

From: [Nahum Lee](#)
To: [Michael Martin](#); [Carl Clouter](#); [Mike De Carlo](#); [Rick Schryer](#); [Tom Rinaldi](#); [Carl Clouter](#)
Cc: [Clint Ambrose](#); [Scott Stewart](#); [Jim Mucklow](#)
Subject: RE: Results of settling pond water chemistry testing
Date: August-29-11 12:12:43 PM

Rick,

Thank you for getting the results to us so quickly. I have discussed with Mike and based on the results you have submitted and the explanation of site specific conditions please go ahead with the decommissioning plan as discussed. If you can send us a few photos once the job is done that would be great but as for reporting, it will be fine to report this in the annual report. Take care and have a good day.

Sincerely,

Nahum

Nahum D. Lee
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>>> Rick Schryer <RSchryer@fortuneminerals.com> 8/29/2011 11:27 AM >>>

I used the Remediation Objectives from Table 2. "Remediation Objectives (mg/kg) for Arsenic in Yellowknife area soils and sediment" in the document Clint sent me. It was the objective that was specific to Arsenic. I quoted it in my e-mail to make sure I was using the right one.

The document refers to site-specific considerations which we do need to take into account for NICO. In our baseline soil chemistry studies at NICO (see attached Annex I), we found that the arsenic levels in the soil closest to the settling pond location (Station FRA026 in Figure 2-1) were 3076 mg/kg under natural conditions. The arsenic levels in the settling pond sediments were far below this level (127 mg/kg).

For actual sediment chemistry in the region, arsenic levels in sediment closest to the settling ponds were as follows:

Grid pond: median value 1535 mg/kg
Little Grid Pond: median value 1785 mg/kg
Nico Lake: median value 433 mg/kg

If AANDC requires a more formal development of a site-specific remediation criteria for arsenic levels in soil for the NICO Project, Fortune can develop one. We feel this would be more appropriate given the naturally high arsenic in soils and sediment from the NICO area than applying a criteria or objective that does not take the site-specific issues into consideration.

Rick

Rick Schryer, Ph.D.
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-----Original Message-----

From: Michael Martin [mailto:Michael.Martin@aandc-aadnc.gc.ca]
Sent: Monday, August 29, 2011 10:47 AM
To: Nahum Lee; Carl Clouter; Mike De Carlo; Rick Schryer; Tom Rinaldi; Carl Clouter
Cc: Clint Ambrose; Scott Stewart; Jim Mucklow
Subject: RE: Results of settling pond water chemistry testing

Hi Rick,

I am a little confused as to your 340 mg/Kg industrial guideline.
Given the email from Clint on August 22nd with the attached document (Also attached to this document)
appendix 5 gives an industrial criteria of 12 mg/kg.

Can you please elaborate?

>>>

From: Rick Schryer <RSchryer@fortuneminerals.com>
To: Nahum Lee <Nahum.Lee@aandc-aadnc.gc.ca>, Mike De Carlo
<mdecarlo@fortuneminerals.com>, Carl Clouter <cclouter@fortuneminerals.com>, "Carl Clouter"
<klondikeclouter@hotmail.com>, Tom Rinaldi <trinaldi@fortuneminerals.com>
CC: Clint Ambrose <Clint.Ambrose@aandc-aadnc.gc.ca>, Michael Martin
<Michael.Martin@aandc-aadnc.gc.ca>, Scott Stewart <Scott.Stewart@aandc-aadnc.gc.ca>, Jim Mucklow
<JMucklow@fortuneminerals.com>
Date: 8/26/2011 9:30 PM
Subject: RE: Results of settling pond water chemistry testing

We have received the sediment chemistry results (see attached pdf file). The Arsenic concentration was 127 mg/kg which is below the industrial guideline of 340 mg/kg. As we agreed, Fortune keep the sediments in place within the main settling pond while trying to remove as much liner as possible. The liner will removed from the three smaller ponds as agreed.

A photo record of our decommissioning efforts will be kept. Does Fortune need to submit a separate report on this work or can it be part of the annual report?

I am in Saskatoon next week and can be contacted by phone or e-mail if there are any questions.

Rick

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From: Nahum Lee [mailto:Nahum.Lee@aandc-aadnc.gc.ca]
Sent: Friday, August 26, 2011 1:12 PM
To: Mike De Carlo; Rick Schryer
Cc: Clint Ambrose; Michael Martin; Nahum Lee; Scott Stewart
Subject: FW: Re: Results of settling pond water chemistry testing

Rick/Mike,

Thank you for dropping by the office this morning and nice to meet you Mike. The plan you have put forward is acceptable to Inspectors. But would like to see an effort to remove as much liner as possible from the large sediment pond pending acceptable results from the sampling you have conducted.

You indicated that there was not much sediment in the small ponds and would ask that all of the liner be removed from these ponds. With the deterioration of the liner due to sunlight please go ahead with you plan to cut the liner out of the larger pond and then attempt to remove the liner from under the remaining sediment.

Mike and I will be monitoring our email over the weekend for your sampling results and will be in touch. You mentioned that Carl will be doing the dewatering and will be overseeing the job and would appreciate photo documentation and a brief summary of the project upon completion. Thanks again Rick and Mike. Take care and have a good day.

Sincerely,

Nahum

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>>> Rick Schryer <RSchryer@fortuneminerals.com> 8/25/2011 9:47 PM >>>

Nahum: Didn't realize Clint was gone. He didn't mention he was leaving when I spoke to him on Tuesday. Please see my e-mail below. I can come over to explain further tomorrow morning at 9:00 A.M. if you like.

Rick

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From: Rick Schryer

Sent: Thursday, August 25, 2011 9:42 PM

To: Clint Ambrose; 'Michael Martin'

Cc: Carl Clouter; Tom Rinaldi; Jim Mucklow

Subject: Re: Results of settling pond water chemistry testing

I have just received the water chemistry results from the sample I took on Tuesday morning from the main settling pond at the NICO site. The results are in the attached pdf file. Ammonia and metals levels are well below the limits from our amended water license. I did not have the proper sampling bottles for TSS and oil and grease but we know from many previous samples taken from this pond that these have never been a problem. The water was clear and without an oily sheen when I took the samples. There is no source of sediment or oil and grease in the area of the settling ponds as there is no exploration or remediation activity in that area of the property.

I took a sediment sample from the main settling pond at the same time as the water. There was not enough sediment in the smaller settling ponds to sample. I will not receive the results until tomorrow afternoon.

Assuming we receive your approval, our plan is to start draining the settling ponds Sunday in anticipation of settling pond decommissioning on Monday. Fortune will report the sediment chemistry results late on Friday or Saturday. Assuming they are below the criteria Clint sent me, we will cut away all but the very bottom of the liner in each pond. The sediment and the portion of the liner below them will be buried by clean rock and fill. By doing it this way, we can isolate the sediment and prevent any seepage out of the area. The area will be contoured to match the slopes of the surrounding area.

If the sediments are above the remediation guideline for industrial soils of 340 mg/kg, they will need to be collected and stored for future disposal. We propose to place a liner in our dump truck and place the sediment in the bucket. The truck would be moved to the machine shop on site where rain and snow could not combine with the sediment.

The sediment I collected was almost pure clay so I don't anticipate we will need to place them in the truck. We'll know for sure tomorrow afternoon when I receive the analysis report.

I am in Yellowknife this evening and will not be leaving for Saskatoon until 1:30 P.M. I would like to stop by your office tomorrow morning a little after 9:00 A.M. to address any questions you might have. Please let me know if you are available either by e-mail or by calling my cell at 1-306-230-3019.

Rick

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