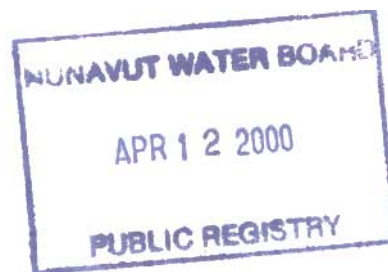


**NUNAVUT WATER BOARD  
HEARING  
MARCH 29, 2000**

**Application for Renewal of  
Water Licence # NWB2ULU9700  
for the Ulu Exploration Site  
Nunavut  
by Echo Bay Mines Ltd.**



**NUNAVUT WATER BOARD HEARING**  
**ECHO BAY MINES LTD.**  
**Ulu Exploration Site License #NWB2ULU9700**  
March 29, 2000

**Chairperson:** Thomas Kudloo

[TK = Thomas Kudloo	PP = Philippe di Pizzo	DF = Dionne Filiatrault
DH = David Hohnstein	HD = Hugh Ducasse	LW = Lee Webber
BD = Bill Danyluk	AW = Anne Wilson	KT = Kono Tatuinee
JM = Jerry McCrank	MK = Moses Koihuk	BC = Brian Collins
RB = Roxanne Beavers	SM = Stuart MacLean	BT = Bill Tilleman
JB = John Brodie	SP = Unidentified Speaker]	

[Tape 4 - Side A (cont'd)]

TK: Okay, we shall proceed with the presentation by Echo Bay with regards to Ulu application. I'm just wondering, here, do we have to swear them in again?

PP?: No. They're already sworn in. Just make sure they know they're all under oath.

TK: I would like to remind you, for those of you that have been sworn in, you're still under oath.

Would Mr. Hohnstein or a representative please proceed with your presentation on Ulu. As mentioned earlier, because of the technical nature and legal matter of these issues, please speak... ask your witnesses to speak in a very clear and paced manner during your presentation.

Thank-you. Please proceed. Dionne.

DF: Thank-you Mr. Chairman. Dionne Filiatrault. Just a point of administration for the staff. This is the second day of the hearing, and even though members and representatives for industry and people in the audience, you still need to register again, so the registration desk is out front, so if you have a chance at the next break, we'd appreciate that. Thank-you Mr. Chairman.

TK: Thank-you. Okay, please proceed with the presentation.

DH: Thank-you Mr. Chairman, and thank-you, Dionne, for the information on registering. I think we all didn't register yesterday, so I'm not sure if we're considered being here.

Getting on to the Ulu presentation, I will be presenting some of the information on the Ulu project, and history, and where the project is at the current time. Mr. Hugh Ducasse will be presenting information on Echo Bay's views on the security deposit. And my name is David Hohnstein.

I mentioned yesterday that we had some posters set up that we had planned on brining and putting up in the area of the meeting, but unfortunately the room is fairly small and we've got them posted up outside. The information on Ulu and the photographs that I have on Ulu are restricted to the poster. I didn't have any in the form of slides for today's presentation. So I noticed the Board members had a chance to look at some of the information out there, and I urge them at our next break to have another look at the information that's there. Thank-you.

The Ulu property was acquired in 1995 from BHP Minerals, who had conducted the initial exploration of the property. The limited resource may be developed into a satellite ore body for additional feed into the Lupin mill. The advanced exploration with bulk sampling is required to provide the information necessary to make a decision on development. The re-engineering study completed for Lupin continues to include the Ulu project as part of the plan. With the information currently available, a considerable increase in the world price of gold is required in order to enable the exploration program to continue.

The original license application was submitted in March, 1997. It was accompanied by a document entitled Environmental Assessment, Ulu Project. Prior to the actual license approval at Ulu, or the actual license approval, the Ulu project was put on hold in September of 1997, and all exploration activity ceased. The license was granted in November, 1997, with an expiry date of May 31st, 2000.

In April of 1998, an amendment was granted which postponed indefinitely some of the conditions imposed in the license. There has been no monitoring carried out under the current license. Echo Bay wishes to maintain a good standing with all permits and allow the reactivation of the Ulu project with very little - if any - undue delay following a recovery in the world price of gold. On September 14th, 1999, Echo Bay Mines applied for a license renewal of the Ulu exploration project.

The Ulu exploration camp facilities are located approximately 150 km north of the Lupin Mine, about 12 km north of the Hood River. Access is limited, being by air year-round, and seasonal during use of the winter road. The Ulu property is being explored as a potential source of ore for the Lupin mill. This feed would supplement the ore reserves at Lupin. Ore would be mined at Ulu, stockpiled, and then transported to Lupin over a winter road.

Planned exploration is to include underground diamond drilling, access development, which would remove approximately 160,000 tonnes of waste rock, and 40,000 tonnes of material that may be considered ore. The goal is to complete the

definition of the Ulu ore body and provide a 1,000 tonne bulk sample for metallurgical and environmental testing.

The Ulu facilities currently consist of camp buildings, a support shop, fuel storage, an ore storage pad - which is not complete, as of yet - lay-down areas, access roads, an incorporated airstrip, and equipment parking areas. The Ulu camp currently has provisions to obtain water from West Lake at a proposed rate of less than 100 cubic metres per day. The camp sewage is treated with a portable package treatment facility. Treated effluent from the sewage plant would be released to the south of the camp to an area referred to as East Lake. East Lake is also proposed as a contingency to hold excess mine water that cannot meet acceptable water quality limits in the designed holding pond at the storage pad area.

Currently there is a lined storage pond located near the portal that was built to contain water pumped from the portal development. Once underground access was achieved, the use of the pond was limited.

Under the exploration program that has been completed to date, approximately 1,762 metres of underground drifting, down to approximately the 155 metre level, have been completed. There has been 16,000 metres of underground diamond drilling carried out to date. The company still requires approximately 32,650 metres of diamond drilling to define all ore zones to the required 20-metre spacing down to the 335 metre level.

Completed environmental studies were submitted with the original application in 1997. There was one additional study completed during the 1997 field season, and presented with the annual report in 1998. This study was entitled Baseline Aquatic Studies Program in the Ulu Project Area, Nunavut, 1997.

With regards to compliance, Echo Bay Mines has been in full compliance with all conditions during the license term of the three years. The license was amended in November, 1997, and reduced... which reduced the amount of administration work required. The submission were still required for an abandonment and...

[End of Tape 4 - Side A]

[Start of Tape 4 - Side B]

DH: ...the mine restoration liability estimate, annual report submissions were still required, and the company was requested to provide notice of intention to resume activity at the Ulu project.

The Ulu project is currently on hold, and all exploration activity is suspended. All facilities have remained at site with equipment stored properly. A further stable recovery in the price of gold is required for exploration activity to resume.

There are no changes to the original license that are being requested by Echo Bay Mines. However, Echo Bay Mines does request that conditions that were amended in April 1998 be given similar status with the renewal, these to come into effect upon notice of activity at the Ulu site. Echo Bay Mines also requests that the Board consider review of the SNP in the license and consider removing requirements for sampling for analysis that are not part of the effluent quality limits. There are also effluent quality limits which are not currently being required sampling under the SNP program. These limits and sampling requirements should be adjusted and harmonized.

