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NWB File No: NWB2HOP0207/B1

October 27, 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 1 of your current water licence. Included with the Annual Report were the Windy Lake Revised updated Spill Report – Spill #04-388, MHBL SC Plan-Updated, SCP for Patch Lake, A&R for Patch Lake and Two Aquatic Studies Reports. The Board has reviewed your Annual Report and requests clarification in accordance with Part B, Item v, 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. Under Item 2. Camp and Support Services, the operational periods for the camp are described. The third paragraph indicates that the camp was "re-opened" on November 2, 2004 for "additional drilling". There are a couple items that need to be addressed.
  - i. There is no information provided in the report on water use and waste disposal associated with the drilling that was completed during 2004; and
  - ii. Although Part D is included in the terms and conditions of the Licence, the Licence as issued does not include water use for drilling as part of the scope of operations. The renewal application submitted by letter on October 26, 2001, stated that the licence would be mainly for camp operations and that the drilling component of the licence was not required (Item 5; remote tourism camp option was checked, not Advanced or Exploratory drilling). Items 18 to 22 were not completed and it was indicated that the drilling section was not applicable to this application.

The accompanying cover letter to the application for renewal from HBJV provided a review of existing conditions and suggested changes in the licence renewal. The item "Part D: Conditions Applying to Drilling Operations" mentions that HBJV believes that the renewal is primarily for camp use and that the conditions are adequately covered under land use permits, and as such should be removed from the Licence.

The Executive summary provided with the application also indicates that water use is being requested for camp uses only. The Application form on the other hand indicated that the renewal was for "associated drilling based out of the Windy Camp".

Could you please provide the required information requested and an explanation on the above and possibly what "associated drilling" is being completed out of the Windy Camp, given that water use for drilling is not included in the NWB2HOP0207 Licence.

- 2. The 2003 Annual Report review, completed on November 9, 2004 and followed by a letter to Mr. Hugh Wilson of Miramar, included requests to provide water use and waste information from 2003 and to include the same requirements for completing the 2004 Annual Report. This information was not provided. The NWB requests that this information be provided in a follow-up report within sixty (60) days of receipt of this letter.
- 3. Concern has been expressed with respect to the quality of effluent being produced by the Sewage Treatment Plant (RBC) at the Windy Camp. The most recent annual report reviews for Licence NWB2HOP0207 have identified treatment inefficiencies with effluent being more characteristic of typical inflow, as provided in the design information submitted with the renewal application. These same concerns were expressed by reviewers of the 2003 Annual Report. Data from 2005 in not currently available for review to determine if improvements in water quality have been made.

Other exploration properties in Nunavut have demonstrated treatment efficiencies very close to the design parameters for these types of systems. Section 8 of the 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 Windy Camp.

**Part E, Item 6** of the Licence requires that all sludges generated by the ROTODisk RBC treatment plant shall be periodically collected in 45 gallon drums and transported to the Boston Camp for proper disposal unless otherwise approved by the Board. The 2004 Annual Report did not discuss the disposal of sludge whether shipped to the Boston Camp or disposed of on-site at the Windy Camp. **The NWB requests that disposal information, amounts and location be submitted with the 2005 Annual Report.** 

4. The NWB generally requires that Landfarm facilities be operated under a water licence. Understanding that the Land Treatment Area at the Windy Camp was essentially imposed as a treatment method for the handling of petroleum contaminated soils due to Spill No.04-388, 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 standalone 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.

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/Q uestionnaires/

The Licensee shall also provide the "As-built" drawings for the constructed Land Treatment Area currently in use (the drawings included in the July 2004 EBA report were "not to scale" and included approximate dimensions) and all other associated documents as required by the questionnaire.

- No. 04-388 was to continue in 2005 as presented in Section 5.2 and 5.3 of the report dated February 27, 2005 entitled "Windy Lake Exploration Camp, June 16, 2004 Spill Updated Progressive Report". At the time of writing, water quality data for the Windy Lake sites and water treated with the FII Oil Absorption System has not been presented in monthly reports or a follow-up summary as indicated by Section 5.3.8 Task 7 Reporting. The NWB requests that water quality data for all sites and waters processed and discharged be submitted with the 2005 Annual Report. In addition to the BTEX, F1 and F2 analyses, the NWB requests that for future monitoring, an ICP Metals Scan be completed on the processed water to be discharged and results submitted within the corresponding monthly SNP reports for 2006.
- 6. Part B, Item 3 of the Licence requires a revision to the Spill Contingency Plan if required under Part G, Item 2. The following items have been noted and require updating in a revised Plan.
  - i. The Spill Plan does not include site information for all sites covered under the Plan, maps have not been included; constructed secondary containments at the sites have been upgraded, including the new tank farm at Patch Lake (2005 construction). As-built drawings are required to be submitted and should be included in the SCP's for reference. These drawings should indicated current facilities as well as the completed facilities as described in the Patch Lake SCP;
  - ii. The Plan (Windy) should also contain a contingency for the Land Treatment Area and possible events that may occur throughout the operation of the facility.
  - iii. Plan (2004 Windy) does not reflect the current personnel at the site (Manager Environmental Affairs, new environmental person?);
  - iv. 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. The Patch Lake SCP also requires several changes, confirmation of facilities on site after the 2005 season; contact names and phone numbers should be confirmed (the contacts section 6 requires revision to numbers for Water Resources Inspector, 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 located should be in Gjoa Haven;

- vi. Maps (topographical) and drawings (12.1 not included) are not provided with the Patch Lake SCP, these should be included to show locations of facilities, Spill Kits and indicate proximity of sensitive habitat;
- vii. Applicable to both plans is the need to report all spills, regardless of quantity the the NWT 24 Hour Spill Report Line;
- viii. Overall, the Patch Lake SCP should be clearly written to address the facilities currently on site and be revised in the future to include the possible scenarios presented, if and when the changes are made.

The NWB requests that these changes to the SCP's be included with the 2005 Annual Report submission.

For future annual reporting for this and other Type "B" licenses, please note that the new *Standard Report Form* for Type "B" licenses, will be available as of November 1, 2005 on the NWB ftp site at the following address under the folder entitled Standardized Forms. This form should be used whenever possible to facilitate review. Where detailed information is being submitted, a report following a similar structure will be considered acceptable.

ftp://ftp.nunavut.ca/nwb/NWB%20Administration/NWB%20GENERAL%20INFORMATION/

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

Sincerely,

## Original signed by:

Phyllis Beaulieu Manager of Licensing

PB/dbh

cc. Distribution List