

LUPIN MINE, NUNAVUT  
PHONE (780) 890-7000  
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9915 INTERNATIONAL AIRPORT  
EDMONTON, ALBERTA  
T5J 2T2

## ECHO BAY MINES LTD.

March 29, 2001

Executive Director  
Nunavut Water Board  
P.O. Box 119  
Gjoa Haven, NT  
X0E 1J0

Nunavut Water  
Board

APR 11 2001

Public Registry

Our File: NWB1ULU0008  
Your File: Water Register  
NWB1ULU0008

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*Handwritten: Apr 18/01*

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Dear Sir:

**RE: Echo Bay Mines Ltd., Lupin Gold Mine, Contwoyto Lake, NT., Water Licence  
No. NWB1ULU0008; 2000 ANNUAL REPORT - ULU PROJECT**

As required by Part B, Item 5 of Water Licence NWB1ULU0008, please find attached three copies of the annual report for 2000.

The report is essentially a status report for the Ulu Project as there has been no activity at the site during the year 2000. The site and facilities were used during this period with the exception of a site visit by Lupin personnel in July.

All facilities and equipment remain as they were upon suspension of exploration activity in September, 1997. Although the Lupin Mine has once again resumed production as of April, 2000, the continuing low price of gold would suggest that there is not expected to be any renewed activity with regard to exploration at Ulu during 2001.

Should you have any questions or comments regarding this report, please feel free to contact the undersigned at (780) 890-8794, Lupin.

Yours truly,

*David Hohnstein*  
D. Hohnstein

Environmental Coordinator, Lupin

Attach.

cc B. Danyluk  
Mill Operations

H. Ducasse



# ECHO BAY MINES LTD.

## 2000 ANNUAL REPORT ULU PROJECT, NUNAVUT

WATER LICENCE NWB1ULU0008

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DATE: MARCH 27, 2001  
PREPARED BY: DAVID HOHNSTEIN, C.E.T.  
ENVIRONMENTAL COORDINATOR, LUPIN

## **SUMMARY**

The Ulu Exploration Project continued through 2000 in a position of temporary suspension from any exploration activity. The exploration program came to an end in September, 1997 due to the low price of gold at the time and the economics of taking the project to the production phase of development. The year 2000 was a year of limited activity at the Ulu Camp with a single visit by Echo Bay Mines Ltd. staff for a thorough inspection of the facilities.

At the present time, there is no foreseeable change in the status of the Ulu program. Lupin has successfully completed it's start-up and initial nine months of production, however with the current continuing low price of gold there is no renewed activity planned for the Ulu Camp.

It is expected that site inspections at both Camp 3 and the main Ulu Camp will be carried out with the availability of a helicopter in 2001.

This report is submitted to fulfil the requirements of Part B, Item 5 of the renewed Water Licence NWB1ULU0008 issued by the Nunavut Water Board, July 1, 2000.

This Annual Report for 2000 contains information required for Part B, Items 5(a) through 5(q). Numerous item sections do not apply due to the inactivity at the Ulu Camp and that the status has not changed since submission of the 1999 Annual Report.

**Part B, Items 5 (a-g) Monitoring data**

Not applicable due to the inactivity of the site and the status of the SNP which will not come into effect until exploration activity resumes.

**Part B, Item 5(h) Study Progress Report**

There were no studies requested by the Board that relate to waste management, water use, and restoration. As well, there are no future studies planned by the Licensee.

**Part B, Item 5(i) Plan Revisions and Updates**

There were no revisions or updates submitted during 2000 with regard to a Contingency Plan, the Abandonment and restoration Plan, or an Operation/Maintenance Plan.

**Part B, Item 5(j) Executive Summary**

There were no plans, reports or studies conducted under the Licence during 2000.

**Part B, Item 5(k) Mine restoration liability update**

The estimate of current mine restoration liability was reviewed in January 2001 and found to require no relevant changes due to the inactivity at the Ulu site. The estimate is provided as an attachment, prepared in excel format.

**Part B, Item 5(l) Approved revisions to the approved Abandonment and Restoration Plan**

There were no revisions requested by the Board regarding the previously submitted Abandonment and Restoration Plan prior to issuance of the Licence renewal July 1, 2000. A Plan review and submission is to be completed for 2001.

**Part B, Item 5(m) A summary of any abandonment and restoration work.**

There was no work carried out in 2000 with regard to abandonment and restoration work at the Ulu Project.

**Part B, Item 5(n)      Camp restoration liability update**

The estimate of restoration liability completed for section (k) includes that of the camp restoration. There have been no changes to the site or its components since the suspension of exploration activity in September, 1997. The completed update contains all components currently in place at the site.

