

June 24, 2010

Don Labossiere
Director, Environmental Operations
Manitoba Conservation
123 Main St.
Winnipeg MB R3C 1A5

Dear Mr. Labossiere:

Re: Wastewater Treatment System for the Lalor Advanced Exploration Project ("Lalor AEP")

Hudson Bay Mining and Smelting Co., Limited ("HBMS") writes to propose registration of an onsite wastewater management system, in accordance with subsection 8(1) of the Onsite Wastewater Management Systems Regulation, Manitoba Regulation 83/2003 (the "Regulation"), made under *The Environment Act*, and to seek your approval of the system in accordance with paragraph 8(2)(e) of the Regulation. Please find enclosed the report of our consultant, AECOM, in that regard.

As you may know, HBMS has received approval from the Director of Mines to proceed with the Lalor Advanced Exploration Project ("Lalor AEP") on a site located near the Town of Snow Lake. The Lalor AEP is expected to take 33 months to complete and have a maximum work force of 100 persons. There will be no living quarters, laundry or kitchen facility on the Lalor AEP site, as the Lalor workers will live in Snow Lake. The Lalor AEP site therefore will require only limited onsite waste water management.

The Regulation applies to the onsite wastewater management system proposed herein because, as noted in the enclosed report of our consultant AECOM, calculations made in accordance with Manitoba Conservation guidance verify that wastewater generated during the course of the Lalor AEP will comply with the combined sewage and greywater flow limit of less than 10,000 L (2,200 gallons) per day, which is set in section 2 of the Regulation.

HBMS would have preferred to comply with the Regulation by installing a wastewater holding system on the Lalor AEP site and pumping out the wastewater for treatment in the Snow Lake licensed Sewage Treatment Plant ("STP"). However, we are advised that, at present, the Snow Lake STP is not functioning at a level which would permit additional loading. HBMS therefore proposes to comply with the Regulation by an alternative, more costly means.

Rather than a simple wastewater holding system, the Lalor AEP site will have a sewage treatment plant which is fully capable of treating the wastewater to a standard that would make it appropriate for discharge directly to the environment. The proposed sewage treatment system will discharge from the Lalor AEP site by pipeline to the open pit on the Chisel Mine site. The Chisel Mine site has a mine water treatment plant operated in accordance with *Environment Act* Licenses No. 1501RR, 1919 S2RR and 2648, and a minor alteration (improvements to the Chisel mine water treatment plant) approved by your letter dated June 12, 2007.

Before the Lalor effluent enters the pipeline, it will be tested to ensure that it meets Manitoba Water Quality Standards, Objectives and Guidelines as described in section 2.2 of the enclosed AECOM report, or such other applicable criteria as Manitoba may require. Our consultant, AECOM, also assures us that the sewage treatment plant can meet Canadian Council of Ministers of the Environment recommended

Hudson Bay Mining and Smelting Co., Limited P.O. Box 1500 Flin Flon Manitoba R8A 1N9 Canada





criteria. Thus, discharge into and from the pipeline from the Lalor AEP site to the Chisel Pit will not result in any change in environmental effects at the Chisel site and there will be no potential need to further improve the Chisel water treatment plant.

At present, effluent quality testing data for the Chisel site is submitted monthly to Manitoba Conservation Environmental Operations, to the attention of the local office compliance officer, Audrey Romanchuk, in accordance with the Chisel licenses. HBMS proposes to include the Lalor effluent testing data in the regular monthly report submitted to Manitoba Conservation.

Please find enclosed our letter of even date to the Director of Environmental Assessment and Licensing for approval, pursuant to subsection 14(2) of *The Environment Act*, of discharge of the Lalor treated effluent into the Chisel Pit, as described above, and the addition of the effluent data to the HBMS regular monthly report submitted in accordance with the Chisel licenses. We also have requested that Director Braun specify the standard which HBMS should apply when testing the treated effluent.

In summary, the quantity of wastewater to be handled meets the requirements of the Regulation; there will be no discharge of effluent to the environment except in accordance with the requirements of existing *Environment Act* licenses; and there will be no discharge except to a licensed facility. Thus, the proposed wastewater management system meets or exceeds all requirements for your approval under subsection 8(2) of the Regulation.

As soon as your approval has been received, we intend to source and arrange for purchase of the sewage treatment equipment, to be installed under the supervision of appropriately qualified consultants. We will be pleased to provide you with a copy of the plans for your review before installation on the site.

A schedule of HBMS anticipated activities with respect to carrying out the plans for the Lalor AEP, including those with respect to the sewage treatment facilities, will be provided in the near future.

Thank you for your kind attention to this matter. Please do not hesitate to call if you have any questions. We look forward to hearing from you at your earliest convenience.

Yours truly,

Stephen West, P. Eng.

Superintendent, Environment Control

Cc: Kim Proctor

Barry Williamson/C. Samoiloff

Sheryl Rosenberg

Tracey Braun

Hudson Bay Mining and Smelting Co., Limited P.O. Box 1500 Flin Flon Manitoba R8A 1N9 Canada



AECOM 99 Commerce Drive Winnipeg, MB, Canada R3P 0Y7 www.aecom.com

204 477 5381 tel 204 284 2040 fax

Memorandum

То	Stephen West	Page 1
CC	Cliff Samoiloff	
Subject	HBMS, Lalor Advanced Exp Wastewater Treatment Prop	loration Project osal to Manitoba Conservation
From	Barry Williamson	
Date	May 28, 2010	Project Number 60148609 4.2.1

1. Overview

Hudson Bay Mining and Smelting Co., Limited (HBMS) is planning the construction of an administration facility and dry complex as part of the Lalor Zone Advanced Exploration Project (AEP). The AEP complex is located near the east shore of Lalor Lake, approximately 8 km west of the Town of Snow Lake, Manitoba. Wastewater management at the Lalor site is proposed to occur by a Wastewater Treatment System (WWTS) to be constructed onsite. The complex is to accommodate a maximum work force of 100 persons. It is intended that the WWTS be used at the Lalor AEP site for the duration of the exploration project and then components of the WWTS will be re-located to another HBMS facility. It is estimated that the duration of the project will be 33 months.

The WWTS is to be designed and constructed to accommodate a combined sewage and greywater flow of less than 10,000 litres per day.

2. Design Criteria

The proposed WWTS will be used to handle the flow from the onsite toilet and shower facilities. There will be no kitchen or sleeping quarters located at the site serviced by the proposed WWTS.

