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Water Resources Division  
Qimugjuk Building  
P.O. Box 2200  
Iqaluit, Nunavut  
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August 7, 2001

Mr. D. Hohnstein  
Environmental Coordinator  
Echo Bay Mines Ltd.  
9818 International Airport  
Edmonton, AB  
T5J 2T2

Dear Mr. Hohnstein:

Re: Review of 2000 Annual Report - Ulu Project

Please accept this letter as notification that the 2000 Annual Report submitted by Echo Bay Mines Ltd. as required under licence NWB1ULU0008 Part B, Item 5 has been reviewed and found satisfactory. The Annual Report did not include a report on the public consultation that was undertaken in 2000. Future Annual Reports should include a summary of the scope of the meeting and the concerns expressed by the public.

Attached for your records is the 2000 Compliance Report; compliance reports are prepared annually in order to assess the Licensee's compliance with the terms and conditions of their licence. Since the project has been shut down since September 1997, most of the Licence Conditions for the Ulu Project do not apply; however, the condition pertaining to the contingency plan was not fulfilled. Please provide in writing prior to August 24, 2001, a statement as to when this document will be submitted to the Board to ensure compliance with the Licence. Should you have any questions or comments, please do not hesitate to contact me at (867) 975-4548 or by e-mail at [johnsonmi@inac.gc.ca](mailto:johnsonmi@inac.gc.ca).

Sincerely,

Michelle Johnson  
Kitikmeot/Kivalliq Regional Coordinator

c.c.: Ms. R. Becker, Nunavut Water Board  
P.O. Box 119  
Gjoa Haven, NU X0B 1J0

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NWB1ULU0008

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15 2001

## 2000 Compliance Report for Water Licence NWB1ULU0008

Echo Bay Mines Limited - Ulu Project

Prepared by: M. Johnson  
Kitikmeot/Kivalliq Regional Coordinator  
DIAND, Nunavut Regional Office  
Iqaluit, NU

Date: August 7, 2001  
Water Register: NWB1ULU0008

## **2000 Compliance Report**

### **Echo Bay Mines Limited - Ulu Project**

#### **Water Licence NWB1ULU0008**

#### **Introduction**

The Nunavut Water Board issued licence NWB1ULU0008 on July 1, 2000 and it will remain valid until June 30, 2008. This Report assesses compliance with the licence for the period between July 1, 2000 and December 31, 2000. The Licence permits the use of up to 100 cubic metres of water per day for ongoing advanced exploration activities at the Ulu Gold Project.

The format of this report follows that of the Licence; however, conditions with no licensee requirements for the year 2000 are not outlined as a compliance assessment does not apply. In addition, several of the Conditions, especially in Part D, are contingent upon activity at the site resuming and are not applicable at this time.

#### **Compliance Assessment**

##### **Part B - General Conditions**

Condition Number and Summary	Compliance Assessment
1. The water use fee shall be paid annually.	The fee was submitted on May 23, 2001.
2. The security deposit shall be posted and maintained.	The security deposit has been maintained.
3. N/A	
4. N/A	
5. An Annual Report shall be filed prior to March 31 of the year following the calendar year reported.	The Report was received by the Board on April 11, 2001.
6. All research and studies shall follow specific ethical principles.	No research or studies were conducted in 2000.
7. The Surveillance Network Program (SNP) shall be completed.	The SNP is not effective until the Board has been notified that operations will resume.
8. N/A	

Condition Number and Summary	Compliance Assessment
9. Meters and other such methods of measuring water usage and discharges shall be installed, operated, and maintained.	Presently unnecessary as no raw water is used or wastes discharged.
10. Signs identifying water supply and waste disposal facilities, and SNP stations shall be maintained.	N/A, see Condition 7.
11. A copy of the Licence shall be kept at the site at all times.	The Licensee has complied with this section.

### **Part C - Conditions Applying to Water Use**

Condition Number and Summary	Compliance Assessment
1. All water shall be obtained from West Lake using the Water Supply Facilities.	The water supply facilities have been dismantled for the shut down.
2. The daily quantity of water withdrawn shall not exceed 100 m <sup>3</sup> .	N/A, see Condition 1.
3. The water intake hose shall be equipped with a mesh screen.	N/A, see Condition 1.
4. N/A	
5. N/A	

### **Part D - Conditions Applying to Waste Disposal**

Condition Number and Summary	Compliance Assessment
1. All minewater shall be directed to the Retention Pond or as approved by the Board.	N/A, no minewater was encountered.
2. All runoff and water pumped from the Retention Pond and Settling/Neutralization Ponds shall meet effluent quality standards.	N/A, no wastewater was discharged.