And that concludes my presentation on Ulu, and Mr. Hugh Ducasse will continue on with a presentation on the security.

TK: Thank-you, Mr. Hohnstein. Please proceed.

HD: Thank-you, Mr. Chairman. Hugh Ducasse. Mr. Chairman and Board members, I'll be speaking about the security deposit for Lupin... or, sorry, for Ulu.

The Board has been presented with two closure cost estimates for the Ulu site, one prepared by Echo Bay engineers which estimates the cost to be \$1.4 million. Another proposal was prepared by Brodie Consulting which estimates the cost to be \$1.9 million. The 25% difference between these two estimates is mainly attributable to the addition of 4% per annum inflation rate in the Brodie report, and a 15% contingency.

Since we've covered Echo Bay's history in the north in our Lupin presentation, I won't spend time on it with this one, and similarly, since we've talked about Echo Bay's compliance history in the Lupin presentation I won't cover that again this time.

Echo Bay purchased the Ulu exploration property for \$10 million. Our exploration to date indicates that there's an inferred ore reserve of 565,000 ounces, with the potential to increase that to 1 million ounces. So this Ulu ore body has value.

At this time the Ulu salvageable asset value is estimated to between \$3 [million] and \$5 million with the equipment that we have on-site. The value of the Ulu ore body and the salvage value of the Ulu assets far exceed the estimated closure costs.

Echo Bay proposed the establishment of a reclamation trust fund as allowed in Part B, General Conditions, of our current Ulu water license. Echo Bay proposes that the current \$250,000 security deposit be rolled over into that reclamation fund, so that interest can be accrued on it.

Based on our estimated salvage value and the value of the Ulu deposit, we feel that these would be sufficient funds to pay for any present restoration liabilities. Echo Bay does not expect to draw down from this fund as progressive reclamation work is done, and we

further expect that the Board would review the need for additional security should the mine restoration liability increase.

Mr. Chairman and Board members, that concludes my presentation. Thank-you.

TK: Thank-you very much. For the information of the members of the audience, there, I would like to remind you that Elders are welcome to speak at any time during this hearing, and I would also like to add that we've received some intervention statements from the same individuals and organizations who presented or submitted intervention statements with regard to Lupin Mine, and that is the intervention statement from Environment Canada, Department of Fisheries and Oceans, another intervention statement from DIAND, and another intervention statement from Mr. John Brodie.

For those of you Elders, I'd like to remind you that you are more than welcome to make comments and statements at any time at this hearing. Thank-you very much, there, gentlemen.

Okay, there's a hand raised. [Inuktitut]

SP: [Inuktitut]

TK: Would you like to answer that particular comment?

HD: Mr. Chairman. Hugh Ducasse. Yes, I will try to answer that. The Lupin Mine, which is the only active mine on Contwoyto Lake at this time, we have a total of 325 employees. At any given time, we will have 180 people at the site, with the rest of the people being either in the northern communities, Yellowknife, or Edmonton area, or other parts of Canada. So at any given time about 180 people.

I hope this answers the question that was asked.

BD: Bill Danyluk, Chairman. One other thing was mentioned pertaining to people getting lost, and possibly not being able to find their way. I think it's probably well-known amongst people who do travel out on the land that the Lupin Mine has always welcomed people at our site, hunters and trappers. We do have several families who have come to be our neighbours, living one bay away from us, and I think it's probably common knowledge, but certainly, if people don't know that, they should be made aware that if they are out on the land and need a place to come and warm up, and we usually have a good Sunday dinner, as well. So, you know, we have always welcomed people in those regards.

TK: Thank-you. Okay, I will now invite any intervener or any other party to ask questions on matters that were presented. Are there any questions from the floor? [pause] Environment Canada?

AW: Thank-you, Mr. Chairman, Anne Wilson. This is for a question. Sorry, this is for Dave Hohnstein. I'll keep my fingers off the mike. The lined containment pond that is outside of the decline, what is the capacity of that, if you could tell me that, and also, the amounts of mine water that have been encountered when the decline was first put in.

DH: Thank-you, Mr. Chairman. Dave Hohnstein. I have to apologize. We don't have our complete Ulu data with us. We would have to get back to the Board on the capacity of the lined containment at the Ulu portal. I can, however, allude to the fact that since the decline has been put in, there has been no water having to be pumped to the containment pond outside of the Ulu portal. And the pond was initially put in to manage water within the initial exploration and decline development area. Thank-you.

TK: Thank-you. Philippe.

PP: Thank-you, Mr. Chairman. Philippe di Pizzo. Ulu is located entirely on Innu-owned lands. Do you have to provide a security deposit under the land lease, and if the information is public, how much are you required to post?

HD: Mr. Chairman, Hugh Ducasse. I'm sorry, Philippe, I can't answer the question. I'm not sure if one is required under our surface land lease. At present we do not have anything with the KIA.

TK: Thank-you. Dionne.

DF: Thank-you, Mr. Chairman, Dionne Filiatrault. Just for the benefit of the proponent, and with reference to Anne's question, capacity of the settling pond, we do have, in fact, the environmental assessment documents at the back, and that Echo Bay is more than willing... and more than welcome to search through that material to provide an answer to Anne.

TK: Thank-you, Dionne. Any other questions? Thank-you. Next presentation, an intervention statement will be Environment Canada, Department of Fisheries and Oceans, Anne Wilson.

AW: Thank-you, Mr. Chairman. Anne Wilson, representing the Department of the Environment, and reading the joint statement for Fisheries and Oceans. I would just mention that any questions for Fisheries and Oceans be directed to their office, please, in writing, as they were unable to send a representative today.

Again, I would like to ask that our intervention be read into the record as submitted, and I'll just go over it briefly and highlight mainly our technical comments and recommendations on this.

In introduction, the original water license, as outlined by the proponent, was issued on November 25th, 1997, with an effective date of December 1st of that year, and an expiry date of May 31st of this year. However, the Ulu exploration program was put on hold in September, '97, due to the decline of the price of gold, and the Ulu exploration project is being carried out in conjunction with the Lupin Mine operation, with ore from the Ulu site to be transported by winter road to the Lupin Mine processing plant, 155 km to the south. The licensee proposes to extract up to 40,000 tonnes of ore.

The recommendation presented in this submission are based on information supplied to date by Echo Bay Mines. Should new or additional information be brought forward by the proponent, or be identified during this public hearing, the submission will be re-examined and any changes brought to the attention of the Nunavut Water Board.

The mandates of both Environment Canada and the Department of Fisheries and Oceans are outlined in our submission. I won't read those, and instead go to the technical comments and recommendations.

The first deals with mine water handling. Echo Bay Mines Limited proposes to direct any mine water encountered to a constructed holding pond for treatment and subsequent release to East Lake along with camp sewage. The application states that if additional holding capacity is required, a containment berm could be constructed at East Lake.

