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February 4, 2008

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06-1413-026

Miramar Con Mine, Ltd.
P. O. Box 2000
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Yellowknife, NT
X1A 2M1

**Mackenzie Valley Land
& Water Board**

File _____

FEB 14 2008

Application # MY2007L8-0025

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Attention: Mr. Ron Connell
Environmental Superintendent

**RE: INTERIM RESULTS OF THE KINETIC TESTS
CLOSURE PLAN - WATER TREATMENT PREDICTIONS
MIRAMAR CON MINE
YELLOWKNIFE, NT**

Dear Mr. Connell:

1.0 OBJECTIVES

Golder Associates Ltd. (Golder) submits the following summary of the interim results of kinetic tests conducted using two composite samples of mine tailing from the Upper and Middle Pud Tailing Containment Area (TCAs). The tests have been operating since March 2006 for a total of 95 weeks and, based upon the current plan, will be continued for an additional 9 weeks until early March, 2008. The tests are being conducted by Canadian Environmental and Metallurgical, Inc. (CEMI) under Golder's supervision.

The testing program is designed to simulate, under laboratory conditions, the effects of natural precipitation on tailing or processed ore as the precipitation percolates through the tailing column. The current tests are intended to supplement similar testing completed by URS (2003). The URS program was designed to simulate oxidizing conditions in the unsaturated zone of the tailings pile while the present program is intended to simulate the anoxic conditions in tailings under a vegetated cover.



2.0 TEST DESIGN

Two composite samples were constructed using samples collected from a) Upper Pud Lake (samples UP01-01, UP01-02, UP02-01, and UP02-02), to make Composite #1, which were specifically selected for the tests due to their high concentrations of sulphur, arsenic, iron, and copper and b) Neil Lake (NL-01 and NL-02), to make Composite #2, which were specifically selected because of their relatively low sulphur and arsenic concentrations. The two composite samples were placed in acrylic leaching cells and subjected to continuous irrigation with NanoPure water (the lixiviant, a liquid medium used to assist in the leaching of metals from rock). In order to minimize contact of the tailings with oxygen and to maintain an anoxic environment in the cell, each cell and the NanoPure water reservoir were sealed and purged with nitrogen gas to minimize the effects of dissolved oxygen. The NanoPure water irrigation rate was set to allow one pore volume of lixiviant to be applied every two to three days resulting in a flow rate of 3 pore volumes, or three “test cycles” per week.

A review of the test program suggests that the initial test design allowed atmospheric oxygen to displace the NanoPure water withdrawn from the reservoir. A nitrogen reservoir was added to the water reservoir to reduce the dissolved oxygen in the NanoPure which resulted in a decrease in dissolved oxygen in the leachate from roughly 5 mg/L to 0.3 mg/L. The change in redox conditions in the two cells did not appear to impact the chemistry within the cells, or the dissolved metal concentrations, because the decrease in dissolved oxygen was insufficient to maintain reducing conditions in the cells without an active reducing agent.

3.0 RESULTS

The pH and dissolved ion concentrations in the leachate derived from the two test cells (Composite #1 and Composite #2) show changes over time as the tailings equilibrate with the pore water. Figures 3-1 to 3-7 are time series plots of pH, chloride and Metal Mining Effluent Regulation (MMER) metals (arsenic, copper, lead, nickel, and zinc) for the two kinetic tests. Where appropriate, the figures include the respective Water License and MMER guidelines for Maximum Average and Maximum Grab Sample concentrations.

pH

The leachate pH remains neutral to slightly alkaline during the entire test period for both cells (Figure 3-1). Composite #1 leachate has an initial pH of 7.5 which held through the first quarter of the test period. Following a brief decline to near 6.5, the pH quickly rebounded to near 8 and the last measured pH was over 7.9. The leachate from

Composite #2 showed a similar overall pattern with a slightly higher initial pH. The initial pH of the Composite #2 leachate was 7.5 however the pH quickly rose to near 8 and remained near 8, with a brief dip to near 7. The last measured pH of the Composite #2 leachate was 7.8.

Chloride

The chloride concentration in the leachate from the kinetic tests was initially controlled by the presence of soluble salts precipitated on the tailings grains or residual process water retained in the pores. From an initial chloride concentration of 3,850 mg/L and 3,280 mg/L for Composite #1 and #2 leachates, respectively, the concentrations declined by over three orders of magnitude to around 1 mg/L in the first eight cycles of the test and eventually to below the detection limit by cycle 12 (Figure 3-2). The missed analyses in Figure 3-2 are generally instances where there was apparent analytical error and insufficient sample for re-analysis.

MMER metals

The metals concentrations changed over time as the individual minerals in the tailings solids dissolved, or precipitated, in response to reactions with the pore water. The dissolved concentrations of the regulated metals, arsenic, copper, lead, nickel, and zinc appear to have stabilized in the later weeks of the test, however the additional planned test cycles will be required to confirm the steady state concentrations of the metals in the leachate solutions.

Arsenic concentrations in the leach solution appear to have increased over time in proportion to the arsenic concentration in the tailings solids (Figure 3-3). The leachate from Composite #1 (Upper Pud) containing 5980 ppm arsenic in the tailings solids rose from an initial concentration of 0.463 mg/L, below the Maximum Average concentration of 0.5 mg/L, to 0.511 mg/L by cycle 8 (March 20, 2006) and stabilized at roughly 0.6 mg/L for the remainder of the first quarter of the test. During the second quarter of the test, the arsenic concentration in the Composite #1 (Upper Pud) leachate rose to roughly 2 mg/L, exceeding the Maximum Grab Sample limit of 1.0 mg/L and stabilized at roughly 2 mg/L (ranging between 1.69 and 2.08 mg/L). The leachate from Composite #2 (Neil Lake) containing 1260 ppm arsenic in the tailings solids rose from an initial dissolved arsenic concentration of 0.222 mg/L to above the Maximum Average concentration by cycle 16 (April 12, 2006) and remained at roughly 0.5 mg/L for the first half of the test period. During the remainder of the test program (i.e. to date) the arsenic concentration in the Composite #2 leachate rose gradually to near the Maximum Grab sample concentration of 1.0 mg/L (ranging between 0.809 and 1.14 mg/L).

Copper concentrations remain below the minimum regulatory guidelines for both test cells, thus far (Figure 3-4). Composite #1 initial copper concentration of 0.021 mg/L declined to below the detection limit of 0.001 mg/L and is now stabilized to between 0.001 and 0.01 mg/L. This value is over an order of magnitude below the Maximum Average concentration of 0.3 mg/L. The leachate for the Composite #2 test cell dropped from an initial copper concentration of 0.028 mg/L to 0.005 mg/L and then briefly rose to 0.024 mg/L. By the end of the first quarter of the test (cycle 70, August 18, 2006), the copper concentration in the Composite #2 leachate declined to below 0.01 mg/L (ranging between 0.0029 and 0.0142 mg/L).

Lead concentrations for both test cell have declined over time and have stabilized near 0.0001 mg/L, over three orders of magnitude below the Maximum Average guidelines for lead (0.02 mg/L) (Figure 3-5). The lead concentration in the leachate from Composite #1 declined from an initial 0.0006 mg/L to a stable concentration of around 0.0001 mg/L (ranging from 0.00002 to 0.0004 mg/L). The Composite #2 leachate lead concentration showed a similar decline from an initial concentration of 0.0018 mg/L to a range of concentrations between 0.00001 to 0.0009 mg/L but centered on an average of approximately 0.0001 mg/L.

Nickel concentrations, within the first quarter of testing, declined from 0.051 mg/L and 0.034 mg/L for the Composite #1 and #2 leachate samples, respectively, below the Maximum Average guideline of 0.5 mg/L to near or below the method detection limit (0.0005 mg/L) (figure 3-6). The nickel concentration in Composite #1 leachate stabilized over the last portion of the tests to near 0.001 mg/L and ranging between the detection limit and 0.0065 mg/L. The long term nickel concentration in the leachate sample from Composite #2 has stabilized between the detection limit and 0.0008 mg/L.

Zinc concentrations in the leachate samples rapidly stabilized at concentrations between 0.001 and 0.01 mg/L from an initial concentration of 0.027 mg/L and 0.101 mg/L for Composite #1 and #2, respectively (Figure 3-7). A single analysis from Composite #1 leachate exceeded the Water License Maximum Average concentration of 0.2 mg/L however, the zinc concentration in the following sample declined to below the method detection limit (0.005 mg/L) for the analyses.

Time equivalence

The kinetic tests using the tailings samples from the Con Mine are conducted at an accelerated rate to compress years of field conditions into weeks and months of laboratory time in order to simulate percolation of precipitation through the tailings pile under naturally occurring conditions. Using the predicted annual infiltration rates from

groundwater models for the Con Mine site, the irrigation rates for the two test cells can be converted to real time equivalent estimates of tailings pore water and TCA discharge water volumes. The Table 3-1 summarizes the application rates, test duration, and annual precipitation rates. A rough estimate of the actual time equivalence of the two kinetic tests is in excess of 200 years. The actual time equivalence will depend upon many factors including the TCA closure design, hydrogeology, and site climatic conditions over time.

TABLE 3-1: Summary of Approximate Duration in Real Time of the Kinetic Tests Through December 10, 2007

Cell	Duration of test	Leachate volume	Average daily application rate	Actual model predicted infiltration rate	Conversion factor of test results to actual time	Actual years for the tests to date
	Days	mL	cm/test day	cm/actual year	Test days/actual year	Years
#1	640	69,045	1.06	2.64	2.5	250
#2	642	72,290	1.10	2.64	2.40	260

4.0 CONCLUSIONS

The review of the results of the Con Mine kinetic testing to date suggests that the pH and concentrations of regulated metals may have stabilized at least over later weeks of the test, although additional test cycles for another 20 to 30 cycles are warranted to confirm the final steady state metal concentrations. The pH of the leachate from both cells remained near neutral for the entire test period, which is similar to the results of the URS test work. Chloride concentrations declined to below the detection limits and the concentrations of copper, lead, nickel, and zinc declined to concentrations that were several orders of magnitude below the respective regulatory guidelines. Only arsenic, of the regulated metals, exceeds the applicable standards.

Results of the Con Mine kinetic testing do not directly predict the actual discharge water chemistry of the tailing containment facilities; a rigorous geochemical model that incorporates predicted infiltration rates, flow paths, and discharge rates coupled with water and rock chemical reactions is needed to make those predictions. Laboratory kinetic testing provides the input data for the geochemical model simulations and empirical evidence on the reactivity of the tailings material. The kinetic tests data suggest: 1) the arsenic concentration of the tailings pore water will approach and

potentially exceed the Water License and MMER Maximum Grab Sample (1.0 mg/L) guidelines and 2) the arsenic concentrations in the tests to date have stabilized between 1 and 2 mg/L and show no evidence to exceed 2 mg/L for the term of the kinetic testing.

Yours very truly,

GOLDER ASSOCIATES LTD.



Steve Atkin, Ph.D.
Geochemistry Specialist

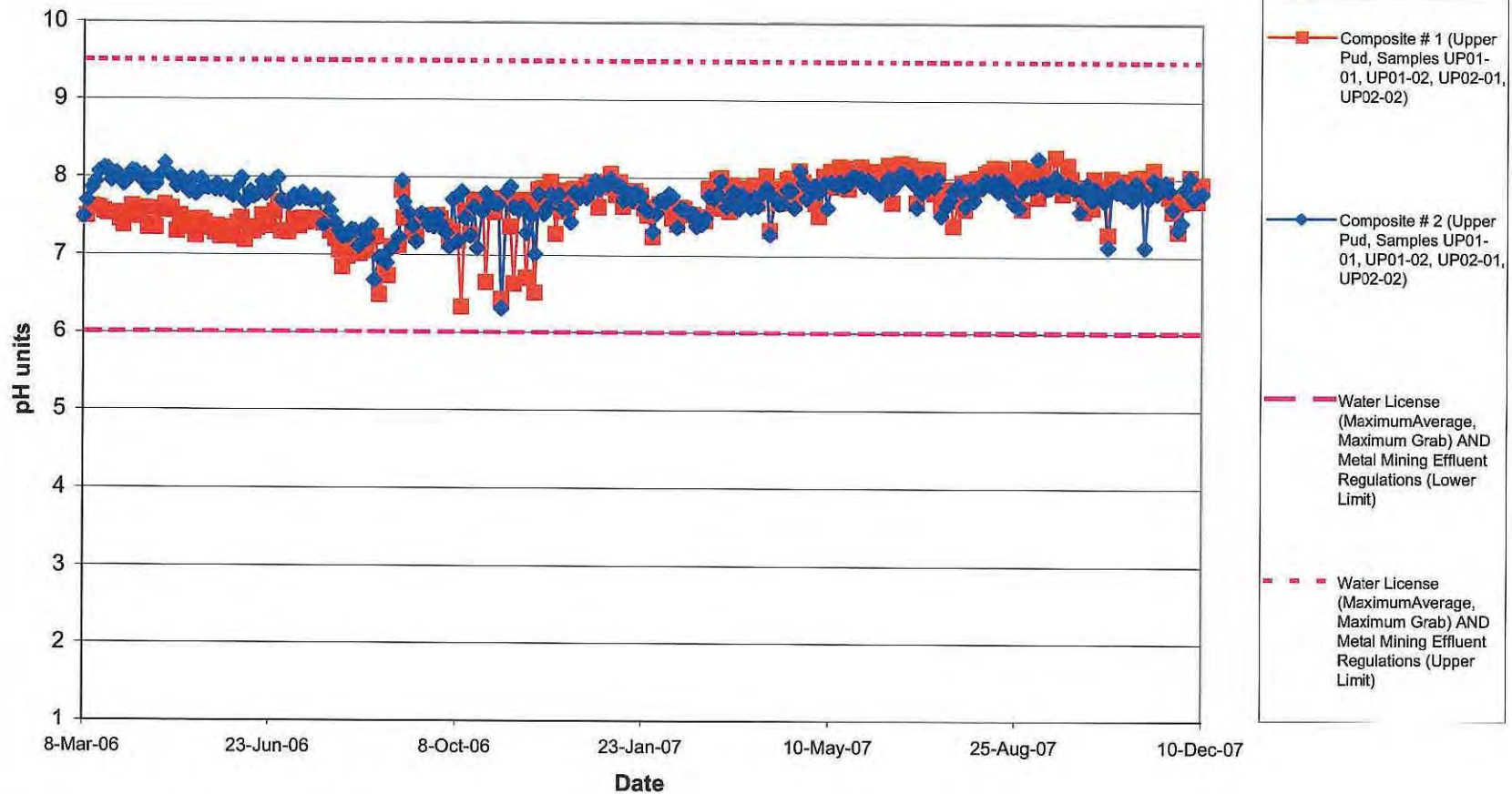


John Hull, P.Eng.
Principal

Attachments

SAA/JAH/mrb/gs

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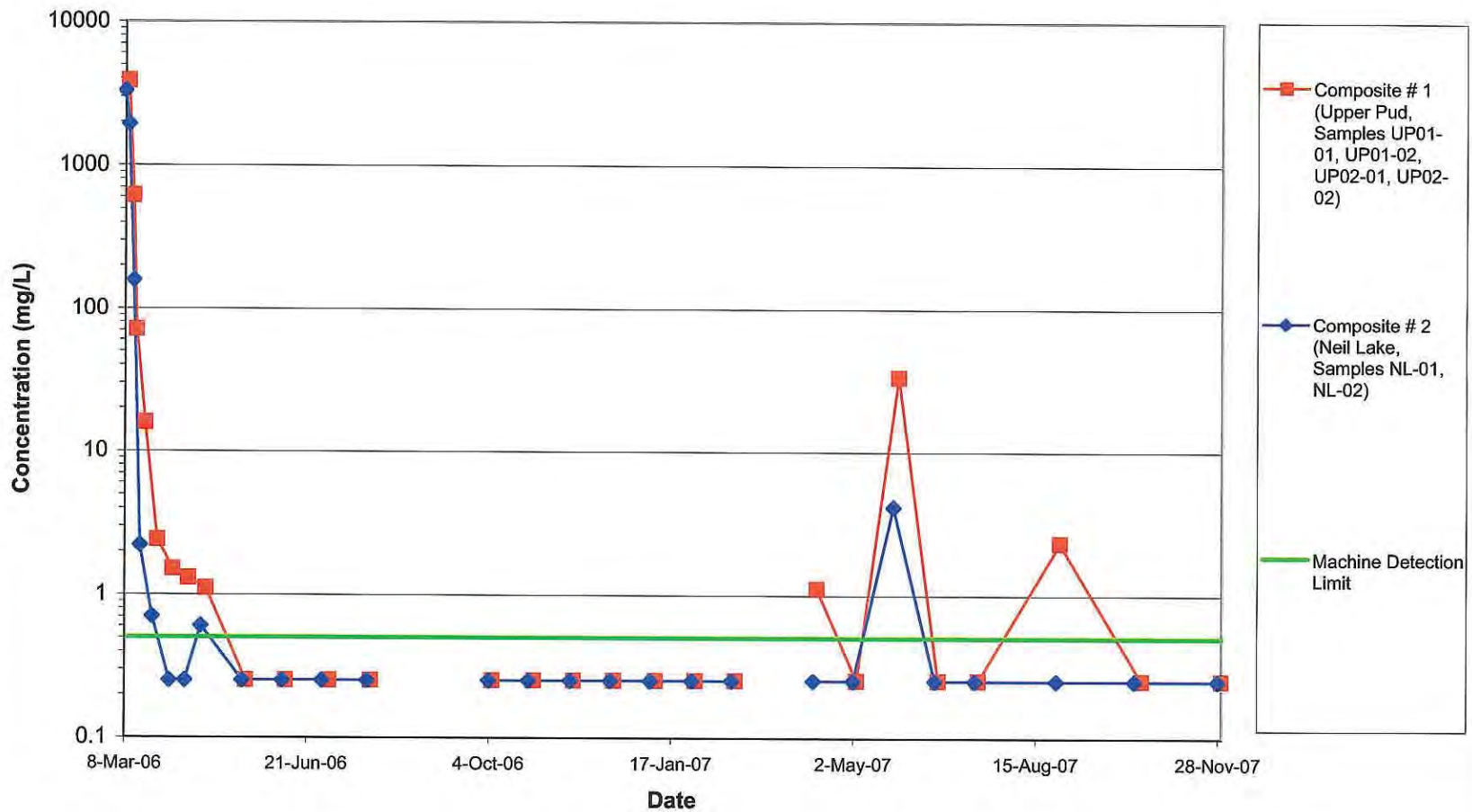