The water usage patterns at the complex have been estimated using typical values based on facility type. Specifically, Manitoba Conservation has published standards on their website that reference the USEPA Onsite Wastewater Treatment Systems Manual. These standards suggest that the typical wastewater flow rate for:

- Industrial buildings (sanitary waste only) is 49 lpcd
- Schools, day-only with cafeteria, gym and showers is 95 lpcd
- Camps, pioneer type is 95 lcpd

Assuming that the typical flow rates at the proposed HBMS complex fall within one of the above categories and using the higher flow rate of 95 lpcd, an average daily flow rate for 100 persons is 9,500 L/day.



The workforce will have accommodations offsite at locations such as Snow Lake and will be commuting to the site daily. This has the effect of lower flow rates compared to a complex providing full service continuously. Also, it is proposed that water conserving plumbing fixtures such as waterless urinals, low-flow shower heads, and dual-flush or low-flow toilets be installed at the complex to reduce water consumption thereby keeping wastewater flow rates within the design values.

It should be noted that the proposed water supply is a 10,000 litre storage tank supplied by an offsite source delivered by truck. The daily consumption of water is not anticipated to exceed the tank volume. Limiting the daily water consumption will also benefit HBMS by reducing the size of the WWTS.

Treatment Equipment

Currently, HBMS is evaluating treatment options available to them for use at the AEP complex. The treatment system will include mechanical treatment and designed to achieve the effluent quality noted below. We propose that wastewater generated on-site will flow into a pre-packaged wastewater treatment plant that will consist of proven mechanical treatment (i.e. RBC, SBR, or Extended Aeration) and will be complete with disinfection.

Effluent Quality

The Manitoba Water Quality Standards, Objectives, and Guidelines (MWQSOG) for *Tier I Water Quality Standards* provides the following guidance for the minimum quality of municipal wastewater effluents:

- Five Day Biochemical Oxygen Demand (BOD₅) ≤ 30 mg/L
- Total Suspended Solids (TSS) ≤ 30 mg/L
- ≤ 200 Fecal Coliform organisms / 100 mL

It is proposed that the effluent produced by the selected WWTS will meet the above-noted MWQSOG standards.

Treated Effluent Disposal

Part of the AEP project will involve the installation of a mine water discharge pipe from the Lalor AEP site to the existing Chisel North open pit. It is proposed that the treated sewage effluent be discharged to the mine water collection sump, which is then pumped to the Chisel open pit. Water in the open pit is treated in the existing Chisel North wastewater treatment plant prior to discharge to the environment in accordance with existing licenses. However, the treated sewage effluent which is added to the open pit by means of the mine water discharge pipe will not require further treatment as, upon entrance to the mine water collection sump, the effluent will meet or exceed the applicable standards for discharge from the Chisel site to the environment.

3. Solid Waste Handling

Solid waste produced by the WWTS will require disposal. The amount of sludge produced from the WWTS will depend on the selected treatment process. For example, if extended aeration is selected as the prefered method of treatment, AECOM estimates the dry solid mass of the sludge produced

from the extended aeration treatment process is 80-120 mg/L. A WWTS serving 100 persons and flow rate of 95 lpcd has an estimated sludge production rate of 760 to 1140 grams/day.

Assuming that the selected WWTS produces a thickened sludge with 4 to 6% solids, the volume of settled sludge is approximately 0.018 m³/day based on a sludge production rate of 1140 grams/day. The design of the WWTS will include a form of sludge storage (either in tank or a stand alone tank). Depending on the size of the tank and increasing the sludge retention time; it is intended that the estimated sludge generated will be small enough to allow for semi-annual or annual desludging and disposal.

4. Summary

HBMS proposes to implement a WWTS at the Lalor Advanced Exploration Project site to treat wastewater generated by the AEP complex. It is expected that the flow rates will be less than 10,000 L/day. Using recommended flow rates provided by Manitoba Conservation and the design population of the project, AECOM has calculated the expected daily flow rates, which are less than 10,000 L/day. AECOM recommends that the design, construction, and operation of the WWTS be conducted in accordance with the 10,000 L/day limit and that discharge of the treated effluent be directed to the Chisel North pit.

AECOM's preliminary assessment of the mechanical processes available to HBMS for treating the wastewater indicates that any of the above-noted types of system (RBC, SBR, or Extended Aeration) would be capable of producing effluent that meets or exceeds the MWQSOG standards.



Marilyn Chubaty

From:

Sheryl Rosenberg

Sent:

November 10, 2010 12:08 PM

To:

Donna Smiley (Donna.Smiley@gov.mb.ca)

Cc:

Steph West; 'Shirley Neault'

Subject:

FW: Onsite Wastewater Management Systems Application Re Sewage Treatment Plant for Lalor Advanced

Exploration Project site - Part 1

Attachments: OWMS Application to Register.pdf; TDSLAW-#1160442-v1-

L_Labossiere_from_HBMS_June_24__2010_Re__Wasterwater_Treatment_System_for_the_Lalor_AEP.PDF;

TDSLAW-#1211844-v1-0066334_owms_appl_2010-11-03_Pg_7.PDF; TDSLAW-#1211842-v1-

0066334_owms_appl__2010-11-03_Pg_6.PDF

Donna.

Donna, I tried twice yesterday to send this to you and it bounced back both times. I'm dividing it up into two emails. If this doesn't work, I'll send the whole thing by courier.

The cheque is coming to you this afternoon by courier. The completed application form, which is attached above, is being mailed to you from Flin Flon. Let's hope this works. S.

From: Sheryl Rosenberg

Sent: Tuesday, November 09, 2010 4:19 PM

To: Smiley, Donna (CON)

Cc: Labossiere, Don (CON); Steph West; 'Shirley Neault'; Debbie Doverspike

zt: FW: Onsite Wastewater Management Systems Application Re Sewage Treatment Plant for Lalor Advanced Exploration Project site

Donna.

Thanks for your guidance in preparing this application.

This package includes the application form, the 2 drawings (one of the site, showing the location of the sewage treatment plant, and one of the pipeline from the Lalor site to the Chisel pit), a copy of the cheque that was sent with the application letter to Don, dated June 24, 2010, and a copy of the Lalor Advanced Exploration Project plan, prepared by AECOM, which describes the water and wastewater facilities on the site (see pages 12-15).

HBMS also will mail the signed application form attached above. Please let us know if you need anything else.