This is questionable because of the diffuse discharge from East Lake, which drains to Ulu Lake by exfiltration. Should problems arise with effluent quality, it is unlikely that it could be contained in East Lake, and it is a short distance to Ulu Lake, which does support fish.

Echo Bay Mines Limited has proposed studies to determine the rate and route of draining from East Lake, which should be done this coming open water season. An evaluation of the feasibility of constructing retention structures should be carried out following this work. If East Lake is to be used as a contingency receiving pond, plans should be in place to prevent transport of any contaminants into Ulu Lake.

And again, on East Lake, my next point deals with the information provided by the Baseline Aquatic Study, which indicates that there may be a fish community in this lake. The more recent 1998 report showed that it's got, I believe, a basin of 7 or 9 metres, which may support over-wintering fish. However, studies haven't been done. We ask that



confirmation of the presence or absence of fish in East Lake be done, as on-going activities could adversely affect any resident fish population there.

With respect to West Lake, the water license application indicates that water use will result in the draw-down of this lake by a total of .19 metres over an unspecified period of time. Modeling should be developed which verifies this draw-down and shows the lake level changes over time, with an assessment on the effects of the total zone habitat, i.e. a change in area, and potential impact to spawning habitat in West Lake.

The next point deals with the potential for acid generation. There are concerns for potential acid generation from ore storage piles or waste rock used in construction.

I'm sorry, I'm reading this wrong. Let me start over on point B. Concerns for potential acid generation from ore storage piles or waste rock used in construction have been addressed by kinetic testing done by Klohn-Crippen in their latest report. However, it is recommended that as ore is excavated, it be tested periodically to identify whether there are changes in rock composition which may be associated with the potential for acid generation.

Point E... With the suspension in exploration under the previous license, there were several plans which were not developed, and as activities resume we would like to see development of the spill contingency plan, the waste rock and ore storage plan, and the sewage and solid waste operation and management plan, which had initially been identified in the '97 license. So, development of these is requested once the water license is issued.

Our last point, F... The expiry license has an effective surveillance network program which should permit detection of impacts to the environment from project discharges. However, it is recommended that salinity be added to the parameters to be measured at the settling ponds, and the SNP sampling should commence within a short time of the issuance of the renewal license.

If there are any questions on this intervention, I'd be pleased to try and answer them.

TK: Are there any questions from the applicant?

DH: David Hohnstein. I would like to ask for clarification on Items E and F, and to... as to whether or not the conditions requiring a spill contingency plan, waste rock or storage plan, sewage and solid waste operation management plan, and the addition of parameters and the recommendation for SNP sampling to commence, if those were in fact to commence once activities resumed at Ulu, or with the issuance of the renewal of the water license. Thank-you.

TK: Thank-you. Anne Wilson.

AW: Thank-you, Mr. Chairman. Anne Wilson. My question would be, are activities going to commence in the near future, or will this license continue in readiness, and exploration to commence at a later date?

DH: Thank-you Mr. Chairman.

TK: Thank-you.

DH: David Hohnstein. As was mentioned in my initial presentation, activities at Ulu will more than likely not resume until operations are fully undergone at Lupin, and there is a sufficient increase in the price of gold to warrant further exploration activity at Ulu. Thank-you.

TK: Thank-you. Anne Wilson. Apparently there is Moses Koihuk. [Inuktitut]

MK: [Inuktitut]

TK: [Inuktitut] Thank-you very much. Okay, Anne, you were about to make a comment.

AW: Thank-you, Mr. Chairman, and thank-you, Moses. I was just going to say that until the activity re-commences, I don't see a need to re-commence the SNP. However, there should be thought to getting the plans ready to go, and also determining whether there are, indeed, fish in East Lake, prior to the - hopefully this open-water season - prior to exploration re-commencing, so we can know about that.

TK: Thank-you. Any further questions? [pause] I did not get any response for questions to the intervener.

SP: Yes, I just want to ask a question, here. At your reports, there seems to be no mention of Innuits using fish at that East Lake. Are the Innuits people getting fish from that lake?

AW: Anne Wilson. Thank-you, Mr. Chairman. I'm afraid I don't know that, and I hesitate to speak for Fisheries and Oceans, but my discussion with them led me to believe they do not have that knowledge either. Perhaps, in their time in the area, the company may have some knowledge of that.

DH: Thank-you, Mr. Chairman. I would like to request from the Board that I may be able to retrieve the Fisheries report that was prepared, and just read a final statement from that report regarding East Lake. [background discussion] Mr. McCrank has informed me that as the Ulu exploration had progressed during the period of time that Echo Bay was there, there had been no Innuits use of the area, and fishing from any of the lakes in the area.

TK: Dionne, you've got a comment or question?

DF: Thank-you, Mr. Chairman. To Environment Canada, there's several requests in your intervention for plans to be done. I guess I'd like some indication of when those plans... more details on what requirements of those plans you're looking for. For example, I'm assuming under Part B for confirmation of presence of fish in East Lake, what time-frames

are we looking at, here, and I guess I'd also request confirmation from Echo Bay on their views on that submission.

TK: Thank-you, Dionne.

AW: Thank-you, Mr. Chairman. Anne Wilson. I think this could be fairly readily established this open-water season, as far as our Item B, establishing whether or not there are fish in East Lake. With respect to developing the plans, we have some time, here, prior to the exploration re-commencing. It would be very nice to have those out to the Board and reviewed and in place prior to actual activities commencing.

TK: Dionne.

DF: Thank-you, Mr. Chairmen. Dionne Filiatrault. I'm... is that acceptable to Echo Bay?

DH: Thank-you, Mr. Chairman. I've gotten confirmation from my colleagues that we would be able to accommodate and so some investigations up at Ulu. We do not have anybody at the site, and we did not have any plans to have people staying at the site during the summer, but it would... I believe it would be a program that could be operated from Lupin, and reconnaissance done from the Lupin site.

I've got the information in front of me from the Fisheries report that was prepared, if I may simply read a statement from there, in their conclusions regarding East Lake.

TK: Thank-you, Mr. Hohnstein. Yes, sir.

DH: Thank-you. Dave Hohnstein. The report concludes that the small size and isolated position of East Lake precluded the existence of fish, therefore inventories of aquatic biological community were undertaken in this water body. Sampling undertaken in East Lake included only measurements of lake morphology, lake luminology and water chemistry.

TK: Thank-you.

AW: Thank-you, Mr. Chairman. Anne Wilson. The... my understanding, that the depths of lakes required - even if they are small - to support fish is 5 metres. That allows usual sufficient oxygen to over-winter, given the ice depths in this area, and because this lake is, I believe... have you got it right there? Is it 5, or...? I'm sorry. 7 or 9 metres - my memory fails me - but it did appear that it could potentially support fish over winter.

TK: Mr. McCrank.

JM: Thank-you. My name is Jerry McCrank. I'm not sure what we're hearing, back and forth here, but it sounds like the DFO report says that there is no fish in that lake. So the study's already been done. [background discussion] But what... I just... I know that we said we'd do the study again, but it sounds like they already did the study, so I'm trying to understand why we need to do it again, to a certain extent. But if the Board feels that we should, we will. But to me it sounds like they have done it. Thank-you.