**Con Mine
Tailings Kinetic Testing**

TITLE

Laboratory pH

DRAWN	SA	DATE	December 2007	JOB NO.	06-1413-026
CHECKED	LL	SCALE	na	DWG. NO.	
REVIEWED		FILE NO.		FIGURE NO.	3-1

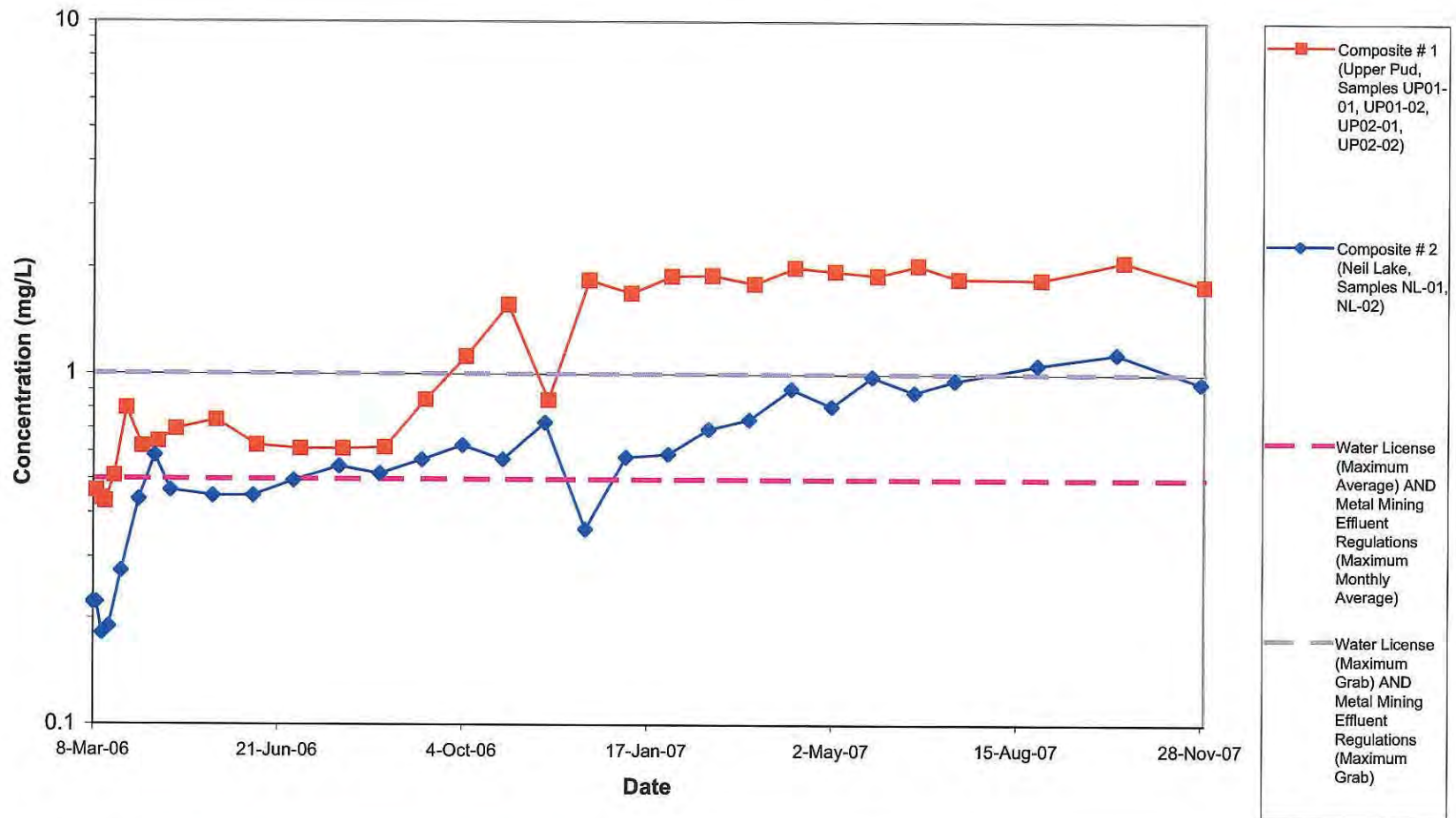


**Con Mine
Tailings Kinetic Testing**

TITLE

Chloride

DRAWN	SA	DATE	December 2007	JOB NO.	05-1413-026
CHECKED	LL	SCALE	na	DWG. NO.	
REVIEWED		FILE NO.		FIGURE NO.	3-2

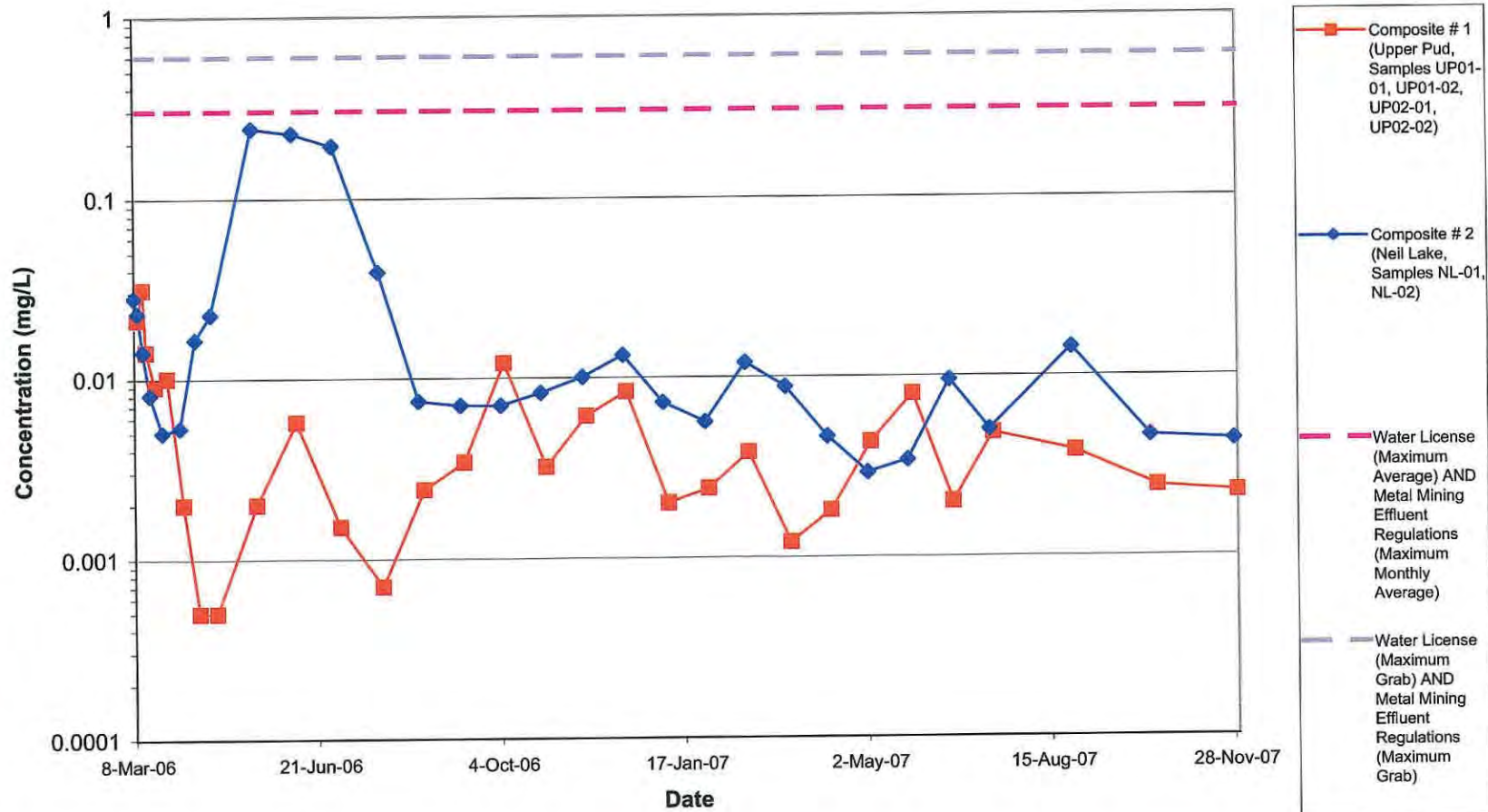


**Con Mine
Tailings Kinetic Testing**

TITLE

Dissolved Arsenic

DRAWN	SA	DATE	December 2007	JOB NO.	06-1413-026
CHECKED	LL	SCALE	na	DWG. NO.	
REVIEWED		FILE NO.		FIGURE NO.	3-3

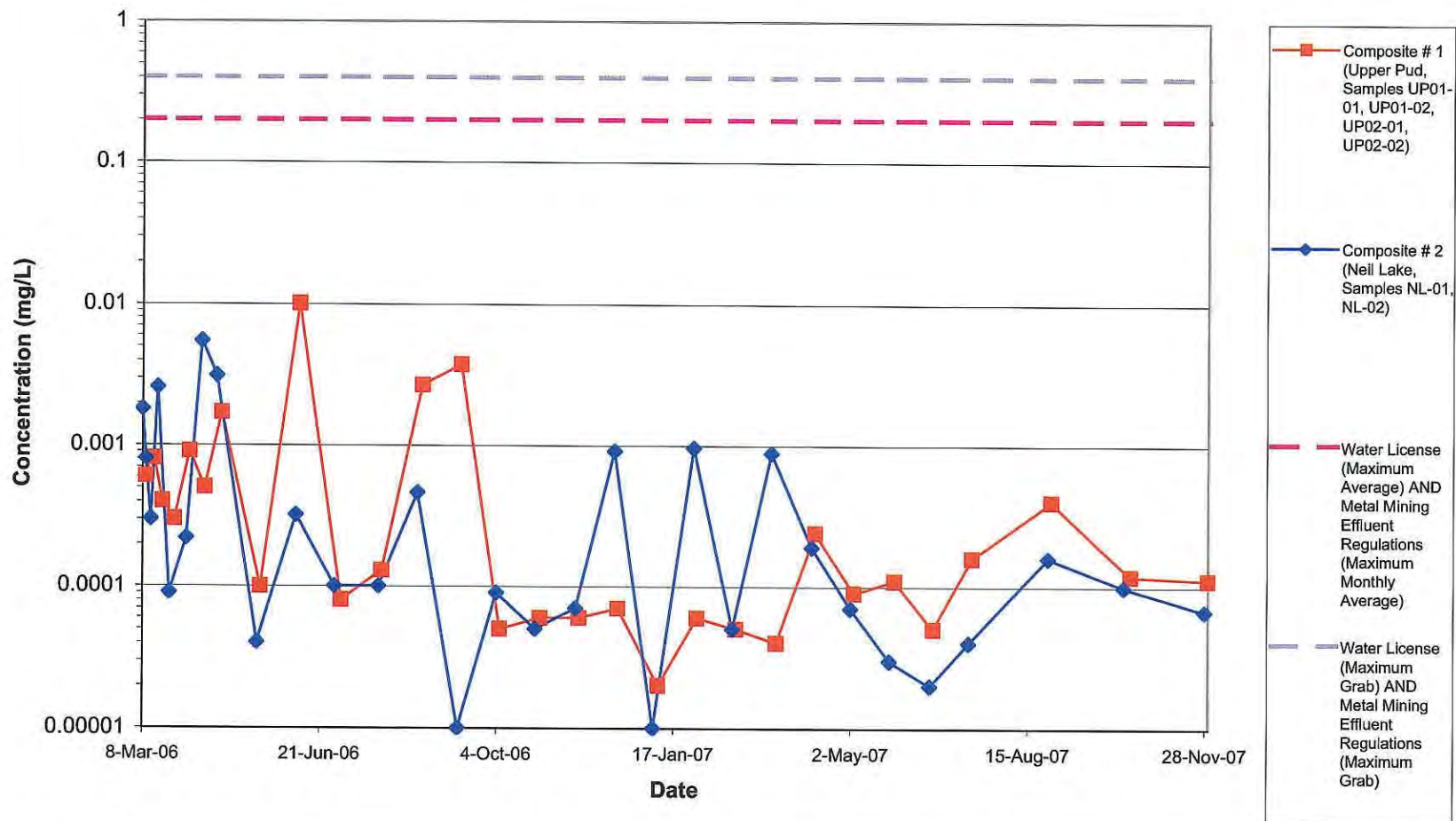


**Con Mine
Tailings Kinetic Testing**

TITLE

Dissolved Copper

DRAWN	SA	DATE	December 2007	JOB NO.	06-1413-026
CHECKED	LL	SCALE	na	DWG. NO.	
REVIEWED		FILE NO.		FIGURE NO.	3-4

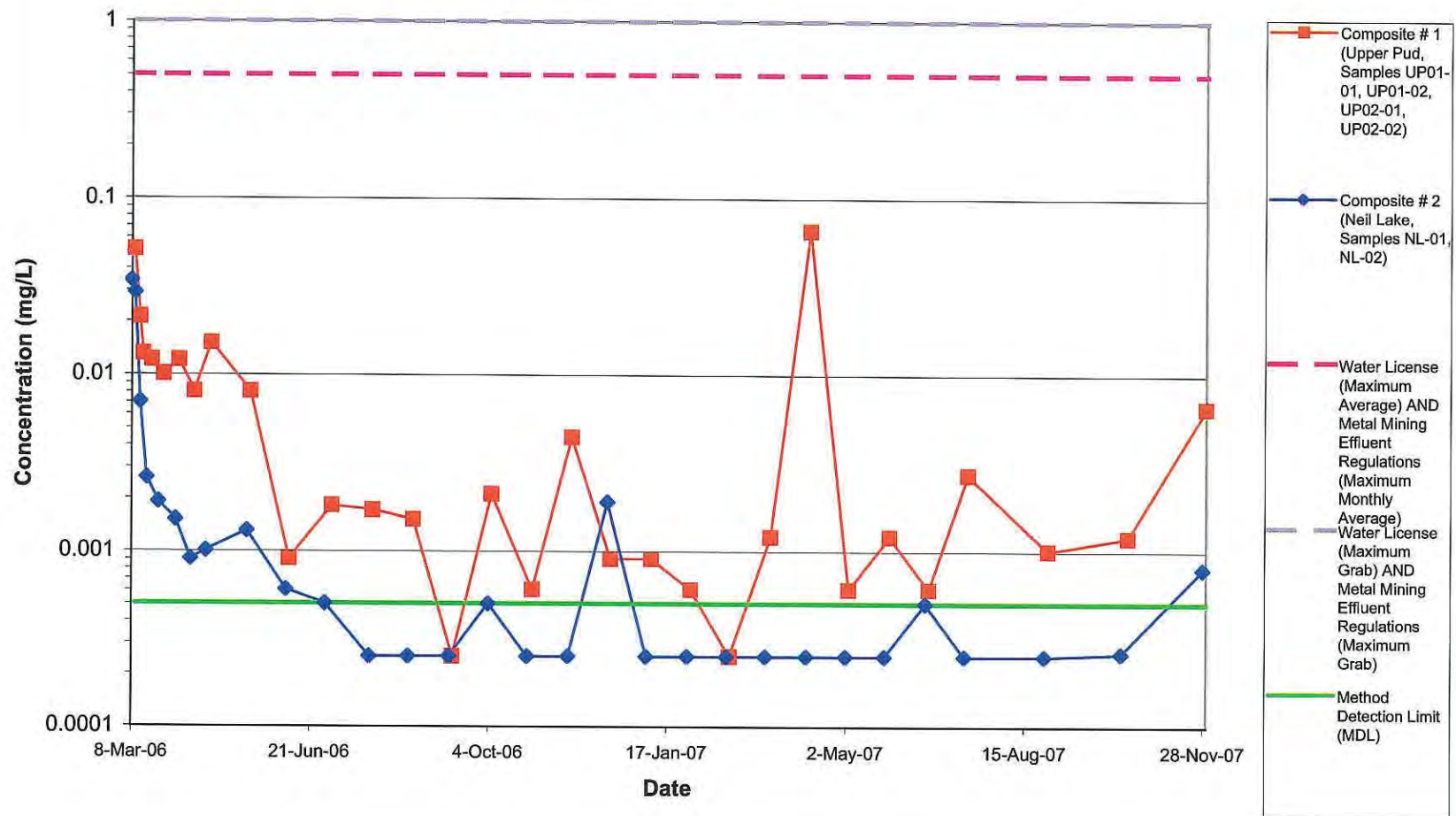


**Con Mine
Tailings Kinetic Testing**

TITLE

Dissolved Lead

DRAWN	SA	DATE	December 2007	JOB NO.	06-1413-026
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REVIEWED		FILE NO.		FIGURE NO.	3-5

