

Sustainable Development

Environmental Stewardship Division **Environmental Approvals Branch** 123 Main Street, Suite 160, Winnipeg, Manitoba, Canada R3C 1A5 **T** 204 945-8321 **F** 204-945-5229 www.gov.mb.ca/conservation/eal

File: 2435.40

May 20, 2016

Mr. Mike Kernick General Manager, Bissett Gold Mine Klondex Canada Ltd. P.O. Box 1000 Bissett, MB R0E 0J0

Dear Mr. Kernick:

Klondex Canada Ltd. (Klondex) - Environment Act Licence No. 2628 RR - Notice Re: of Alteration

Receipt of your May 3, 2016 letter is acknowledged as a notice of alteration in accordance with section 14 of The Environment Act.

The requested change to the Development as Licensed is for a temporary increase to the maximum stockpile limit at the Ore Rock Stockpile Area. Environment Act Licence No. 2628RR restricts the surface stockpiling of ore to a maximum stockpile of no more than 10,000 tons at any time. Klondex is requesting a one-year temporary increase to the stockpile limit to a maximum 50,000 tons of ore.

The letter states that the proposed maximum stockpile increase will allow Klondex to begin mining operations prior to commencing milling operations and will allow sufficient quantities of ore to be available when milling activities commence.

The potential environmental effect of the requested change to the Development as Licensed is insignificant and considered to be a minor alteration in accordance with section 14(2) of *The Environment Act*. Approval is hereby granted for the temporary surface stockpiling of ore at the Ore Rock Stockpile Area to no more than 50,000 tons, as described in your May 3, 2016 letter. This approval terminates on June 9, 2017.

If you have any questions, please contact Jennifer Winsor, P.Eng. at 204-945-7012.

Yours sincerely, "original signed by"

Tracey Braun, M.Sc. Director

c. Don Labossiere/Donna Smiley/Diane Oertel – Environmental Compliance and Enforcement Branch, Manitoba Sustainable Development Jennifer Winsor – Environmental Approvals Branch, Manitoba Sustainable Development Amelia Bauer – Klondex Canada Ltd.

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