**Part B, Item 5(o)      Public consultation/participation report describing consultation with local organizations and the residents of the nearby communities.**

On January 25, 2000 Echo Bay Mines Ltd. representatives from Lupn along with representatives from the Nunavut Water Board visited the communities of Umingmaktok, Bathurst Inlet and Kugluktuk and on January 26, 2000 we visited Cambridge Bay. These meetings were held prior to the Public Hearing held in Kugluktuk on March 28 and 29, 2000. There was no formal report prepared by EBM with regard to these meetings.

**Part B, Item 5(p)      Provide brief summary of work done to address concerns or deficiencies listed in the inspection reports and/or compliance reports.**

There have been no inspection reports received with regard to the Ulu Project and the current Water Licence. A site inspection was carried out by Echo Bay Mines Ltd. staff on July 4, 2000. Rick O'Neill (Maintenance Superintendent), David Hohnstein (Environmental Coordinator), Al Morris (Equipment maintenance lead hand) and Marty Roth (camp maintenance) visited both the main Ulu camp and the Camp 3 location where a thorough inspection was carried out on the general condition of the camp buildings and equipment in storage.

The main Ulu camp was found to be in excellent shape with minor damage in areas of water leaks around windows (outside shutters blown off by wind) and some water staining in the hallways. The V.O.R. antenna has gone down due to heavy winds and the sewer shack and tank appear to have settled with possible lines disconnected. A fuel truck parked outside the shop was seeping fuel from one of the pumps. The isolation valve was closed and a drip pan placed underneath.

Most of the shops and equipment were in good shape with the common problem of equipment batteries being dead and tires going flat. All trailers and storage appeared to be in good shape. The Day Tank farm was in good shape with tanks and berms in good condition. The portal/ramps appeared O.K. with considerable snow cover and blocked. Roadways around camp appeared in good shape with no evidence of erosion.

The Camp #3 was in similar condition to the main camp. All equipment appeared in good condition with dead batteries and flat tires being common. The main tank farm is in excellent condition as is the shop. The explosives magazine appeared in good condition (all explosives were removed to Lupin upon suspension of exploration).

**Part B, Item 5(q)      Any other details on water use or waste disposal requested by the Board by November 1<sup>st</sup> of the year being reported.**

There were no other details on water use or waste disposal requested by the Board by November 1<sup>st</sup> of the year being reported.