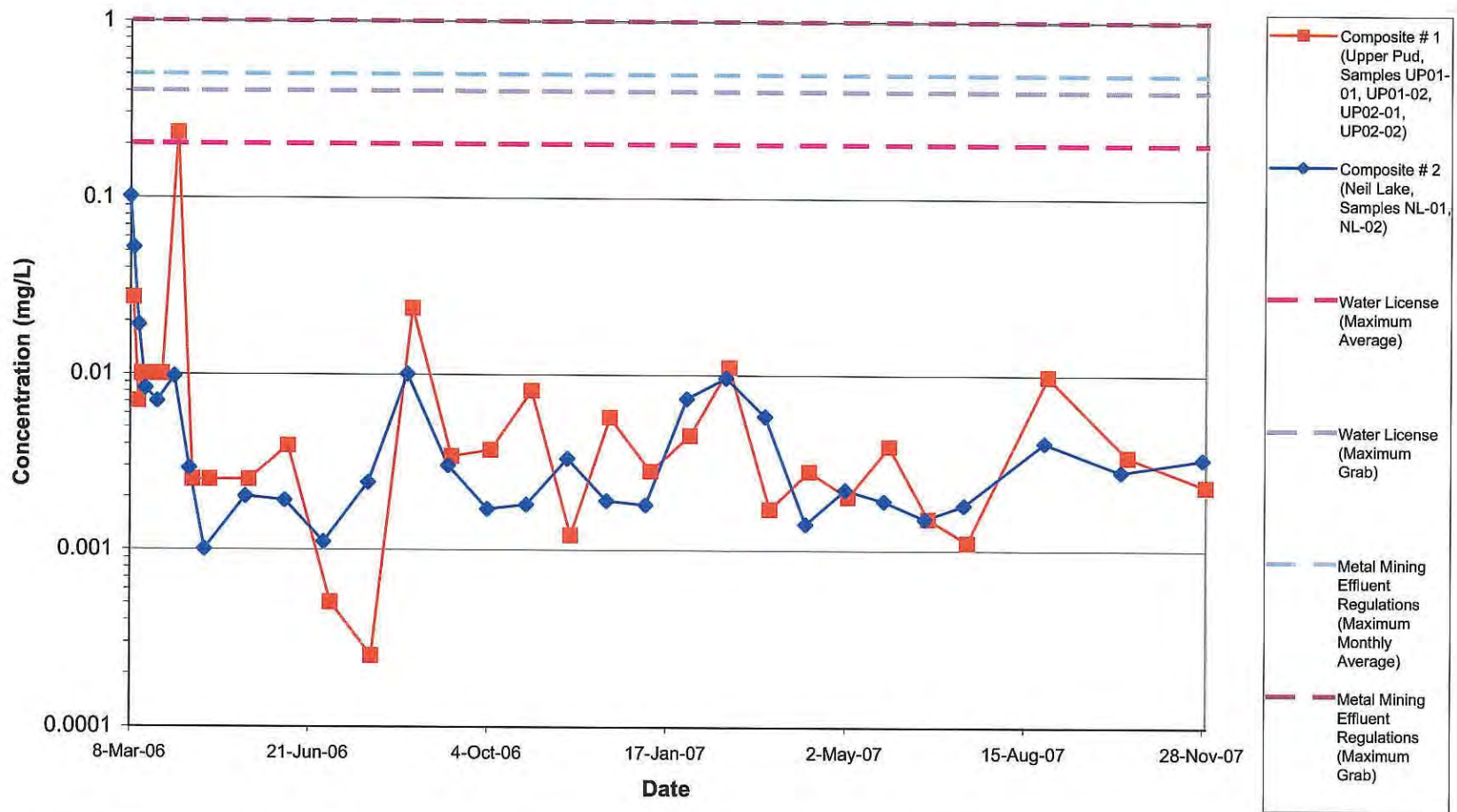


**Con Mine
Tailings Kinetic Testing**

TITLE

Dissolved Nickel

DRAWN	SA	DATE	December 2007	JOB NO.	06-1413-026
CHECKED	LL	SCALE	na	DWG. NO.	
REVIEWED		FILE NO.		FIGURE NO.	3-6



**Con Mine
Tailings Kinetic Testing**

TITLE

Dissolved Zinc

DRAWN	SA	DATE	December 2007	JOB NO.	06-1413-026
CHECKED	LL	SCALE	na	DWG. NO.	
REVIEWED		FILE NO.		FIGURE NO.	3-7



PROJECT Con Mine
Tailings Kinetic Testing

TITLE Test Cell Design


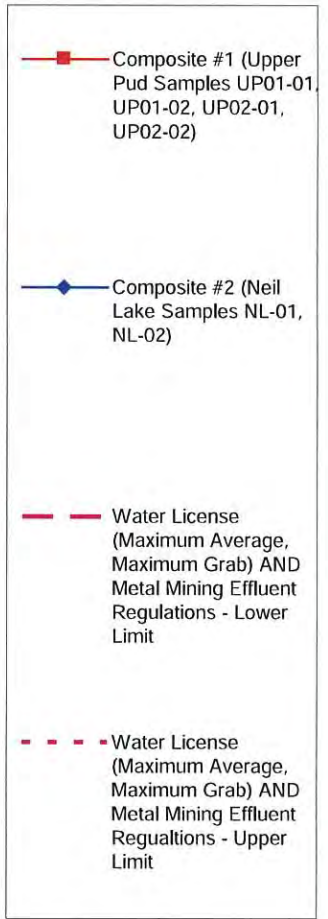
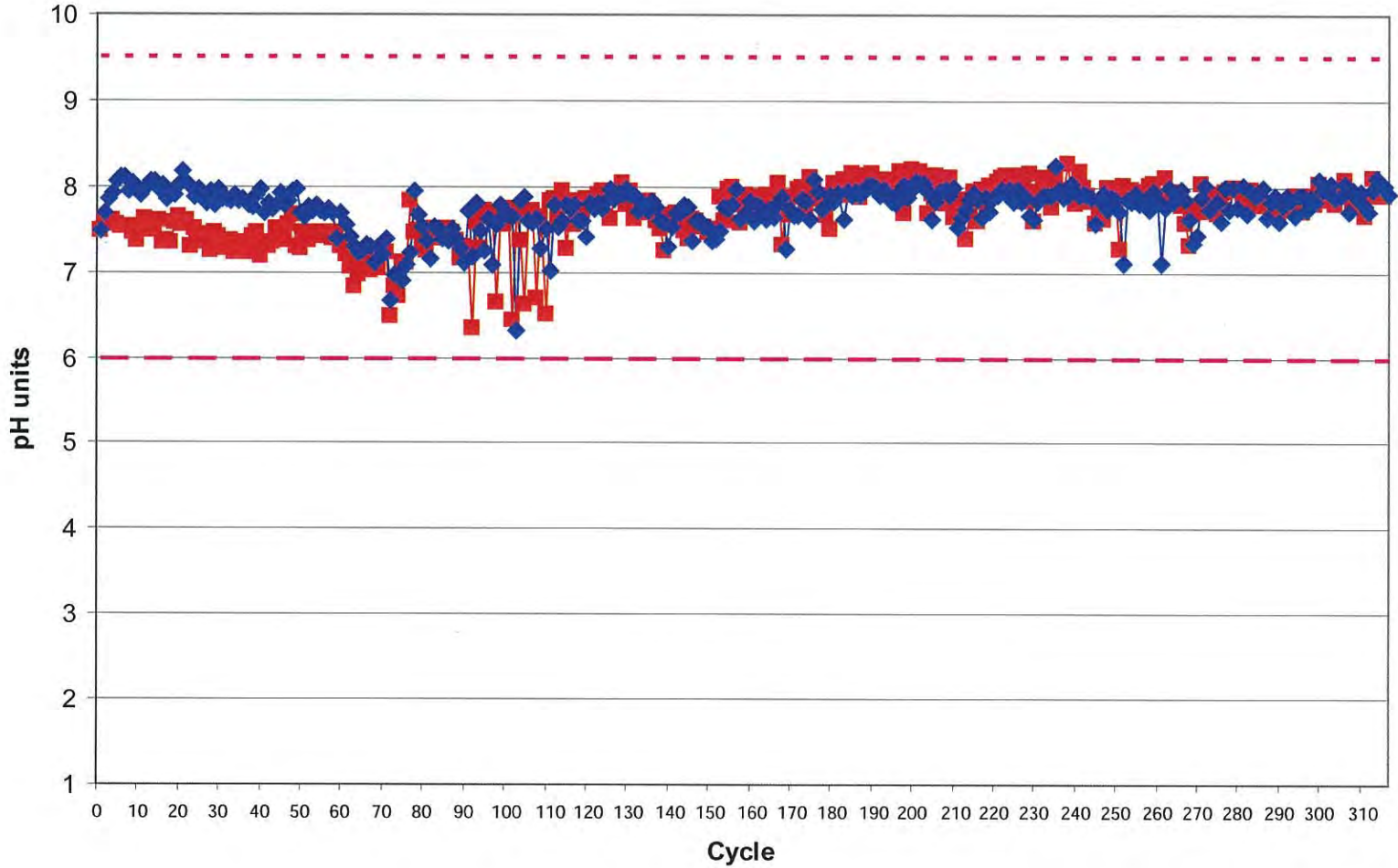
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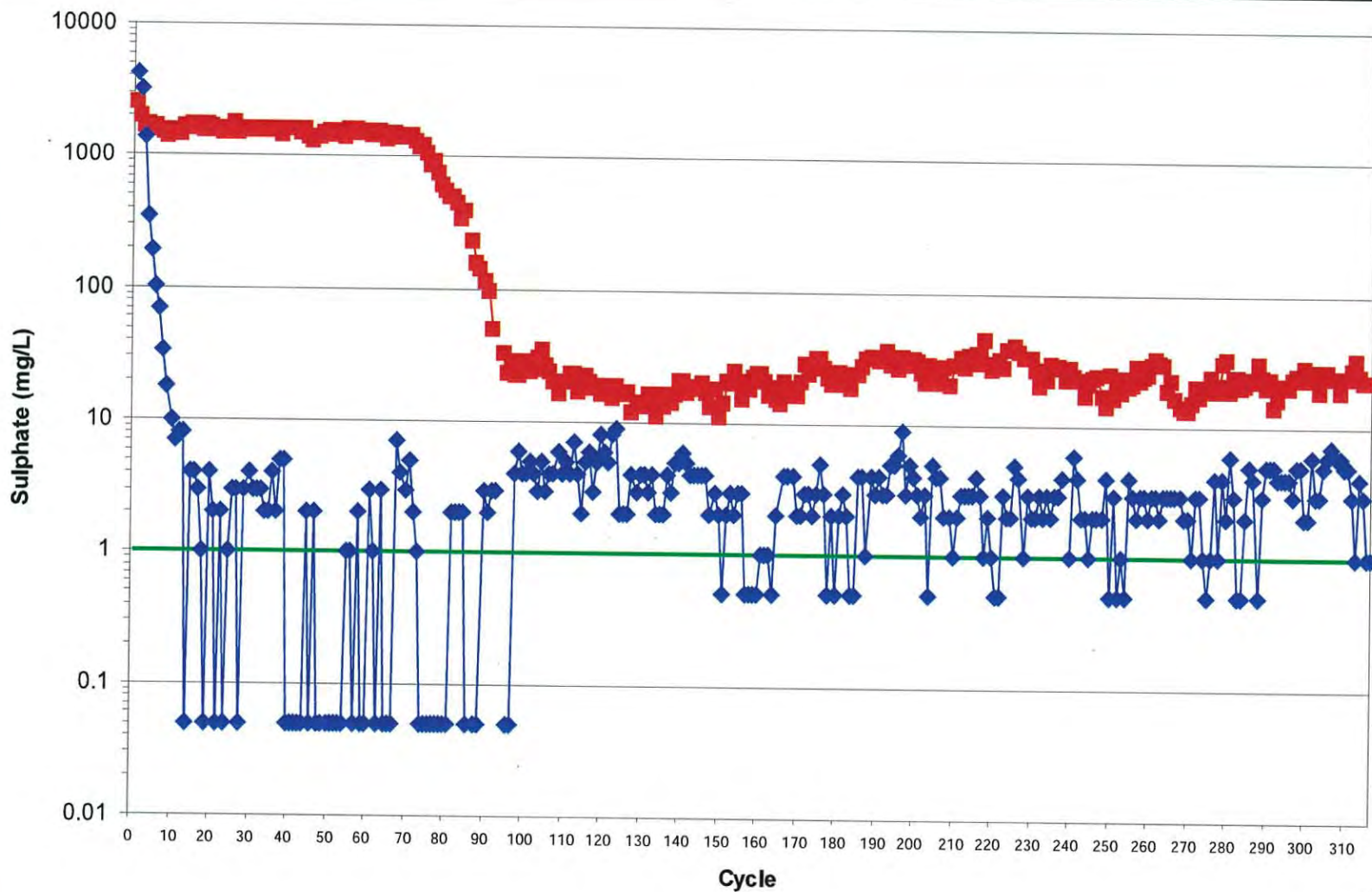
FIGURE 2-1



PROJECT		Con Mine Tailings Kinetic Testing			
TITLE		pH Time Series			
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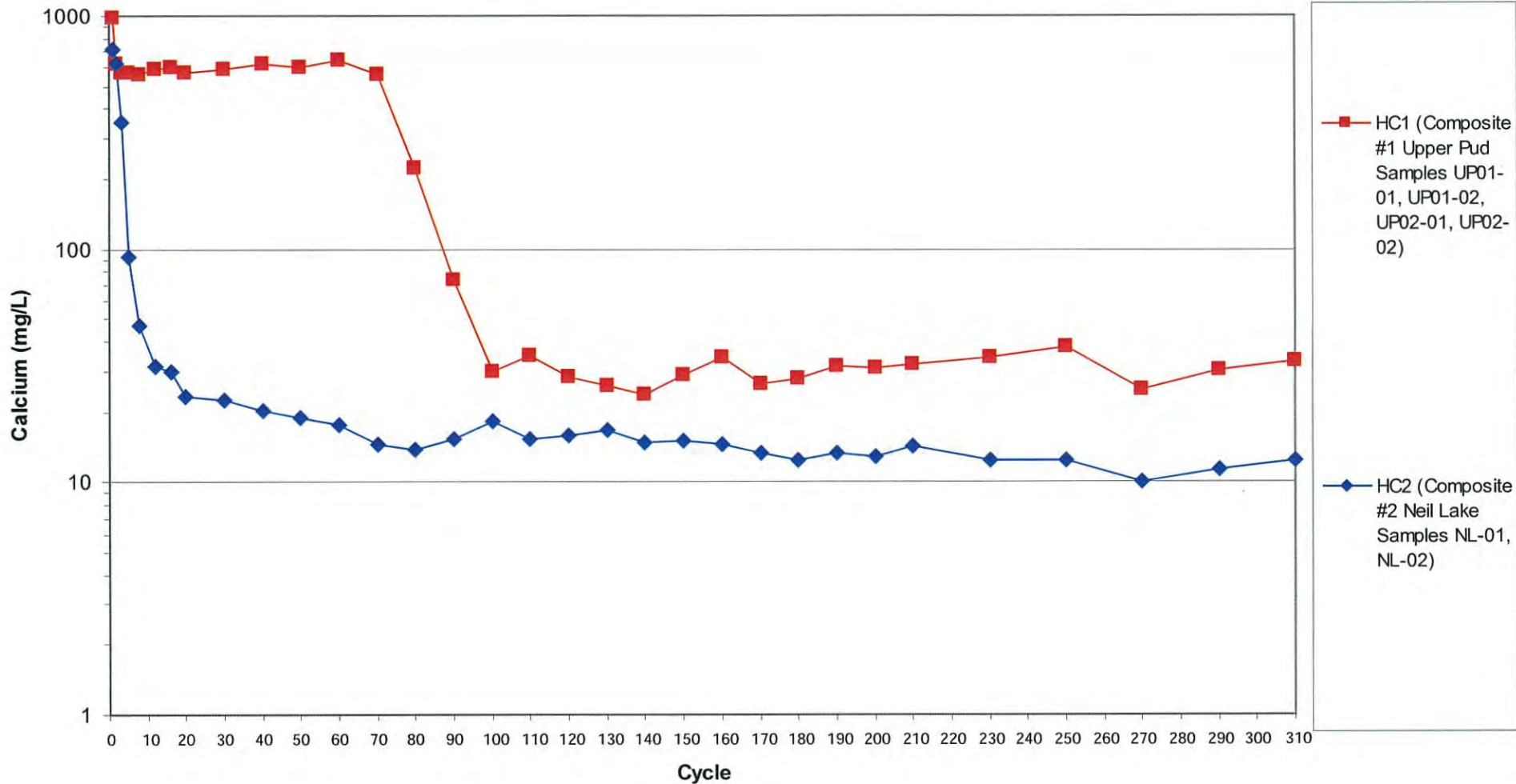
FIGURE 3-1



■ HC1 (Composite #1 Upper Pud Samples UP01-01, UP01-02, UP02-01, UP02-02)
◆ HC2 (Composite #2 Neil Lake Samples NL-01, NL-02)
— Method Detection Limit (MDL)

PROJECT		Con Mine Tailings Kinetic Testing		
TITLE		Sulphate (mg/L) Time Series		
PROJECT No.	06-1413-026	FILE No.		
DESIGN	LL	10JUN08	SCALE	N/A
CADD			REV.	—
CHECK			FIGURE 3-2	
REVIEW				





PROJECT
**Con Mine
 Tailings Kinetic Testing**

TITLE
Calcium (mg/L) Time Series


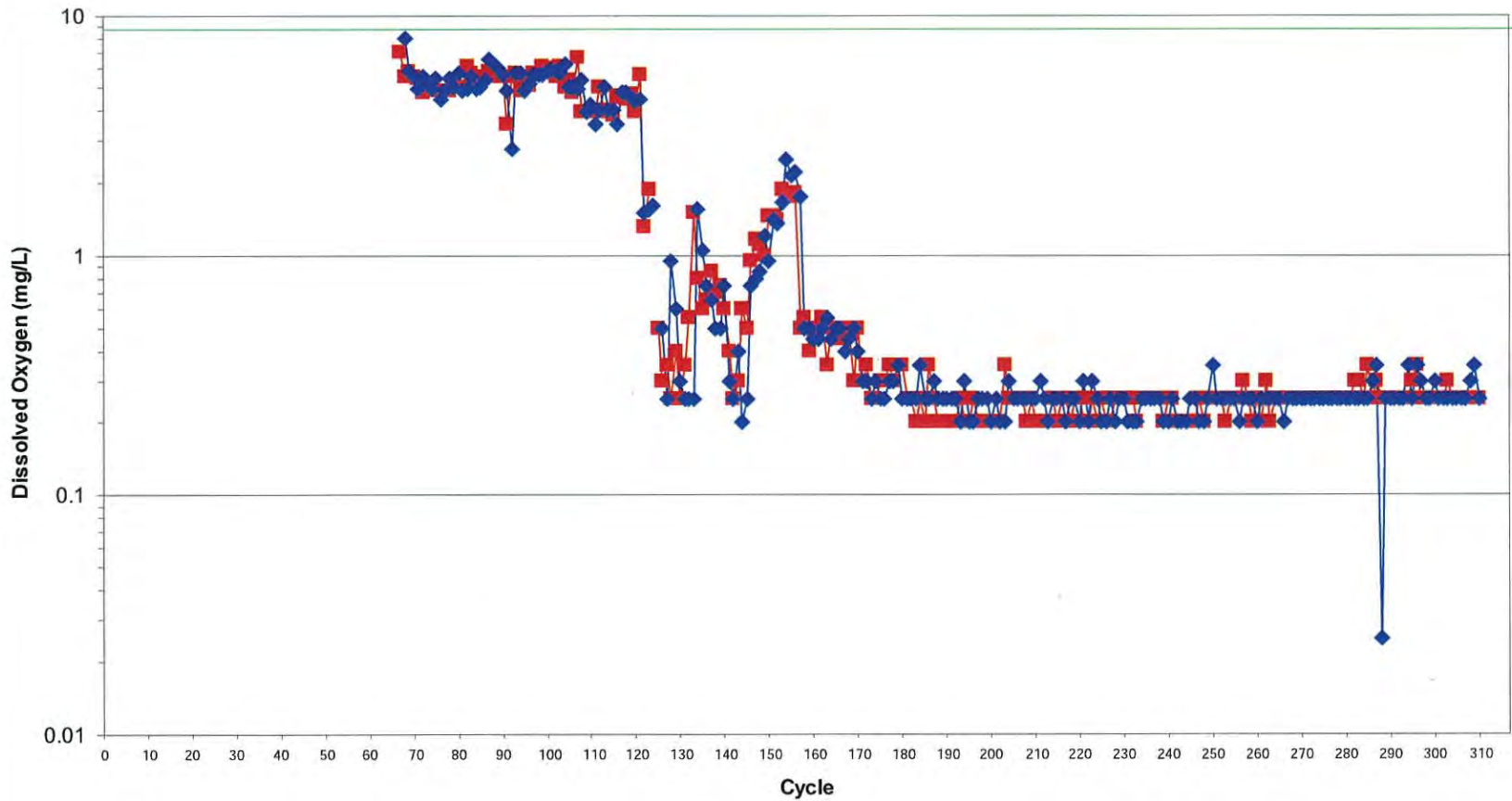
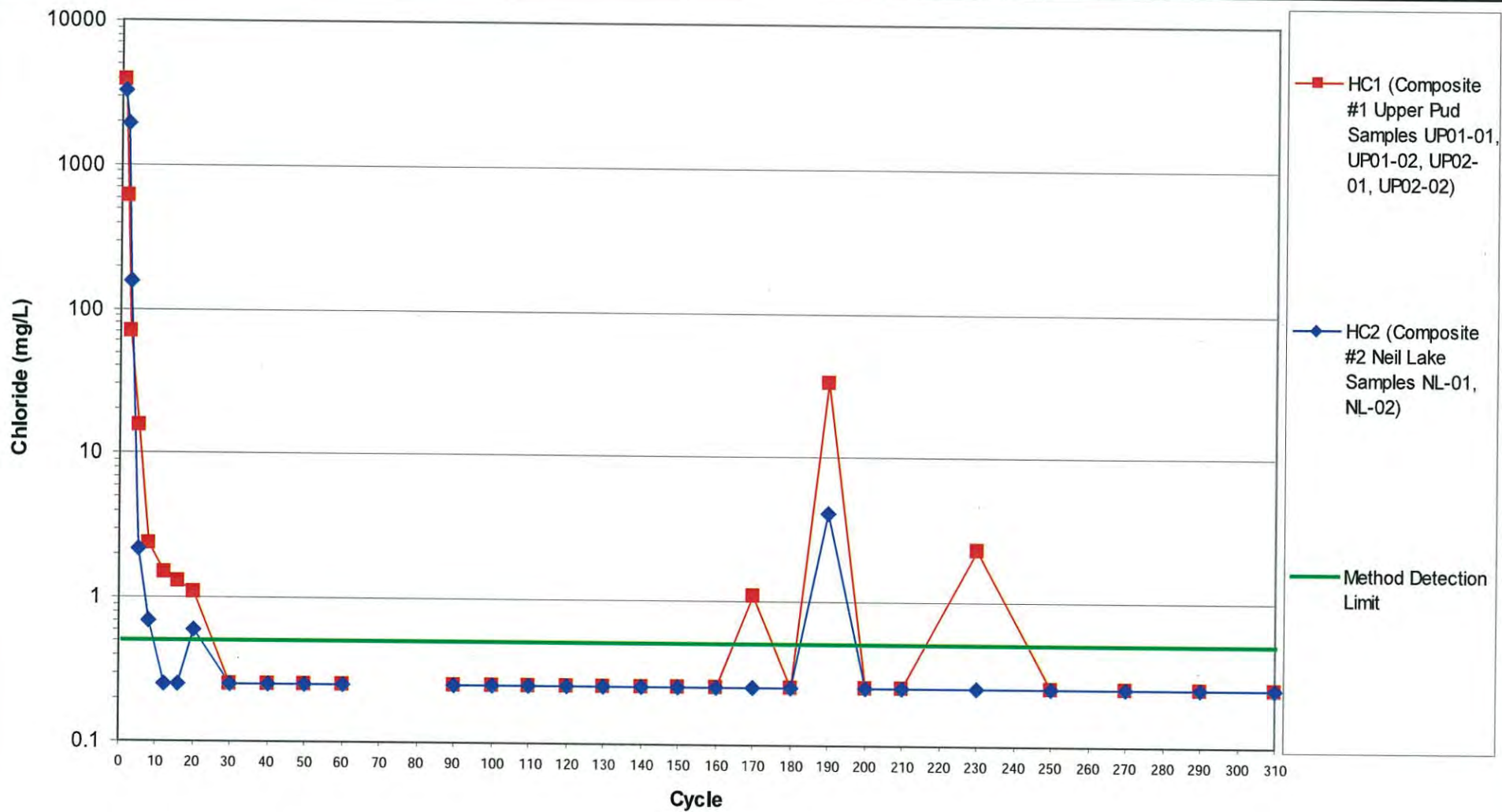
	PROJECT No. 06-1413-026		FILE No.		
	DESIGN	LL	10JUN08	SCALE N/A	REV. —
	CADD				
	CHECK				
	REVIEW				

FIGURE 3-3



PROJECT		Con Mine Tailings Kinetic Testing		
TITLE		Dissolved Oxygen (mg/L) Time Series		
PROJECT No.		06-1413-026	FILE No.	
DESIGN	LL	10JUN08	SCALE N/A	REV. —
CADD			FIGURE 3-4	
CHECK				
REVIEW				

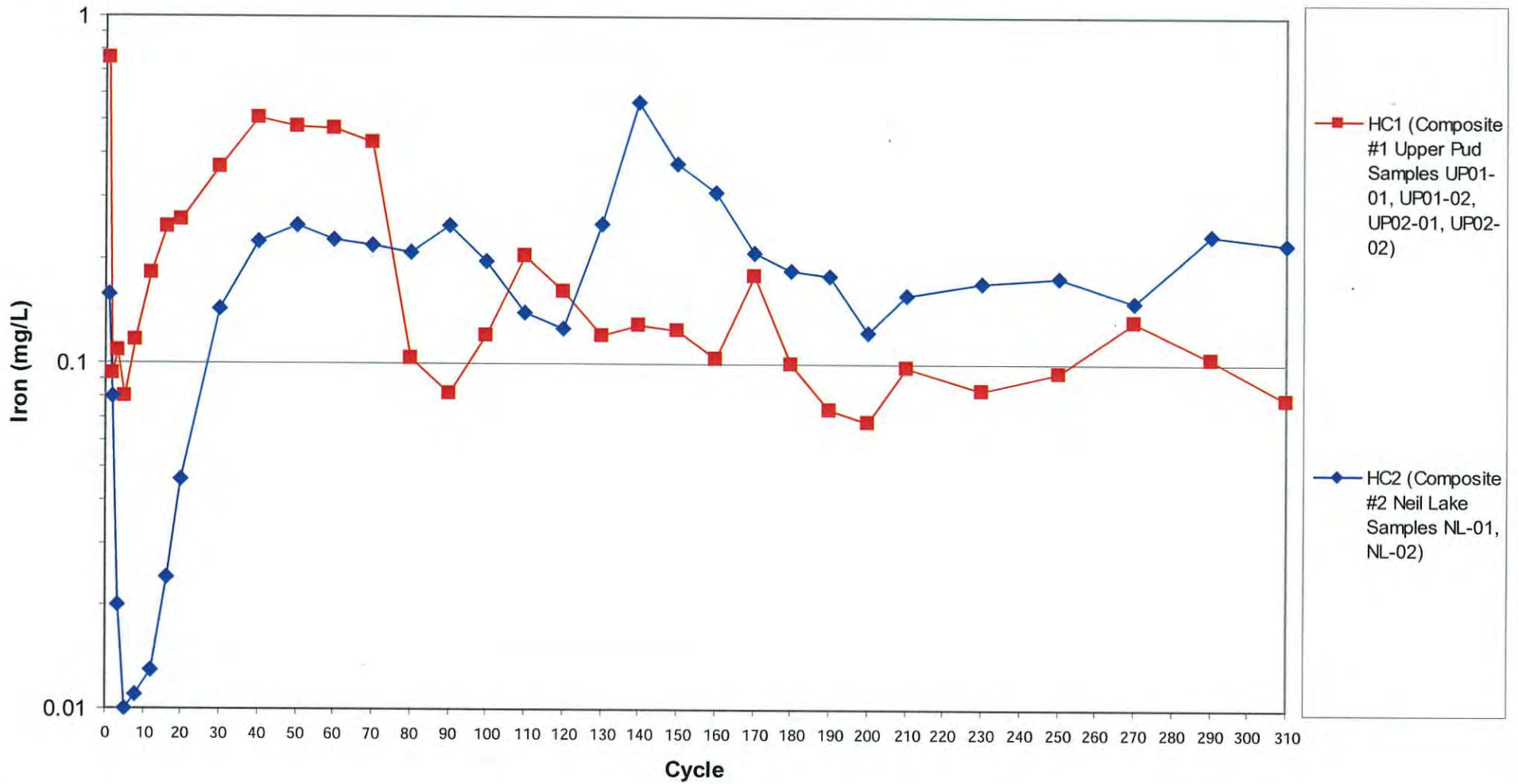




PROJECT				
Con Mine Tailings Kinetic Testing				
TITLE				
Chloride (mg/L) Time Series				
PROJECT No.		06-1413-026		FILE No.
DESIGN	LL	10JUN08	SCALE	N/A
CADD				REV. —
CHECK				
REVIEW				



