

Lupin Mine, Nunavut
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ECHO BAY MINES LTD.

March 26, 2003

Our File: NWB1ULU0008
Your File: Water Register
NWB1ULU0008

Executive Director
Nunavut Water Board
P.O. Box 119
Gjoa Haven, NU
X0B 1J0

Dear Sir:

**RE: Echo Bay Mines Ltd., Lupin Gold Mine, Contwoyto Lake, NT.; Water Licence
No. NWB1ULU0008; 2002 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 **2002**.

The report is essentially a status report for the Ulu Project as there has been no exploration activity at the site during the year 2002. The site and facilities were visited by Lupin personnel during June and later in August/September for site inspections and maintenance.

All facilities and equipment remain as they were upon suspension of exploration activity in September, 1997.

Although the Lupin Mine has continued production through 2002, at the current time, there is not expected to be any renewed activity with regard to exploration at Ulu 2003.

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

Yours truly,

D. Hohnstein
Environmental Coordinator, Lupin

Attach.

cc B. Burton M. Tansey B. Lowe



a subsidiary of

KINROSS
Gold Corporation

2002 ANNUAL REPORT

ULU PROJECT, NUNAVUT

WATER LICENCE NWB1ULU0008

Date: March 25, 2003
Prepared by: David Hohnstein, C.E.T.
Environmental Coordinator, Lupin

SUMMARY

The Ulu Exploration Project continued through 2002 in a position of temporary suspension from any exploration activity. The exploration program was suspended 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 2002 was a year of limited activity at the Ulu Camp. Several site inspections were carried out with a maintenance visit during August/September. The maintenance visit was attended by the Lupin surface lead hand, maintenance personnel as well as a representative from Weatherhaven to oversee repairs to the camp facility.

At the present time, there is no foreseeable change in the status of the Ulu program. Lupin has continued through another year of operations since production resumed in April 2000. However, with the current continuing low price of gold, there is no renewed activity planned for the Ulu Camp in 2003.

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 again in 2003.

INTRODUCTION

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 2002 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 2000 Annual Report. (Photo 1; Ulu site)

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. An investigation into the status of East Lake and its potential for fish habitat is pending. The availability of a helicopter in the early spring and the potential for having personnel on site during the summer will determine if/when the study is completed.

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

The Plans requiring update and revisions have been submitted as required/requested, however there have been no requests received with regard to the completeness or any changes required within these plans as of the date of writing. Review and revision with regard to the Contingency Plan will be completed in the near future based on recent personnel changes at the Lupin Operation and reporting structures.

Part B, Item 5(j) Executive Summary

There were no plans, reports or studies conducted under the Licence during 2002. As there is no new information to include, there has not been an Executive Summary prepared.

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

The estimate of current mine restoration liability was reviewed in March 2003 and found to require no relevant changes due to the inactivity at the Ulu site. The estimate is provided and has been 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 with respect to the Licence renewal of July 1, 2000.

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

There was no work carried out in 2002 with regard to abandonment and restoration 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. See Appendix.

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

There were no formal meetings or consultations at the local communities in 2001 with regard to the Ulu Project and its status. The status is unchanged since the issuance of the original Licence in 1997.

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 land use inspection was carried out at the site on August 4, 2002 with KIA representatives (Jack Kaniak, Stanley Anablak) and any concerns were addressed during a follow-up visit by site personnel. Site inspections were carried out by Echo Bay Mines Ltd. staff on June 18, 2002, and during August 26th through to September 5, 2002. The latter visit was conducted to facilitate repairs in anticipation of a resumption in exploration activities early in 2003.

Observations during the June visit are as follows:

- Camp 3; a section of the shop roof had blown off, laying around the site. The was the same area of the shop that was repaired in 1999.
- The airstrip had a washout on the east side, about 300 metres from the south end stretching about 1/4 way across the strip. A number of potholes were also observed.
- Three DIAND barrels were still on the west side of the airstrip. A number of 'non' EBM barrels were located near the lakeshore of Reno Lake.
- The Ulu camp tankfarm contained some water, contaminated with minor amounts of fuel (see photo 1). This was noted and would be checked upon return visits later in the summer.

- An aerial observation was made at the outlet of West Lake to check for visible discharge of excess spring meltwater. No flow was observed and a ground check would have to be carried out at a later date.

Areas that received repairs during the August/September visit are as follows:

- Most areas of the camp were checked with repairs being minimal at this time. Many items were noted in planning for future visits prior to possible resumption of activities.
- The sewage line was inspected, repaired where necessary and graded to the septic tank.
- All washouts along the road and airstrip were filled with gravel, graded and packed.
- A new communications tower was erected by Prostruct Construction while on site. (See Photo 3)
- Replaced all damaged or missing insulation on the water line. It was noted that the water level of the lake has gone down 12-14 inches and some of the floatation barrels were punctured by rocks and were badly damaged. (Photo 4)
- The Weatherhaven shop was inspected by Weatherhaven staff and EBM maintenance personnel and determined that no further repair work was required at this time. (see photo5)
- Roads and the Airstrip were gravel filled, graded and packed to minimize erosion over the next winter/spring season. (Photo 6)

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

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

APPENDIX CONTENTS

Estimation of current mine site liability.

Photo sheet of current conditions at the Ulu Project.