TK: Thank-you, Mr. McCrank. Mr. Hohnstein.

DH: David Hohnstein. Just a further clarification to the question from Anne Wilson. The report concluded a maximum depth of 6.2 metres, and that is a maximum depth in one location in that small lake. Thank-you.

TK: Thank-you. No further questions? Dionne.

DF: Thank-you, Mr. Chairman. This is Dionne Filiatrault. I guess, similarly, Item C also suggests that modeling be done at West Lake, and I'd like to hear from the proponent as to their views on that, and has a similar study be done in the past, or when could such a study be done if it was so requested?

DH: Thank-you, Mr. Chairman. The information that we have available has been presented in the original license submission. The water use from West Lake was estimated to be no more than 100 cubic metres per day, and that provided the information to determine that, over the course of annual use, that West Lake would not be drawn down beyond a .2 metre level of its current water level. That water use would be recharged to the lake, annually, through annual precipitation and spring run-off. And that is the information that we had available for our submission in the initial license application.

The time-frame for doing work if so requested would, again, be coordinated from Lupin if needed, and could possibly be done during this open-water season. Thank-you.

TK: Thank-you, Mr. Hohnstein. I see that Mr. Moses Koihuk had his arm raised.

MK: [Inuktitut]

AW: Thank-you, Mr. Chairman. Anne Wilson, again. Just some clarification for Item C. I think that item arose... it is actually from Fisheries and Oceans, but I think it arose with some confusion over the period of time which the draw-down would occur at, and when the recharge would occur. I understand you have quite a bit of climatic data in the area, and might be able to largely provide information that shows that draw-down does not happen all at once, or that it is within the range of any natural variability in lake levels in the area. This isn't an item that necessarily requires field work. Mainly it just shows the hydrology in the area, and the concern is, with loss of shoreline areas at times when fish would want to be using them for rearing of young, or spawning, as the case may be.

TK: Dionne.

DF: Thank-you, Mr. Chairman. Dionne Filiatrault. Environment Canada also suggests that periodic testing be done on acid rock drainage... for acid rock drainage. Could you clarify what you mean by periodic, and I think it may be more useful to know details of how often we're looking at, here, especially for Echo Bay's benefit.

AW: Thank-you, Mr. Chairman. Anne Wilson. The... it would be difficult to specify a time period because it would depend on changes in mineralogy as they went to different levels within the ore body, and that would more be an internal matter for the company to decide, when they are seeing different rock composition.

TK: Any other questions? Dionne.

DF: Thank-you, Mr. Chairman. I think, for the Elder that was speaking earlier, it may be of benefit for Echo Bay to speak to any traditional study... any traditional knowledge study work that they have done throughout their environmental reviews.

TK: Thank-you, Dionne.

DH: Thank-you, Mr. Chairman. To my knowledge, all the information that was available to...

[End of Tape 4 - Side B]

[Start of Tape 5 - Side A]

TK: Thank-you very much, there, Anne Wilson. Let's take a 15-minute break.

[break]

TK: Next intervention statement is from DIAND. DIAND officials.

HD: Mr. Chairman, Hugh Ducasse. With your permission I'd just like to add a comment to Mr. Mose's concerns, or questions that he had concerning the land use and the traditional knowledge. We picked up some additional information on the break, and I'd like to pass that on to him.

Echo Bay has been involved in three different areas. We've used some traditional knowledge in the Ulu area. One of them was in our archeological assessment. It was conducted in September of '96. The second was in our negotiations with the IIBA, with the Kitikmeot Innuit Association. And the third was... I'm sorry if I get the pronunciation of this wrong, but we were involved in the Nanioatit(?) traditional knowledge study, which was on traditional water use in the vicinity of the Ulu site.

I hope this information gives a little bit more to Moses. Thank-you.

TK: Thank-you, Mr. Ducasse. Mr. Brian Collins, please proceed.

BC: Thank-you, Mr. Chairman. In the interests of saving time we've opted to a low-tech approach to today's presentation. Brian Collins, by the way. And we are here to present the Department of Indian Affairs and Northern Development's intervention on the Echo Bay Mines Limited Ulu Mine project and water license renewal.

Before getting into our presentation, I would like to preface our comments by saying that we have noted in our intervention statements that we recognize Echo Bay Mine's proactive approach to environmental management at the Lupin and Ulu properties. It may not, however, have been made clear enough in our presentations, and I would like to, at this point, note that DIAND is more than satisfied with the company's level of compliance with its licenses, and I would also like to point out that we recognize Echo Bay Mines' proactive approach to environmental management, particularly in the area of acid rock drainage management. No aspect of our interventions for Lupin or Ulu should be interpreted as suggesting that we are dissatisfied with Echo Bay Mines' performance, but as a recommendation... but as recommendations for the further improvement of environmental management, and to protect the Crown from any possibility of incurring costs for reclamation of abandoned mine sites. And with that, I will move into our intervention presentation.

Our intervention team, today, consists of myself... I'm currently Acting Head of the Regulatory Approvals Section for the Water Resources Division. Roxanne Beavers, to my immediate left, is the Regional Coordinator responsible for the Ulu project. Philippe Lavalé(?) is the Water Resources Officer and Inspector for this particular property. And Mr. Lee Webber, Legal Counsel with Justice Canada.

Our presentation today will consist of two main areas, license scope and definitions, and waste disposal recommendations. And under waste disposal recommendations we will address effluent quality, sewage treatment, hydrology, and acid rock drainage. We'll also make a brief statement with respect to security at the end of the presentation. And I'll now turn the microphone over to Roxanne Beavers.

RB: Mr. Chair, my name is Roxanne Beavers. The first set of recommendations we have provided to the Board is regarding license scope and definition. We would like to see definitions added to the license to update the license to current industrial license conditions, as we recommended yesterday, for Lupin. The recommended definitions we would like to see are ones for acid or alkaline rock drainage, geotechnical engineer, and progressive reclamation. Full definitions for these terms can be provided by the Department at the Board's request.

In terms of waste disposal, I'll start with effluent quality. At this stage, we feel that the existing Surveillance Network Protocol is sufficient for the size of this operation. The one recommendation the Department has was to add nutrients to the Surveillance Network Protocol station 202... or 200-1, which monitors the effluent from the sewage treatment system. And this would be upon resumption of activities at the Ulu site.

In terms of sewage treatment, currently Ulu... at Ulu there is a package sewage treatment plant, a rotating biological contractor, which is appropriate for the scale of the operation, yet again. The effluent is directed to East Lake, and Echo Bay is proposing to spread the sewage sludge and cap it with waste rock. We would recommend that, instead, sewage sludge be buried in the sump or incinerated.