My best, Sheryl

Sheryl A. Rosenberg

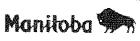
Thompson Dorfman Sweatman LLP **Barristers and Solicitors** 2200 - 201 Portage Avenue Winnipeg MB R3B 3L3 Phone: (204) 934-2312

Fax: (204) 934-0562 Email: sar@tdslaw.com

This is a privileged and strictly confidential Solicitor/Client or Solicitor/Advisor communication and must not be disclosed to any person other

17/11/2010

ONSITE WASTEWATER MANAGEMENT SYSTEMS REGULATION



Application to Register - Flow less than 10,000 litres per day

Manikoba	
Conservation	

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		West, Supe	erintendent of Enviror	ment		
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		Email	Steph. West@Hud	BayMinerals.c	om 	
Legal Description: (Section,						
Pt. 9 - 68 - 18 WPM East of	Lalor Lake (Ge	neral Permit	63483)	Martin Co.		
Municipality: N/A			9 8 8 8 9 8 9 8 9 8 9 8 9 8 9 8 9 8 9 8	and a second	acception at the control of	· · · · · · · · · · · · · · · · · · ·
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	Existing Was	stewater Col	lection System?	Yes	x No	
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is a variance requested:	x Yes	No	Letter requesting v	ariance attack	had	× Yes No
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Pages 1, 2 and a site plan r	nust be submi	itted with th	is application			
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OWMS Appication to Register

MG-5585 (Rev 03/2010)

White Manitoba Conservation

Canary Applicant

Pink.

Installer

Applicant's	Name: Hudson Bay Mining	and Smelting Co., Limite	ed	• *************************************
Legal Descr	iption;	TO THE RESIDENCE OF THE SECOND		
System to	Dwelling	Seasonal Cottage	No. of Bedrooms	
Serve:	Other Adm	inistration & dry complex	for Lalor Advanced Explora	ion Project (potential future mine)
	Size of Lot (acres/hect	ares):	Dimensions of	f Lot:
	Estimated Daily Flow (Jday):		
Type of System:	Disposal Field	Holding	Tank	
Oysteni.	site (as shown in attach	ging into the mine wate	nit BJ-166 (rotating biologi r discharge pipeline, leadir will be insulated and cove	a to the open pit on the Chisel Mine
Tank Details	:: CSA Certified	Type: Concrete	Fibreglass	Polyethylene
Holding 1	Tank (Volume): N/A	to the second se		
Septic Te	ank 1 st Compartment (/olume):	2 rd Compartmen	t (Volume)
Soil Condition	ons: Test Pit	Yes No	Depth to Restrictive Layer	of Soil (cm)
Name of the second seco	Depth to Bedrock (cm)	at surface	Depth to Normal High Wat	er Table (cm)
Soil Type:	Course Sand to Sandy	Loam Sitty Lo	pam Clay L	oam Clay
	Soil Analysis attached	Yes	No	
Disposal Fie	ld Details:	*****		:
Total An	ea:	Field Area (m²)	Volume of Stone (m³)	Total Length of Distribution
	Subsurface (conventional	N/A		Pipe (m) N/A
	·	19/74		
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7-1	At Grade system			Sand m ³
Trench:	Stone Trench	Width (cm) N/A	Total Length of Dis	tribution N/A
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Wastewat	er Effluent Chambers		:	
Type of Ch	namber N/A		Total Length of Dis	tribution N/A
Trench Wi	dth (cm)		Pipe (m)	
Sand Treatm Mound:	ent Yes	No N/A	Mound worksheet atta	ched
Distance From (m):	Septic-Tank/ Holding-Tank to: Portable STP	Nearest Property Boundary	Well(s) Cistern Greater than 30 meters	Watercourse Greater than 50 feet
		Water Service Pipe	Cut/Embankment	Habitable Bldg
	Disposal Field to:	Nearest Property Boundary	Well(s) Cistern	Watercourse
		Water Service Pipe	Cut/Embankment	Habitable Bldg

If information submitted is incomplete, or if supporting documentation (plans, maps, etc.) is of poor quality, the application process may be delayed or the application may be rejected.

Applicant's Name: Hudson Bay Mining and Smelting Co., Limited

Legal Description: See attached:

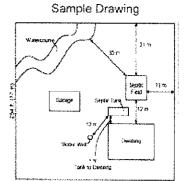
- Site General Arrangement Drawing
- Figure showing mine water discharge line

SITE PLAN DIAGRAM

The site plan must include the following information:

- 1. Property size (hectares/acres); dimensions, boundaries
- 2. Location of OWMS (septic/holding tank, secondary treatment unit, disposal field) and distances to any of the following:
 - * Wells
- Inhabited buildings
- Water service pipe

- Watercourses
- Cut/embankment
- Property boundary



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June 24, 2010

Don Labossiere
Director, Environmental Operations
Manitoba Conservation
123 Main St.
Winnipeg MB R3C 1A5

Dear Mr. Labossiere:

Re: Wastewater Treatment System for the Lalor Advanced Exploration Project ("Lalor AEP")

Hudson Bay Mining and Smelting Co., Limited ("HBMS") writes to propose registration of an onsite wastewater management system, in accordance with subsection 8(1) of the Onsite Wastewater Management Systems Regulation, Manitoba Regulation 83/2003 (the "Regulation"), made under *The Environment Act*, and to seek your approval of the system in accordance with paragraph 8(2)(e) of the Regulation. Please find enclosed the report of our consultant, AECOM, in that regard.

As you may know, HBMS has received approval from the Director of Mines to proceed with the Lalor Advanced Exploration Project ("Lalor AEP") on a site located near the Town of Snow Lake. The Lalor AEP is expected to take 33 months to complete and have a maximum work force of 100 persons. There will be no living quarters, faundry or kitchen facility on the Lalor AEP site, as the Lalor workers will live in Snow Lake. The Lalor AEP site therefore will require only limited onsite waste water management.

The Regulation applies to the onsite wastewater management system proposed herein because, as noted in the enclosed report of our consultant AECOM, calculations made in accordance with Manitoba Conservation guidance verify that wastewater generated during the course of the Lator AEP will comply with the combined sewage and greywater flow limit of less than 10,000 L (2,200 gallons) per day, which is set in section 2 of the Regulation.

HBMS would have preferred to comply with the Regulation by installing a wastewater holding system on the Lalor AEP site and pumping out the wastewater for treatment in the Snow Lake licensed Sewage Treatment Plant ("STP"). However, we are advised that, at present, the Snow Lake STP is not functioning at a level which would permit additional loading. HBMS therefore proposes to comply with the Regulation by an alternative, more costly means.

