



Conservation and Water Stewardship

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

File: 2435.40

May 3, 2016

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

Dear Mr. Kernick:

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

Receipt of your April 18, 2016 letter and the April 27, 2016 letter from Ms. Amelia Bauer is acknowledged as a notice of alteration in accordance with Section 14 of *The Environment Act*.

The proposed alterations to the development as Licensed are for the early discharge of effluent from the East Tailings Pond (ETP) and the implementation of a Tailings Re-Processing Project.

The information provided states that the ETP contains approximately 780,000 m³ of water which meets all effluent discharge requirements of the Licence as well as MMER limits. The early discharge of effluent is proposed to commence on May 9, 2016.

The proposed tailings reprocessing project consists of the construction and operation of a dredging system, pumping station, booster pumps and pipeline to pump a tailings slurry back to the existing mill for reprocessing. The pumps and equipment needed for the project will be installed on a pontoon structure within the existing tailings management area and the tailings slurry will be pumped through existing pipelines with minor extensions and relocations. Klondex estimates that between 80,000 m³ and 150,000 m³ will be removed from the tailings pond in the 2016 reprocessing project with a proposed start date of June 1, 2016.

The potential environmental effect of the requested changes 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 undertaking of the early discharge from the ETP and the tailings reprocessing project as described in the April 18, 2016 letter.

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 Conservation and Water Stewardship
- Jennifer Winsor – Environmental Approvals Branch, Manitoba Conservation and Water Stewardship
- Amelia Bauer – Klondex Mines (via e-mail)
- Public Registries