The next set of recommendations we have are regarding the hydrology. Echo Bay estimates water use at, I believe, 50 cubic metres per day. The estimated maximum draw-down from that water use of West Lake, which is where water is taken from, is approximately .2 metres per year, without considering the recharge rate, and all of the waste water encountered... or, produced, goes to East Lake. DIAND would recommend that additional hydrological modelling be done to estimate... better estimate project-related impacts on the surrounding area. Specifically, we'd like to see the draw-down and the recharge rates of West Lake verified. We would like to see some information as to the impact of the amount of the waste water discharge to East Lake, and then further downstream effects. This could be, you know, developed with existing hydrological and meteorological data, we believe.

Finally, acid rock drainage. Echo Bay, as has been mentioned, has done some previous research into the acid rock drainage potential at Ulu, and I believe it's been noted in some of the studies that the (core store?) is not acid-generating for approximately 50 years. They've done static and some kinetic testing, and there was a report produced in 1998 by Klohn-Crippen. There were two recommendations made in this report that we would like to see implemented by Echo Bay, and those are to continue the field leach column testing for two additional years. This is a test that I believe is currently being carried out, and could be continued relatively easily. We would also like... or they would like... they recommended that more kinetic test work be done if the composition of the ore or waste rock should change with depth. Both of these recommendations, we feel, are reasonable, and should be implemented. In addition, any waste rock used for construction should be tested periodically for acid rock drainage potential.

In terms of the security requirements for the mine, DIAND is not expressing any opinion as to the need for a security deposit for Ulu, or as to the amount, because of the scale of the project. It is recommended that any security deposit the Board may wish to apply be based on the water-related components of reclamation costs, and the security deposit should be accessible by only one payee, in this case the Crown.

I would like to thank the Board for this opportunity to make this presentation on behalf of the Department of Indian and Northern Affairs, and we will gladly take any questions. Nakurmiik.

TK: Thank-you. Mr. Lee Webber.

LW: Thank-you. Lee Webber. I just wanted to add to what Mr. Collins and Ms Beavers have said, that the same recommendations we made in the case of Lupin, recommendations for the insertion in the license of specifications, clarifications with respect to the powers of the inspectors, we would also make those same recommendations for purposes of the Ulu license. We would suggest including exactly the same wording in the Ulu license.

TK: Are there any questions from the applicant?

SM: This is probably a very simple question that could be answered quite easily by... oh, I'm sorry. My name is Stuart MacLean. We've heard this for Lupin, and now we hear it again for Ulu, that they feel it's necessary to have a clause to say that they're able to enforce it. What clauses have been in place prior to the new insertion of this clause? Have they not been able to enforce the problems up to now? Because I always thought they could, were able to. Thank-you.

TK: Mr. Webber.

LW: Lee Webber. Our understanding also is that the inspectors have always had the power to enforce, but given the state of the legislation at this point, there has been some lack of clarity on the point. There is currently no separate Nunavut waters legislation. There is the Nunavut Land Claim Agreement, which itself does not speak specifically to the subject of enforcement. It's DIAND's position, it's DIAND's understanding that by virtue of the *Nunuvut Act*, the provisions of the Northwest Territories, the relevant provisions of the *Northwest Territories Waters Act* continue to apply, but the point is not... the question of inspection is not spoken of in legislation specifically and explicitly with respect to Nunuvut. For that reason, it is felt that it would be good to have some clarifying language in the license, and I do emphasize the word clarifying. Our understanding is that the law has all along allowed for inspection in the case of a Nunuvut license, inspection by DIAND inspectors, but our view is that to be doubly sure and doubly clear, it would be desirable to have this language in the license.

TK: Thank-you. Any further questions? Mr. Hohnstein.

DH: Thank-you, Mr. Chairman. I've got a few questions regarding the submission by DIAND. David Hohnstein, thank-you. My first question is with regards to the recommendation for combining the water licenses of Ulu and Lupin Mines. I would like to ask the Department whether or not they felt that that might complicate matters between the two properties,



one being an existing, operating mine, and the other being an exploration site, and the fact that the two are not co-existing at this time, as we speak.

TK: Brian Collins?

BC: Brian Collins. We merely suggested that, as a way of simplifying the administrative requirements of licensing, things such as submitting acid rock drainage management plans could be combined into one plan, rather than having to submit two separate plans, that sort of thing. So it's merely suggested as a way of minimizing the administrative requirements. I recognize that there may be some complications that could arise as a result of that, as well, and if those complications outweigh the benefits, then it's not our recommendation that we're particularly attached to.

TK: Thank-you, Mr. Collins. Mr. Hohnstein.

DH: Thank-you, Mr. Chairman. David Hohnstein. Question with regards to effluent quality. I alluded to the fact, in my presentation, that there has been included requirements for sampling that were not actually listed under the effluent quality limits, and whether or not some of that sampling is for information purposes and does not serve the purposes the Board in protection of water quality.

We are now looking at the proposed addition of additional sampling requirements and analysis requirements that, again, are not included under the license effluent quality guidelines, or license limits.

I was wondering if I could ask the Board if the Department is planning, or has any intentions of including effluent quality limits for any of these other parameters that might be sampled and analyzed in the SNP of the license.

TK: Thank-you. Mr. Collins.

BC: Brian Collins. At his time, no, we are not recommending any changes in the effluent quality requirements. I should clarify that we are recommending these additional monitoring requirements not only for information purposes but also as a way of identifying potential problem areas that may arise in the future. Through the monitoring data that's collected, it may come out that there are other aspects of the discharge from these operations that could, in future, require some limitation, some effluent quality require... or, criteria being placed, but at this time we're not.

TK: Thank-you, Mr. Collins. Mr. Hohnstein.

DH: Thank-you, Mr. Chairman. David Hohnstein. Under the same effluent quality recommendations there is... I believe it's an error, a typo, the recommendation to... for sampling requirements at station 200-1 to be sampled during periods of discharge from the TCA. I believe that should be reading from the sewage treatment facility.

TK: Thank-you.

BC: Brian Collins. Yes, that's correct. That is a typo. That should be the sewage treatment plant.

TK: Thank-you.

DH: Thank-you, Mr. Chairman. David Hohnstein. Under section 3.2 of the intervention, the Department refers to disposing of sewage sludge in a sump, and I was wondering if we may be able to include the definition of a sump in the definitions of the license. My understanding of a sump is a location where water is collected, and that might not be the prime location to be disposing of sewage sludge. Rather, the recommendation that Echo Bay had put forth in burying the sewage sludge on dry land underneath a cover might possibly be a better solution to that problem. Thank-you.

TK: Thank-you, Mr. Hohnstein.

BC: Brian. Collins. I'm sorry, was there a question there? I think I missed it. If you could repeat, it, please?

DH: Thank-you, Mr. Chairman. David Hohnstein. I guess my question was directed as to the definition of a sump, and whether or not my definition was the same definition that the Department might be using, and whether or not we should include that in the definitions in the license.

BC: Brian Collins. For the purpose of this license, I think, a sump we would define as a pit, a depression in the ground where the sludge could be disposed of. Certainly, if this excavation results in a collection of water, or, however unlikely, contacting ground water, then no, we wouldn't recommend disposing of sludge in that type of a situation. We can provide assistance with the drafting of a definition for sump for this type of application if required.

