



Memorandum

To: Emilie Hamm **From:** SLR Consulting (Canada) Ltd.

Company: Government of Yukon
Assessment and Abandoned Mines

cc: **Date:** January 10, 2017

Subject: ***FINAL - MOUNT NANSEN MINE
AMP MONTHLY ASSESSMENT – NOVEMBER 2016***

1.0 INTRODUCTION

The following summarizes the November 2016 assessment of the Adaptive Management Plan (AMP) Events, as outlined in the *Mount Nansen Water Quality and Quantity Adaptive Management Plan* (SLR, September 2015):

- AMP Event 2 - Changes in Water Quality in the Seepage Pond
- AMP Event 3 - Changes in Seepage Pond Inflows/Volume Outside of Historic Norms
- AMP Event 4 - Degraded Water Quality in Dome Creek Downstream of Mine Facilities
- AMP Event 5 - Degraded Water Quality in Victoria Creek at Mine Access Road

The following Events are not included in this monthly assessment:

- AMP Event 1 - Degraded Water Quality in Dome Creek Downstream of Mill Area
 - Event 1 was not assessed in November as the creek was frozen to substrate at WQ-DC-D1b, preventing data collection.
- AMP Event 6 - Degraded Water Quality in Pony Creek Downstream of Mine Area
 - Event 6 was not assessed in November as the creek was frozen to substrate at WQ-PC-D, preventing data collection.
- AMP Event 7 - Changes in Pit Water Level Elevation outside of Historic Norms
 - Due to on-going pit-wall stability concerns, data required for the AMP assessment will not be collected and AMP Event 7 will not be assessed on a monthly basis until further notice.
- AMP Event 8 - Changes in Groundwater Quality Downgradient of the Brown-McDade Pit
 - Assessment of this AMP event is carried out on a bi-annual basis in the spring and fall and was last reported on in the June 2016 AMP assessment. The spring

assessment was not completed for June 2016 due to lack of sufficient sampling data for trend line development. A sampling event was also conducted in August 2016, however data was also insufficient to carry out the assessment. This assessment will be carried out when sufficient sampling data are available.

- AMP Event 9 - Degraded Water Quality in Brown-McDade Pit
 - For assessment of Event 9, water quality sampling of the Brown-McDade Pit is required, monthly, and this monthly data is then evaluated annually under the AMP. Due to on-going pit-wall stability concerns, data required for the AMP assessment has not been collected since July 2015.

Note that as it has not been possible to conduct an assessment of the three AMP events related to the Brown-McDade Pit in over a year, it is recommended that AAM consider alternate means of assessing the effects of the Brown-McDade pit and drainage on the downgradient environment.

2.0 AMP EVENT 2 – CHANGES IN WATER QUALITY IN THE SEEPAGE POND

2.1 Description

The Seepage Pond at the toe of the tailings impoundment collects shallow groundwater seepage from the tailings area. The seepage collected in the pond is continuously pumped to Dome Creek. The discharge from the Seepage Pond is a primary source of contaminants to Dome Creek including sulphate, arsenic, iron, manganese and cadmium.

The water quality in the Seepage Pond is measured monthly, at the Seepage Pond outlet pipe, WQ-SEEP, with the exception of spring. At this time, an additional sample is collected during freshet. Water quality samples are analyzed for a full suite of parameters including total suspended solids, cyanide species, nitrogen species, sulphate, hardness, total and dissolved metals.

A summary of the AMP thresholds for Event 2 is provided in Table 1.