Condition Number and Summary	Compliance Assessment
3. At least ten days notice to an Inspector shall be provided prior to any planned discharges from the Ponds.	N/A
4. All waste discharged from the Ponds, waste rock storage areas, and ore storage runoff shall meet effluent requirements.	N/A
5. All minewater discharges shall be directed towards East Lake in a manner than minimizes surface erosion.	N/A
6. The Retention and Settling/Neutralization Ponds shall be operated and maintained according to the licence requirements.	N/A
7. N/A	
8. N/A	
9. N/A	
10. N/A	
11. N/A	
12. N/A	
13. N/A	
14. N/A	
15. The Sewage Disposal Facilities shall be maintained to the satisfaction of an Inspector.	N/A, the facility is not operational and no sewage wastes were generated.
16. All piped sewage shall be directed to the Sewage Disposal Facilities of as otherwise approved by the Board.	N/A
17. All Sewage Sludge shall be disposed of to an above ground sump located at least 30 meters from any water body or as otherwise approved bu the Board.	N/A

Condition Number and Summary	Compliance Assessment
18. All sewage effluent discharged at SNP Station 200-1 shall meet effluent requirements.	N/A
19. The Licensee shall submit to the Board a disposal plan addressing the disposal of the RBC sludges prior to any deposit of waste.	N/A

#### **Part E - Conditions Applying to the Spill Prevention and Contingency Planning**

Condition Number and Summary	Compliance Assessment
1. The Licensee shall submit a Spill Contingency Plan within 60 days of the issuance of this Licence.	The Contingency Plan has not been submitted.
2. N/A	
3. N/A	
4. N/A	
5. If not approved by the Board, the Contingency Plan shall be resubmitted within 60 days of receiving the Board's notification.	N/A, see Condition 1.
6. N/A	
7. If unauthorized discharges occur, the Licensee shall employ the Contingency Plan, report via the Reporting Line, and submit a detailed report.	No unauthorized discharges occurred in 2000.

## **Part F - Conditions Applying to Modifications**

Condition Number and Summary	Compliance Assessment
1. Modifications, without the written consent of the Board, may be completed provided specific conditions are met.	No modifications were initiated in 2000.
2. Modifications not meeting the specific conditions require must have the Board's written consent.	N/A
3. As-built drawings of modifications must be submitted to the Board within 90 days of completion of the modifications.	N/A

## **Part G - Conditions Applying to Construction**

Condition Number and Summary	Compliance Assessment
1. Prior to the construction of any structures intended to contain, withhold, divert, or retain water/wastes other than those in the Contingency Plan, design drawing shall be submitted to the Board for approval.	No construction was initiated in 2000.
2. Construction of designed structures shall be carried out as approved by the Board.	N/A
3. As-built drawings shall be submitted to the Board within 90 days of completion of the structure.	N/A
4. Fill material shall be obtained from an approved source.	N/A
5. Only tested waste rock with a low acid generating potential shall be used in construction.	N/A

## **Part H - Conditions Applying to Operations and Maintenance**

Condition Number and Summary	Compliance Assessment
1. N/A	
2. N/A	

## **Part I - Conditions Applying to Abandonment and Restoration**

Condition Number and Summary	Compliance Assessment
1. The Licensee shall submit to the Board a revised Interim Abandonment and Restoration Plan within six months of the issuance of this Licence.	The Abandonment and Restoration Plan was received on April 26, 2001.
2. The Plan shall address specific concerns.	The Plan was reviewed by DIAND and found to be complete, pending approval by the Board.
3. The Licensee shall provide the Board and updated assessment of restoration liability using RECLAIM on an annual basis.	The estimate was reviewed in January 2001 and it was determined that no changes were required due to the inactivity at the site. The RECLAIM assessment was appended to the Annual Report as required.
4. The Plan shall be revised as required by the Board, revisions shall be submitted within two months of the request.	N/A
5. The Plan shall be implemented as approved, progressive restoration should be conducted when practicable.	N/A
6. N/A	
7. N/A	

## **Conclusion**

During the year currently under review (2000), the Licensee has complied satisfactorily with the conditions of licence NWB1ULU0008; however, the Contingency Plan required by Part E, Condition 1 has not been submitted. The Licensee is asked to provide, in writing prior to August 24, 2001, a statement as to when this document will be submitted to the Board to ensure compliance with the Licence.