APPENDIX

RECLAMATION COSTS FOR ULU MINESITE (present condition)

March 27, 2003

2002 Ulu reclaim.xls

Activity	Quantity	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	m^3	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 2	154 154	 \$36.80	\$100,000 \$11,334	Badger crane zoom boom	92 116	\$225.00 \$28.96	\$20,790 \$3,345			\$120,790 \$14,679	\$135,469
Dismantle Weatherhaven camp			2 9	165 165	\$54.55 \$30.00	\$18,000 \$44,550	Badger crane Flat deck	11 50	\$225.00 \$17.45	\$2,475 \$864	Trav expens.	\$2,000	\$22,475 \$45,414	\$67,889
Dismantle Ulu trailers, etc. Remove fence - powder mags Labor crew Catering			12 2 5 3	330 10 165 660	\$30.00 \$30.00 \$30.00 \$22/md	\$118,800 \$600 \$24,750 \$66,000	CAT966 incl food	10	\$39.00	\$390			\$118,800 \$990 \$24,750 \$66,000	\$210,540
Fly fuel to Lupin	600000	litres	2 2	154 154	\$30.00 \$30.00	110 trips \$9,240 \$9,240	HS-748 Fuel Hand - Ulu Fuel Hand - Lupin	154 154	\$1400/trip \$25.00 \$25.00	\$154,000 \$3,850 \$3,850			\$154,000 \$13,090 \$13,090	\$180,180
Winter road: Lupin to Camp 2 Open winter road Camp 2 operation Maintain winter road			8 3 4	187 660 704	\$30.00 \$30.00 \$30.00	\$44,880 \$59,400 \$84,480	Plow Truck Grader Grader Plow Truck	187 187 240 240	\$80.00 \$50.00 \$50.00 \$80.00	\$14,960 \$9,350 \$12,000 \$19,200	Catering	\$15,840	\$59,840 \$84,590 \$96,480 \$19,200	\$260,110
Freight Haul - Camp 2 to Lupin Freight transfer crew Camp 2 Camp 2 mtce Freight haul Freight receiving crew Lupin			4 2 4 2	330 495 154 330	\$30.00 \$36.80 \$30.00 \$30.00	\$39,600 \$36,432 \$18,480 \$19,800	Forklift FEL Flatbeds Forklift	56 56 154 56	\$30.00 \$35.00 \$20.00 \$30.00	\$1,680 \$1,960 \$3,080 \$1,680			\$41,280 \$38,392 \$21,560 \$21,480	\$122,712
Freight Haul - Ulu to Camp 2						5 trips 76 trips	Nodwell Commander Helicopter	168 456 14	\$275.00 \$90.00 \$600.00	\$46,200 \$41,040 \$8,400	mob/demob stand-by	\$25,000 \$2,500	\$71,200 \$41,040 \$10,900	\$123,140
Freight flights - Ulu to Lupin						5 trips 30 trips 18 trips	DC-4 HS-748 Twin Otter		\$3800/trip \$1400/trip \$1100/trip	\$19,000 \$42,000 \$19,800	mob/demob mob/demob mob/demob	\$7,500 \$8,500 \$22,500	\$26,500 \$50,500 \$42,300	\$119,300
Uncover portal - dig frozen muck blast	400	m^3	1 1	11 11	\$36.80 \$40.00	\$405 \$440	CAT966	11	\$39.00	\$429	explosives	\$1,000	\$834 \$1,440	\$2,274
Block portal with waste (final)	800	m^3	1	11	\$36.80	\$405	CAT966	11	\$39.00	\$429			\$834	\$834
Remove ore from pad to portal	1222	m^3	1	18	\$36.80	\$662	CAT966	18	\$39.00	\$702			\$1,364	
	1222	m^3	1	18	\$36.80	\$662	CAT769	18	\$48.50	\$873			\$1,535	\$2,900
Grade ore pad to 3:1 slope	800	m^3	1	11	\$36.80	\$405	D8N	11	\$56.00	\$616			\$1,021	\$1,021
Grade camp pad to 3:1 slope	400	m^3	1	6	\$36.80	\$221	D8N	6	\$56.00	\$336			\$557	\$557
Grade road edges to 3:1 slope	12500	m^3	1	22	\$36.80	\$810	D8N	22	\$56.00	\$1,232			\$2,042	\$2,042
Grade airstrip edges to 3:1 slope	400	m^3	1	4	\$36.80	\$147	D8N	4	\$56.00	\$224			\$371	\$371
Grade portal pad to 3:1 slope	400	m^3	1	4	\$36.80	\$147	D8N	4	\$56.00	\$224			\$371	\$371
Tram ore underground	1222	m^3	1	16	\$40.00	\$640	ST-7.5	16	\$70.23	\$1,124			\$1,764	\$1,764
Dig out Camp 3 tank farm	617	m^3	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	m^3	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	m^2	1	11	\$36.80	\$405	D8N	11	\$56.00	\$616			\$1,021	
Portal pad	8000	m^2	1	4	\$36.80	\$147	D8N	4	\$56.00	\$224			\$371	
Ore pad	19000	m^2	1	11	\$36.80	\$405	D8N	11	\$56.00	\$616			\$1,021	
Roads	140000	m^2	1	55	\$36.80	\$2,024	D8N	55	\$56.00	\$3,080			\$5,104	
Airstrip	23000	m^2	1	11	\$36.80	\$405	D8N	11	\$56.00	\$616			\$1,021	\$8,538
Remove road culverts	6	ea	1 1	20 20	\$36.80 \$36.80	\$736 \$736	backhoe D8N	20 20	\$15.81 \$56.00	\$316 \$1,120			\$1,052 \$1,856	\$2,908
TOTALS				342		\$724,153				\$447,376		\$95,885	\$1,267,413	\$1,267,413

2002 Ulu Photographs, June 18, 2002 and September 2002



Photo 1 - Ulu site; aerial



Photo 2 - Ulu site; Camp



Photo 3 - Ulu site; Communications tower



Photo 4 - Ulu site; Potable water line
Dock, line was removed.



Photo 5 - Ulu site; Repaired shop (2001)



Photo 6 - Airstrip graded and packed