Table 1: Summary of AMP Event 2 Thresholds

Indicators	Location	Thresholds	Frequency
Sulphate Total and Dissolved Arsenic Total Cadmium Total and Dissolved Iron Total and Dissolved Manganese Total Zinc Total and WAD Cyanide	WQ-SEEP	<ul style="list-style-type: none"> Monitoring results at WQ-SEEP above the reference EQS for Dissolved Arsenic (0.15 mg/L), Total Iron (1.0 mg/L), Total Cadmium (0.02 mg/L), Total Manganese (0.5 mg/L), Total Zinc (0.3 mg/L), Total Cyanide (0.3 mg/L), WAD Cyanide (0.1 mg/L); or, Three consecutive monitoring results at WQ-SEEP greater than the upper 95th percentile of the reference period (2008 to 2013); or A statistically significant increasing trend (0.05) which, when extrapolated forward one year, would result in values greater than the 95th percentile. For the purposes of AMP trend line development, data for station WQ-SEEP from 2008 and on will be used for the trend analysis. 	Monthly

2.2 AMP Event 2 – Data Review

Assessment under the AMP of the relevant water quality data from WQ-SEEP was carried out using the November 2016 water quality data. The results of the assessment are summarized in Table 2.

Table 2: Summary of AMP Event 2 Assessment

Indicators	Trigger Activation	Results
Sulphate	No	<ul style="list-style-type: none"> November sulphate concentration (646 mg/L) was below the 95th percentile threshold value of 822.6 mg/L. Statistically significant increasing trend in sulphate concentrations but not estimated to reach the threshold value for another 8 years.
Total Cyanide	No	<ul style="list-style-type: none"> November concentration (0.05 mg/L) was below the EQS threshold value of 0.300 mg/L. Total cyanide concentration in November was below the 95th percentile threshold value of 0.076 mg/L. Non-significant increasing trend in concentrations.
WAD Cyanide	No	<ul style="list-style-type: none"> November concentration (0.012 mg/L) was below the EQS threshold value (0.1 mg/L). WAD Cyanide concentration was below the 95th percentile threshold (0.035 mg/L). Statistically significant decreasing trend in concentrations.

Total Arsenic	Yes	<ul style="list-style-type: none"> The arsenic concentration in November (0.052 mg/L) was below the 95th percentile threshold value of 0.057 mg/L. Statistically significant increasing trend estimated to reach the threshold value (0.057 mg/L) in less than 1 year.
Dissolved Arsenic	Yes	<ul style="list-style-type: none"> November concentration (0.049 mg/L) was below the EQS threshold value of 0.15 mg/L. The dissolved arsenic concentration in November was above the 95th percentile threshold value of 0.035 mg/L for three consecutive months. Statistically significant increasing trend in dissolved arsenic concentrations, estimated to reach the 95th percentile threshold value (0.035 mg/L) in less than 1 year.
Total Cadmium	No	<ul style="list-style-type: none"> November concentration (0.00050 mg/L) was below EQS threshold of 0.02 mg/L. November concentration was below the 95th percentile threshold of 0.00117 mg/L. Statistically significant decreasing trend in concentrations.
Total Iron	Yes	<ul style="list-style-type: none"> November concentration (11.5 mg/L) is above the EQS threshold of 1.0 mg/L and concentrations have been since at least 2008. November concentration was below the 95th percentile threshold of 20.8 mg/L. Non-significant increasing trend in concentrations.
Dissolved Iron	Yes	<ul style="list-style-type: none"> November concentration (10.3 mg/L) was above the 95th percentile threshold of 9.67 mg/L, but was the first consecutive exceedance and not part of three consecutive exceedances. Statistically significant increasing trend estimated to reach 95th percentile threshold value in less than 1 year.
Total Manganese	Yes	<ul style="list-style-type: none"> November concentration (5.8 mg/L) was above EQS threshold of 0.5 mg/L and has been since 2008. November concentration was below the 95th percentile threshold value of 9.2 mg/L. Statistically significant decreasing trend in concentrations.
Dissolved Manganese	No	<ul style="list-style-type: none"> November concentration (5.6 mg/L) was below the 95th percentile threshold value of 8.8 mg/L. Statistically significant decreasing trend in concentrations.
Total Zinc	Yes	<ul style="list-style-type: none"> November concentration (0.06 mg/L) was below the EQS threshold of 0.3 mg/L. November concentration was above the 95th percentile threshold value of 0.028 mg/L for three consecutive months. Statistically significant increasing trend estimated to reach 95th percentile threshold value in less than 1 year.

