

April 27, 2016

Electronic-mail: Jennifer.Winsor@gov.mb.ca

Ms. Jennifer Winsor
Environmental Approvals Branch
Conservation and Water Stewardship
123 Main Street, Suite 160
Winnipeg, Manitoba R3C 1A5

**Re: Notice of Minor Proposed Alteration – Additional Information
Early Discharge from East Tailings Pond and Tailings Pond Re-Processing
Bissett Gold Mine - Environment Act Licence 2628RR
Klondex Canada Ltd.**

Dear Ms. Winsor:

Please find attached with this letter, additional water quality data to support the Notice of Alteration for Early Discharge from the East Tailings Pond and Tailings Re-Processing, submitted to the Branch on April 18, 2016. The East Tailings pond was sampled on April 13, 2016 and the results indicate further improvements to water quality from the February 18, 2016 sampling date. Most parameters have decreased in concentration, except total suspended solids and turbidity which increased slightly due to the seasonal change and increased inflow from spring melting.

If you have any further questions please don't hesitate to contact me.

Sincerely,

Klondex Canada Ltd.



Amelia Bauer
Environmental Superintendent, Rice Lake Mine

Ms. Jennifer Winsor

April 18, 2016

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Attachments: Attachment 1 February 18 and April 13, 2016 Sampling Results for East Tailings Pond

cc. Mike Kernick, General Manager, Klondex Canada Ltd.
Lucy Hill, Environmental Manager, Klondex Mines Ltd.
Mike Doolin, Chief Operation Officer, Klondex Mines Ltd.
Neil Rentz, Enforcement Branch, Manitoba Conservation

Attachment 1
East Tailings Pond Water Quality

Parameter	Units	Sample February 18, 2016	Sample April 13, 2016	MMER Max Monthly Mean Concentration	MWQSOG Chronic	MWQSOG Acute
pH	pH units	7.72	7.82	<6.0/>9.5	<6.5/>9.0	
Conductivity	umhos/cm	1550	743			
Total Suspended Solids	mg/L	10.0	14.0	15.00		
Turbidity	NTU	2.80	9.38			
Cyanide, Total	mg/L	<0.0020	<0.0020	1.00		
Cyanide, Weak Acid Diss	mg/L	<0.0020	<0.0020			
Cyanide, Free	mg/L	<0.0050	<0.0050		0.0052	0.022
Bicarbonate (HCO3)	mg/L	328	193			
Carbonate (CO3)	mg/L	<0.60	<0.60			
Hydroxide (OH)	mg/L	<0.34	<0.34			
Alkalinity, Total (as CaCO3)	mg/L	269	158			
Ammonia, Total (as N)	mg/L	3.72	0.68		8.75-7.76 [#]	3.5-11.7 [#]
Chloride (Cl)	mg/L	130	60.8			
Fluoride (F)	mg/L	<0.10	0.068			
Hardness (as CaCO3)	mg/L	326	146			
Nitrate (as N)	mg/L	13.3	3.00		13	
Nitrate and Nitrite as N	mg/L	13.4	3.10		10	
Nitrite (as N)	mg/L	0.102	0.099		0.06	
Phosphorus (P)-Total	mg/L	0.156	0.198			
Sulfate (SO4)	mg/L	241	112			
TDS (Calculated)	mg/L	940	412			
Total Kjeldahl Nitrogen	mg/L	4.6	2.41			
Dissolved Metals						
Aluminum (Al)-Dissolved	mg/L	0.0095	0.0068			
Antimony (Sb)-Dissolved	mg/L	0.00052	0.00024			
Arsenic (As)-Dissolved	mg/L	0.00181	0.00095		0.15	0.34
Barium (Ba)-Dissolved	mg/L	0.0602	0.0214			
Beryllium (Be)-Dissolved	mg/L	<0.00020	<0.00020			
Bismuth (Bi)-Dissolved	mg/L	<0.00020	<0.00020			
Boron (B)-Dissolved	mg/L	0.125	0.040			
Cadmium (Cd)-Dissolved	mg/L	0.000016	<0.000010		0.00032-0.00056*	0.00029-0.000630*
Calcium (Ca)-Dissolved	mg/L	75.1	36.9			
Cesium (Cs)-Dissolved	mg/L	0.00022	<0.00010			
Chromium (Cr)-Dissolved	mg/L	<0.0010	<0.0010		0.101-0.195*	0.777-1.5*
Cobalt (Co)-Dissolved	mg/L	0.00270	0.00091			
Copper (Cu)-Dissolved	mg/L	0.0613	0.0159		0.0124-0.025*	0.0192-0.041*
Iron (Fe)-Dissolved	mg/L	0.042	0.028			
Lead (Pb)-Dissolved	mg/L	<0.000090	<0.000090	0.20	0.0038-0.0089*	0.0973-0.227*
Lithium (Li)-Dissolved	mg/L	0.0022	<0.0020			
Magnesium (Mg)-Dissolved	mg/L	37.6	16.7			
Manganese (Mn)-Dissolved	mg/L	1.23	0.580			
Molybdenum (Mo)-Dissolved	mg/L	0.0353	0.0106			
Nickel (Ni)-Dissolved	mg/L	0.0086	0.0026		0.072-0.141*	0.645-1.272*
Phosphorus (P)-Dissolved	mg/L	0.108	0.051			