TK: Thank-you, Mr. Collins. Any further questions from the applicant? Mr. Hohnstein.

DH: Thank-you, Mr. Chairman. David Hohnstein. Just one last question with regards to section 3.4, and a question regarding what actual intermittent testing for the ARD potential of the rock would be. What is meant by intermittent testing?

RB: Mr. Chairman, Roxanne Beavers. I think it was Anne Wilson said it, as well, but intermittent testing of the waste rock should be should the waste rock change in composition significantly. I'm not a geologist, but I'm certain that at the Lupin Mine it's recognized when the composition of the ore and the composition of the waste rock varies, either with depth or with new excavation, and we would trust their judgement in that respect.

TK: Thank-you. Dionne.

DF: Thank-you, Mr. Chairman. Dionne Filiatrault. It's suggested that in the Klohn-Crippen report they're suggesting that you follow-up... that Echo Bay follow-up on two of the recommendations found within that report. I'm wondering if Echo Bay had already plans of following up on the recommendations on that report, and when that would come about.

DH: Thank-you, Mr. Chairman. With reference to the recommendations in the report, at the time of closure of the exploration program at Ulu, our consultant had completed the report at the time and made these recommendations. We had commenced a field leaching program with Ulu material, and at the suggestion of our consultant, we have been carrying out that program. And, unfortunately, not having analysis work done on these samples obtained, but we have been collecting samples on a regular basis for the last two summer seasons. And at the recommendation of our consultant, he suggested that those samples would be adequate, if stored properly, to be analyzed at a future date. And we can continue with that program if necessary.

TK: Any further questions? Mr. Collins.

BC: Brian Collins. Just further to the sump issue, it's just been pointed out to me that there is a definition for the sump in the Ulu license. However, it refers to storing for water in underground working, or at the bottom of a shaft, so perhaps what we should look at two types of sump definition, one for an underground sump, and one for an above-ground sump.

TK: Thank-you. Mr. Hohnstein.

DH: If I might further add to that, both definitions appear to be that of a structure that contains water, and I don't believe that is what we want to do with the sewage sludge. Disposing of it on higher, dry ground, buried, I believe is the proper solution.

TK: Thank-you. Mr. Collins.

BC: Brian Collins. I think we're both saying the same thing. Yeah, I mean, burying it is the way to go, and avoiding burying it in a situation where it's going to be in contact with water is something we want to avoid.

TK: Thank-you. Any further questions? Thank-you very much. At this point in time, here, I would like to recognize and introduce Dr. Bill Tilleman, legal counsel for the Innu Water Board. He made it in this morning. Welcome Mr. Tilleman.

BT: Thank-you, Mr. Chairman, and I'm sorry I'm late. I did try... I made every effort to be here, yesterday, and the airplane let me down.

TK: Let's take a 5-minute break before our next intervention.

[break]

TK: One more intervention statement by Mr. John Brodie of Brodie Consulting, Limited. Please proceed, Mr. Brodie.

JB: Thank-you, Mr. Chairman. John Brodie. I'm going to summarize for you the report that I prepared, working at the reclamation liability for the Ulu project. The objectives of my review were to review the A&R plan as prepared by the company, to assess if it's conceptually viable, and if the scope of the reclamation measures was acceptable; to review the estimated cost of carrying out the reclamation work, assuming that the work was to be conducted on behalf of the Government; and to identify any requirements for further studies, design work or reclamation trials that may be needed in order to successfully complete the reclamation work.

The focus of my review was on the site and the existing condition as an advanced exploration site, and not as an operating source of ore production for the Lupin mill.

I'd like to state that I have not inspected the Ulu project site.

The reclamation plan for the Ulu site is relatively straightforward, and involves sealing or back-filling of two underground openings, and the removal of buildings and equipment. In general, the plan appears to be reasonably complete, and the proposed reclamation measures are acceptable. I've some comments where I think aspects of the plan require further development, primarily that underground hazardous material should be removed from the underground facility before reclamation, and further, that the proposed underground disposal of hydrocarbon-contaminated soil is not a standard or accepted practice, although - at least in my opinion - the company may be able to demonstrate that this would be a reasonable long-term containment for this material. An allowance for additional permitting cost should be included in their planning.

With respect to the reclamation cost estimate, I have carried out my evaluation assuming that the company, for whatever reason, does not carry out the reclamation work, and that it becomes necessary for the Government and land owners to hire contractors to complete the necessary reclamation. And this approach is consistent with other assessments of reclamation cost for mining projects in Nunavut which I've made on behalf of the Water Board.

Echo Bay Mines Limited has prepared an estimate using both the reclaimed cost estimating model and also using their own internal cost-estimating method on a Lotus spreadsheet. Considering the detail that they presented in that estimate, I've not attempted to repeat their work, but rather I've reviewed that estimate with respect to a general review of the unit cost and quantities of work proposed; and with respect to any

adjustments necessary to the cost, should it be necessary for the Government to carry out the reclamation work; and finally with respect to any omissions in their scope of work.

I've assumed that there's no off-setting salvage value or recovery of inventory. I've also assumed that if the site was to be reclaimed under Government management that it would coincide with reclamation of the Lupin site, and that this would be beneficial with respect to the mobilization, demobilization and site access cost.

The estimate prepared by Echo Bay Mines in 1997 suggested a cost of \$1.43 million. I've suggested an inflation adjustment of 4% since that time, to bring the estimate up to year 2000 costs. The suggested cost for sealing the portal and ventways appear to be relatively low. However, in my opinion it may be more cost-effective for the company to seal this openings by back-filling, and that the total cost allowed for closing the underground workings is probably reasonable.

The cost allowed for the removal of the weather haven tents, accommodation trailers and fuel tanks appears reasonable, and Echo Bay states that these are based on quotes from the supplier. However, in their report they've not provided supporting information to document all that is expected in those costs.

The mobilization costs for the reclamation work appear reasonable. However, there is no airfare cost provided for movement of personnel, and I've suggested an allowance of \$25,000 for air charter cost be added.

Under the assumption of a contractor carrying out the reclamation work, the on-site camp costs appear to be low, and based on the estimated number of man-days in the camp, I've suggested the reclamation cost should be increased by \$69,000.

The estimate by Echo Bay includes an allowance of \$180,000 for removal of fuel. This amount seems generous. However, it's their estimate. I think that in addition to that, some removal of waste oils and lubricants would probably be required, and that the allowance of \$180,000 in total for management of chemicals and petroleum products and waste is probably sufficient for this site.

The proposed cost for the management of petroleum-contaminated soils is low. Even if this material were to be placed underground, the suggested excavation hauling costs appear to be optimistic, and I've suggested that the allowance be increased by \$5,000 for this work. In the event that underground is acceptable, and that on-site bioremediation is required, then this cost would be significantly low.

An allowance of \$5,000 for re-vegetation of the area is recommended.