Rather than a simple wastewater holding system, the Lalor AEP site will have a sewage treatment plant which is fully capable of treating the wastewater to a standard that would make it appropriate for discharge directly to the environment. The proposed sewage treatment system will discharge from the Lalor AEP site by pipeline to the open pit on the Chisel Mine site. The Chisel Mine site has a mine water treatment plant operated in accordance with *Environment Act* Licenses No. 1501RR, 1919 S2RR and 2648, and a minor alteration (improvements to the Chisel mine water treatment plant) approved by your letter dated June 12, 2007.

Before the Laior effluent enters the pipeline, it will be tested to ensure that it meets Manitoba Water Quality Standards, Objectives and Guidelines as described in section 2.2 of the enclosed AECOM report, or such other applicable criteria as Manitoba may require. Our consultant, AECOM, also assures us that the sewage treatment plant can meet Canadian Council of Ministers of the Environment recommended

Hudson Bay Mining and Smelting Co., Limited P.O. Box 1500 Flin Flon Manitoba R8A 1N9 Canada

HUDBAY MINERALS

HBMS is a wholly-owned subsidiary of HudBay Minerals Inc.



HUDSON BAY MINING AND SMELTING CO., LIMITED

criteria. Thus, discharge into and from the pipeline from the Lalor AEP site to the Chisel Pit will not result in any change in environmental effects at the Chisel site and there will be no potential need to further improve the Chisel water treatment plant.

At present, effluent quality testing data for the Chisel site is submitted monthly to Manitoba Conservation Environmental Operations, to the attention of the local office compliance officer, Audrey Romanchuk, in accordance with the Chisel licenses. HBMS proposes to include the Lalor effluent testing data in the regular monthly report submitted to Manitoba Conservation.

Please find enclosed our letter of even date to the Director of Environmental Assessment and Licensing for approval, pursuant to subsection 14(2) of *The Environment Act*, of discharge of the Lalor treated effluent into the Chisel Pit, as described above, and the addition of the effluent data to the HBMS regular monthly report submitted in accordance with the Chisel licenses. We also have requested that Director Braun specify the standard which HBMS should apply when testing the treated effluent.

In summary, the quantity of wastewater to be handled meets the requirements of the Regulation; there will be no discharge of effluent to the environment except in accordance with the requirements of existing *Environment Act* licenses; and there will be no discharge except to a licensed facility. Thus, the proposed wastewater management system meets or exceeds all requirements for your approval under subsection 8(2) of the Regulation.

As soon as your approval has been received, we intend to source and arrange for purchase of the sewage treatment equipment, to be installed under the supervision of appropriately qualified consultants. We will be pleased to provide you with a copy of the plans for your review before installation on the site.

A schedule of HBMS anticipated activities with respect to carrying out the plans for the Lalor AEP, including those with respect to the sewage treatment facilities, will be provided in the near future.

Thank you for your kind attention to this matter. Please do not hesitate to call if you have any questions. We look forward to hearing from you at your earliest convenience.

Yours truly.

Stephen West, P. Eng.

Superintendent, Environment Control

Cc: Kim Proctor

Barry Williamson/C. Samoiloff

Sheryl Rosenberg Tracey Braun

Hudson Bay Mining and Smelting Co., Limited P.O. Box 1500 Flin Flon Manitoba R8A 1N9 Canada

HUDBAY MINERALS

HBMS is a wholly-owned subsidiary of HudBay Minerals Inc.

AECOM

AECOM
99 Commerce Drive
Winnipeg, MB, Canada R3P 0Y7

204 477 5381 tel 204 284 2040 fex

Memorandum

То	Stephen West		Page 1		
cc	Cliff Samoiloff				
Subject	HBMS, Lalor Advanced Exploration Project Wastewater Treatment Proposal to Manitoba Conservation				
From	Barry Williamson				
Date	May 28, 2010	Project Number	60148609 4.2.1		

1. Overview

Hudson Bay Mining and Smelting Co., Limited (HBMS) is planning the construction of an administration facility and dry complex as part of the Lalor Zone Advanced Exploration Project (AEP). The AEP complex is located near the east shore of Lalor Lake, approximately 8 km west of the Town of Snow Lake, Manitoba. Wastewater management at the Lalor site is proposed to occur by a Wastewater Treatment System (WWTS) to be constructed onsite. The complex is to accommodate a maximum work force of 100 persons. It is intended that the WWTS be used at the Lalor AEP site for the duration of the exploration project and then components of the WWTS will be re-located to another HBMS facility. It is estimated that the duration of the project will be 33 months.

The WWTS is to be designed and constructed to accommodate a combined sewage and greywater flow of less than 10,000 litres per day.

Design Criteria

The proposed WWTS will be used to handle the flow from the onsite toilet and shower facilities. There will be no kitchen or sleeping quarters located at the site serviced by the proposed WWTS.

The water usage patterns at the complex have been estimated using typical values based on facility type. Specifically, Manitoba Conservation has published standards on their website that reference the USEPA Onsite Wastewater Treatment Systems Manual. These standards suggest that the typical wastewater flow rate for:

- Industrial buildings (sanitary waste only) is 49 lpcd
- Schools, day-only with cafeteria, gym and showers is 95 lpcd
- Camps, pioneer type is 95 lcpd

Assuming that the typical flow rates at the proposed HBMS complex fall within one of the above categories and using the higher flow rate of 95 lpcd, an average daily flow rate for 100 persons is 9,500 L/day.

The workforce will have accommodations offsite at locations such as Snow Lake and will be commuting to the site daily. This has the effect of lower flow rates compared to a complex providing full service continuously. Also, it is proposed that water conserving plumbing fixtures such as waterless urinals, low-flow shower heads, and dual-flush or low-flow tollets be installed at the complex to reduce water consumption thereby keeping wastewater flow rates within the design values.

It should be noted that the proposed water supply is a 10,000 litre storage tank supplied by an offsite source delivered by truck. The daily consumption of water is not anticipated to exceed the tank volume. Limiting the daily water consumption will also benefit HBMS by reducing the size of the WWTS.

Treatment Equipment

Currently, HBMS is evaluating treatment options available to them for use at the AEP complex. The treatment system will include mechanical treatment and designed to achieve the effluent quality noted below. We propose that wastewater generated on-site will flow into a pre-packaged wastewater treatment plant that will consist of proven mechanical treatment (i.e. RBC, SBR, or Extended Aeration) and will be complete with disinfection.

Effluent Quality

The Manitoba Water Quality Standards, Objectives, and Guidelines (MWQSOG) for *Tier I Water Quality Standards* provides the following guidance for the minimum quality of municipal wastewater effluents:

- Five Day Biochemical Oxygen Demand (BOD₅) ≤ 30 mg/L
- Total Suspended Solids (TSS) ≤ 30 mg/L
- ≤ 200 Fecal Coliform organisms / 100 mL

It is proposed that the effluent produced by the selected WWTS will meet the above-noted MWQSOG standards.

