will be on site and where will they be located?

RESPONSE: There will be one spill kit on site during the current level of activities at George Lake. It will be maintained at the materials storage area. During drilling operations, there will be a spill kit located at each drill rig, fuel storage areas and other locations, as needed.

25. Please describe the types, quantities, and method of storage of fuel and chemicals on site, and provide MSDS sheets.

RESPONSE: The primary fuel used on the Kinross Gold George Project is P50 diesel fuel. As many as 1,000 drums of 200 litre capacity may be on site at a time. If activities are expanded, this number could increase to as many as 2,000 drums, or equivalent capacity bulk storage tanks may be utilized instead. These drums are stored on the western area of the airstrip, near the camp, shown on Figure 1, in a location designated and approved by the KIA. Fuel barrels are stored horizontally, with bungs up, and in rows of two, end to end, with access between rows to allow visual inspection to ensure that bungs are in place and there are no leaking barrels or spills. Other chemicals on site are drilling fluids, as described in Item 21 above, and motor and hydraulic oils for the equipment, and antifreeze solution for motors. There are other miscellaneous materials on site used for cleaning, lubrication, etc., but they are maintained in small quantities only. Calcium chloride, under the product name of Peladow, is also used as a drilling additive to reduce freezing of drilling fluids.

MSDS sheets for all fuels and chemicals used in significant quantities are included as Attachment C.

WATER SUPPLY AND TREATMENT

26. Describe the location of water sources.

RESPONSE: Water will be pumped from through and existing water line taken from George Lake, as shown on Figure 1.

27. Estimated demand (in L/day * person):

- Domestic Use: 20 m³ Water Source: George Lake
- Drilling Units: 80 m³ Water Source: George Lake
- Other: _____ Water Source: _____

28. Describe water intake for camp operations? Is the water intake equipped with a mesh screen to prevent entrapment of fish? Describe:

RESPONSE: The intake is a water pipe placed in George Lake. The pipe intake is equipped with a mesh screen with openings of approximately 1 mm in size to prevent entrapment of fish.

29. Will drinking water quality be monitored? What parameters will be analyzed and at what frequency?

RESPONSE: Drinking water quality will be monitored for fecal coliforms approximately 1 time per month during periods when the camp is in operation. Camp operation could be at any time of year, however it is currently active primarily during spring and summer

months. In addition, baseline water samples are taken and analyzed for a full suite of constituents, as included in Attachment B of the NWB Application for Renewal of the License – Environmental Baseline Summary.

30. Will drinking water be treated? How?

RESPONSE: It is not anticipated that there will be a requirement to treat water for drinking water purposes. However, if it is determined that there is a need to treat drinking water, a method of treatment will also be prescribed based on what the water is determined to require in order to meet drinking water standards.

31. Will water be stored on site?

RESPONSE: There is temporary storage of water on site, generally on a daily basis. Water is pumped from George Lake into the holding tanks and refilled daily.

WASTE TREATMENT AND DISPOSAL

32. Describe the characteristics, quantities, treatment and disposal methods for:

- Camp Sewage (blackwater)

RESPONSE: Camp Sewage (toilet wastes) are deposited in two latrines located just west of the airstrip as shown on Figure 1. The latrines are of adequate capacity for anticipated personnel numbers for the time of this permit term, being greater than 30 cubic metres. The latrines are completed in well drained eskerine sands and gravels.

- Camp Greywater

RESPONSE: All greywater will be pumped to a sump / natural depression away from George Lake, to allow for evaporation, infiltration and dispersion.

