300-889 Harbourside Drive, North Vancouver, B.C. V7P 3S1
phone 604-985-2572 fax 604-980-0731

September 20, 2007

Mr. Donald Havioyak
President
Kitikmeot Inuit Association
P.O. Box 18
Cambridge Bay, Nunavut X0E 0C0
By Fax: (867) 983-2701
By Email: donald@polarnet.ca

Mr. Thomas Kabloona,
Acting Chair
Nunavut Water Board
Gjoa Haven, Nunavut X0B 1J0
By Fax: (867) 360-6369
By Email: licensing@nunavutwaterboard.org

Dear Sirs:

Re: Doris North Project – Early Authorization to Start Select Development

With the recent positive decision and recommendation from the Nunavut Water Board on the Doris North water license application, it appears relatively certain that the Doris North Project will soon have the green light to proceed into construction and development. However, we recognize that a final decision from the INAC Minister may still take weeks or several months. In the meantime, Miramar Hope Bay Ltd. (MHBL) is anxious to get this project underway and is poised to start construction soon after the water license, commercial lease, and production lease are in hand.

MHBL is concerned that if the Minister's decision is delayed past the latter part of October, the proposed development schedule would be jeopardized by a number of months, up to one year. To mitigate the risk associated with the unfixed date of the Minister's final decision, there are three weather dependent, time critical construction activities that MHBL would like to start as soon as possible. MHBL believes that these activities could be accomplished with a land use permit and possibly a class B water licence or other approval, without fettering the ultimate outcome of the Minister's decision making process. These 3 activities are:

1. Extension of the Doris North airstrip by an additional 400 m

In June/July of 2007, MHBL constructed the jetty and laydown area at Roberts Bay so that the construction equipment arriving on the 2007 sealift could be off loaded directly onto shore at the Doris North site rather than have to be off-loaded at the former exploration off loading area and then be transferred across the ice in Roberts Bay in early 2008. This work was undertaken under a land use license from the Kitikmeot Inuit Association, a foreshore lease from INAC, a HADD authorization from DFO and an authorization from Transport Canada under the Navigable Waters Protection Act.

As part of this activity, MHBL constructed the first 200 meters of the north end of the all-weather Doris North airstrip. Construction was stopped ~100 metres back from the first ephemeral drainage pathway to ensure that no work that may have required authorization under the *Nunavut Waters and Nunavut Surface Rights Tribunal Act* was conducted (such as placing a rock drain or culvert to cross this ephemeral drainage).

MHBL would like to extend this airstrip south by 400 metres in October. Currently, work crews are being transferred between Windy Camp and Roberts Bay either by helicopter or float plane. With the fast approach of shorter daylight hours and the formation of ice on Roberts Bay these modes of transportation will soon become impractical. Consequently, MHBL would like authorization to extend the airstrip to 600 m in length to allow work crews to be transferred safely between the Boston Camp and Roberts Bay using a Turbo Beaver or Twin Otter aircraft on wheels. The 600 m length was selected on the basis of minimum requirements for a medi-vac flight.

This extension of the airstrip would be sited on the all-weather airstrip alignment covered under the NIRB Project Certificate and as reviewed by the NWB in the water license process. *MHBL sees this request primarily as a safety issue to ensure that workers can be quickly removed from the Roberts Bay work site in the event of an emergency throughout the early stages of construction. It also provides MHBL with a safer method of moving work crews on a daily basis, to the Roberts Bay work site until the Doris North camp is set up.*

This will require installation of one rock drain to cross the ephemeral stream crossing that is located at the north end of the airstrip (see SRK Drawing S-03 in the WL Application SD S4 – chain pt 7+00 - Attached) and a second rock drain to cross the ephemeral stream at chainage point 3+50. It is our understanding that installation of these two rock drains requires authorization

from the NWB under the *Nunavut Waters and Nunavut Surface Rights Tribunal Act.*

2. <u>Collaring of the underground mine portal.</u>

Collaring the portal is a critical function. The rock face needs to be properly prepared and the initial opening well secured from a ground stabilization perspective to ensure continued safe access throughout the mine life.

MHBL would like to collar the portal into the underground decline and advance approximately 50 meters into the underground mine as soon as possible (October/November) to get into the underground mine workings before the onset of the cold winter months. *Again, this is primarily a safety concern as Miramar believes that an early start on this activity will be beneficial and more efficient as workers will be exposed to less risk and discomfort from extreme weather conditions that may occur in December or January.* Once in 50 metres, the mine development crew will be out of the wind and away from white out conditions.