Treated Effluent Disposal

Part of the AEP project will involve the installation of a mine water discharge pipe from the Lalor AEP site to the existing Chisel North open pit. It is proposed that the treated sewage effluent be discharged to the mine water collection sump, which is then pumped to the Chisel open pit. Water in the open pit is treated in the existing Chisel North wastewater treatment plant prior to discharge to the environment in accordance with existing licenses. However, the treated sewage effluent which is added to the open pit by means of the mine water discharge pipe will not require further treatment as, upon entrance to the mine water collection sump, the effluent will meet or exceed the applicable standards for discharge from the Chisel site to the environment.

3. Solid Waste Handling

Solid waste produced by the WWTS will require disposal. The amount of studge produced from the WWTS will depend on the selected treatment process. For example, if extended aeration is selected as the prefered method of treatment, AECOM estimates the dry solid mass of the studge produced

from the extended aeration treatment process is 80-120 mg/L. A WWTS serving 100 persons and flow rate of 95 lpcd has an estimated sludge production rate of 760 to 1140 grams/day.

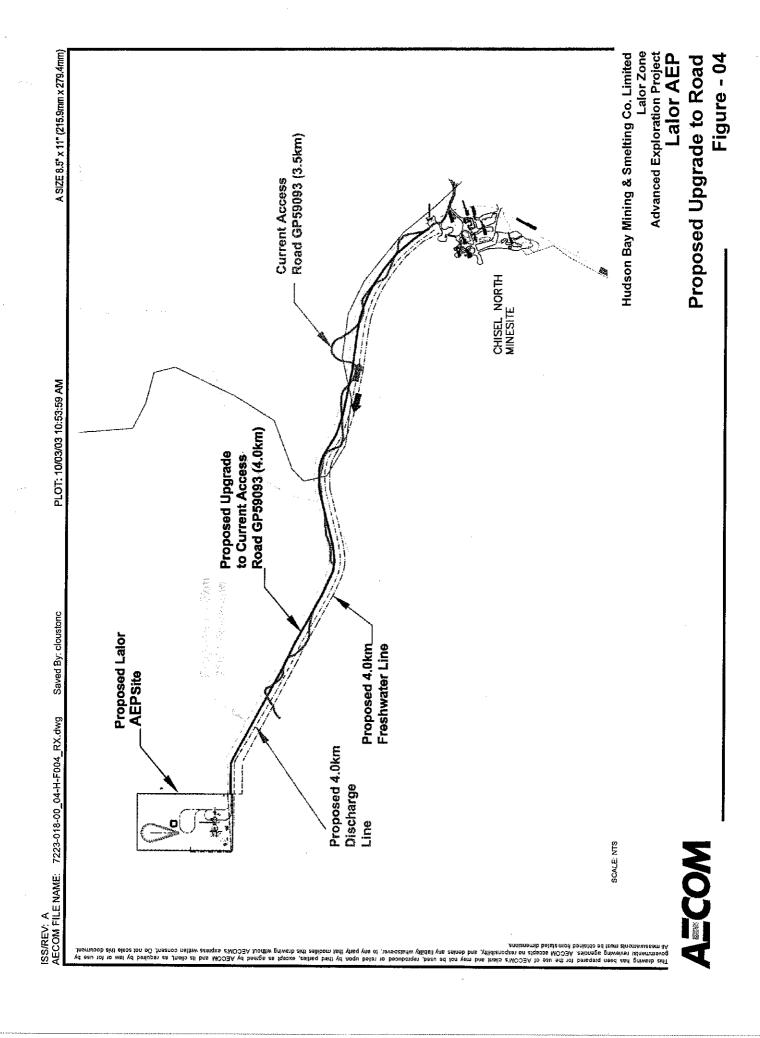
Assuming that the selected WWTS produces a thickened sludge with 4 to 6% solids, the volume of settled sludge is approximately 0.018 m³/day based on a sludge production rate of 1140 grams/day. The design of the WWTS will include a form of sludge storage (either in tank or a stand alone tank). Depending on the size of the tank and increasing the sludge retention time; it is intended that the estimated sludge generated will be small enough to allow for semi-annual or annual desludging and disposal.