Parameter	Units	Sample February 18, 2016	Sample April 13, 2016	MMER Max Monthly Mean Concentration	MWQSOG Chronic	MWQSOG Acute
Potassium (K)-Dissolved	mg/L	44.1	16.9			
Rubidium (Rb)-Dissolved	mg/L	0.0207	0.00876			
Selenium (Se)-Dissolved	mg/L	<0.0010	<0.0010			
Silicon (Si)-Dissolved	mg/L	5.03	3.38			
Silver (Ag)-Dissolved	mg/L	<0.00010	<0.00010			
Sodium (Na)-Dissolved	mg/L	194	78.0			
Strontium (Sr)-Dissolved	mg/L	0.653	0.285			
Tellurium (Te)-Dissolved	mg/L	<0.00020	<0.00020			
Thallium (Tl)-Dissolved	mg/L	<0.00010	<0.00010			
Thorium (Th)-Dissolved	mg/L	<0.00010	<0.00010			
Tin (Sn)-Dissolved	mg/L	<0.00020	<0.00020			
Titanium (Ti)-Dissolved	mg/L	<0.00050	<0.00050			
Tungsten (W)-Dissolved	mg/L	0.00095	0.00039			
Uranium (U)-Dissolved	mg/L	0.00025	0.00021			
Vanadium (V)-Dissolved	mg/L	<0.00020	0.00020			
Zinc (Zn)-Dissolved	mg/L	0.0039	<0.0020		0.163-0.323*	0.161-0.319*
Zirconium (Zr)-Dissolved	mg/L	<0.00040	<0.00040			
Sulfur (S)-Dissolved	mg/L	88.1	32.8			
Total Metals						
Aluminum (Al)-Total	mg/L	0.0149	0.0414		0.100^	
Antimony (Sb)-Total	mg/L	0.00054	0.00021			
Arsenic (As)-Total	mg/L	0.00171	0.00091	0.50		
Barium (Ba)-Total	mg/L	0.0570	0.0247			
Beryllium (Be)-Total	mg/L	<0.00020	<0.00020			
Bismuth (Bi)-Total	mg/L	<0.00020	<0.00020			
Boron (B)-Total	mg/L	0.139	0.037		1.5	29.0
Cadmium (Cd)-Total	mg/L	0.000015	<0.000010			
Calcium (Ca)-Total	mg/L	76.0	34.9			
Cesium (Cs)-Total	mg/L	0.00020	<0.00010			
Chromium (Cr)-Total	mg/L	<0.0010	<0.0010			
Cobalt (Co)-Total	mg/L	0.00261	0.00083			
Copper (Cu)-Total	mg/L	0.0727	0.0165	0.30		
Iron (Fe)-Total	mg/L	0.092	0.123		0.300	
Lead (Pb)-Total	mg/L	<0.000090	0.000235			
Lithium (Li)-Total	mg/L	0.0034	<0.0020			
Magnesium (Mg)-Total	mg/L	33.0	14.4			
Manganese (Mn)-Total	mg/L	1.18	0.587			
Molybdenum (Mo)-Total	mg/L	0.0372	0.00928		0.073	
Nickel (Ni)-Total	mg/L	0.0081	0.0023	0.50		
Phosphorus (P)-Total	mg/L	0.14	0.20			
Potassium (K)-Total	mg/L	39.5	14.8			
Rubidium (Rb)-Total	mg/L	0.0203	0.00802			
Selenium (Se)-Total	mg/L	<0.0010	<0.0010		0.001	
Silicon (Si)-Total	mg/L	5.50	3.07			
Silver (Ag)-Total	mg/L	<0.00010	<0.00010		0.0001	
Sodium (Na)-Total	mg/L	200	66.3			

Parameter	Units	Sample February 18, 2016	Sample April 13, 2016	MMER Max Monthly Mean Concentration	MWQSOG Chronic	MWQSOG Acute
Strontium (Sr)-Total	mg/L	0.678	0.260			
Tellurium (Te)-Total	mg/L	<0.00020	<0.00020			
Thallium (Tl)-Total	mg/L	<0.00010	<0.00010		0.0008	
Thorium (Th)-Total	mg/L	<0.00010	<0.00010			
Tin (Sn)-Total	mg/L	<0.00020	<0.00020			
Titanium (Ti)-Total	mg/L	0.00055	0.00120			
Tungsten (W)-Total	mg/L	0.00103	0.00036			
Uranium (U)-Total	mg/L	0.00026	0.00018		0.015	0.033
Vanadium (V)-Total	mg/L	<0.00020	0.00028			
Zinc (Zn)-Total	mg/L	0.0030	0.0027	0.50		
Zirconium (Zr)-Total	mg/L	<0.00040	<0.00040			
Sulfur (S)-Total	mg/L	96.4	33.0			

pH and temperature dependent

^ pH dependent

* Hardness dependent

Italicized Values exceed MWQSOG standard