2.3 Follow-up Action Required

The above noted changes in water quality in the Seepage Pond, as measured at WQ-SEEP, have been previously documented in various reports including *Mount Nansen – Assessment of Zinc Concentrations in the Seepage Pond* (SLR 2015) and *Mount Nansen 2013 Annual Surface Water Quality Review* (SLR 2015). As a result of those reports, additional work is being carried out to investigate the sources of the changing water quality in the Seepage Pond, including sulphate, total zinc, total and dissolved arsenic, and total and dissolved iron. Some of the recommendations for proposed study/investigations included:

- A detailed hydrogeological and geochemical assessment of the water quality trends in seepage water and groundwater to fully assess the changing conditions in the Seepage Pond and upgradient in the tailings area, and evaluate potential impacts to ongoing attenuation processes.
- The development of a contingency plan for the potential treatment of Seepage Pond water should the concentrations reach a point where treatment is required.

3.0 AMP EVENT 3 - CHANGES IN SEEPAGE POND INFLOWS/VOLUME OUTSIDE OF HISTORIC NORMS

3.1 Description

The Seepage Pond at the toe of the tailings impoundment collects shallow groundwater seepage from the tailings area. The seepage collected in the pond is continuously pumped to Dome Creek. The maximum design operating level of the Seepage Pond is 1078.1 masl. The pond water levels are measured daily, during open water, via a staff gauge. The discharge pumping rate is measured daily via an inline flowmeter (H-SEEP) installed in 2012 and routinely checked using timed volumetric measurements. Assessment of the water level and water level rate of change triggers occur during the open water season only, while assessment of the pumping rate occurs year round.

The environmental consequence of changes in the Seepage Pond inflows/volumes above historic norms is the potential exposure of aquatic and terrestrial resources, and human users to increased levels of contaminants in the downstream receiving environment in Victoria Creek due to increased seepage from the tailings impoundment area. In addition, as a result of seepage inflows above or below historic norms, there are concerns related to the stability of the dam structure including, dam failure or reduction in hydro-static pressure.

A summary of the current AMP information for Event 3 is provided in Table 3.

Table 3: Summary of AMP Event 3 Thresholds

Indicators	Locations	Thresholds	Frequency
Seepage Pond pumping rate Seepage Pond water level Seepage Pond water level rate of change	H-SEEP	<ul style="list-style-type: none"> Four consecutive average weekly results greater than the upper 95th percentile or lower than the lower 5th percentile of the 2012 to 2013 data record on a year round basis for the pumping rate and during open water for the water level and water level rate of change; or A statistically significant (0.05) increasing or decreasing trend in the monitoring results on a year round basis for the pumping rate, and during open water for the water level and water level rate of change. For the purposes of AMP trend line development, data from 2012 on will be used for the trend analysis. 	Daily

3.2 AMP Event 3 – Data Review

Assessment under the AMP of the relevant water level and discharge data from H-SEEP was carried out using the November 2016 data.

The results of the assessment are summarized in Table 4.

Table 4: Summary of AMP Event 3 Assessment – H-SEEP

Indicators	Trigger Activation	Results
Seepage Pond pumping rate	Yes	<ul style="list-style-type: none"> Throughout November, the average weekly Seepage Pond pumping rates (150.29 to 166.14 L/min) did not exceed the upper 95th percentile threshold (240.12 L/min). Throughout November, the average weekly Seepage Pond pumping rates (150.29 to 166.14 L/min) were below the 5th percentile threshold (156 L/min) for one week only. Statistically significant decreasing trend in the Seepage Pond pumping rate.
Seepage Pond water level	N/A	<ul style="list-style-type: none"> The surface of the Seepage Pond was frozen as of October 1st. This assessment will not be performed until open water season
Seepage Pond water level rate of change	N/A	<ul style="list-style-type: none"> The surface of the Seepage Pond was frozen as of October 1st. This assessment will not be performed until open water season

3.3 Follow-up Action Required

The Seepage Pond pumping rate trigger was activated in November by a statistically significant decreasing trend in the Seepage Pond pumping rate. Pumping rate averages remained within the range bounded by the lower 5th percentile and 95th percentile, with the exception of the week beginning November 21st.

