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Our file: 4703 001 004

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Via email at licensing@nwb.nunavut.ca

RE: NWB 2BM – ULU – Wolfden Resources Ltd. – Ulu Gold Project - May 2006 SNP Sampling Results

On behalf of Environment Canada (EC), I have reviewed the information submitted with the above-mentioned application. The following specialist advice has been provided pursuant to Environment Canada's mandated responsibilities for the enforcement of the *Canadian Environmental Protection Act*, Section 36(3) of the *Fisheries Act*, the *Migratory Birds Convention Act*, and the *Species at Risk Act*.

Wolfden Resources Ltd. has submitted the May 2006 SNP sampling results for the Ulu Gold Project. The results are submitted pursuant to Schedule 1, Part D, Item 1 of license 2BM-ULU0008 and the Interim Water Management Plan (IWMP), including the Mine Ice Management Plan, which was approved by the Nunavut Water Board (NWB) under Motion 2006-08, dated May 12, 2006.

Environment Canada has reviewed the SNP sampling results for May 2006, and compared them to the monitoring / discharge requirements found in NWB 2BM-ULU0008 and the approved Interim Water Management Plan. Environment Canada is pleased to provide the following comments for consideration by the NWB:

- In general, the May 2006 SNP results do not appear to indicate any exceedances of parameters regulated under water license NWB 2BM-ULU0008, or of the triggers identified in the IWMP.
- The SNP report does not indicate if seepage was present at the toe of the waste rock and ore storage pads at time of sampling. As a result of this oversight, it is unclear if all of the monitoring as required the approved Interim Water Management Plan has been completed. If seepage was present, the following items appear to be excluded:
 - Monitoring of seepage from the Ore Storage Pad and Waste Rock Pad.
 - According to Section 3.1 of the IWMP, weekly monitoring of seepage when flow is present at the toe of the pads (especially during the spring freshet) will occur for pH, TSS, conductivity, alkalinity, sulphate, ammonia, nitrate, nitrite, total and dissolved metals. If seepage was present, these monitoring results should be submitted for review.
 - An assessment of sulphate concentrations in seepage from the using trend analysis, as per Section 3.3 of the IMWP.
 - BOD₅, total dissolved phosphorus, total Kjeldahl nitrogen and faecal coliform monitoring results for SNP station 200-5A.



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- Faecal coliform levels were not analyzed for SNP station 200-4 and 200-5. According to Amendment 1 to License No. NWB1ULU0008 (Motion #: 2005-37), The requirement for monitoring of the effluent for faecal coliform remains as a part of the License under the Surveillance Network Program in order to assist in the evaluation of the impacts of the effluent. Wolfden resources should ensure that this information is included in the next SNP submission.
- The approved IWMP and license require the collection of weekly samples from SNP station 200-4 and 200-5, when flow is occurring at the toe of the pads. However, the May 2006 SNP results seem to be monthly results. Environment Canada requests clarification regarding whether seepage was present at the toe of the waste rock and ore storage pads at the time of sampling.
- Section 3.2 of the IWMP states that "all water quality results generated from the monitoring program will be compared to water license discharge limits and historical data to assess potential water quality degradation." Environment Canada recommends that the SNP results that are submitted include a discussion of the results of this comparison and highlight any parameters of concern and exceedances. Environment Canada also recommends that Wolfden Resources Ltd. submit their SNP results in an Excel spreadsheet in order to assist regulators in the development of a regional water quality monitoring database. Further, for ease of comparison, EC recommends that Wolfden Resources Ltd. include license discharge limits and specific thresholds/triggers in their results of analysis.

If there are any changes in the proposed monitoring program, EC should be notified, as further review may be necessary. Please do not hesitate to contact me with any questions or comments with regards to the foregoing at (867) 975-4639 or by email at colette.spagnuolo@ec.gc.ca.

Yours truly,

Original signed by

Colette Spagnuolo
Environmental Assessment / Contaminated Sites Specialist

cc: (Stephen Harbicht, Head, EA North, Environment Canada, Yellowknife)