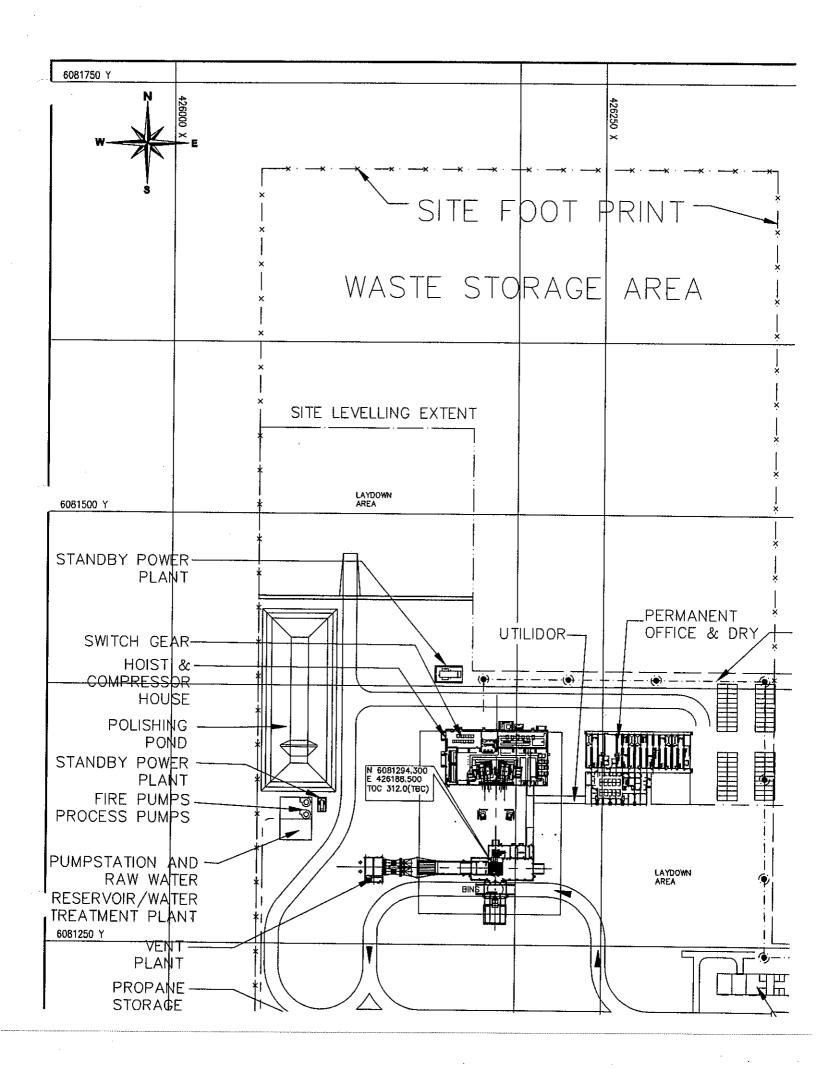
4. Summary

HBMS proposes to implement a WWTS at the Lalor Advanced Exploration Project site to treat wastewater generated by the AEP complex. It is expected that the flow rates will be less than 10,000 L/day. Using recommended flow rates provided by Manitoba Conservation and the design population of the project, AECOM has calculated the expected daily flow rates, which are less than 10,000 L/day. AECOM recommends that the design, construction, and operation of the WWTS be conducted in accordance with the 10,000 L/day limit and that discharge of the treated effluent be directed to the Chisel North pit.

AECOM's preliminary assessment of the mechanical processes available to HBMS for treating the wastewater indicates that any of the above-noted types of system (RBC, SBR, or Extended Aeration) would be capable of producing effluent that meets or exceeds the MWQSOG standards.









Hudson Bay Mining and Smelting Co., Limited

The Lalor Zone Advanced Exploration Project Plan

Prepared by:

AECOM 99 Commerce Drive Winnipeg, MB, Canada R3P 0Y7 www.aecom.com

204 477 5381 tel 204 284 2040 fax

Project Number:

7223 018 00 (4.6.1)

Date:

March 2010

Doc 1002616

Writer's Name Internet E-mail Address Writer's Direct Telephone Writer's Direct Fax Sheryl A. Rosenberg sar@tdslaw.com (204) 934-2313 (204) 934-0576

November 10, 2010

DELIVERED

Donna Smiley
Onsite Wastewater Management
Systems Program
Manitoba Conservation
1007 Century Street
Winnipeg MB R3H 0W4

Dear Ms Smiley:

Re: Onsite Wastewater Management Systems Application

Re Sewage Treatment Plant for

Lalor Advanced Exploration Project site

Our Matter No. 0066334 SAR

Attached please find our firm's cheque in the amount of \$262.50 respecting the attached application.

We trust this is satisfactory.

Yours truly,

THOMPSON DORFMAN SWEATMAN LLP

Per:

Sheryl A. Rosenberg

SAR:mrc Encs.

THOMPSON DORFMAN SWEATMAN LLP

Please Detach Before Cashing

Request Number:

113136

Nov 04/10

Cheque Date: Requested by:

Rosenberg, Sheryl A.

Cheque Amount

\$262.50

G 154045

Payee:

Minister of Finance (Manitoba)

R

Application for Regulatory Approval for Management Systems

Client 00057

0066334

<u>Amount</u> 250.00

G/L Acct 1085000

Account Description

INPUT TAX CREDITS

<u>Narrative</u>

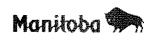
PAYEE: Minister of Finance (Manitoba); REQUEST#: 113136; DATE: 11/4/2010. - Application for Regulatory Approval for Management Systems

PAYEE: Minister of Finance (Manitoba); REQUEST#: 113136; DATE: 11/4/2010. - Application for Regulatory Approval for Management Systems

<u>Amount</u>

12.50

ONSITE WASTEWATER MANAGEMENT SYSTEMS REGULATION



Application to Register - Flow less than 10,000 litres per day

Conservation

APPLICANT'S NAME	Hudson Bay Mi	ning and Smelti	ng Co., Limited ("F	IBMS")		
Mailing Address	P.O. Box 1500					
City/Town	Flin Flon, MB	and an exact of the second		Posta	l Code	R8A 1N9
Phone Home		Business (204) 687-2229	Cell		(204) 687-0708
Fax (204)	687-2173	Email t	Steph.West@HudE	BayMinerals.com		2
INSTALLER'S NAME	HBMS: Stephe	n West, Superin	tendent of Environ	ment		
Mailing Address	P.O. Box 1500					The second secon
City/Town	Flin Flon, MB			Posta	Code	R8A 1N9
Phone Home		Business (204) 687-2229	Cell	. Buduudbudbbad dbad budati	(204) 687-0708
Fax (204)	687-2173	Email :	Steph. West@Hud	BayMinerals.com	•	the contract of the contract o
Legal Description: (Sec	tion. Township. Rand	e / Lot and Block N	lo / Street Address)			
Pt. 9 - 68 - 18 WPM Eas			~			
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Is Lot Serviced by:	New Waste	water Collection	n System?	Yes	x No	
i	Existing Wa	astewater Collec	tion System?	Yes	x. No	
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Is system located in N	utrient Managem	ent Zone N4:	en est em encomptone a ser en	Yes	x No	
Is system located in Re	ed River Designa	ted Area:		Yes	x No	
Is system located in:	Provis	icial Park	Crown	Land x	Sensitiv	· Δκου
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ls a variance requested	d: x Yes	No Le	etter requesting v	ariance attached	l: 🗼 🗴	Yes No
Sewage Disposal Syst	em: New Cons	struction x	Portable Sewage	Treatment Plant	Repla	cement
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Pages 1, 2 and a site p	lan must be subr	nitted with this	application			
I certify the onsite w	astewater mana	gement syster	n will be constri	ucted in accord	ance wif	th the requirements of
MR 83/2003 and as des	scribed in the sit	e plan and spe	cifications attach	ed hereto. Lacki	nowledge	the installation cannot
proceed until I have re	ceived a Manitob	a Conservation	official receipt a	nd authorization	to proce	ed.
Date: November 9, 20	010 8	Signature:	M1260	T		
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Registration Fee plus 5%	4.0°T- 0	CT Dametestics	N. 540700004T			
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Personal information is collected under the authority of The Environment Act, the Onsite Wastewater Management Systems Regulation and will be used for administration and enforcement purposes. Information collected is protected by the privacy provisions of The Freedom of Information and Protection of Privacy Act. If you have any questions, contact the Access & Privacy Coordinator. Box 85, 200 Saulteaux Crescent, Winnepeg MB, R3J, 3W3, 1-204-945-4170.