Consultation with a geotechnical engineer in August 2016 concluded that there are no concerns with respect to dam instability caused by low seepage pumping rates (refer to August 2016 monthly AMP assessment report). As the low seepage pumping rates do not present a critical issue at this time, no follow-up is required.

4.0 AMP EVENT 4 – DEGRADED WATER QUALITY IN DOME CREEK DOWNSTREAM OF MINE FACILITIES

4.1 Description

Dome Creek, downstream of the tailing impoundment area, receives inputs from the mine site via direct discharge from the Seepage Pond, inflows from the mill area, and seepage and groundwater inflows from mine site facilities. The water quality in Dome Creek below the mine site facilities is measured at stations WQ-DC-U and WQ-DC-R. Station WQ-DC-U is located downstream of the confluence of Dome Creek and the Seepage Pond discharge and station WQ-DC-R is located in Dome Creek at the mine access road crossing. Water quality samples are collected monthly, with the exception of spring. At this time, an additional sample is collected during freshet. Water quality samples are analyzed for a full suite of parameters including total suspended solids, cyanide species, nitrogen species, sulphate, hardness, total and dissolved metals.

The water quality in Dome Creek, below the mine site facilities, shows a clear mine-related influence with elevated concentrations of key contaminants of concern including sulphate, arsenic, iron, manganese, cadmium, and zinc. Total and WAD cyanide is also present in Dome Creek below the mine facilities, although at concentrations typically well below the CCME guidelines.

A summary of the AMP thresholds for Event 4 is provided in Table 5.

Table 5: Summary of AMP Event 4 Thresholds

Indicators	Locations	Thresholds	Frequency
Sulphate Total and Dissolved Arsenic Total Cadmium Total Zinc Total and Dissolved Iron Total and Dissolved Manganese	WQ-DC-U and WQ-DC-R	<ul style="list-style-type: none"> • Three consecutive monitoring results at WQ-DC-U or WQ-DC-R greater than the upper 95th percentile of the reference period (2008 to 2013); or, • A statistically significant (0.05) increasing trend in the monitoring results from WQ-DC-U or WQ-DC-R which, when extrapolated forward one year, would result in values greater than the 95th percentile. For the purposes of AMP trend line development, data from 2008 and on is used for the trend analysis. 	Monthly

4.2 AMP Event 4 – Data Review

Assessment under the AMP of the relevant water quality data from WQ-DC-U and WQ-DC-R was carried out using the November 2016 water quality data. The results of the assessment are summarized in Table 6 and Table 7.