FIGURE 3-5

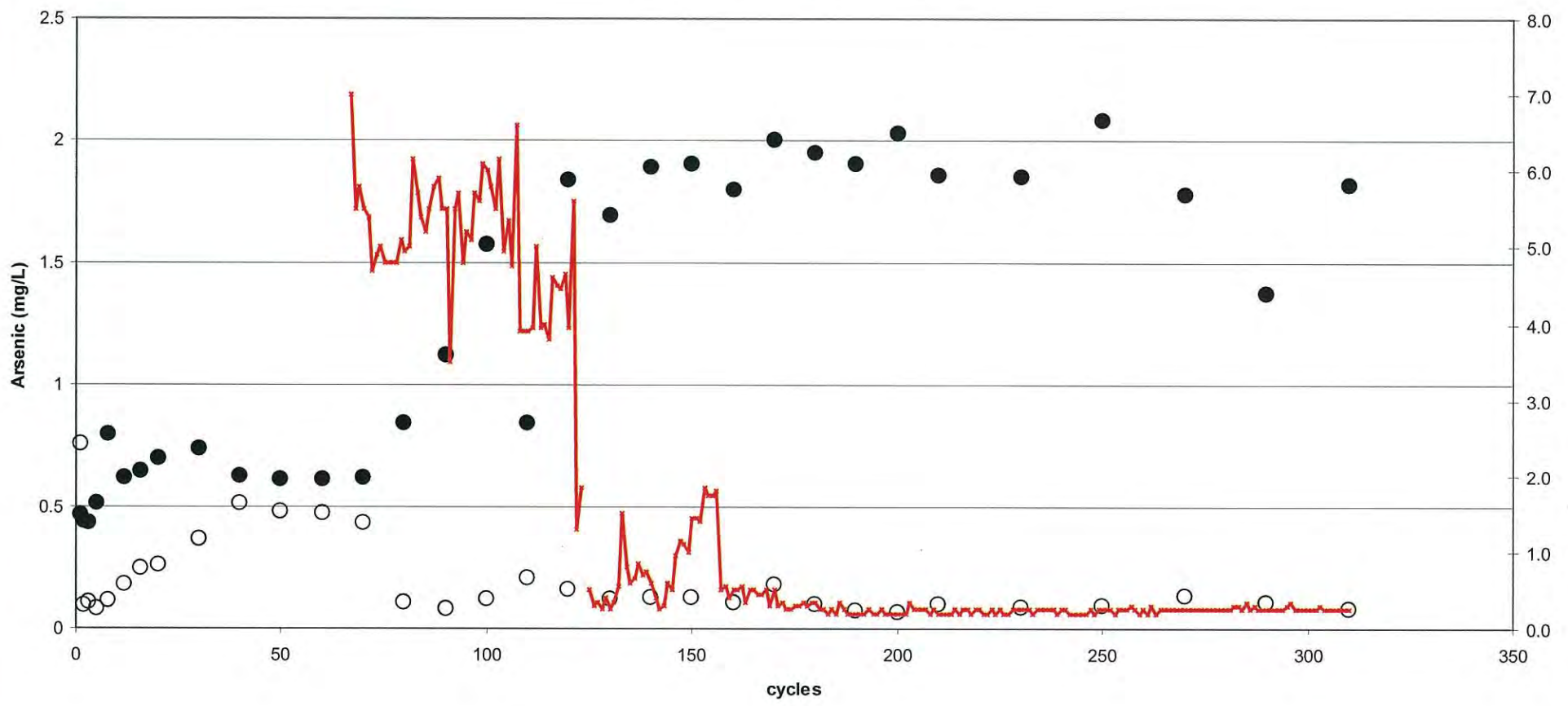


PROJECT		Con Mine Tailings Kinetic Testing		
TITLE		Iron (mg/L) Time Series		
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CADD				
CHECK				
REVIEW				



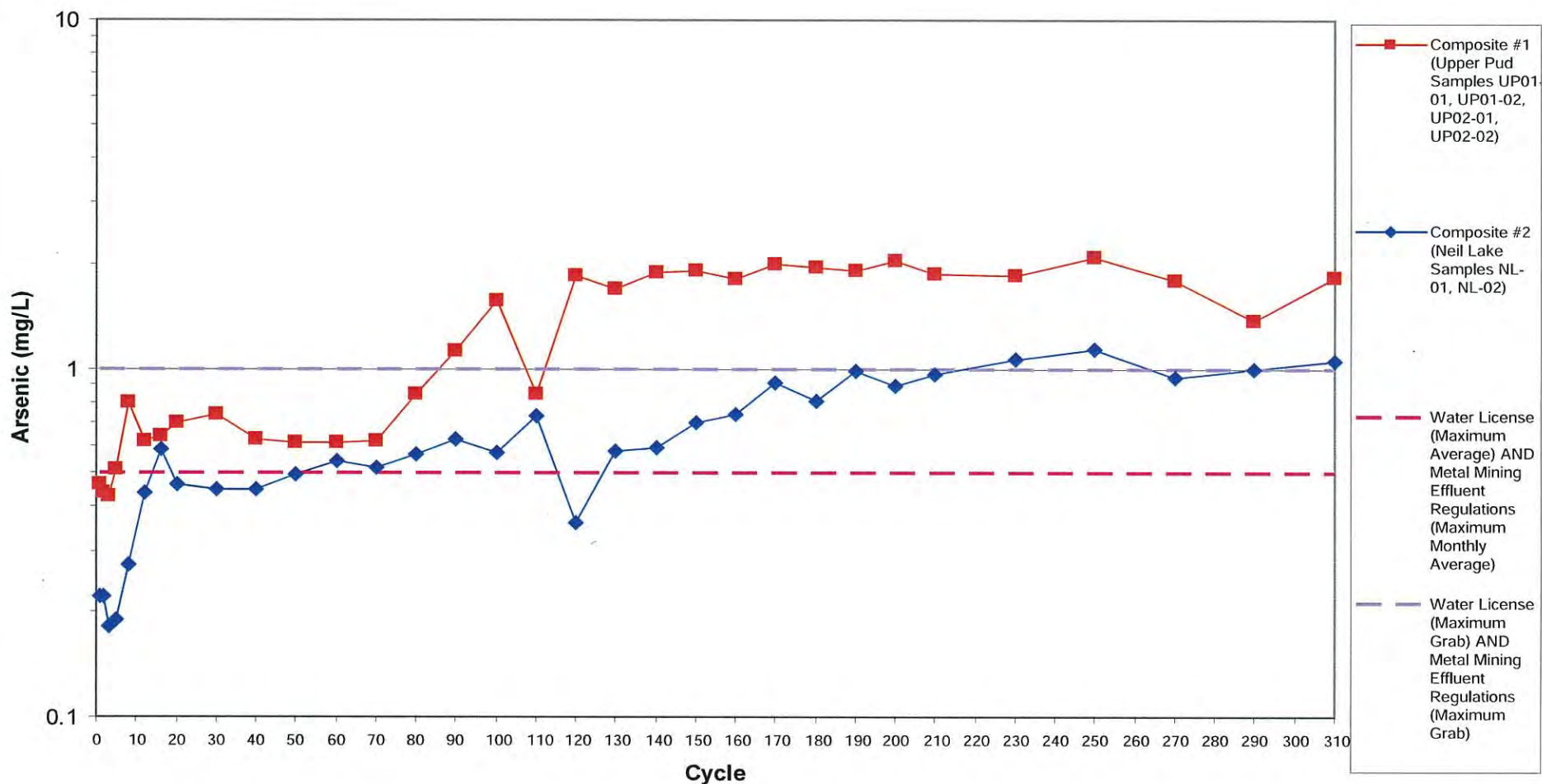
FIGURE 3-6


● As ○ Fe — Dissolved Oxygen

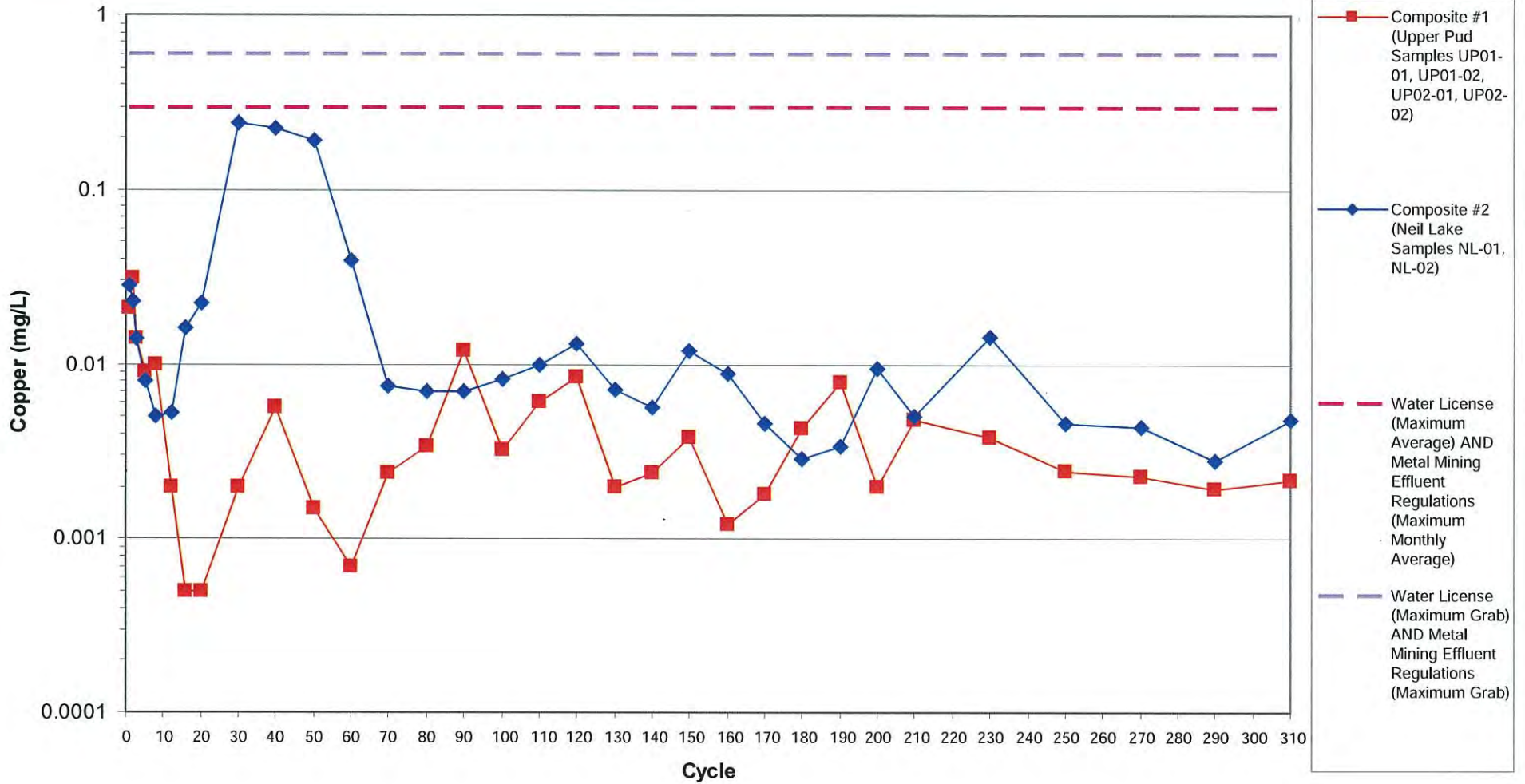


PROJECT		Con Mine Tailings Kinetic Testing		
TITLE		HC-1 Arsenic, Iron, and DO (mg/L) Time Series		
PROJECT No.		06-1413-026	FILE No.	
DESIGN	LL	10JUN08	SCALE	N/A
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CHECK			FIGURE 3-7	
REVIEW				





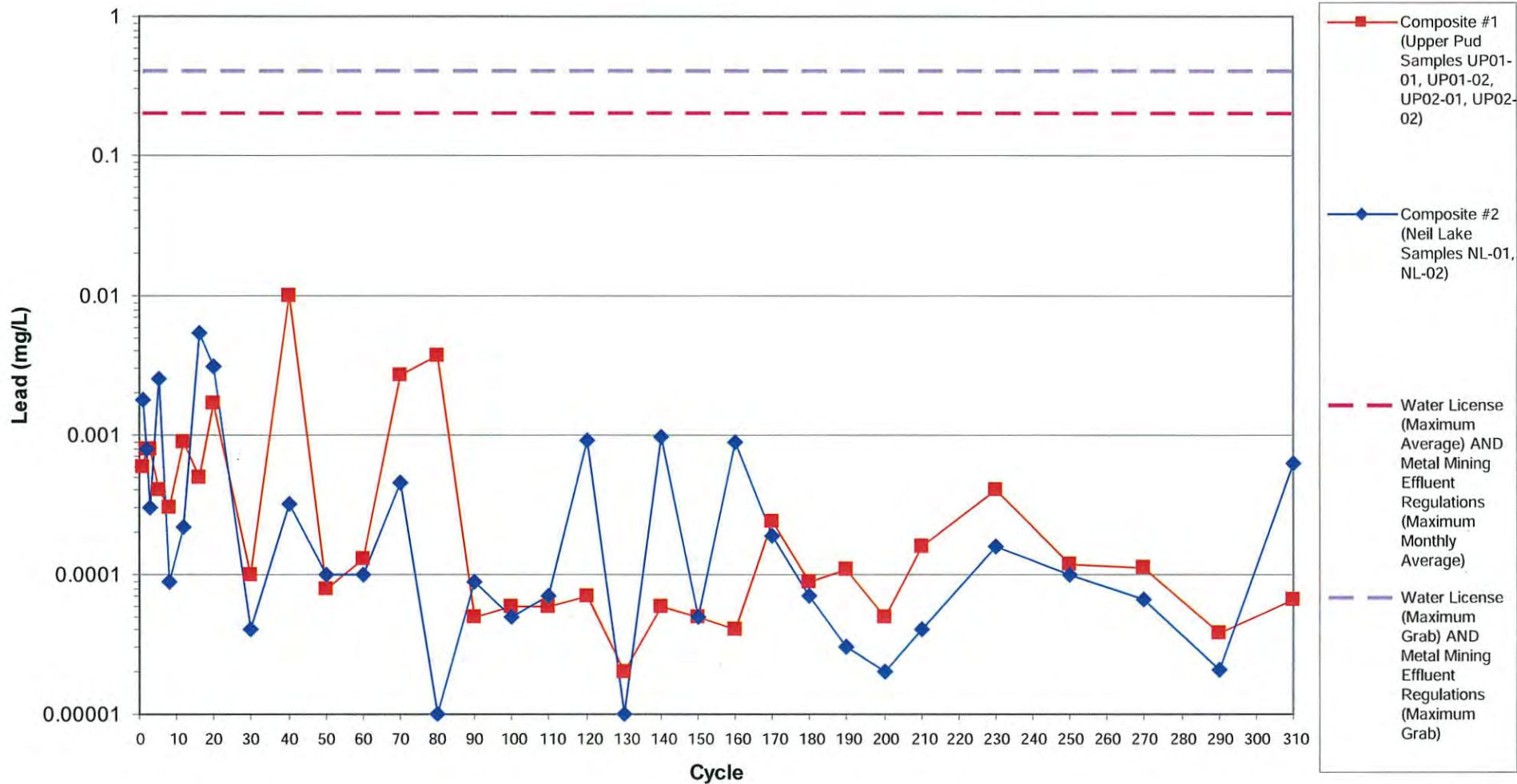
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TITLE		Arsenic (mg/L) Time Series		
PROJECT No.		06-1413-026	FILE No.	
DESIGN	LL	10JUN08	SCALE N/A	REV. -
CADD				
CHECK				
REVIEW				
				FIGURE 3-8



PROJECT		Con Mine Tailings Kinetic Testing		
TITLE		Copper (mg/L) Time Series		
PROJECT No.		06-1413-026	FILE No.	
DESIGN	LL	10JUN08	SCALE N/A	REV. -
CADD				
CHECK				
REVIEW				

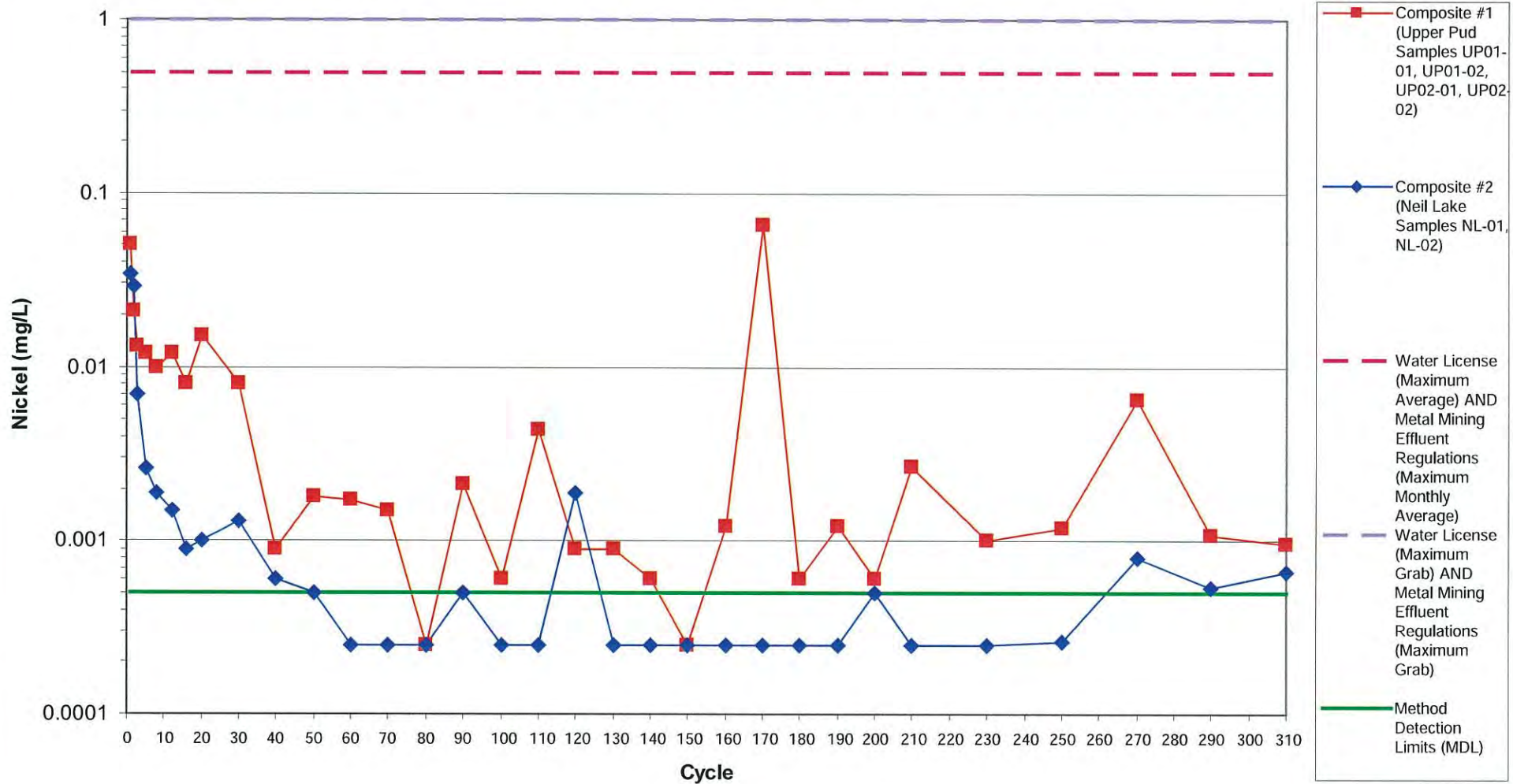


FIGURE 3-9

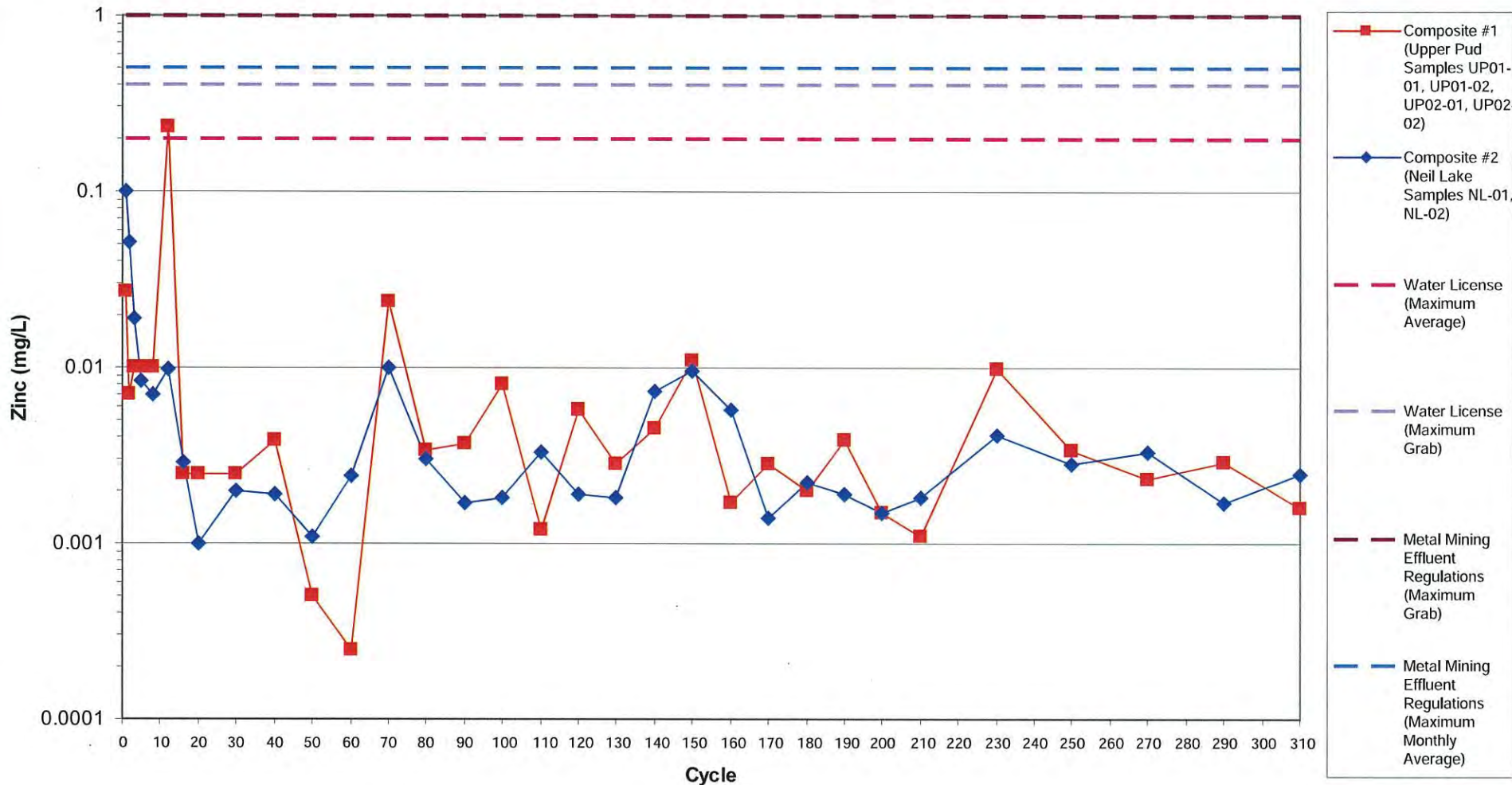


PROJECT		Con Mine Tailings Kinetic Testing		
TITLE		Lead (mg/L) Time Series		
PROJECT No.		06-1413-026	FILE No.	
DESIGN	LL	10JUN08	SCALE	N/A
CADD				REV. —
CHECK				FIGURE 3-10
REVIEW				