## RECLAMATION COSTS FOR ULU MINESITE (present condition)

2001-Jan-21

2001 Ulu reclaim.xls

Activity	Quantit	units	No. men	Total hrs	Rate/ hr	Cost men	Equip.	hrs	Rate/ hr	Cost eqpt	Supplies	Cost	Total Cost	Cost/ activity
Cap Vent Raise	11.5	m³	3	44	\$36.80	\$4,858	Zoom boom	22	\$28.96	\$637	concrete	\$11,045	\$16,540	\$16,540
Dismantle 350,000 gal fuel tanks	2	ea	5	154	\$36.80	\$100,000	Badger crane	92	\$225.00	\$20,790			\$120,790	
			2	154	\$36.80	\$11,334	zoom boom	116	\$28.96	\$3,345			\$14,679	\$135,469
Dismantle Weatherhaven camp			2	165	\$54.55	\$18,000	Badger crane	11	\$225.00	\$2,475	Trav expens	\$2,000	\$22,475	
			9	165	\$30.00	\$44,550	Flat deck	50	\$17.45	\$864			\$45,414	\$67,889
Dismantle Ulu trailers, etc.			12	330	\$30.00	\$118,800	CAT966	10	\$39.00	\$390			\$118,800	
Remove fence - powder mags			2	10	\$30.00	\$600							\$990	
Labor crew			5	165	\$30.00	\$24,750							\$24,750	
Catering			3	660	\$22/md	\$66,000	incl food						\$66,000	\$210,540
Fly fuel to Lupin	600000	litres				110 trips	HS-748		\$1400/trip	\$154,000			\$154,000	
			2	154	\$30.00	\$9,240	Fuel Hand - Ulu	154	\$25.00	\$3,850			\$13,090	
			2	154	\$30.00	\$9,240	Fuel Hand - Lupin	154	\$25.00	\$3,850			\$13,090	\$180,180
Winter road: Lupin to Camp 2			8	187	\$30.00	\$44,880	Plow Truck	187	\$80.00	\$14,960	Catering	\$15,840	\$59,840	
Open winter road			3	660	\$30.00	\$59,400	Grader	187	\$50.00	\$9,350			\$84,590	
Camp 2 operation			4	704	\$30.00	\$84,480	Grader	240	\$50.00	\$12,000			\$96,480	
Maintain winter road							Plow Truck	240	\$80.00	\$19,200			\$19,200	\$260,110
Freight Haul - Camp 2 to Lupin			4	330	\$30.00	\$39,600	Forklift	56	\$30.00	\$1,680			\$41,280	
Freight transfer crew Camp 2			2	495	\$36.80	\$36,432	FEL	56	\$35.00	\$1,960			\$38,392	
Camp 2 mtce			4	154	\$30.00	\$18,480	Flatbeds	154	\$20.00	\$3,080			\$21,560	
Freight haul			2	330	\$30.00	\$19,800	Forklift	56	\$30.00	\$1,680			\$21,480	\$122,712
Freight receiving crew Lupin														
Freight Haul - Ulu to Camp 2						5 trips	Nodwell	168	\$275.00	\$46,200	mob/demob	\$25,000	\$71,200	
						76 trips	Commander	456	\$90.00	\$41,040			\$41,040	
							Helicopter	14	\$600.00	\$8,400	stand-by	\$2,500	\$10,900	\$123,140
Freight flights - Ulu to Lupin						5 trips	DC-4		\$3800/trip	\$19,000	mob/demob	\$7,500	\$26,500	
						30 trips	HS-748		\$1400/trip	\$42,000	mob/demob	\$8,500	\$50,500	
						18 trips	Twin Otter		\$1100/trip	\$19,800	mob/demob	\$22,500	\$42,300	\$119,300
Uncover portal - dig frozen muc blast	400	m³	1	11	\$36.80	\$405	CAT966	11	\$39.00	\$429	explosives	\$1,000	\$834	
			1	11	\$40.00	\$440							\$1,440	\$2,274
Block portal with waste (final)	800	m³	1	11	\$36.80	\$405	CAT966	11	\$39.00	\$429			\$834	\$834
Remove ore from pad to portal	1222	m³	1	18	\$36.80	\$662	CAT966	18	\$39.00	\$702			\$1,364	
	1222	m³	1	18	\$36.80	\$662	CAT769	18	\$48.50	\$873			\$1,535	\$2,900
Grade ore pad to 3:1 slope	800	m³	1	11	\$36.80	\$405	D8N	11	\$56.00	\$616			\$1,021	\$1,021
Grade camp pad to 3:1 slope	400	m³	1	6	\$36.80	\$221	D8N	6	\$56.00	\$336			\$557	\$557
Grade road edges to 3:1 slope	12500	m³	1	22	\$36.80	\$810	D8N	22	\$56.00	\$1,232			\$2,042	\$2,042
Grade airstrip edges to 3:1 slope	400	m³	1	4	\$36.80	\$147	D8N	4	\$56.00	\$224			\$371	\$371
Grade portal pad to 3:1 slope	400	m³	1	4	\$36.80	\$147	D8N	4	\$56.00	\$224			\$371	\$371
Tram ore underground	1222	m³	1	16	\$40.00	\$640	ST-7.5	16	\$70.23	\$1,124			\$1,764	\$1,764
Dig out Camp 3 tank farm	617	m³	1	22	\$36.80	\$810	CAT966	22	\$39.00	\$858			\$1,668	
Haul to portal			1	22	\$36.80	\$810	CAT769	22	\$48.50	\$1,067			\$1,877	
Haul u/g			2	14	\$40.00	\$1,120	ST-7.5	14	\$70.23	\$983			\$2,103	\$5,647
Dig out Ulu tank farm	457	m³	1	5	\$36.80	\$184	CAT966	5	\$39.00	\$195			\$379	
Haul to portal			1	5	\$36.80	\$184	CAT769	5	\$48.50	\$243			\$427	
Haul u/g			2	10	\$40.00	\$800	ST-7.5	10	\$70.23	\$702			\$1,502	\$2,308
Scarify														
Ulu Camp	26000	m²	1	11	\$36.80	\$405	D8N	11	\$56.00	\$616			\$1,021	
Portal pad	8000	m²	1	4	\$36.80	\$147	D8N	4	\$56.00	\$224			\$371	
Ore pad	19000	m²	1	11	\$36.80	\$405	D8N	11	\$56.00	\$616			\$1,021	
Roads	140000	m²	1	55	\$36.80	\$2,024	D8N	55	\$56.00	\$3,080			\$5,104	
Airstrip	23000	m²	1	11	\$36.80	\$405	D8N	11	\$56.00	\$616			\$1,021	\$8,536
Remove road culverts	6	ea	1	20	\$36.80	\$736	backhoe	20	\$15.81	\$316			\$1,052	
			1	20	\$36.80	\$736	D8N	20	\$56.00	\$1,120			\$1,856	\$2,908
TOTALS				342		\$724,153				\$447,376		\$95,885	\$1,267,413	\$1,267,413