In the event that it became necessary for the Government to hire a contractor to do this work, it's probable that mobile equipment would be required on the site, and I've

recommended an allowance of \$50,000 for mobilization and rental of equipment, including a 'dozer, trucks, and excavators, etc.

Considering the detailed work that's been provided so far, I recommend an allowance of 3% of the total reclamation cost be added for engineering work, including civil, geotechnical design, vegetation assessment, and the audit and investigation of hazardous materials and contaminated soil.

Consistent with good engineering practice with regarding estimates, I recommend a contingency of 15% be added to the reclamation cost estimate. This is higher than the 10% I recommended for the Lupin site, and the increase is based on the note that the estimate as provided by Lupin upon which my estimate is based does not include other review by independent contractors. There is some lack of detail or supporting plans with respect to management of the settling pond by the portal, the building removals, the uncertainty with respect to the demobilization of wastes and/or equipment to either Lupin or the Yellowknife, and there is uncertainty with respect to the acceptability of underground disposal of contaminated soil.

Considering all the adjustments to the Lupin estimate, it is my opinion that the Government cost, should it be necessary to reclaim the site, would be in the order of \$1.93 million. My estimate is that if the company were to apply for and obtain a letter of credit, and considering the abundant mineral resources that Echo Bay owns, as was described earlier, a letter of credit in the order of 1% per year of the security requirement might be a reasonable estimate, which should suggest that their cost to provide full reclamation coverage, \$1.93 million, would be in the order of \$20,000 a year.

Finally, I'd like to note, again, that this estimate assumes that the work is conducted in conjunction with reclamation at Lupin. In the event that the Lupin site were sold to another party, it's conceivable that party may hold the site after the reclamation at the Lupin site had been completed. In that case, the cost to reclaim the Lupin site would be much higher due to the cost of winter road access from Yellowknife, and a lack of supporting infrastructure at Lupin. Consequently, the license should recognize that if the property is transferred to another party, that a review of the security requirement at that time would be appropriate.

And that concludes my presentation.

TK: Thank-you, Mr. Brodie. Are there any questions from the applicant? Mr. McCrank.

JM: Thank-you, sir. My name is Jerry McCrank. I just have a couple of questions, but the first one pertains to this 'hazardous waste' that's been referred to quite a few times, both at Lupin and at Ulu. I don't recall anywhere where Echo Bay has said that we would dispose

of hazardous waste underground. To my recollection I don't think we've ever said that. That's point one. Point two, right now, presently, there is no hazardous waste underground at Ulu. Thank-you.

TK: Thank-you, Mr. McCrank. Mr. Brodie.

JB: John Brodie. I'm not sure that was really a question or more of a clarification of what I had assumed. What I have attempted to assume in my evaluation is that if there is hazardous material, such as lubricants, petroleum products, batteries, etc., in any equipment that would be left on-site and disposed of underground, that those hazardous materials would be removed from the equipment prior to the abandoning of those equipment underground.

And the other aspect, with respect to the underground disposal, is the reference to disposal of petroleum- or hydrocarbon-contaminated material underground, which I believe is described in the plan.

TK: Thank-you, Mr. Brodie. Mr. Hohnstein.

DH: Thank-you, Mr. Chairman. I would just like to - David Hohnstein - I would just like to ask for clarification as to where that reference to the disposal of fuel-contaminated soil underground might be in the plan. I've been looking through it as Mr. Brodie's been reading his presentation, and I can find only one section that refers to contaminant in soil, and if I might read that for the Board, maybe Mr. Brodie can allude to where the other reference might have come from.

The statement referring to is under Section 3.7, under Post-Closure Monitoring, Soil Contamination. All areas of hydrocarbon storage will be tested prior to final closure. If land farming is chosen as an option to disposal, then on-going monitoring will take place to determine the effectiveness of this practice. Monitoring would continue until acceptable levels of hydrocarbon have been achieved.

That's the only reference to contaminated soil that I can find at the moment, and I'll continue to read through, if I may, and if I find it I'll bring it up later. Thank-you.

TK: Thank-you, Mr. Hohnstein. Mr. Brodie.

JB: John Brodie. I'm sorry, I cannot recall exactly where, in the documentation that I reviewed, was the reference to underground disposal. I believe it's... I guess it's insinuated the cost estimates, wherein it describes the excavation and hauling of contaminated soil, and that's the... reflected in the cost estimate is that assumption. In the event that the contaminated soil is managed in the manner as was just described, with surface bioremediation, then reclamation costs would be higher than I've assumed in my estimate, and also higher than assumed in the previous estimate by Echo Bay.

TK: Thank-you, Mr. Brodie. Any further questions from the applicant? [pause] Are there any questions from the other interveners and other parties? Any questions from the Water Board? Thank-you. As I stated earlier, I requested individuals who wished to speak. I did not receive any names, so I will assume that there will no individuals speaking. [pause] Thank-you. Thank-you, Mr. Brodie.

What I'd like to do is... do you want to break for lunch now, or do we want to carry on and break... go into our closing statements? [pause] Okay, what we'll do then is I suggest that we break for lunch, now, and come back here at 1:15. Mr. McCrank.

HD: Mr. Chairman, Hugh Ducasse. Would it be possible for us to have a two-hour break for lunch, so that will give us time to prepare our closing statements.

TK: Granted. Thank-you.

[lunch]

TK: At this time invite the interveners and anyone who has made a present to the Board to make their final closing remarks, if they wish. And again, please restrict your intervention to matters under consideration. Mr. Webber.

LW: Thank-you, Mr. Chairman, members of the panel. Lee Webber. I'd like the remarks that I made with respect to Lupin at the beginning of the morning to be considered for purposes of the Ulu examination, as well. Let me repeat a couple of the points I made earlier. First of all, it's important to keep the water license security separate from the land lease security. They cannot be lumped together in a single security deposit. Also, as Ms Beavers noted, there should be only a single payee for the water license security deposit, namely the Crown. As I understand it, this is the current arrangement for the security deposit posted under the Ulu water license, and DIAND would like to see that current arrangement continue.

In the presentations on Ulu, reference was again made to salvageable assets, so I'll say again that the value of salvage or of inventory should be omitted when the Board calculates the amount of security that Echo Bay will be required to post.

In its presentation on Ulu, Echo Bay again referred to the idea of a reclamation trust fund. My comments in this would apply both to Ulu and to Lupin. DIAND is not necessarily opposed to the establishment of such a trust fund. However, a couple of points deserve to be mentioned. First a point concerning form versus amount of security.

If the idea is that the security deposit would take the form of a trust fund, that still leaves it the Board to specify the amount of the security deposit. Also, the amount of a security deposit is for the Board to set. On the other hand, form is something that's dealt with by statute, and by the Minister of DIAND.



When I refer here to statute, what I have in mind, primarily, is two provisions. First of all, Section 17 of the *NWT Waters Act*, and secondly, Section 12 of the NWT Waters Regulations. A trust fund is not one of the forms that is specifically mentioned in Section 12 of the NWT Waters Regulations, so the Minister's approval would be required if Echo Bay wants to post the required security deposit in the form of a trust fund.