PROJECT		Con Mine Tailings Kinetic Testing		
TITLE		Nickel (mg/L) Time Series		
	PROJECT No.	06-1413-026	FILE No.	
	DESIGN	LL	10JUN08	SCALE N/A
	CADD			REV. -
	CHECK			FIGURE 3-11
	REVIEW			



PROJECT		Con Mine Tailings Kinetic Testing			
TITLE		Zinc (mg/L) Time Series			
PROJECT No.		06-1413-026		FILE No.	
DESIGN	LL	10JUN08	SCALE	N/A	REV. -
CADD					
CHECK					
REVIEW					
			FIGURE 3-12		

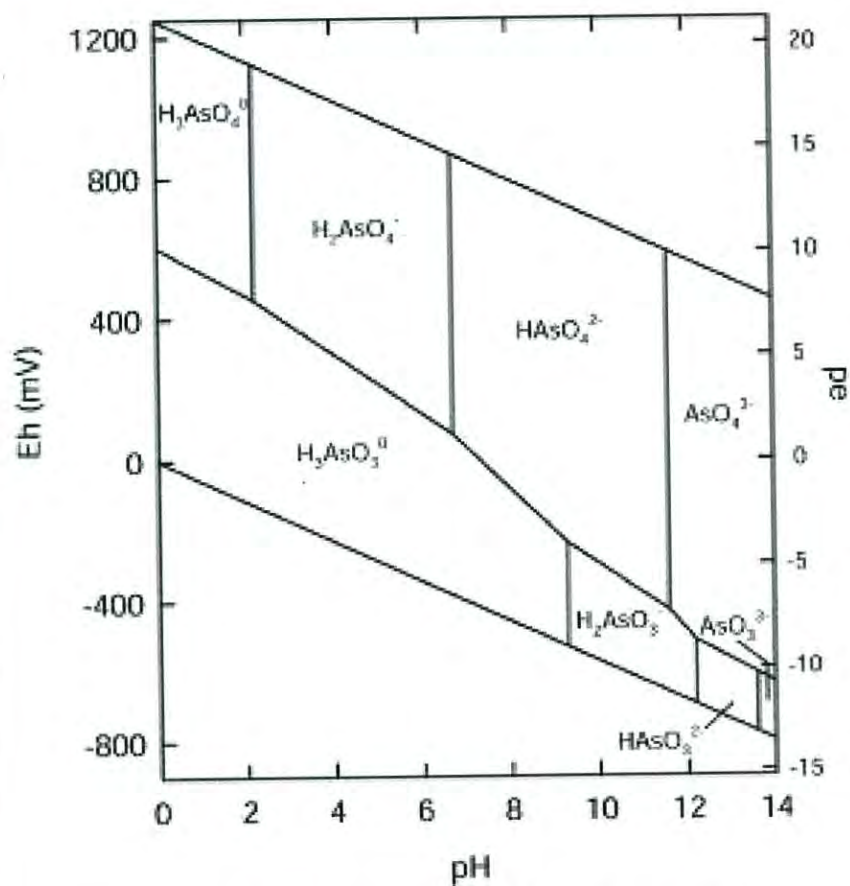


Figure 3-13a: The stability fields of arsenic.
Smedley (2002)

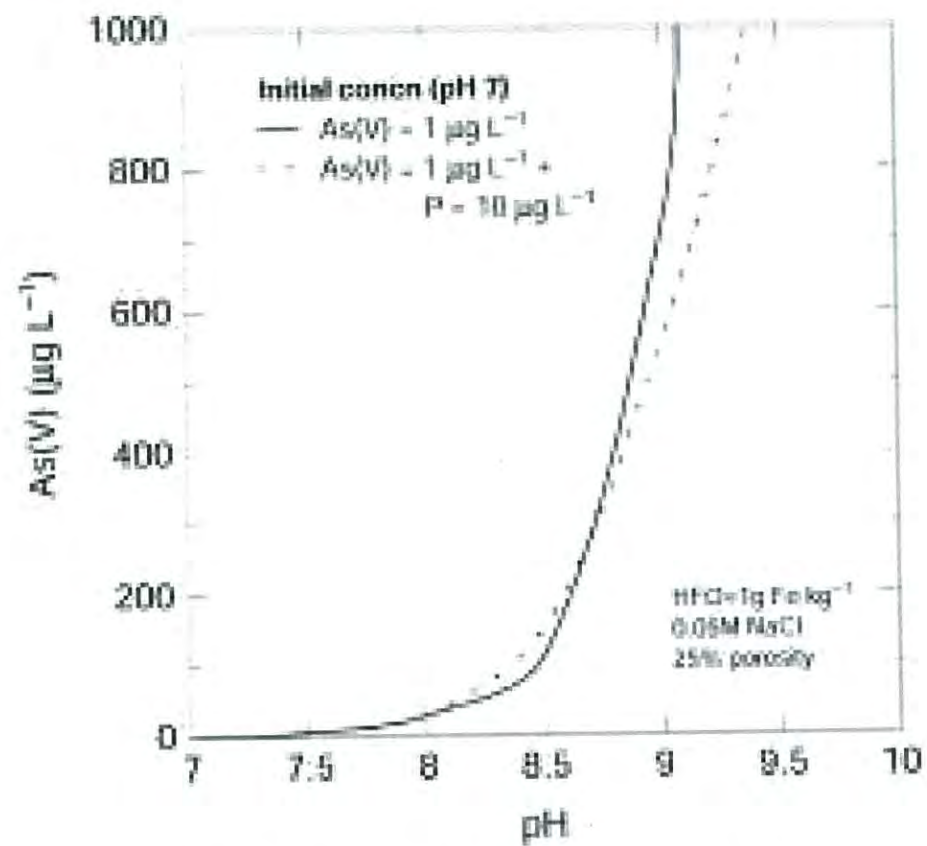
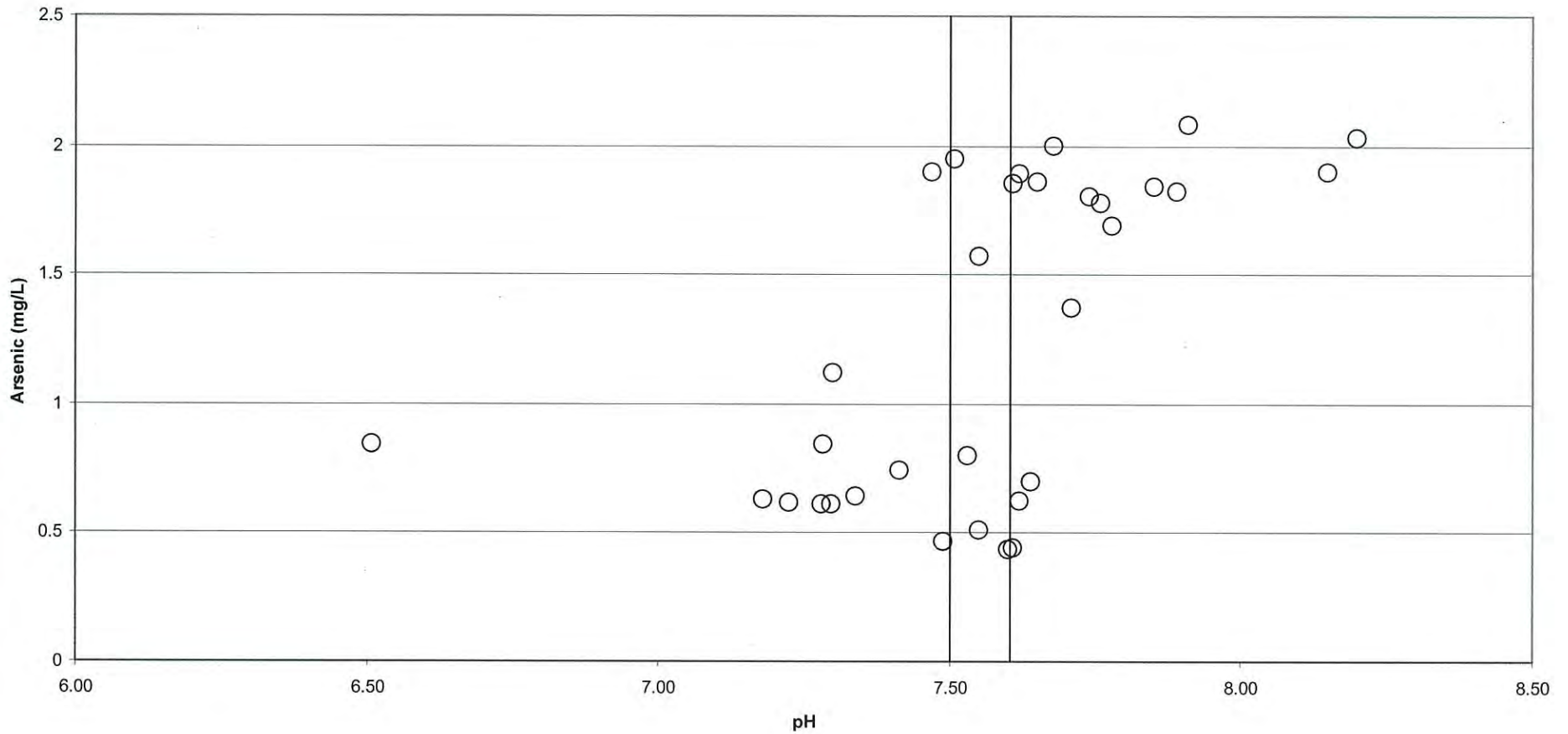


Figure 3-13b: The solubility of arsenic with pH.
Smedley (2002)

PROJECT		Con Mine Tailings Kinetic Testing		
TITLE		Arsenic Stability and Solubility Diagrams		
PROJECT No.		06-1413-026	FILE No.	
DESIGN	LL	10JUN08	SCALE N/A	REV. —
CADD				
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REVIEW				



FIGURES 3-13



PROJECT		Con Mine Tailings Kinetic Testing		
TITLE		Arsenic (mg/L) vs. pH		
PROJECT No.		06-1413-026	FILE No.	
DESIGN	LL	10JUN08	SCALE N/A	REV. —
CADD				
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REVIEW				



FIGURE 3-14



APPENDIX I

Depletion Rates



APPENDIX I Depletion Rates

Depletion Rate Calculations

The depletion rate for the tailings samples in the cell is the time required for a solute (e.g., arsenic, copper, lead, nickel, or zinc) to be leached from the sample and by analogy, the rate by which the solute can be removed from the TCA. The depletion rate is derived from the cell release rate which is the mass of solute dissolved in the volume of water discharged from a cell in a unit of time (e.g., mg of solute/kg of sample/unit time). In the case of the test cells, the unit of time is one cycle (i.e., mg/kg/cycle). Knowing how rapidly a solute is dissolved and knowing the amount of soluble solute that is present in the sample within the cell (or tonnes tailings in the TCF) gives an estimate of the time required for the solute to be completely dissolved from the sample.

Cell Release Rates

The concentrations of solute (e.g., arsenic) in the leachate from the cells are reported by the laboratory in units of mg/L. In a typical humidity cell, a known volume of solution (typically 500 mL) is applied to a fixed mass of solid in the cell (commonly 1 kg) per week. Release rates are calculated by multiplying the concentration (mg/L) by the rate of solution application (L/week) divided by the mass of the sample (kg) (e.g., mg/kg/week = mg/L x L/week x 1/kg of samples).

In the case of the test cells, solution was applied continuously and the volume of solution was measured at the end of each cycle. Figures I-1 and I-2 are plots of the measured volumes of solution recovered per cycle from HC-1 and HC-2, respectively. The measured volume of solution varies dramatically between cycles because the pump was operating at a minimum speed and as a result, the pumping rates varied daily as well as in cycles of 220 to 250 days. Figures I-1 and I-2 also show the average volumes between sampling events, the actual volume measured at the time the samples were collected for metal analyses, and the average volume calculated for the entire length of the test (310 cycles).

Figures I-3 through I-5 show the release rates for arsenic, sulphate, and alkalinity for HC-1 and HC-2, respectively. The plots show the arsenic and sulphate release rates from the three URS humidity cell tests and the two Golder test cells. The figures have been converted to units of years (mg/kg/year) based upon the cycles of the URS and Golder tests (e.g., the URS weekly cycle is seven days and the Golder cycle is roughly 2.3 days). The release rates for the Golder data are based upon a dry weight of sample of 1.54 kg in HC-1 and a dry weight of 1.72 kg in HC-2. Each figure shows the average annual release rate over the stable intervals (solid and dashed lines). Table I-1 lists the average annual release rates shown in Figure I-3 through I-5 and for the URS testing.

Table I-1: Steady State Leaching Rates for Current Test Program and the URS Tests

	Golder (2008)		URS (2003)			
	HC-1	HC-2	TL-01	TL-07	TL-34	TL-01
	mg/kg/yr	mg/kg/yr	mg/kg/yr	mg/kg/yr	mg/kg/yr	mg/kg/yr
Alkalinity	2007	1204	na	na	na	Na
Sulphide	na	na	na	na	na	Na
Sulphate	590	67.1	na	na	na	Na
As	47.6	23.8	5.512	4.524	5.356	5.512



APPENDIX I Depletion Rates

Table I-2 summarizes the expected time for depletion of pyrite, carbonate alkalinity and selected metals under laboratory conditions (after Price, 1997). The depletion rate for the alkalinity is based upon several alternative methods of calculation (refer to footnotes Table I-2). Ankerite ($\text{Ca}(\text{Fe},\text{Mg},\text{Mn})(\text{CO}_3)_2$) has been reported in the tailings but because of the presence of iron in ankerite, the neutralizing capacity of ankerite is not considered a significant source of acid neutralizing capacity. The presence of ankerite is consistent with the carbonate NP being consistently higher than the bulk NP. The sulphide depletion rate assumes that pyrite is the dominant source of acidity in the tailings from the Con Mine. Results of the URS mineralogical analyses show that pyrite is between 0.8 and 4.3% of the tailings and other sulphide minerals arsenopyrite and pyrrhotite are volumetrically insignificant. URS assumed that the release of arsenic was mineralogically controlled and based the estimates for the time for depletion upon rates for arsenopyrite (FeAsS) and ferric arsenate ($\text{Fe}(\text{AsO}_4)\cdot 2\text{H}_2\text{O}$). The attached estimate assumes that all of the arsenic leaches at the rate outlined in Table I-1.

Table I-2: Depletion Estimates for Pyrite and Carbonate Alkalinity and Selected Metals

Parameter	HC-1	HC-2
	Time to Depletion (Years)	Time to Depletion (Years)
	Laboratory Scale Loading Rates	Laboratory Scale Loading Rates
	Average of Steady State ³	Average of Steady State ³
	Average Test Volume ⁶	Average Test Volume ⁶
ABA Components		
Sulphide	64	60
NP (emp) ⁸	66	186
CaNP (emp) ⁸	82	160
NP (SO_4) ⁹	285	3,224
CaNP (SO_4) ⁹	350	2,769
NP (Ca) ¹⁰	93	266
CaNP (Ca) ¹⁰	113	229
NP (alkalinity) ¹¹	93	186
CaNP (alkalinity) ¹¹	112	159
Metals		
Arsenic (As)	123	52

3) Depletion calculations are based on average steady state loading rates observed under lab conditions Table I-1.

6) Average measured volumes for the entire test period were used in loading rate determinations.

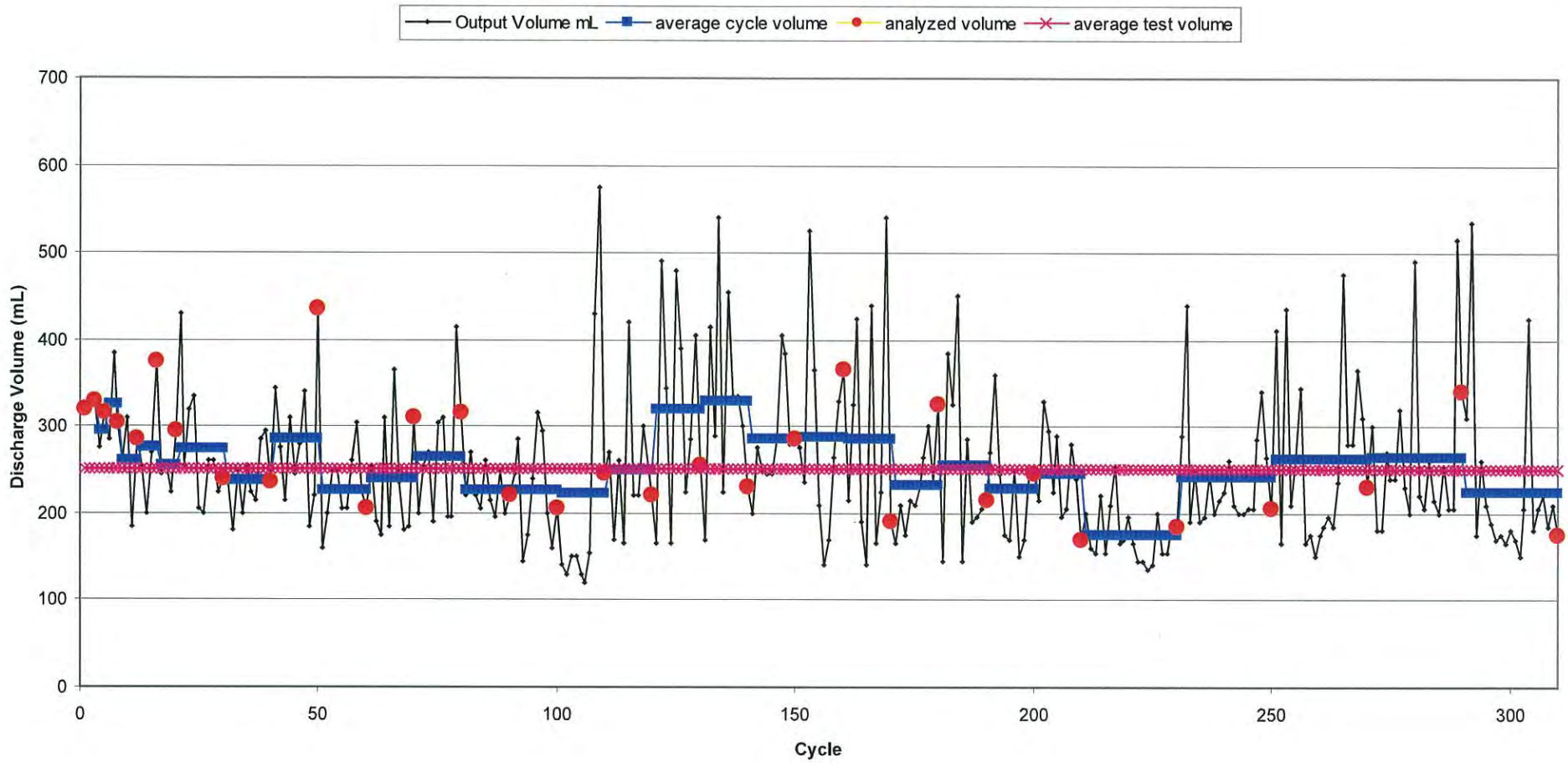
8) Neutralization depletion rate is calculated as follows: Theoretical NP Consumption (determined from the SO_4 production rate) + Alkalinity Production Rate - Acidity Production Rate.

9) Neutralization depletion rate is based on theoretical NP consumption (determined from the SO_4 production rate).