Table 6: Summary of AMP Event 4 Assessment – WQ-DC-U

Indicators	Trigger Activation	Results
Sulphate	No	<ul style="list-style-type: none"> November concentration (564 mg/L) was below the 95th percentile threshold (785.1 mg/L). Statistically significant increasing trend in sulphate concentrations but not estimated to reach 95th percentile threshold value for another 7 years.
Total Arsenic	No	<ul style="list-style-type: none"> November concentration (0.041 mg/L) was below the 95th percentile threshold (0.052 mg/L). Statistically significant increasing trend in total arsenic concentrations but not estimated to reach 95th percentile threshold value for another 13 years.
Dissolved Arsenic	No	<ul style="list-style-type: none"> November concentration (0.038 mg/L) was above the 95th percentile threshold (0.031 mg/L), but was the first consecutive exceedance and not part of 3 consecutive exceedances. Statistically significant increasing trend in dissolved arsenic concentrations but not estimated to reach threshold value for another 4 years.
Total Cadmium	No	<ul style="list-style-type: none"> November concentration (0.00013 mg/L) was below 95th percentile threshold (0.00066 mg/L). Non-significant decreasing trend in concentrations.
Total Iron	No	<ul style="list-style-type: none"> November concentration (4.38 mg/L) was below the 95th percentile threshold (10.5 mg/L). Non-significant increasing trend in concentrations.
Dissolved Iron	No	<ul style="list-style-type: none"> November concentration (3.68 mg/L) was below the 95th percentile threshold (5.35 mg/L). Statistically significant increasing trend in dissolved iron concentrations but not estimated to reach threshold value for another 12 years.
Total Manganese	No	<ul style="list-style-type: none"> November concentration (4.82 mg/L) was below the 95th percentile threshold value of 5.94 mg/L. Non-significant increasing trend in concentrations.
Dissolved Manganese	No	<ul style="list-style-type: none"> November concentration (4.38 mg/L) was below the 95th percentile threshold value of 5.68 mg/L. Non-significant increasing trend in concentrations.
Total Zinc	No	<ul style="list-style-type: none"> November concentration (0.016 mg/L) was below the 95th percentile threshold (0.090 mg/L). Non-significant decreasing trend in concentrations.

Table 7: Summary of AMP Event 4 Assessment – WQ-DC-R

Indicators	Trigger Activation	Results
Sulphate	No	<ul style="list-style-type: none"> November concentration (411 mg/L) was below the 95th percentile threshold (490.8 mg/L). Statistically significant increasing trend in sulphate concentrations but not estimated to reach 95th percentile threshold value for another 7 years.
Total Arsenic	No	<ul style="list-style-type: none"> November concentration (0.046 mg/L) was below the 95th percentile threshold (0.055 mg/L). Statistically significant decreasing trend in concentrations.
Dissolved Arsenic	No	<ul style="list-style-type: none"> November concentration (0.045 mg/L) was above the 95th percentile threshold (0.018 mg/L), but was not part of 3 consecutive exceedances Non-significant increasing trend in concentrations.
Total Cadmium	No	<ul style="list-style-type: none"> November concentration (0.00007 mg/L) was below 95th percentile threshold (0.00044 mg/L). Statistically significant decreasing trend in concentrations.
Total Iron	No	<ul style="list-style-type: none"> November concentration (4.08 mg/L) was below the 95th percentile threshold (6.09 mg/L). Non-significant decreasing trend in concentrations.
Dissolved Iron	No	<ul style="list-style-type: none"> November concentration (3.67 mg/L) was above the 95th percentile threshold (1.58 mg/L) but was not part of 3 consecutive exceedances. Statistically significant increasing trend in dissolved iron concentrations but not estimated to reach threshold value for another 3 years.
Total Manganese	No	<ul style="list-style-type: none"> November concentration (2.61 mg/L) was below the 95th percentile threshold value of 2.96 mg/L. Non-significant decreasing trend in concentrations.
Dissolved Manganese	No	<ul style="list-style-type: none"> November concentration (2.54 mg/L) was below the 95th percentile threshold value of 2.56 mg/L. Non-significant increasing trend in concentrations.
Total Zinc	No	<ul style="list-style-type: none"> November concentration (0.012 mg/L) was below the 95th percentile threshold (0.068 mg/L). Statistically significant decreasing trend in concentrations.

4.3 Follow-up Action Required

No AMP triggers were activated at WQ-DC-U or WQ-DC-R under AMP Event 4 during the November 2016 assessment. Therefore no follow up is required at this time.

