

Shoreline Gold Inc.

Shoreline Gold Inc.
P.O. Box 1000, Bissett, MB.
R0E 0J0
Ph: 204-277-5411

July 22, 2015

Ms. Tracey Braun
Manitoba Conservation
Environmental Approvals
123 Main St., Ste. 160
Winnipeg, MB R3C 1A5
Ph: 204-945-7012
Fax: 204-945-5229

Re: Mine dewatering plan under temporary suspension of operations

Dear Ms. Braun,

Shoreline Gold Inc. (previously San Gold Corporation) is requesting a minor Notice of Alteration (NOA) for planned changes to the mine dewatering system at the Rice Lake Mine property in Bissett, Manitoba. To assist in maintaining the facility during the temporary suspension of operations over winter, it is proposed that the Rice Lake mine water, be dewatered into the decommissioned Hinge/007 mine instead of the tailings management area.

The Rice Lake Mine property remains temporarily suspended from operations in a care and maintenance state. Aspects of the Mine Closure Plan (Parks Environmental 2012) regarding temporary suspension are being implemented based on medium to long term operational targets. In addition, activities are being undertaken to winterize the facility.

The Hinge, 007 and Cohiba mines will be de-commissioned and allowed to naturally flood by underground seepage into the workings. The mines are not being permanently closed and are being decommissioned temporarily with the intention to reopen them in the future.

As part of the temporary suspension the mill has been cleaned and all chemicals removed and stored securely in a locked location. Over the coming months the mill will be winterized including the tailings and reclaim lines. The tailings and reclaim lines to be shut down so that no water is recirculated to the mill and back to tailings. The tailings line and reclaim line will be "pigged" into the tailings pond and capped to seal the pipeline.

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Currently all mines are being dewatered to the tailings pond via the mill and tailings line. Once the Hinge/007 and Cohiba mines are decommissioned only the Rice Lake mine will require dewatering. To allow the closure of the tailings and reclaim lines it is proposed that the Rice Lake mine be dewatered into the Hinge/007 mine. Flow metered volumes from the Rice Lake mine are between 100m³ and 200m³ per day. This volume would have minimal effect on the filling rate of the Hinge/007 mine as it is estimated to take approximately four years to fill. The Rice Lake mine will be dewatered to the Hinge/007 mine via an existing surface pipeline as shown in Figure 2 attached.

No environmental effects are anticipated. The water quality in all mines is of similar quality and acid base accounting has indicated none of the mines are acid generating. In addition, all mine water is dewatered to the tailings facility therefore, if the Hinge/007 mine is ever dewatered it will be to the tailings facility.

This mine dewatering plan will continue whilst the operation is in care and maintenance or the Hinge/007 mine reaches maximum capacity.

If you have any concerns or require further information please don't hesitate to contact me on (204) 612-4970.

Regards,

Amelia Bauer
Environmental Superintendent
Shoreline Gold Inc.
Ph. 204-612-4970

Figure 2: Existing pipeline location