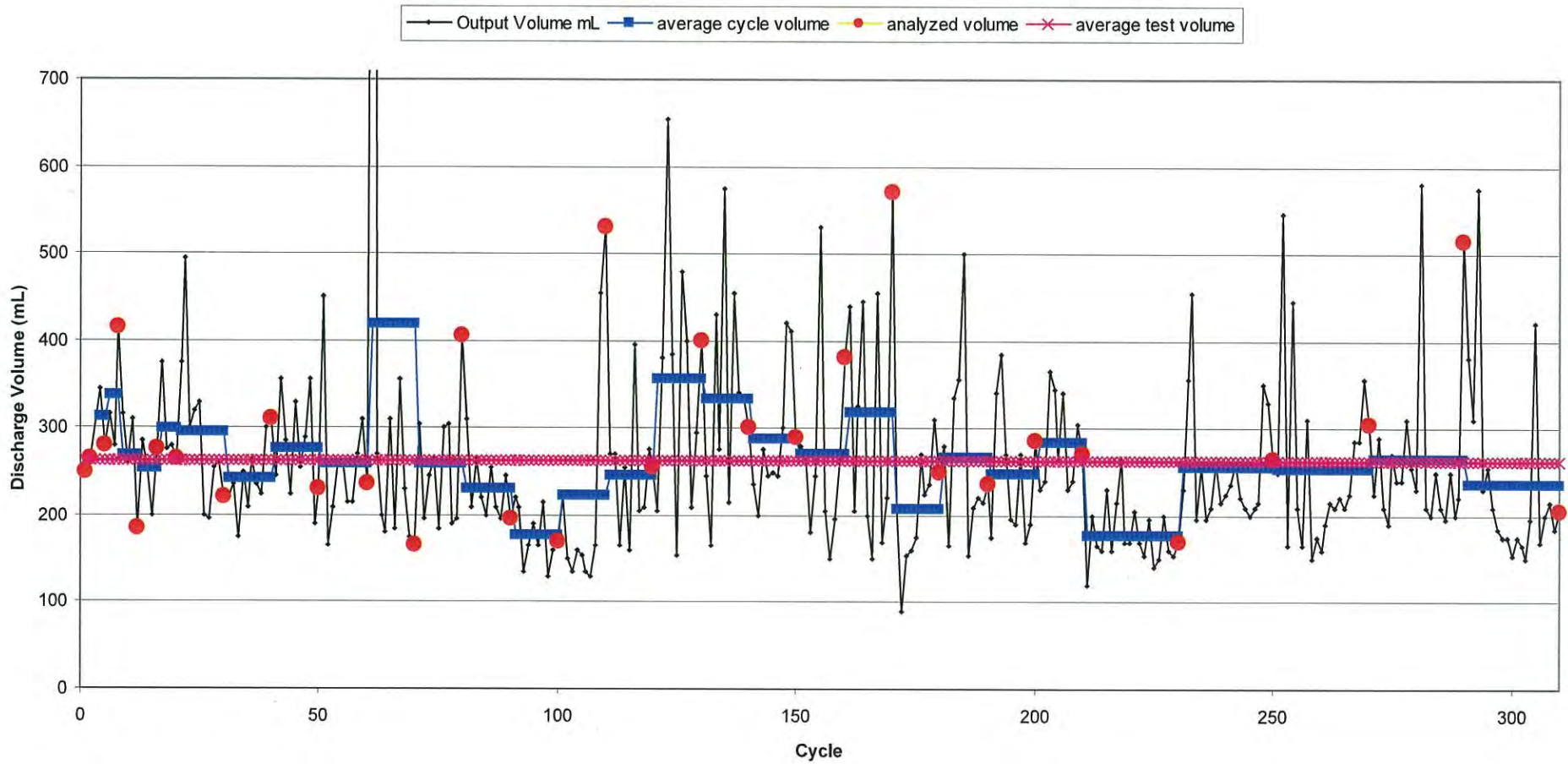
10) Neutralization depletion rate is based on theoretical alkalinity consumption (determined from the calcium production rate).


11) Neutralization depletion rate is based on the observed alkalinity production rate.

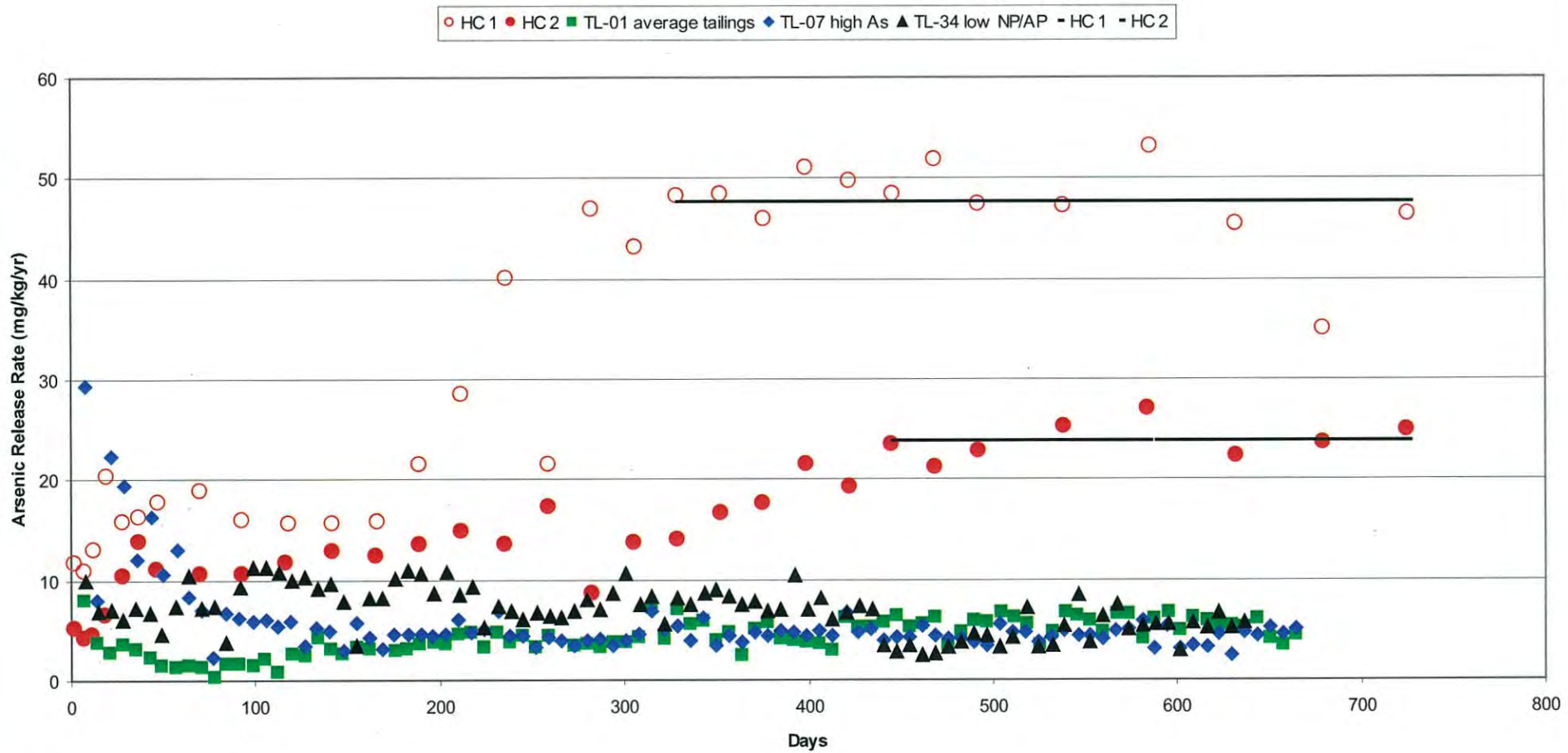
\\bur1-s-filesrv2\final\2006\1413\06-1413-026\ rpt-0129_09 miramar-results of the kinetic test work\appendix i - part 1.doc



PROJECT		Con Mine Tailings Kinetic Testing		
TITLE		Discharge Volumes for HC1		
PROJECT No.		06-1413-026	FILE No.	
DESIGN	LL	10JUN08	SCALE N/A	REV. -
CADD				
CHECK				
REVIEW				
				FIGURE I-1



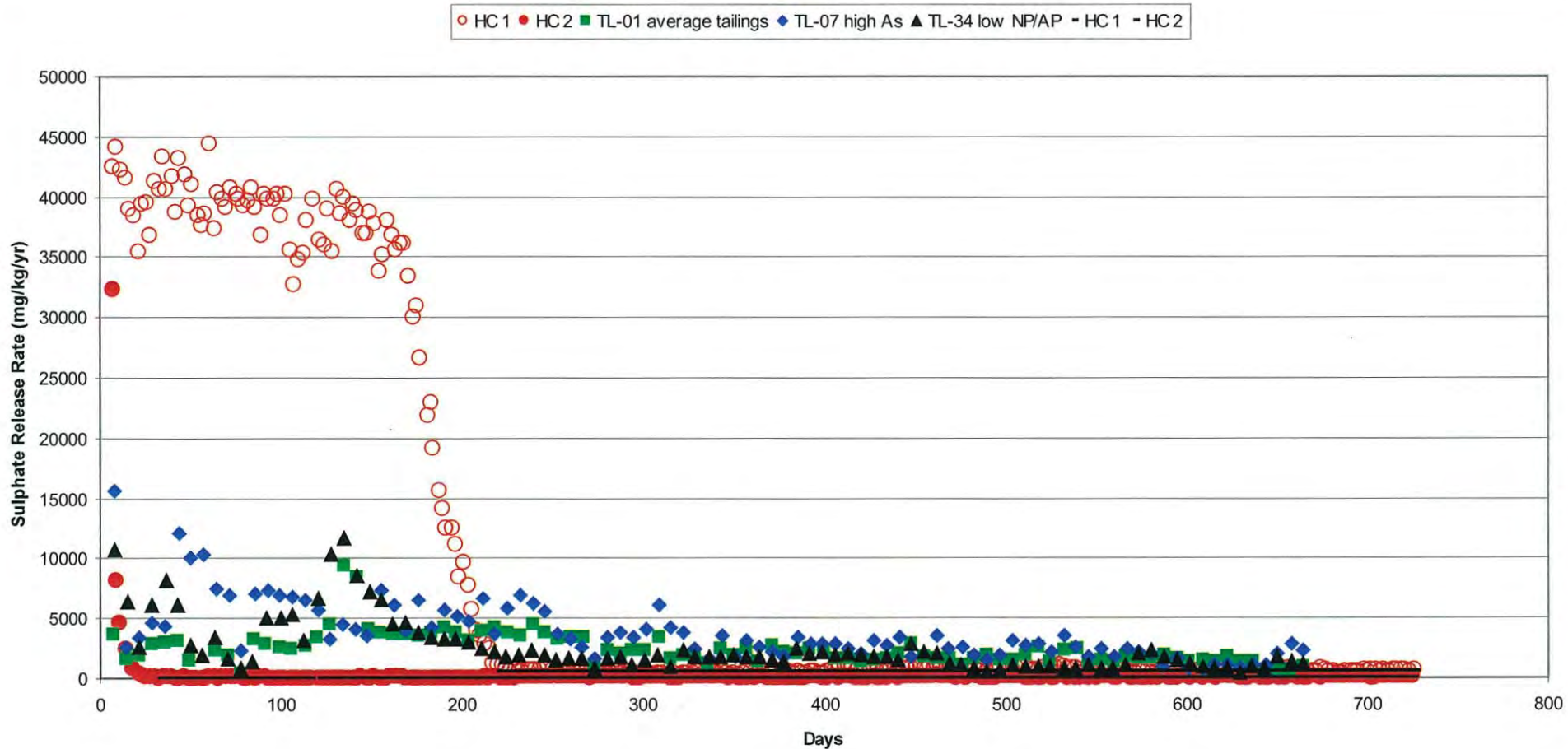
PROJECT		Con Mine Tailings Kinetic Testing			
TITLE		Discharge Volumes for HC2			
PROJECT No.		06-1413-026		FILE No.	
DESIGN	LL	10JUN08	SCALE	N/A	REV. —
CADD					
CHECK					
REVIEW					
					FIGURE I-2



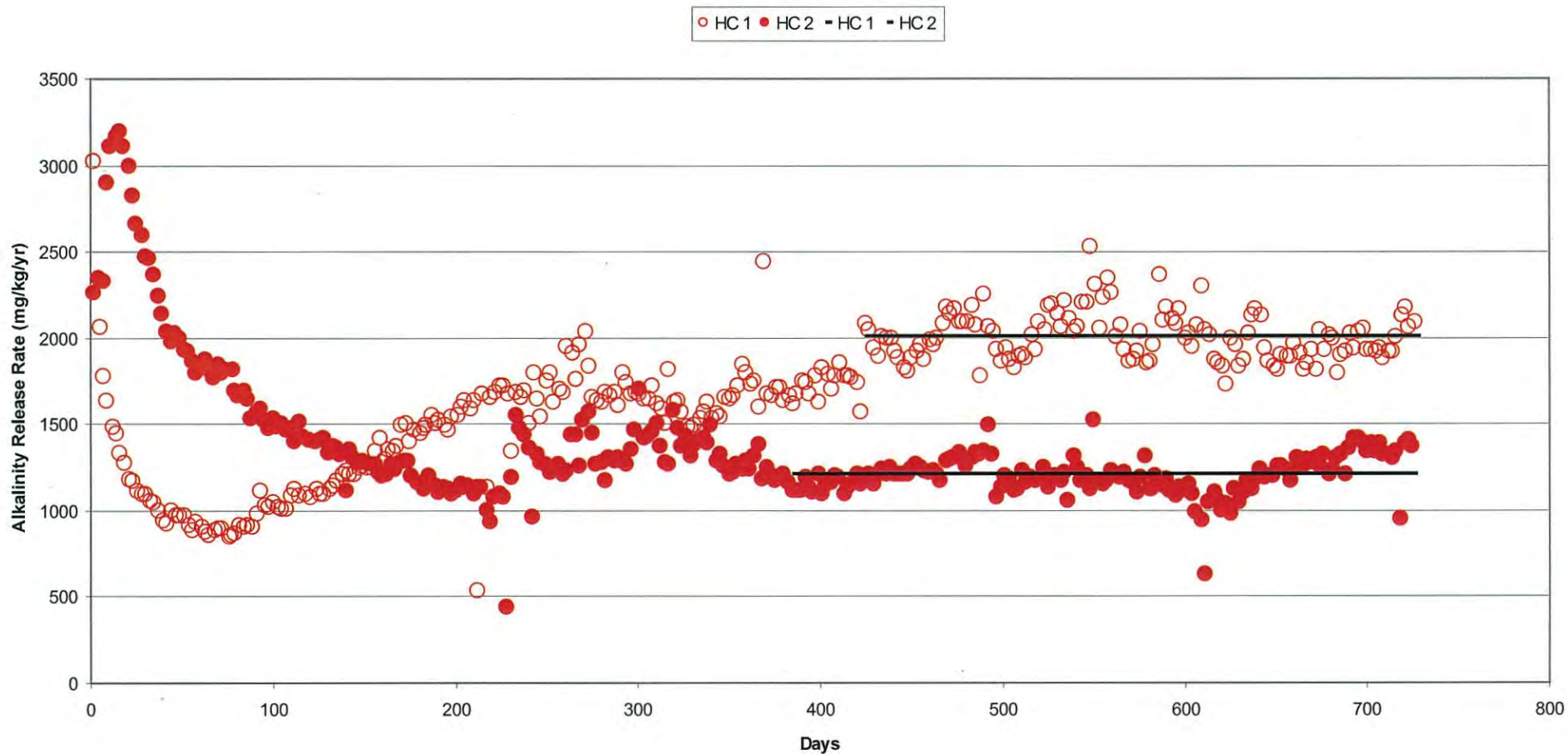
PROJECT		Con Mine Tailings Kinetic Testing		
TITLE		Arsenic Release Rates (mg/kg/yr)		
PROJECT No.		06-1413-026	FILE No.	
DESIGN	LL	10JUN08	SCALE N/A	REV. --
CADD				
CHECK				
REVIEW				



FIGURE I-3



PROJECT		Con Mine Tailings Kinetic Testing		
TITLE		Sulphate Release Rate (mg/kg/yr)		
PROJECT No.		06-1413-026	FILE No.	
DESIGN	LL	10JUN08	SCALE N/A	REV. —
CADD				
CHECK				
REVIEW				
				FIGURE I-4



PROJECT		Con Mine Tailings Kinetic Testing		
TITLE		Alkalinity Release Rate (mg/kg/yr)		
PROJECT No.		06-1413-026	FILE No.	
DESIGN	LL	10JUN08	SCALE	N/A
CADD			REV.	—
CHECK			FIGURE I-5	
REVIEW				





APPENDIX II

Humidity Cell Results

Table 9-1
Hardway Cell 1 (ACT)
Water Pail (Composite #1)
Analytical Results
Cell Name
Yellowville, AR

Table with columns: Date, Location, Method, Matrix, Analyte, Concentration, and various analyte results (As, Cd, Cr, Cu, Fe, Pb, etc.). Includes a summary table on the right with columns: Major Analyte, Mean, SD, and LOQ.

Table B-1
Heavy Metal (HCT1)
Upper Plot (Composite #1)
Analytical Results
Site Name
Yaleville, VT

Table with columns: Date, Core No., Depth (ft), Results (mg/kg), Contaminant Name, Analytical Method, Accuracy (ppm %), Precision (ppm %), Recovery (%), and various element concentrations (As, Ba, Be, Bi, Br, Cd, Ca, Co, Cr, Cu, Fe, Hg, Mn, Mo, Ni, Pb, Se, Sr, Tl, U, V, Zn, Zr). Includes summary statistics for Major Metals, Major Cations, and Left (Pb).

Sheet 1 of 2
Worksheet: HCT1_RESULTS
161413-028

Table 3-2
Appendix C-1
MIL Lake Tailings (Component #2)
Analytical Results
Cov. Rate
Yellowknife, NT

Table with columns: Date, Core No., Core Name, Depth (m), Lithology, Analyte (ppm), and various chemical elements (As, Cd, Cr, Cu, Fe, Hg, Mn, Ni, Pb, Se, Sr, Tl, U, V, Zn, Zr). The table contains multiple rows of data for different dates and core samples, including values for various analytes and their respective concentrations.



February 5, 2009

REPORT ON

RESULTS OF THE KINETIC TEST WORK - CON MINE, NT

Submitted to:
Miramar Con Mine Ltd.
P. O. Box 2000
Yellowknife, NT
X1A 2M1

Attention: Mr. Ron Connell

Macenzie Valley Land
& Water Board

File

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APPENDICES

APPENDIX I

Depletion Rates

APPENDIX II

Humidity Cell Results



1.0 OBJECTIVES

Golder Associates Ltd. (Golder) is pleased to submit the following report on the results of kinetic tests conducted using two composite samples of mine tailings from the Upper and Middle Pud Tailing Containment Area (TCAs). The tests were begun in March 2006 and were completed in March of 2008 running for a total of 107 weeks. All of the test work was conducted by Canadian Environmental and Metallurgical, Inc. (CEMI) under Golder's supervision.

The test program was designed to simulate, under laboratory conditions, the effects of natural precipitation on tailings as the water percolates through the tailings column. The Golder test program was intended to supplement similar testing completed by URS (2003) which was designed to simulate oxidizing conditions in the unsaturated zone of the tailings pile. The Golder program was designed to simulate the anoxic conditions in saturated or nearly saturated tailings under a vegetated cover.



2.0 TEST DESIGN AND ANALYTICAL METHODS

The entire test program consisted of several phases including both static and kinetic test work. Table 2.1 summarizes the test program and the reports that summarize the results of each of the test phases. The report that follows summarizes the results of all of the static and kinetic test work including supplemental testing that was added to the program after the 2006 summary.

Table 2.1: Summary of Static and Kinetic Testing of Con Tailings Samples

	Test Program	Description	Report
Pre-kinetic Test	Sulphur Species: total sulphur (S_{tot}) sulphate sulphur (S_{SO_4})	Tests conducted on individual and composite samples used for kinetic testing from Upper Pud, Middle Pud, and Neil Lake, to evaluate the range in chemical composition and select representative sample for kinetic testing.	Golder (2006)
	Metals: As and Sb by assay, total metals by strong acid digestion with ICP-MS analysis		
	Major element chemistry through Whole Rock analyses	Composite #1 (Upper Pud samples - HC-1) and Composite #2 (Neil Lake samples - HC-2)	Attached
	Supplemental ABA Analyses: paste pH, total inorganic carbon (TIC), carbonate neutralizing potential ($CaCO_3$ NP), and acid neutralizing potential (NP)		Attached
	Kinetic Testing	Composite #1 (Upper Pud samples – HC-1) and Composite #2 (Neil Lake samples – HC-2)	Golder (2006), Golder (2008), Attached
Post-kinetic Test	ABA Analyses: paste pH, total sulphur (S_{tot}) sulphate sulphur (S_{SO_4}), total inorganic carbon (TIC), carbonate neutralizing potential ($CaCO_3$ NP), and acid neutralizing potential (NP)	Composite #1 (Upper Pud samples - HC-1) and Composite #2 (Neil Lake samples - HC-2)	Attached
	Whole Rock Analyses		
	Metals: As and Sb by assay, total metals by strong acid digestion with ICP		
	Arsenic Speciation on Kinetic Test Leachate: arsenite (AsIII) and arsenate (AsV)	8 leachate samples, 4 from HC-1, and 4 from HC-2 (cycles 248 and 249 for HC-1 and cycles 249 and 250 for HC-2).	Attached

2.1 Sample Selection

Two composite samples were constructed for the Golder test program using samples collected from; a) Upper Pud Lake (samples UP01-01, UP01-02, UP02-01, and UP02-02), to make HC-1, which were specifically selected for the tests due to their high concentrations of sulphur (1.94%), arsenic (5,940 ppm), iron (6.58%), and copper (135 ppm), and, b) Neil Lake (NL-01 and NL-02), to make HC-2, which were specifically selected because of their relatively low sulphur (0.19%) and arsenic (1,260 ppm) concentrations (Golder, 2006).