White. Manitoba Conservation

Canary Applicant

Pink.

installer

Applicant 5 Mai	He. Hosor Day Witing a	ing oneding oo, Ennie	And the second s						
Legal Descripti	on:	werenermannsmithalabheth.19 at 5 1 1 a 1 a 1 a 1 a 1 a 1 a 1 a 1 a 1 a							
System to Serve:	Dwelling [Seasonal Cottage	No. of Bedrooms						
Serve.	Other Administration & dry complex for Lalor Advanced Exploration Project (potential future mine)								
	Size of Lot (acres/hectares): Dimensions of Lot:								
	Estimated Daily Flow (L	./day):							
Type of System:	Disposal Field	Holding	Tank						
oystein.	site (as shown in attach	ging into the mine wate	init BJ-166 (rotating biologi r discharge pipeline, leadir will be insulated and cove	ng to the open pit on the Chisel Mine					
Tank Details:	CSA Certified	Type: Concrete	Fibreglass	Polyethylene					
Holding Tan	k (Volume): N/A								
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Soil Conditions	: Test Pit	Yes No	Depth to Restrictive Layer	of Soil (cm)					
	Depth to Bedrock (cm)	at surface	Depth to Normal High Wa	ter Table (cm)					
Soil Type:	Course Sand to Sandy	Loam Sifty Lo	pam Clay L	oam Clay					
	Soil Analysis attached	Yes	No						
Disposal Field	Details:			·					
Total Area:		Field Area (m²)	Volume of Stone (m³)	Total Length of Distribution Pipe (m) N/A					
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Trench Width	(cm)	* * * * * * * * * * * * * * * * * * * *	Pipe (m)						
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	Disposal Field to:	Nearest Property Boundary	Well(s) Cistern	Watercourse					
1		Water Service Pine	Cut/Embankment	Hobitable Olde					

If information submitted is incomplete, or if supporting documentation (plans, maps, etc.) is of poor quality, the application process may be delayed or the application may be rejected.

Applicant's Name: Hudson Bay Mining and Smelting Co., Limited

Legal Description: See attached:

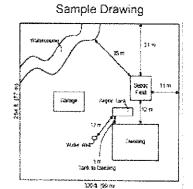
- Site General Arrangement Drawing Figure showing mine water discharge line

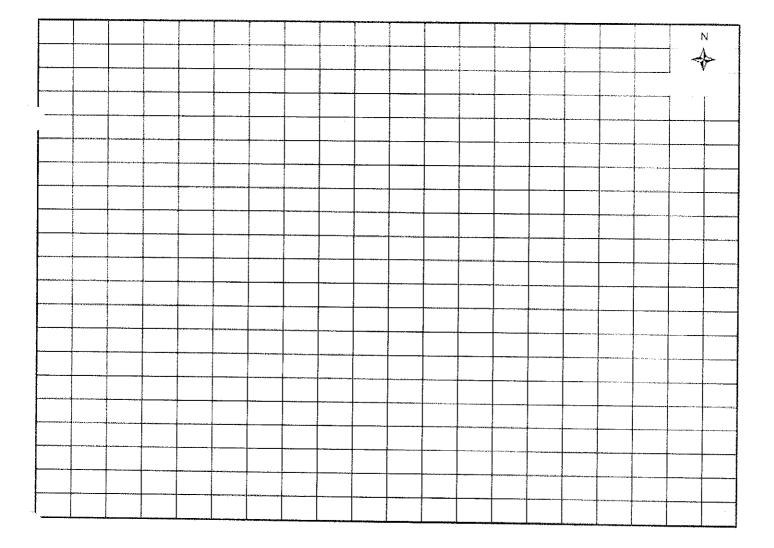
SITE PLAN DIAGRAM

The site plan must include the following information:

- 1. Property size (hectares/acres); dimensions, boundaries
- 2. Location of OWMS (septic/holding tank, secondary treatment unit, disposal field) and distances to any of the following:
 - Wells
- Inhabited buildings
- Water service pipe

- Watercourses
- Cut/embankment
- Property boundary







Conservation

Environmental Operations 123 Main Street, Sulte 160 Winnipeg, Manitobs R3C 1A6 T 204-945-7100 F 204-948-2338

November 29, 2010

Hudson Bay Mining and Smelting Co., Limited Box 1500 Flin Flon MB R8A 1N9

Attention: Stephen West P. Eng., Superintendent of Environment

Dear Mr. West:

RE: Portable Waste Treatment System - Lalor Advanced Exploration Project Pt. Section 9 Township 68 Range 18 WPM, East of Lalor Lake, Manitoba

Please find attached a letter approving the use of the Blodisk Portable Wastewater Treatment Plant during construction of the Lalor Advanced Exploration Project (Lalor AEP) located at Pt. Section 9, Township 68, Range 18, east of Laior Lake, Manitobs.

Clause 4 of the approval letter requires monitoring data to be sent electronically to Environment Officer, Audrey Romanchuk in The Pas, Manitoba.

I wish to advise you that Ms. Romanchuk is currently on maternity leave and is not due back until November 2011. Interim until she returns please forward copies of the laboratory reports to District Supervisor, Tim Prawdzik in Dauphin at Tim. Prawdzik@gov.mb.ca. Should you have any questions regarding the attached letter please contact Mr. Prawdzik in Dauphin at (204) 622-2123.

Yours sincerely,

Don Labossiere

Director, Environmental Operations

c: Tim Prawdzik/Donna Smiley

Spirited energy



Conservation

Environmental Operations 123 Main Street, Suits 160 Winnipeg, Manitoba R3C 1A5 T 204-945-7100 F 204-948-2338

November 29, 2010

Hudson Bay Mining and Smelting Co., Limited Box 1500 Flin Flon MB R8A 1N9

Attention: Stephen West P. Eng., Superintendent of Environment

Dear Mr. West:

Re: Portable Waste Treatment System - Lalor Advanced Exploration Project
Pt. Section 9 Township 68 Range 18 WPM, East of Lalor Lake, Manitoba

This will acknowledge receipt of your correspondence requesting approval to use the Biodisk Portable Wastewater Treatment Plant during construction of the Lalor Advanced Exploration Project (Lalor AEP) located at Pt. Section 9, Township 68, Range 18, east of Lalor Lake, Manitoba. Hudson Bay Mining and Smelting Co., Limited propose to utilize a portable sewage treatment plant with discharge of treated effluent by pipeline to the open pit at the Chisel Mine site. The Lalor AEP is expected to take approximately 33 months to complete and will produce a combined sewage flow of less than 10,000 L per day.

In accordance with the authority under Section 25 of the *Onsite Wastewater Management Systems Regulation* a variance is hereby granted for the use of the Biodisk Portable Wastewater Treatment Plant (the System) at the Lalor AEP.