As mentioned, DIAND is not necessarily opposed to the idea of posting the required security in the form of a trust fund. I'd also point out that we, the DIAND representatives here, today, can't say in advance what the Minister's reaction would be to a proposal to post the security in the form of a trust fund. That having been noted, I'd observe that yesterday was the first time that we heard Echo Bay's proposal for a reclamation trust fund. We haven't seen the full specifics, therefore we haven't had an opportunity to assess, or to comment on the idea or the details.

I'd also like to touch on a couple of additional points, and it may be that these are points on which there really is no disagreement between the parties who have spoken before you, today.

First of all, the cost to Echo Bay of posting a security deposit. Requiring a certain amount as a security deposit doesn't necessarily mean that Echo Bay will, itself, have to part with that same amount. As Mr. Brodie pointed out, the security deposit might be in the form of a letter of credit, and if a letter of credit is what is provided, Echo Bay will only have to put up a fraction of the letter of credit's value. Mr. Brodie's estimate was that Echo Bay would have to put out only about 1% of their letter of credit's value each year. In other words, Echo Bay would give some financial institution that smaller sum - perhaps 1% or even less - and return the financial institution would provide the letter of credit for the full sum of the security required.

The second matter is that Echo Bay has stressed, again, that it has assets, that it has a good record or reclamation, and that it is not planning to go bankrupt, doesn't expect to go bankrupt.

Now, I would reiterate a point that Mr. Collins was at some pains to make, namely that DIAND very much respects Echo Bay's record. At the same time, we had observed that no one plans to go bankrupt...

[End of Tape 5 - Side A]

[Start of Tape 5 - Side B]

LW: ...bad things happen to good people. A security deposit is in the nature of insurance. No one plans to have a fire consume his or her home, but you buy home insurance just in case. Similarly, a security deposit is needed just in case something goes wrong with or for Echo

Bay. In other words, just in case reclamation has to be done, and just in the case the company can't or won't do it.

Those are my final comments. Thank-you.

TK: Thank-you, Mr. Webber. Does Environment Canada, DFO, have comments? Thank-you. Mr. John Brodie? Thank-you. Echo Bay Mines? Just one moment, please. Does anybody from the general public have any comment to make? I take it there is none. Echo Bay, Mr. Hohnstein or representative.

BD: Thank-you, Mr. Chairman. My name is Bill Danyluk, and I'm the manager at Lupin, and among my responsibilities is the Ulu exploration property. I would like to thank the Nunavut Water Board for this opportunity to make Echo Bay's closing statement regarding our application to renew the Ulu water license. Many items mentioned in my closing statement for the Lupin water license apply to the Ulu license, as well. I will not repeat them again. However, I would like to make several comments specific to the Ulu license, and then some general comments.

To our knowledge, Echo Bay Mines has never implied, and we certainly have no intention, to dispose of hazardous wastes or contaminated soils underground as part of the Ulu abandonment and reclamation plan. Once again, Echo Bay Mines would ask the Nunavut Water Board to give consideration to the establishment of a reclamation trust fund for the Ulu property, with the current security deposit rolled into the trust fund, and considering the value of the Ulu ore body and salvageable assets, the restoration liability would be sufficiently funded.

As stated in our presentation, once Ulu becomes a mine, and should the reclamation liability increase, Echo Bay Mines fully expects that the Nunavut Water Board would seek additional security. Echo Bay Mines is in full agreement with the Nunavut Water Board and other interveners that the public's interests need to be protected.

Our Manager of Taxation has informed us that interest earned on a trust fund would be taxable to Echo Bay Mines upon withdrawal from the fund. However, more details need to be worked out. If all parties work together on this issue, an acceptable solution can surely be worked out.

Echo Bay Mines is present at this hearing primarily to present our case in support of the renewal of the Ulu and Lupin water license. Of course, we need these licenses to stay in business. But we are also here to boast a little bit about our admirable record of environmental compliance, a record of which Echo Bay is very proud.

Sometimes, in order to make our respective points at a hearing such as this, we debate our respective cases in a strong or even argumentative manner. However,

Mr. Chairman, everyone here, whether members of the Nunavut Water Board, employees of the Nunavut Water Board, DIAND, Environment Canada, the Department of Fisheries or Oceans... and Oceans, independent consultants, Elders, members of industry or residents of the Kitikmeot region, is at this hearing to more than just discuss the Lupin and Ulu water licenses. Whether we live in the north, or work in the north, we all have a vested interest in protecting the environment of the north. As a professional mining engineer, I am proud of my profession, and do not want to work within an industry that has a negative public image. More importantly, Echo Bay Mines is a company that is proud of the mining profession, and does not want to be known as a company that is non-compliant, or that leaves a legacy harmful to the mining industry.

Mr. Chairman, I believe that all of us attending this hearing have some common goals. Many of us bring varying degrees of traditional or technical knowledge in our respective fields. I would hope that at this hearing we have all had a chance to have our say, and represent the positions of our respective employers or stakeholders. At the same time, however, I also wish that we have all met new colleagues, and made new friendships, so that we may continue to debate and exchange ideas, both new and old, technological and traditional, to ultimately make Echo Bay's Ulu and Lupin mines safer, more environmentally friendly, and profitable.

Thank-you, Mr. Chairman.

TK: Thank-you. On behalf of the Nunavut Water Board I'd like to make my closing statement.

For Lupin Mine, the Board grants an additional two-week period to the applicant and other parties to review and comment on the Brodie Report. Parties will have an additional week to reply to the additional submissions on the Brodie Report.

As a quasi-judicial tribunal, the Board will make its decision based on the evidence presented during this hearing, and base its own understanding and appreciation of the issues under consideration, giving due regard to the facts and circumstances. In any case, the Board is not a party and does not take sides.

After the completion of the hearing, the Board will meet and render its decision within a reasonable period. I would like to point out to the public that all decisions of the Board are public, including the reasons for the decision. Decisions of the Board are final.

A license may request amendments to... a licensee may request amendments to a license, and an application for amendment may be subject to another hearing like this one.

To conclude, anyone who wish to receive a copy of the Board's decision should give their name and address to Rita Becker, sitting over there, and we will be glad to send you a copy in due time.

This hearing is now adjourned, and I would like to thank everyone. Mr. Webber.

LW: Lee Webber. I'm sorry to interrupt, Mr. Chairman, but I just wanted to ask about the opportunity to make comments on the document that Echo Bay was going to submit. The comment... the document containing comments on interventions. It was my understanding that the parties were going to have an opportunity to provide comments on that document.

TK: Yes, we are. Thank-you. This hearing is now adjourned, and I would like to thank everyone, Echo Bay, the interveners, and the general public, for taking the time to come to the Board today. Before we end this hearing, could I please ask Lootie Toomasi to say the closing prayer? Thank-you.

LT: [Inuktitut]

TK: The meeting is closed. I got a note, here, for your information, from the community. Arrangements have been made to hold a square dance this evening after your meeting. All welcome.

[End of Recording]