2.2 Static Testing

The static test program consisted of pre- and post-kinetic testing ABA and whole rock chemical analyses. The original static test program was designed to provide only the data required (*i.e.*, sulphur and metals content) to identify individual samples to build the composite test samples. The supplemental ABA analyses were intended to complete the static characterization of the two composite samples (HC-1 and HC-2) used for the test cells. The post-kinetic testing included a complete suite of ABA and whole rock chemical analyses for HC-1 and HC-2.

Comparing the results of pre-kinetic test analyses and post-kinetic test analyses of the tailings samples must be regarded with caution because the differences caused by leaching in the cell are typically very small and the difference may fall within the analytical error and/or sampling error. Therefore, only where there is an obvious cause and effect can the results of pre- and post-kinetic test analyses be used to interpret changes in sample properties.

2.2.1 ABA Analyses

The ABA testing included: paste pH; sulphur species analysis for total sulphur (S_{tot}) and sulphate sulphur (S_{SO_4}); bulk neutralization potential (NP) by the modified Sobek Method; and carbonate neutralization potential (CaCO₃ NP) through total inorganic carbon (TIC) analysis. The reduced form of sulphur or pyritic sulphur (S_{py}) was calculated by difference ($S_{py} = S_{tot} - S_{SO_4}$). The acid generating potential (AP) was calculated by multiplying the reduced sulphur S_{py} concentration by 31.25 ($AP = 31.25 * S_{py}$); where 31.25 is derived from the stoichiometry of the reaction of one mole of acid from pyrite oxidation being neutralized by one mole of calcite. The neutralization potential ratio is either the ratio of the Carbonate NP to the AP (CaCO₃ NPR = CaCO₃ NP/AP) or the ratio of the bulk NP to the AP (NPR = NP/AP). The net neutralizing potential (NNP) is the difference between the NP and the AP ($NNP = NP - AP$).

2.2.2 Chemical Composition

The chemical composition of the two composite samples used for the kinetic tests was determined by whole rock major and trace element analyses. Whole rock major element analyses are done by lithium metaborate fusion and nitric acid digestion with ICP-MS finish. Major element analyses provide total elemental weight percent compositions as oxides of major rock forming elements and are used to determine the elemental composition of the composite samples pre- and post-kinetic testing and changes that have occurred either between the two samples or when compared to equivalent unmineralized rocks.

Trace metal concentrations were determined by four acid digestion followed by induction couple plasma mass spectroscopy (ICP-MS). Four acid digestion is a hot vacuum hood method that results in the volatilization of several metals such as arsenic and antimony. The concentrations of arsenic and antimony were measured by individual assays using aqua regia digestion and ICP-MS analyses. Trace elemental analyses provide elemental concentrations of 32 trace (and major) elements and are useful in tracking the changes in concentrations of ore metals and other elements of environmental concern between the samples and compared to equivalent unmineralized rocks.

2.3 Kinetic Testing

The kinetic testing consisted of two column leach tests. The two composite samples with dry weight of 1.54 kg and 1.72 kg for HC-1 and HC-2, respectively, were placed in acrylic leaching cells measuring 11.4 cm in diameter and 12.70 cm in height and subjected to continuous irrigation with NanoPure water. In order to minimize contact of the tailings with oxygen and to maintain an anoxic environment in the cell, each cell and the NanoPure water reservoir were sealed and purged with nitrogen gas to minimize the effects of dissolved oxygen.



RESULTS OF THE KINETIC TEST WORK - CON MINE, NT

The NanoPure water irrigation rate was set to allow one pore volume of lixiviant to be applied every two to three days (samples were collected on Mondays, Wednesdays, and Fridays) resulting in a flow rate of 3 pore volumes, or three "test cycles" per week. Figure 2-1 shows the configuration of the test cells. The average flow rate for the 310 test cycles for the two cells was 252 and 262 ml/cycle for HC-1 and HC-2, respectively.

A review of the test program suggested that the target reducing conditions had not been achieved and the conclusion was that the initial test design allowed atmospheric oxygen to displace the NanoPure water withdrawn from the reservoir. Beginning with cycle 67 (HC-1) and 68 (HC-2), solution chemistry was also analyzed for dissolved oxygen (DO) to improve estimation of the redox conditions in the test cell. In natural waters, dissolved oxygen is the ultimate oxidant and organic matter or, in the case of the Con samples sulphide-bearing minerals, are the dominant reductants. In natural systems, anaerobic decay of the organic matter (or oxidation of the sulphide-bearing minerals) will deplete the solution of free oxygen and therefore, the free oxygen concentration in the water, reported as dissolved oxygen (DO), is a measure of the oxidation or reducing (redox) conditions in the water. Elevated DO concentrations reflect oxidizing conditions while low DO concentrations represent a more reducing environment. Beginning with cycle 120 (HC-1) and 121 (HC-2) a nitrogen reservoir was added to the water reservoir to minimize the dissolved oxygen in the NanoPure water which resulted in a decrease in dissolved oxygen concentration in the leachate from roughly 5 mg/L to 0.3 mg/L.



3.0 PRE AND POST-KINETIC TEST STATIC RESULTS

3.1 ABA Analyses

All of the pre-and post-kinetic ABA analyses are shown in Table 3.1. The pre-kinetic supplemental data are shown in **bold** print in the table. Total and sulphate sulphur concentrations decrease between the pre- and post-kinetic test samples for HC-1 (S_{tot} decreases from 1.94 to 1.28% and S_{SO_4} decreases from 0.66 to 0.04%) and remain nearly constant for the HC-2 samples (S_{tot} 0.19 and 0.12% and S_{SO_4} 0.07 and less than 0.01%).

The decline in sulphate sulphur (and total sulphur) concentrations between the pre- and post-kinetic test samples from HC-1 is consistent with the apparent decline in dissolved sulphate concentration in the HC-1 kinetic test leachate (SO_4 concentration decreases from over 1,400 mg/L to less than 30 mg/L between cycles 71 and 96). The observed decrease in sulphate is mimicked by calcium. These are likely attributed to gypsum dissolution (Section 3.3). The sulphide content of both cells is similar before and after kinetic testing, suggesting that no significant sulphide oxidation took place during the test.

Generally, the $CaCO_3$ NP is higher than the NP (Table 3.1) which is consistent with the presence of ankerite ($Ca(Fe,Mg,Mn)(CO_3)_2$) in tailings from the Con Mine (URS, 2003). Iron-bearing carbonate minerals such as ankerite and siderite ($FeCO_3$) are typically not considered acid neutralizing because the iron released when either mineral is dissolved produces ferric iron (Fe^{3+}) which is itself a strong acid that consumes the available carbonate acid neutralizing capacity of the mineral.

Based upon industry standard criteria from NPR (Price, 1997) shown in Table 3.2, the two composite samples used in HC-1 and HC-2 are classified as having “no” potential to generate acidic leachate based on both the $CaCO_3$ NPR and the NPR. The data are consistent with the results of the URS (2001) static testing of 35 tailing samples in which the NPR based upon S_{py} ranged from 2.1 to 102.3, with 33 (94%) of the samples having NPR greater than 4. The remaining 2 samples had NPR values greater than 2, and were classified as having a “low” potential for acid production.

Table 3.2: Criteria for Acid Rock Drainage (ARD) Potential (Price, 1997)

Potential for ARD	Initial Screening Criteria	Comments
Likely	NPR<1	Likely ARD generating unless sulphide minerals are non-reactive.
Possibly	1<NPR<2	Possibly ARD generating if NP is insufficiently reactive or is depleted at a faster rate than sulphides.
Low	NPR 2-4	Not potentially ARD generating unless significant preferential exposure of sulphides along fracture planes or extremely reactive sulphides in combination with insufficiently reactive NP.
None	NPR>4	

3.2 Metals Analyses

The results of the major and trace element analyses were compared with “average” concentrations in equivalent unmineralized rocks (tholeiitic basalt) for major elements and the “crustal abundances” for basalt for trace elements (Price, 1997). Major element compositions can be compared to equivalent unmineralized rocks to identify the loss or gain of elements as a result of any hydrothermal alteration. Trace elemental compositions are useful to predict the potential of elevated metal concentration in groundwater. The logic to this is that water in contact with rock with elevated metal concentrations may have correspondingly elevated dissolved metal concentrations as compared with water in contact with unmineralized rock.



3.2.1 Major Elements

Results of the whole rock, for the pre- and post-kinetic test samples, analyses are shown in Table 3.3 at the end of this report. Comparison of pre-kinetic test and post-kinetic test results show both increases and decreases in concentrations which may be real or the result of sampling error and analytical uncertainty. Calcium concentrations in the leachate from kinetic test HC-1 show a dramatic decrease during the test, presumably resulting from dissolution of gypsum (Section 3.3.1 and Figure 3-3) yet the whole rock calcium concentration in HC-1 remains unchanged (8.45% in the pre-kinetic test sample and 8.75% in the post-kinetic test sample).

The major element chemistry has been compared with the average major element chemistry of tholeiitic basalt (Price, 1997). Both pre- and post-test samples have higher silica and iron and lower aluminum, magnesium, sodium, and titanium concentrations compared to typical tholeiitic basalts. The apparent differences in major element chemistry between the Con samples and average tholeiitic basalt may reflect different chemistries of the "volcanic" host rock due to mineralization at the Con Mine or remobilization of major elements during metamorphism of the basalts, of the greenstone belts, within the Archean Slave Province.

3.2.2 Trace Element

Results of all of the trace element analyses, for the pre- and post-kinetic test analyses are shown in Table 3.4 and MMER parameters are summarized in Table 3.5. The concentrations of most of the elements are near or below the respective average crustal abundances of basalt (Price, 1997). Only the concentrations of arsenic, lead, and antimony are high relative to average basalt. Arsenic and antimony concentrations are two to three orders of magnitude above the respective average abundances and lead is two orders of magnitude above the average.

Table 3.5: Summary of Pre- and Post-Kinetic Test Concentration of MMER Metals

Element	Cell	Post-test	Post-test
		ppm	ppm
Arsenic	HC-1	5940	6830
	HC-2	1260	1240
Copper	HC-1	136	127
	HC-2	74	61
Lead	HC-1	308	379
	HC-2	156	164
Nickel	HC-1	87	80
	HC-2	57	49
Zinc	HC-1	404	420
	HC-2	380	347

The concentrations of MMER metals arsenic in HC-2 and copper, lead, nickel and zinc in HC-1 and HC-2 remain unchanged for the pre- and post-kinetic test analyses, while the concentration of arsenic in HC-1 increased between the pre- and post-kinetic test samples. Of the other metals, the concentrations of chromium declined between the pre- and post-tests analyses and the concentrations of beryllium, cadmium and antimony increased between the pre- and post-test analyses. The decrease in chromium concentration may be the result of chromium leaching from the minerals in the tailings however the increase in concentrations of arsenic, beryllium, cadmium, and antimony are likely the result of sample heterogeneity or analytical error.



3.3 Leaching Test Solution Chemistry

The pH and dissolved ion concentrations in the leachate derived from the two test cells (HC-1 and HC-2) evolved over time as the tailings equilibrated with the pore water. All of the results of the leaching tests are shown in Appendix II. Figures 3-1 to 3-12 are time series plots of pH, selected anions and cations, and Metal Mining Effluent Regulation (MMER) metals for the two leaching tests. The figures include the respective Water License and MMER guidelines for Maximum Average and Maximum Grab Sample concentrations for comparison purposes only. The actual discharge water chemistry from the tailings facilities will also depend upon factors not addressed in the tests summarized in this report, such as site specific climate data as well as flow characteristics through and over the tailing facilities.

3.3.1 Major Element Chemistry

pH

The leachate pH remains neutral to slightly alkaline during the entire test period for both cells (Figure 3-1), well within the water license criteria. HC-1 leachate had an initial pH of 7.5 that persisted through about cycle 60. Following a brief decline to near 6.5, the pH quickly rebounded to near 8 and the last measured pH was over 7.89. Although the differences are slight, the pH of the HC-1 leachate can be categorized as an early low pH roughly below 7.5 followed by sharp increase in pH in the later samples to above 7.5. The leachate from HC-2 showed less overall temporal variation with an initial pH higher than HC-1, near 8. Following a decline to near 7 in cycle 75, the pH of the leachate from HC-2 quickly rose to near 8 and remained near 8. The last measured pH of the HC-2 leachate was 7.92.

Results of the URS humidity cell tests (URS, 2003) showed an overall similar pattern in pH over time. The pH rose from an initial pH of near 7.2 for the "Average" tailings samples (TL-01) to near 7.8 within the first 30 weeks of the test and then rose a second time by week 50 to a final pH range of near 8. The final pH at week 100 was over 7.9. The pH of the remaining samples (TL-07 identified as "tailings with elevated leachable arsenic" and TL-34 identified as "low NP/AP tailings") increased from near 7.5 to around 8 within the first 10 weeks of the tests and remained between 7.9 and 8.2 for the duration of the 100 week test period.

All of the data from the 5 kinetic tests suggest that leachate derived from a range of tailings types, from different tailings basins, and under differing leaching protocols remained neutral to slightly alkaline for the duration of the tests.

Sulphate

Figure 3-2 is a time series plot of sulphate concentrations in the leachate from HC-1 and HC-2. Initial concentrations of sulphate decreased from 2492 mg/L to near 1500 mg/L in HC-1 within the first 10 cycles of the test and from 4260 mg/L to less than 5 mg/L in the first 15 cycles in HC-2. Following the initial decline, sulphate concentrations in HC-1 were near 1400 mg/L in the early cycles of the test and declined to less than 50 mg/L between cycles 70 and 95.

URS sulphate concentrations are reported in units of mg/kg/tonne however the data show a similar pattern of stepped changes in sulphate concentration in the humidity cell leachate samples to that observed in HC-1. The three URS tailings samples showed a rapid decline from the initial high sulphate concentration of between 600 and 140 mg/L, assuming a standard Price (1997) type humidity cell configuration (*i.e.*, 1 kg of sample with 500 ml of lixiviant applied weekly), within the first one to three cycles of the test followed by a relatively erratic but mildly elevated concentration of between 135 to 224 mg/L through weeks 30 to 40 after which the sulphate concentration declined to a second plateau of between 58 and 95 mg/L. The change from the mildly elevated step to the lower concentration plateau roughly coincides with the major decline in sulphate concentration observed in HC-1.



Calcium

Calcium concentrations in leachate from HC-1 and HC-2 parallel the changes observed in sulphate concentrations. Figure 3-3 is a time series plot of calcium concentrations in the cell leachate. Calcium concentrations in HC-1 leachate declined from 980 mg/L to 567 mg/L by cycle 5 and declined a second time after cycle 70 to 29.6 mg/L by cycle 100. Although the sampling frequency differs between sulphate and calcium analyses, the decline in calcium concentrations matches the temporal changes in sulphate concentrations. The concentration of sulphate in HC-2 declined from 720 to 23.3 mg/L by cycle 20 and continued to decline to 12.5 mg/L at cycle 310.

Comparison of the variation in sulphate and calcium concentrations, particularly in samples from HC-1, shows a dramatic decline in both element concentrations beginning in cycle 70 and continuing until cycle 100. URS reported trace to 2.9 volume percent gypsum in the tailings samples and the parallel change in sulphate and calcium concentrations in the cell leachate suggests that gypsum was being leached early in the life of HC-1 and by cycle 100 was strongly depleted in the sample.

Dissolved Oxygen

Dissolved oxygen (DO) analyses were begun in cycles 67 and 68 for HC-1 and HC-2, respectively, after early results suggested that the reducing conditions within the test cells had not been achieved (Section 2.3). Figure 3-4 is a time series plot of DO concentration in the kinetic test cell leachate. The figure also includes the ideal concentration of oxygen in water in contact with the atmosphere at 22 °C of 8.7 mg/L. Since the source water for both cells was from a common reservoir, the measured DO concentrations in HC-1 and HC-2 are identical. Although the DO concentration was not measured at the start of the test, the level at the start of the test was probably low since the system had been purged with nitrogen. It is believed that the DO level then rose as atmospheric oxygen entered the reservoir as NanoPure water was applied to the samples (Section 2.3)

The initial DO concentration was 7 or 8 mg/L and declining immediately to near 5. The initial elevated DO level is believed to be a relic of the measurement technique and not representative of the actual concentration in the leachate since it is near the ideal concentration for water in contact with the atmosphere of 8.7 mg/L. The DO declined further with installation of the nitrogen bladder in cycles 120 (HC-1) and 121 (HC-2) from near 5 mg/L to a low of 0.3 mg/L. Following a protracted increase to a maximum DO concentration in both HC-1 and HC-2 of around 2 mg/L, the DO declined to near 0.3 mg/L after cycles 156 and 157 for HC-1 and HC-2, respectively and remained near 0.3 mg/L through cycle 310.

Table 3.6 is a summary of the Eh in the cells based upon the measured oxidation/reduction potential (Redox) and the DO concentration for the early high DO time interval (cycle 90) and the late stage low DO period of the test (cycles 248 to 250).

Table 3.6: Summary of Estimated Eh Conditions in the Two Test Cells

	T (°C)	pH	Redox (mV)	Eh (mV)	DO (mg/L)	Eh (mV)
HC-1 Cycle 90	20-22	7.3	312	512	5.5	790 ⁽¹⁾
HC-2 Cycle 90	20-22	7.1	269	469	5.6	802 ⁽¹⁾
HC-1 Cycle 248/249	20-22	8	390	590	0.2	729 ⁽¹⁾
HC-2 Cycle 249/250	20-22	7.87	386	586	0.25	738 ⁽¹⁾

⁽¹⁾ PHREEQC estimation based upon measured DO and pH

In all instances, the cells are oxidizing (*i.e.*, Eh > 0 mV) although the Eh derived from the DO and pH values indicates that the level of oxidation declined with the decline in DO concentration. The DO was measured using an oxygen probe under a nitrogen atmosphere; however the high oxygen concentration in the natural atmosphere (20.9% by volume) may influence the measured DO, particularly at low solution oxygen concentrations. The calculated Eh values therefore, should be considered an upper limit.



Chloride

Chloride concentration may track the use of groundwater for mineral processing. Groundwater in the Precambrian shield areas is typically a chloride-rich brine. The chloride concentrations in the leachate from HC-1 and HC-2 are shown in time series plots in Figure 3-5. The data show that chloride concentrations declined rapidly from 3,850 to 2.4 mg/L, by cycle 8, in HC-1 and from 3,280 to 2.2 mg/L, by cycle 5, in HC-2. The rapid decline of chloride is consistent with the high solubility of the chloride ion in contact with water.

Iron

Iron concentrations in both HC-1 and HC-2 showed a sharp decline immediately following the start-up of the test followed by a marked increase to 0.2 (HC-2) and 0.5 (HC-1). Figure 3-6 is a time series plot of iron concentrations in leachate from HC-1 and HC-2. HC-1 showed a decline in iron concentration of 0.43 mg/L to 0.1 mg/L in cycle 70 and then remained between 0.1 and 0.2 for the remainder of the test. Iron concentrations in leachate from HC-2 remained near 0.2 mg/L with a spike to 0.56 in cycle 140. Neither cell showed any changes in iron concentration at the onset of more reducing conditions in the lixiviant which took place around cycles 120 and 121.

Figure 3-7 is a time series plot of iron, arsenic and DO for HC-1. Figure 3-7 suggests that although iron solubility is strongly redox dependent, changes in iron concentration appear to be independent of changes in the DO concentration. Further although ferrous iron (Fe^{2+}) is more soluble than ferric iron (Fe^{3+}), the data suggests that more oxidized conditions (*i.e.*, high DO) that would favour ferric iron have higher dissolved iron concentrations than the more reduced conditions (*i.e.*, lower DO) that would favour the more soluble ferrous iron ion.

The decrease in iron concentration in HC-1 at cycle 70 corresponds to an increase in dissolved arsenic concentration in that cell. Figure 3-7 shows that the apparent change in arsenic concentration coincides with changes in dissolved iron concentration. The data suggests that at higher iron concentration, iron and arsenic concentrations may be related. At lower iron concentrations, arsenic concentration is independent of iron concentration. The decline in iron beginning in cycle 70 coincides with the change in sulphate concentration (refer Section 3.3.2). URS reported an iron arsenate mineral in the tailings ($\text{Fe}(\text{AsO}_4) \cdot 2\text{H}_2\text{O}$) and so the changes in arsenic and iron may be related through mineralogical controls.

3.3.2 MMER Metals

This section discusses the concentration of MMER-regulated parameters: arsenic, copper, lead, nickel, and zinc. These regulations apply to all Canadian metal mines and refer to the "Maximum Authorized Monthly Mean" concentration and the "Maximum Authorized Concentration in a Grab Sample".