This variance is issued in absence of an applicable Canadian Standard for mobile wastewater treatment systems.

This variance is issued for the use of the System by Hudson Bay Mining and Smelting Co., Limited and is granted subject to the following conditions:

- This variance to the legislation is valid from the date of this letter to December 31, 2013. Renewal of the variance, if required, will be considered upon written request to the Regional Office.
- 2. Peak daily sawage flow from the facility to be served shall not exceed 10,000L per day.
- 3. Treated wastewater effluent shall be discharged from the System at the Lalor AEP site by pipeline to the open pit on the Chisel Mine site.

..../2



- 4. The applicant shall not discharge effluent from the System into the pipeline;
 - a) where the organic content of the effluent, as indicated by the five day biochemical oxygen demand is in excess of 30 milligrams per litre;
 - b) where the total suspended solids content of the effluent is in excess of 30 milligrams per litre;
 - c) where the fecal collform content of the effluent, as Indicated by the MPN index is in excess of 200 per 100 milliliters of sample;
 - d) where the total coliform content of the effluent, as indicated by the MPN index is in excess of 1500 per 100 milliliters of sample,
- 5. The applicant shall monitor the System and sample the effluent at the discharge at a minimum frequency of once per month. The original copies of the laboratory reports shall be submitted to Manitoba Conservation on a monthly basis via electronic mail to Environment Officer Audrey Romanchuk at Audrey.Romanchuk@gov.mb.ca.
- 6. A report shall be developed indicating, but not limited to:
 - name and location of campsite;
 - camp occupancy population;
 - the date the treatment plant was put into operation;
 - the date the treatment plant was taken out of service;
 - dates and results of all effluent quality testing:
 - estimated or actual flow data;
 - dates of shutdown if applicable, and the reason for shutdown;
 - occurrences, dates and description of non-compliance;
 - system decommissioning details, if applicable.

A copy of this report shall be submitted to Manitoba Conservation, Regional Office in The Pas, Manitoba within 30 days of System decommissioning.

- 7. Monitoring, maintenance and effluent testing must be carried out under the supervision of a person qualified and trained in the operation and maintenance of the System.
- 8. The System must be installed in accordance with all other aspects of the Onsite Wastewater Management Systems Regulation.

This approval is granted without prejudice to any future environmental or public health legislation that may come into force that would be applicable to portable waste treatment systems. Approval is also granted on the basis that the principles, objectives and functions of the department to both protect the quality of the environment and pursue the acquisition of knowledge through technology and research is maintained.

Yours sincerely

Don Labossiere

Director, Environmental Operations

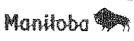
c: Audrey Romanchuk/Donna Smiley



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MG-773A (REV. 11/07)				MANITOSA CONSERVATIO	N / WATER STEWARDSHIP

ONSITE WASTEWATER MANAGEMENT SYSTEMS REGULATION





Application to Register - Flow less than 10,000 litres per day

Manitoba	
Conservation	

APPLICANT'S NAME	Hudson Bay Mining and Sr	melting Co., Limited ("H8	BMS")	# (Ar Manager and Art
Mailing Address	P O Box 1500			
City/Town	Fin Flon, MB		Postal Code	R8A 1N9
Phone Hame	Business	(204) 687-2229	Cell	(204) 687 0708
• •	37-2173 Email	Steph.West@HudBa		
	HBMS Stephen West Sup	perintendent of Environm	ent	
	P.O. Box 1500			
Phone Home	Flin Flon, MB	(00 + 007 000	Postal Code	R8A 1N9
Fax (204) 68	Business 37-2173 Email		Ce#	(204) 587-0708
The second se		Steph West@HudB	ayıvımerais com	
Legal Description: (Section		and the second second second		
Pt 9 - 68 - 18 WPM East o	f Lator Laxe (General Perm	nt 63483)		
Municipality: N/A				
Site Location Information				
is Lot Serviced by:	New Wastewater Colle	ction System?	Yes x No	
	Existing Wastewater Co	ollection System?	Yes x No	
is system located in Nutri	ient Management Zone N	4:	Yes x No	
Is system located in Red	River Designated Area:		Yes x No	
Is system located in:	Provincial Park	Crown L.	and x Sensit	ive Area
is a variance requested:	x Yes No	Letter requesting var	iance attached:	x Yes No
Sewage Disposal System	: New Construction	x - Portable Sewage Tr	eatment Plant Rep.	acemen:
	Medification		Rep	arr
Dagge 4 2 and a site			The state of the s	and the state of t
Pages 1, 2 and a site plan		7,7-4		
I certify the onsite wast MR 83/2003 and as descri proceed until I have receive	iueu iii ine site bian and i	らひらとけにふひいかに うけっとわっ と	t tearata lantanudum	. فقط من المسلم
Date: November 9, 2010		uon omciai receipt and	authorization to proc	eed.
	orginature,	Apolicary		
		HBMS per Stephen V	Vest P Eng Superinte	ndent of Environment
		(Installer or authorized sign	sature" (Instalie) Deri	ficate No
Registration Fee plus 5% G	ST. GST Registra	tion No R107863847		legt #
Holding Tank (3-20-1) \$50 (Disposal Field (3-20-2) \$10(JU + \$2 50 = \$52.50 0 00 = \$5 00 = \$105 00			1522
Septic Tank Replacement (:	3-20-4) \$50 00 = \$2 50 = \$9	52,50	i garantara	
Secondary Treatment Syste	m (3-20-5) \$250, + \$12.50	= \$262.50 x		ast (PAID)
Holding Tank & Greywater [Cheque payable to Minister	Disposal Field (3-20-6) \$10 of Finance	0 00 + 55.00 = \$105.00	N 40A	W. M. J.
•		for a mortal ald		262-50
* *	This application is valid		· 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	COBY LUB
Authorizat	ion to cover the disposal E	system or any part the nvironment Officer.	ereof must be obtained	from an 29540
respect to a service of the service	registration and the second se	EPARTMENT USE ONL	· · · · · · · · · · · · · · · · · · ·	
Registration Number:	and the second s		* F	1
Registration Reviewed and Authorized to Provinced by	majoln led	EO No A	25. 4 Date:	May 26/10
System to accepted by:		EG No EG	· ·	nov25/10
Someon to Cover by	TP 11 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1			
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T. M. C. C. P. C.	THE STAN OF LAND DESIGNATION OF THE SECOND	: Axaic bod ME STI 3M3 + 504	-945-4173	and the second s

While Mantidba Conservation

Canary Applicant

Phs.