5.0 AMP EVENT 5 – DEGRADED WATER QUALITY IN VICTORIA CREEK AT MINE ACCESS ROAD

5.1 Description

Victoria Creek, downstream of the mine site area, receives inputs from the mine site from surface water inflows and from groundwater inflows from mine site facilities. The receiving environment for the site is represented by sampling location WQ-VC-R. This location is downstream of inputs from both Dome and Back Creeks, and includes all potential mine related inputs to the receiving environment. In contrast to Dome Creek, Victoria Creek is known to support fish and fish habitat. The water quality in Victoria Creek at WQ-VC-R is collected monthly, with the exception of spring. At this time, an additional sample is collected during freshet. During winter, water quality in this area is sampled 150 m downstream at WQ-VC-R+150. Water quality samples are analyzed for a full suite of parameters including total suspended solids, cyanide species, nitrogen species, sulphate, hardness, total and dissolved metals.

The water quality in Victoria Creek, below the mine site facilities, shows a clear mine-related influence with elevated concentrations of key contaminants of concern, compared to background, including sulphate, dissolved arsenic, dissolved iron, dissolved manganese, dissolved cadmium, and dissolved zinc. The water quality at WQ-VC-R is also significantly influenced by elevated levels of suspended solids from both natural and anthropogenic sources (including placer mining in the Back Creek and Pony Creek watersheds). Due to this influence of upstream sediment inputs, the development of the AMP Event for Victoria Creek is based on dissolved metals. Taking this approach enables the isolation of site-related influences and eliminates the interfering effects of elevated suspended solids contributed from upstream, in the Victoria Creek catchment.

A summary of the AMP thresholds for Event 5 is provided in Table 8.

Table 8: Summary of AMP Event 5 Thresholds

Indicators	Locations	Thresholds	Frequency
Sulphate Dissolved Arsenic Dissolved Cadmium Dissolved Zinc Dissolved Iron Dissolved Manganese	WQ-VC-R or WQ-VC-R+150	<ul style="list-style-type: none"> Three consecutive monitoring results at WQ-VC-R or WQ-VC-R+150 greater than the upper 95th percentile of the reference period (2008 to 2013); or A statistically significant (0.05) increasing trend in the monitoring results from WQ-VC-R or WQ-VC-R+150 which, when extrapolated forward one year, would result in values greater than the 95th percentile. For the purposes of AMP trend line development, data from 2008 and on will be used for the trend analysis. 	Monthly

5.2 AMP Event 5 – Data Review

Assessment under the AMP of the relevant water quality data from WQ-VC-R+150 was carried out using the November 2016 water quality data. The results of the assessment are summarized in Table 9.

Table 9: Summary of AMP Event 5 Assessment

Indicators	Trigger Activation	Results
Sulphate	No	<ul style="list-style-type: none"> November concentration (25.4 mg/L) was below the 95th percentile threshold (45.9 mg/L). Non-significant increasing trend in concentrations.
Dissolved Arsenic	No	<ul style="list-style-type: none"> November concentration (0.0008 mg/L) was below the 95th percentile threshold (0.002 mg/L). Non-significant decreasing trend in concentrations.
Dissolved Cadmium	No	<ul style="list-style-type: none"> November concentration (0.00002 mg/L) was below the 95th percentile threshold (0.00009 mg/L). Non-significant decreasing trend in concentrations.
Dissolved Iron	No	<ul style="list-style-type: none"> November concentration (0.055 mg/L) was below the 95th percentile threshold (0.270 mg/L). Non-significant increasing trend in concentrations.
Dissolved Manganese	No	<ul style="list-style-type: none"> November concentration (0.053 mg/L) was below the 95th percentile threshold (0.120 mg/L). Non-significant increasing trend in concentrations.
Dissolved Zinc	No	<ul style="list-style-type: none"> November concentration (0.0011 mg/L) was below the 95th percentile threshold (0.0082 mg/L). Non-significant decreasing trend in concentrations.

5.3 Follow-up Action Required

No AMP triggers were activated at WQ-VC-R+150 under AMP Event 5 during the November 2016 assessment. Therefore no follow up is required at this time.