

February 9, 2016

Jennifer Winsor,
Environmental Engineer
Environmental Approvals Branch
Conservation and Water Stewardship
123 Main St., Ste. 160
Winnipeg, MB R3C 1A5

Re: As Built Record- East Tailings Management Area, Rice Lake Mine

Dear Ms. Winsor

Klondex Canada Ltd. is pleased to advise the East Tailings Management Area at the Rice Lake Mine in Bissett, Manitoba has been completed and the As Built Report available for review. Enclosed with this letter is a copy of the *Construction As-Built Report and Record Drawings – East Tailings Management Area Dyke 9 (Stage 1/Starter Dyke)* completed by AECOM Canada Ltd. (2016). The report outlines construction activities, summarizes quality control data and provides record drawings.

The report provides the results of the quality control monitoring that took place during the construction period and is submitted for approval under Environment Act Licence 2628RR condition 19.

19. *The Licencee shall, not less than two weeks before the expanded tailings management area is placed in operation, submit for the approval of the Environment Officer the results of the tests carried out pursuant to Clause 18 of this Licence.*

Also provided with this letter is the installation report (*Monitoring Well Installation and Repair for Tailings Management Area for the Rice Lake Mine, AECOM, 2015*) for six groundwater monitoring wells that were installed in September 2015. Due to the ground

conditions at the time of the installation only six wells could be installed. The remaining wells are planned for installation in February 2016. Once installed, a notice will be supplied regarding the completed installation and an alteration requested, to condition 46 of Environment Act Licence 2628RR, for changes to locations and numbering.

46. *The Licencee shall, unless otherwise specified by the Director:*
- a) annually monitor each accessible groundwater monitoring well designated as 96-01, 96-02, 96-03, 96-05, 96-06, 13-01, 13-02, 13-03, 13-04, 13-05 and 13-06 and shown in Appendix A of this Licence, for potentiometric elevation, field pH, conductivity and temperature;*
 - b) annually collect a groundwater sample from each of the accessible groundwater monitoring wells and analyze the samples for those parameters listed in Appendix D of this Licence; and*
 - c) establish and monitor as per sub-clauses 46(a) and 46(b) of this Licence, any additional new groundwater monitoring wells at such locations as may be requested by the Director.*

Please note - The following attached documents are confidential;

Construction As-Built Report and Record Drawings – East Tailings Management Area Dyke 9 (Stage 1/Starter Dyke) Bissett ,Manitoba, AECOM Canada Ltd. 2016

Monitoring Well Installation and Repair for Tailings Management Area for the Rice Lake Mine, Bissett, MB, Letter dated November 4, 2015

I look forward to your response regarding the approval of the East Tailings Management Area. Please let me know if you have any questions regarding the information provided.

Regards,



Amelia Bauer

Environmental Superintendent

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cc. Neil Rentz, Environment Officer, Compliance and Enforcement Branch