Arsenic

Arsenic concentrations in the leach solution increase over time in proportion to the arsenic concentration in the tailing solids (Figure 3-8). The arsenic concentration in the leachate from HC-1 (Upper Pud), which contained 5,940 ppm arsenic in the tailing solids (Table 3.5), rose from an initial concentration of 0.463 mg/L (below the Maximum Average concentration of 0.5 mg/L), to 0.511 mg/L by cycle 5 and stabilized at roughly 0.6 mg/L until cycle 70. After cycle 70, the arsenic concentration in the HC-1 leachate rose to roughly 2 mg/L, exceeding the Maximum Grab Sample limit of 1.0 mg/L and stabilized at roughly 2 mg/L (ranging between 1.37 and 2.08 mg/L). The increase in arsenic concentration, after cycle 70, coincides with the decrease in iron concentration and sulphate concentration in HC-1.

The arsenic concentration in the leachate from HC-2 (Neil Lake), which contained 1,260 ppm arsenic in the tailing solids, rose from an initial dissolved concentration of 0.222 mg/L to above the Maximum Average concentration by cycle 16 and remained at roughly 0.5 mg/L until around cycle 150. During the remainder of the test program the arsenic concentration in the HC-2 leachate rose gradually to near the Maximum Grab sample concentration of 1.0 mg/L and remained near 1.0 mg/L through the final test cycles ranging between 0.941 and 1.14 mg/L.



The arsenic concentrations in the two cells appear to have reached a steady state concentration of near 2 mg/L and near 1 mg/L in the leachate in HC-1 and in HC-2, respectively. The arsenic concentrations in the leachate from the three humidity cells operated by URS (2003) appeared to have reached similar steady state concentrations of between roughly 0.13 and 0.06 mg/kg/week which, assuming a standard Price (1997) type humidity cell configuration (*i.e.*, 1 kg of sample with 500 ml of lixiviant applied weekly), translates to roughly between 0.12 and 0.26 mg/L; less than the 1 and 2 mg/L observed in the Golder test samples.

Copper

Copper concentrations remain below the minimum regulatory guidelines for both test cells (Figure 3-9). HC-1 initial copper concentration of 0.021 mg/L declined to below the detection limit of 0.001 mg/L and stabilized to between 0.001 and 0.01 mg/L. This value is well below the Maximum Average concentration of 0.3 mg/L. The leachate for the HC-2 test cell dropped from an initial copper concentration of 0.028 mg/L to 0.005 mg/L and then briefly rose to 0.024 mg/L. By the end of cycle 70 the copper concentration in the HC-2 leachate was generally below 0.01 mg/L (ranging between 0.0029 and 0.0142 mg/L).

Lead

Lead concentrations for both test cell declined over time and stabilized near 0.0001 mg/L, which is less than the Maximum Average guidelines for lead (0.02 mg/L) (Figure 3-10). The lead concentration in the leachate from HC-1 declined from an initial 0.0006 mg/L to a stable concentration of around 0.0001 mg/L (ranging from 0.00002 to 0.0004 mg/L). The lead concentration in the leachate from HC-2 showed a similar decline from an initial concentration of 0.0018 mg/L to a range of concentrations between 0.00001 to 0.0009 mg/L but centered on an average of approximately 0.0001 mg/L.

Nickel

Nickel concentrations, within the first 70 cycles of testing, declined from 0.051 mg/L and 0.034 mg/L for the HC-1 and HC-2 leachate samples, respectively, below the Maximum Average guideline of 0.5 mg/L to near or below the method detection limit (0.0005 mg/L) (Figure 3-11). Concentrations reported as below the respective detection limits are plotted as one half the detection limit to distinguish samples with measurable nickel (*i.e.*, equal to the detection limit) from samples with no detectable nickel. The nickel concentration in HC-1 leachate stabilized over the last portion of the tests to near 0.001 mg/L and ranging between the detection limit and 0.0065 mg/L. The long term nickel concentration in the leachate sample from HC-2 stabilized between the detection limit and 0.0008 mg/L.

Zinc

Zinc concentrations in the leachate samples rapidly stabilized at concentrations between 0.001 and 0.01 mg/L from an initial concentration of 0.027 mg/L and 0.101 mg/L for HC-1 and HC-2, respectively (Figure 3-12). These reported concentrations are below the Maximum Average concentration of 0.2 mg/L. A single analysis from HC-1 leachate did exceed the Water License Maximum Average concentration, however, the zinc concentration in the following samples declined to below the method detection limit at the time of 0.005 mg/L (detection limits for zinc varied between 0.001 and 0.005 mg/L). The detection limits for zinc ranged from less than 0.001 to 0.0005 mg/L over the course of the testing.

3.4 Arsenic Speciation in Kinetic Test Leachate

Arsenic leaching is a major factor in designing the final closure plan for the Upper and Middle Pud TCAs and therefore understanding arsenic chemistry is important in understanding the results of the tailings test program. Arsenic commonly takes the form of either arsenite (As(III); *e.g.*, H_3AsO_3) or arsenate (As(V); *e.g.*, H_2AsO_4^- or HAsO_4^{2-}). The stable arsenic species is determined by the redox conditions; *e.g.*, As(V) prevails under oxidizing conditions and As(III) is the dominant species under reducing conditions. Arsenic mobility is determined by the redox conditions as well as the pH of the solution. Figures 3-13a and 3-13b show the stability fields of arsenic and the solubility of arsenic with pH, respectively (after Smedley (2002) in <http://www.princeton.edu/~chm333/2003/arsenic/sources/chemistry.htm>).



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Arsenic will leach from rocks and/or sediment:

- Under reducing conditions, arsenic is mobilized because a) iron-bearing arsenic minerals such as arsenopyrite (FeAsS) dissolve, owing to high iron solubility, releasing arsenic as well and b) some argue that As(V) is reduced in sediments to As(III) which is less tightly bound to sediment grains (*i.e.*, desorbed).
- Under high pH conditions (above 8.5), arsenic is readily released from metal oxide surfaces (*i.e.*, desorbed). This affect is particularly pronounced under conditions of high water to rock ratios.

Samples of leachate for arsenic speciation, including duplicates from October 10 and 11 (cycles 248 and 249 for HC-1 and 249 and 250 for HC-2) from HC-1 and HC-2, were collected by CEMI using the method proposed by Bodnar et al (2002) that consists of using an inline filter to minimize oxygen contamination and EDTA preservative. The samples were cooled and shipped by overnight express on 11 October 2007. All arsenic analyses were done by Applied Speciation and Consulting, LLC, Tukwila, Washington, USA. Table 3.7 summarize the results of the arsenic speciation analyses. There is a discrepancy between the first cycle analyses and the second cycle analyses (HC-1 As(V) goes from 2,220 to 1,190 /L and HC-2 As(V) goes from 1,080 to 2,850 /L). The duplicate analyses suggest that the arsenic speciation is correct however comparison of the sum of the As(V) and As(III) analyses and the total arsenic concentrations for HC-1 and HC-2 suggests that the sample numbers from second sampling event may have been reversed. The lack of consistency in As(III) concentration and the variability in the As(III):As(V) ratio may also suggest disequilibrium between the solution and the substrate.

Table 3.7: Summary of Arsenic Speciation Analyses

Sample ID Units	As(III) (µ/L)	As(V) (µ/L)	Total As ⁽¹⁾ (µ/L)
HC-1 cycle 248	258	2,220	2080
HC-1 cycle 248 dup	244	2,160	
HC-1 cycle 249	4.32	1,190	
HC-1 cycle 249 dup	4.38	1,150	
HC-2 cycle 249	53.4	1,080	1140
HC-2 cycle 249 dup	58.0	1,060	
HC-2 cycle 250	3.77	2,850	
HC-2 cycle 250 dup	3.64	2,850	

⁽¹⁾ Total arsenic concentration was from cycle 250.

3.4.1 Arsenic Speciation and Redox Conditions

The As(III) and As(V) pair define a redox pair that can be compared to the measured redox potential and the dissolved oxygen (DO) concentrations. Table 3.8 summarizes the water chemical data for the two windows of time during which the arsenic samples were collected.

Table 3.8: Summary of Measured Redox Parameters from Leachate Water Chemistry Compared to Calculated Redox Conditions

	T °C	pH su	As(III) (µ/L)	As(V) (µ/L)	Eh (mV)	Eh from DO mV
HC-1 Oct 10	20-22	8	258	2,220	-79.1 ⁽¹⁾	729
HC-1 Oct 11	20-22	8	3.77	2,850	-22.5 ⁽¹⁾	
HC-2 Oct 10	20-22	7.87	4.32	1,190	-20.4 ⁽¹⁾	738
HC-2 Oct 11	20-22	7.87	53.4	1,080	-53.5 ⁽¹⁾	

⁽¹⁾ PHREEQC estimation based upon measured As(III) and As(V).



The Eh estimates based upon the arsenic speciation suggests that the redox conditions in HC-1 and HC-2 are relatively reduced compared to the Eh estimates from the measured DO (*i.e.*, Eh < 0 mV). Figure 3-13a shows arsenic speciation in a plot of pH versus Eh or pe. At a pH near 8, the Eh derived from the measure DO suggests that HC-1 and HC-2 lie within the field of As(V) (HAsO_4^{2-}) while the Eh estimated from the measured arsenic species concentrations suggests that the test cells straddle the field of As(V) (HAsO_4^{2-}) and As(III) (H_2AsO_3^0). Considering the potential of atmospheric contamination of the DO measurements and potential disequilibrium in the leachate used for the arsenic speciation analyses the estimated EH values may represent a range of redox conditions for the Golder test cells. The data does however suggest 1) that the redox conditions of the Golder test cells are more reduced than the URS test cells and 2) the conditions simulated in the Golder test cells more accurately represent the conditions expected in the tailings beneath a vegetative cover following closure of the Con TCAs.

3.4.2 Arsenic Solubility

Arsenic solubility depends upon redox conditions and pH. Under oxidizing conditions arsenic is not strongly mobile however the data suggests that increasing pH may promote arsenic dissolution. Figure 3-14 shows arsenic concentrations and pH for all of the HC-1 leachate analyses. The data from HC-1 suggests that all other things being equal (*e.g.*, mineral stability); arsenic concentrations increase from generally less than 1 mg/L to approaching 2 mg/l between pH 7.5 to 7.6. The onset of arsenic mobility shown in Figure 3-14 is similar to that expected in Figure 3.13b, except that the ranges of arsenic concentration differ by several orders of magnitude probably owing to starting arsenic concentrations.

Results of the URS report show similar changes in arsenic concentration in the humidity cell test work (URS, 2003, Figure 3.3-4) with pH. Arsenic concentrations in the leachate from the three humidity cells generally remained below 300 $\mu\text{g/L}$ (0.3 mg/L) at roughly pH 7.6. Between pH 7.6 and 7.7, the arsenic concentrations rose to where the minimum concentration was above 200 $\mu\text{g/L}$ and the maximum reached as high as 1400 $\mu\text{g/L}$ (1.4 mg/L).



4.0 TEST DURATION

Based upon the rates of solution application to the test cells and the estimated rates of precipitation and infiltration to the TCAs, the estimated time equivalents for the two test cells through cycle 310 is between 290 and 300 years. Table 4.1 lists the total volume of solution applied to the cells, the number of days of application, and the estimated infiltration rate based upon the cell dimensions. Table 4.1 also lists the groundwater model predicted infiltration rate based upon a 10% infiltration of annual precipitation (under a covered tailing scenario), the real time equivalence, and the real time duration of the cells HC-1 and HC-2.

Table 4.1: Time Equivalence Estimates for the Kinetic Test Cell

	Solution Volume Applied	Test Duration	Test Infiltration Rate	Annual Predicted Infiltration Rate	Real Time Equivalence	Real Time of Tests
	ml	Days	cm/Day	cm/year	Test Days/Year	Years
HC-1	77,878	726	1.05	2.643	2.51	289
HC-2	81,125	725	1.10	2.643	2.41	301



5.0 DEPLETION ESTIMATES

Rates of acid generation, acid neutralization, and depletion of MMER metals have been calculated for the samples used for kinetic test cells HC-1 and HC-2. Appendix I summarizes the methods used for depletion calculations. Table 5.1 summarizes the estimated depletion times for acid generation, alkalinity, and metals based upon the laboratory irrigation rate. The site specific irrigation rate (infiltration and seepage) and resultant depletion rate for the TCAs will differ depending upon the flow path of the water through the tailings pile.

The data suggests that the depletion time for acid neutralizing capacity (alkalinity) in HC-1 equals or exceeds the depletion time for acid generation (pyrite oxidation) and is two to three times higher than the depletion time of acid generation in HC-2. This means that over the long term, leachate derived from tailings in the Upper Pud TCA would remain near neutral while the leachate from the Neil Lake TCA would remain neutral to alkaline.

Arsenic depletion times range from 52 years for HC-2 to 419 years for the average of three humidity cell tests conducted by URS (2003). The difference in the time estimate reflects the different amount of arsenic present in each sample and the differing arsenic release rates.

Table 5.1: Depletion Estimates for Acid Generation, Alkalinity and Selected Metals

	HC-1	HC-2	URS
	Time to Depletion	Time to Depletion	Time to Depletion
	Years	Years	Years
ABA Components			
Sulphide	64	60	
NP (emp)	66	186	
CaNP (emp)	82	160	
Metals			
Arsenic (As)	123 ⁽¹⁾	52 ⁽²⁾	419 ⁽³⁾

⁽¹⁾ 5940 mg/kg initial arsenic concentration leached at 47.6 mg/kg/yr.

⁽²⁾ 1260 mg/kg initial arsenic concentration leached at 23.8 mg/kg/yr.

⁽³⁾ 2137 mg/kg initial arsenic concentration leached at 5.1 mg/kg/yr.



6.0 CONCLUSIONS

Results of the static and kinetic testing of the tailing samples suggest that:

- The two kinetic test cells operated under conditions more reduced than those used for the URS cells and are representative of the conditions expected to exist in the Con TCAs beneath the proposed waste rock and vegetative covers.
- The leachate from the two kinetic tests remained neutral (as did the three samples from the URS humidity cell tests) throughout the entire test period and based upon the static test results and the predicted depletion times are likely to remain neutral over the long term. The depletion time calculations suggest that the depletion time for NP equals or exceeds the depletion time for sulphide mineralization, the source of acid generation in the Con tailings.
- Arsenic concentrations in the leachate from the two current tests are between 1 and 2 mg/L, and slightly exceed the MMER Maximum Average concentration of 0.5 mg/L and Maximum Grab Sample limit of 1.0 mg/L. Results of the current kinetic tests and the URS humidity cell tests however suggest that the arsenic concentrations in leachate stabilized over the long term, are predictable, and showed no signs of changing once stabilized.
- Depletion rate estimates for arsenic vary with the leaching rate but range from 50 to 400 years. The leaching rate will depend upon the rate of flow of solution through the tailings pile, which can only be evaluated through modeling that addresses infiltration and percolation rates through the TCAs. The data does suggest however, that water treatment for arsenic may be required for the foreseeable future.
- Concentrations of the other MMER metals (copper, lead, nickel, and zinc) are generally low; on the order of one to three orders of magnitude below the minimum MMER guideline concentrations and therefore not likely to require treatment.

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Soil and groundwater conditions shown in the factual data and described in the report are the observed conditions at the time of their determination or measurement. Unless otherwise noted, those conditions form the basis of the recommendations in the report. Groundwater conditions may vary between and beyond reported locations and can be affected by annual, seasonal and meteorological conditions. The condition of the soil, rock and groundwater may be significantly altered by construction activities (traffic, excavation, groundwater level lowering, pile driving, blasting, etc.) on the site or on adjacent sites. Excavation may expose the soils to changes due to wetting, drying or frost. Unless otherwise indicated the soil must be protected from these changes during construction.

Sample Disposal: Golder will dispose of all uncontaminated soil and/or rock samples 90 days following issue of this report or, upon written request of the Client, will store uncontaminated samples and materials at the Client's expense. In the event that actual contaminated soils, fills or groundwater are encountered or are inferred to be present, all contaminated samples shall remain the property and responsibility of the Client for proper disposal.

Follow-Up and Construction Services: All details of the design were not known at the time of submission of Golder's report. Golder should be retained to review the final design, project plans and documents prior to construction, to confirm that they are consistent with the intent of Golder's report.

During construction, Golder should be retained to perform sufficient and timely observations of encountered conditions to confirm and document that the subsurface conditions do not materially differ from those interpreted conditions considered in the preparation of Golder's report and to confirm and document that construction activities do not adversely affect the suggestions, recommendations and opinions contained in Golder's report. Adequate field review, observation and testing during construction are necessary for Golder to be able to provide letters of assurance, in accordance with the requirements of many regulatory authorities. In cases where this recommendation is not followed, Golder's responsibility is limited to interpreting accurately the information encountered at the borehole locations, at the time of their initial determination or measurement during the preparation of the Report.

Changed Conditions and Drainage: Where conditions encountered at the site differ significantly from those anticipated in this report, either due to natural variability of subsurface conditions or construction activities, it is a condition of this report that Golder be notified of any changes and be provided with an opportunity to review or revise the recommendations within this report. Recognition of changed soil and rock conditions requires experience and it is recommended that Golder be employed to visit the site with sufficient frequency to detect if conditions have changed significantly.

Drainage of subsurface water is commonly required either for temporary or permanent installations for the project. Improper design or construction of drainage or dewatering can have serious consequences. Golder takes no responsibility for the effects of drainage unless specifically involved in the detailed design and construction monitoring of the system.



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Table 3.1: Summary of ABA Results for HC-1 and HC-2

Sample ID	Paste	S _{tot}	S _{SO4}	S _{py}	TIC	CaCO ₃ NP	NP	AP	NPR	CaCO ₃ NPR	NNP	Fizz Test
	pH	%	%	%	%	Tonnes CaCO ₃ /Ktonne	Tonnes CaCO ₃ /Ktonne	Tonnes CaCO ₃ /Ktonne			Tonnes CaCO ₃ /Ktonne	
Pre-kinetic Test Analyses												
HC-1 (Upper Pud)	8.02	1.94	0.66	1.28	2.85	237.5	197.0	40	4.93	5.93	157	Moderate
HC-2 (Neil Lake)	8.07	0.19	0.07	0.12	2.37	197.5	229.7	3.75	61.25	52.67	225.95	Moderate
Post-kinetic Test Analyses												
HC-1 (Upper Pud)	8.09	1.28	0.04	1.2	2.3	191.7	176.8	37.5	4.71	5.11	139.3	Moderate
HC-2 (Neil Lake)	8.42	0.12	<0.01	0.1	2.78	231.7	206.7	3.1	66.25	74.25	203.58	Moderate

Bold identifies supplemental data.

Table 3.3: Whole Rock Analytical Results for HC-1 and HC-2

Sample ID	SiO ₂	Al ₂ O ₃	Fe ₂ O ₃	CaO	MgO	Na ₂ O	K ₂ O	TiO ₂	P ₂ O ₅	MnO	BaO	Cr ₂ O ₃	LOI	Total	C	S
	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%
Tholeiitic Basalt (Price, 1997)	50.83	14.07	2.88	10.42	6.34	2.23	0.82	2.03	0.23	0.18	-	-	-	-	-	-
Pre-kinetic Test Analyses																
HC-1 (Upper Pud)	55.42	8.41	7.17	8.45	4.39	0.39	1.2	0.64	0.08	0.15	0.01	0.04	13.2	99.56	2.96	0.21
HC-2 (Neil Lake)	55.22	7.87	9.42	8.63	3.97	0.53	1.11	0.87	0.11	0.14	0.01	0.04	10.45	98.39	2.45	1.94
Post-kinetic Test Analyses																
HC-1 (Upper Pud)	53.71	9.18	10.76	8.74	4.65	0.55	1.32	0.89	0.09	0.16	0.02	0.03	10.11	>100.00	2.49	1.32
HC-2 (Neil Lake)	55.2	8.92	7.54	9.44	4.82	0.35	1.28	0.64	0.09	0.17	0.02	0.02	11.7	>100.00	2.89	0.14



RESULTS OF THE KINETIC TEST WORK - CON MINE, NT

Table 3.4: Trace Element Analytical Results for HC-1 and HC-2

Sample ID	Ag ppm	Al %	As ppm	Ba ppm	Be ppm	Bi ppm	Ca %	Cd ppm	Co ppm	Cr ppm	Cu ppm	Fe %	K %
Crustal Basalt (Price, 1997)	0.11	7.8	2	330	1	0.007	7.6	0.22	48	170	87	8.65	0.83
Pre-kinetic Test Analyses													
HC-1 (Upper Pud)	2	4.61	5940	148	<0.5	<5	7.01	<1	45	294	136	7.71	1
HC-2 (Neil Lake)	1	5.07	1260	152	<0.5	<5	7.11	<1	18	365	74	6.19	1.13
Post-kinetic Test Analyses													
HC-1 (Upper Pud)	<1	4.6	6830	142	8	<5	5.85	4	48	92	127	7.56	1.04
HC-2 (Neil Lake)	<1	4.77	1240	135	6.2	<5	6.54	3	22	64	61	5.66	1.09
Sample Name	Mg %	Mn ppm	Mo ppm	Na %	Ni ppm	P ppm	Pb ppm	Sb ppm	Sr ppm	Ti %	V ppm	W ppm	Zn ppm
Crustal Basalt (Price, 1997)	4.6	1500	1.5	1.8	130	1100	6	0.2	465	1.38	250	0.7	105
Pre-kinetic Test Analyses													
HC-1 (Upper Pud)	2.6	1208	3	0.48	87	475	308	122	130	0.14	172	18	404
HC 2 (Neil Lake)	2.96	1348	12	0.38	57	376	156	24	107	0.07	190	26	380
Post-kinetic Test Analyses													
HC-1 (Upper Pud)	2.58	1175	<2	0.44	80	480	379	250	103	0.25	183	15	420
HC 2 (Neil Lake)	2.81	1249	<2	0.3	49	385	164	60	92	0.18	190	31	347