- Solid Waste

RESPONSE: All solid waste is either incinerated in 200 litre drums, or hauled away from the site by aircraft

- Bulky Items/Scrap Metal

RESPONSE: All bulky items and scrap metal are hauled away from the site by aircraft

- Waste Oil/Hazardous Waste

RESPONSE: All waste oil is incinerated on site, and hazardous waste is hauled away from the site by aircraft

- Empty Barrels/Fuel Drums

RESPONSE: All empty barrels/fuel drums are hauled away from the site by aircraft

- Other:

RESPONSE: All other materials are either incinerated if they are flammable and not hazardous, and all other materials are hauled away from the site by aircraft

33. Please describe incineration system if used on site. What types of wastes will be incinerated?

RESPONSE: Until such time as the camp is used as a base for drilling operations, combustible materials will be incinerated in 200 litre drums. At the time that the camp is occupied for drilling operations, a commercial incineration system will be installed that burns diesel fuel and waste oil to combust camp wastes. Camp wastes include sewage and all other non-hazardous combustible materials.

34. Where and how will non-combustible waste be disposed of? If in a municipality in Nunavut, has authorization been granted?

RESPONSE: Non-combustible waste is air transported to Yellowknife, and managed at licensed facilities.

35. Describe location (relative to water bodies and camp facilities) dimensions and volume, and freeboard for sumps (if applicable).

RESPONSE: The sump to be utilized is the former bulk sample trench. This feature is a depression and will serve well for cuttings disposal until such time as the trench is permanently closed. This site for the drill cuttings will be located west of the camp area approximately 200 metres west of George Lake. Dimensions of the area of cuttings deposition trench are approximately 20 metres wide by 80 metres long and 2 metres deep, with an approximate capacity of 3200 cubic metres. With deposition in this depression, there is an overabundance of capacity and freeboard will be maintained at more than a metre.

36. Will leachate monitoring be done? What parameters will be sampled and analyzed, and at what frequency?

RESPONSE: It is not planned to do any monitoring of potential leachate seepage. Since the project is located in an area of permafrost, there is little potential of leachate movement.

OPERATION AND MAINTENANCE

37. Have the water supply and waste treatment and disposal methods been used and proven in cold climate? What known O&M problems may occur? What contingency plans are in place?

RESPONSE: Yes. The camp and project have been ongoing for more than 10 years, and there has been effective management of water supply and waste treatment during this time.

ABANDONMENT AND RESTORATION

38. Provide a detailed description of progressive and final abandonment and restoration activities at the site.

RESPONSE: Not applicable at this time. Operations are still in the active and potential growth phases. If it is determined at some time in the future to discontinue activities, all materials, drums, wastes, structures and non-combustible materials will be transported out to Yellowknife.

Sumps and other areas of disturbance will be backfilled or otherwise appropriately treated, graded to blend with surrounding topography, and otherwise stabilized.

BASELINE DATA

39. Has or will any baseline information be collected as part of this project? Provide bibliography.

- Physical Environment (Landscape and Terrain, Air, Water, etc.)
- Biological Environment (Vegetation, Wildlife, Birds, Fish and Other Aquatic Organisms, etc.)
- Socio-Economic Environment (Archaeology, Land and Resources Use, Demographics, Social and Culture Patterns, etc.)
- Other:

RESPONSE: A significant amount of baseline information has been compiled for the project to date. This information is summarized in Attachment B – Environmental Baseline Summary, of the NWB Water License Renewal Application.

REGULATORY INFORMATION

40. Do you have a copy of
- Article 13 - Nunavut Land Claims Agreement
 - NWB - Water Licensing in Nunavut - Interim Procedures and Information Guide for Applicants
 - NWB - Interim Rules of Practice and Procedure for Public Hearings
 - NWTWB - Guidelines for the Discharge of Treated Municipal Wastewater in the NWT
 - NWTWB - Guidelines for Contingency Planning
 - DFO - Freshwater Intake End of Pipe Fish Screen Guideline
 - Fisheries Act - s.35
 - RWED - Environment Protection- Spill Contingency Regulations
 - Canadian Drinking Water Quality Guidelines
 - Public Health Act Camp Sanitation Regulations

- Public Health Act Water Supply Regulations
- Territorial Land Use Act and Regulations

RESPONSE: Yes. A copy of all the above documents, guidelines and legislation for compliance with existing regulatory requirements have been obtained, and consulted. Requirements will be complied with.

You should consult the above document, guidelines, and legislation for compliance with existing regulatory requirements.