3. <u>Construction of a tote road between Roberts Bay and the Doris North Project</u>

In completing the pre-development work at Roberts Bay this summer, MHBL had to quarry sufficient rock from Quarry 1 at Roberts Bay to allow for a tote road to be constructed between Roberts Bay and the mill/camp site with a connection into Quarry 2. This is due to the fact that no further blasting could safely take place within Quarry 1 once the construction equipment and material was off loaded from the barge into the new laydown area. MHBL started work on this tote road but stopped ~100 metres back from the first ephemeral drainage pathway.

From a scheduling perspective, it would be very beneficial if MHBL could complete construction of this tote road in October/November so that drilling and blasting in Quarry 2 and the levelling of the mill site could start as soon as possible. This tote road will follow the alignment of the final road and would allow the drilling equipment to be moved from Roberts Bay without crossing the tundra. The road would then be expanded to the final road design width and depth as quarry rock becomes available from Quarry 2.

Summary

MHBL is writing to request permission from both the Kitikmeot Inuit Association and the Nunavut Water Board for all three and/or any one of these activities to proceed in advance of the INAC's Minister's decision on the final water use license, either in the form of a land use license or a type "B" water use license, or approval mechanism. All three of these activities are consistent with the Doris

North Project Certificate issued by the Nunavut Impact Review Board and as approved by the INAC Minister. These activities do not vary in design or concept from what was considered under the NIRB environmental assessment process and from that considered under the recent Nunavut Water Board water license process.

We would be pleased to meet with both the Kitikmeot Inuit Association and the Nunavut Water Board, and other parties as necessary, in an effort to see if there is any way that these activities could be advanced while awaiting issue of the final water license, commercial lease and production lease. The attached appendices provide more detail on how these activities would be undertaken by Miramar if authorization can be obtained from both the KIA and the NWB.

Please feel free to contact the undersigned at your convenience for more information or to discuss this request further.

Regards;

Miramar Hope Bay Ltd.

Larry Connell
General Manager, Environment

cc:
Carl McLean, Director, Operations Directorate, Nunavut Region
969 Qimugjuk Building 2nd Floor
PO Box 2000, Iqaluit, NU, X0A 0H0
mcleanc@inac-ainc.gc.ca
(867) 975-4546

Geoffrey Clark, Manager of Environment and Resource Development
Kitikmeot Inuit Association, Lands Division
P.O. Box 360, Kugluktuk Nunavut X0B 0E0
geoff@qiniq.com
(867) 982-3310

C. Inglis-McQuay, Monitoring Officer,
Nunavut Impact Review Board
PO Box 1360, Cambridge Bay, NU, X0B 0C0
cinglis@nirb.nunavut.ca
(867) 983-4613

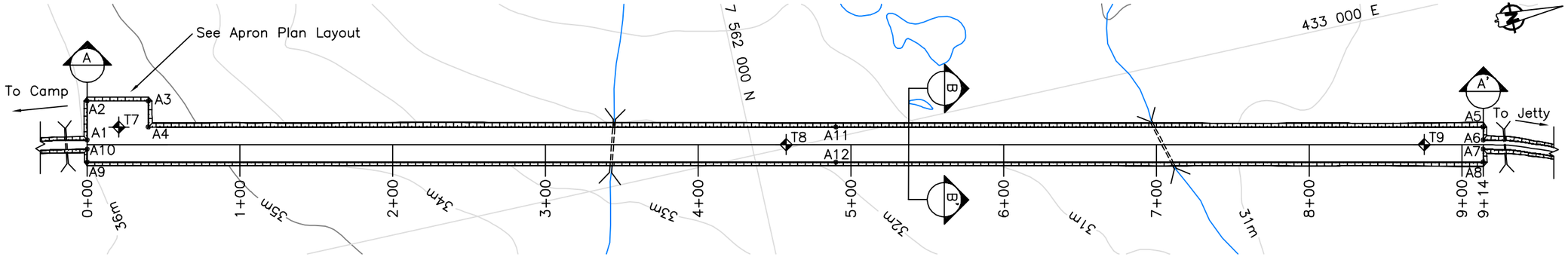
Appendix A – Construction of a 600 metre Long All-Weather Airstrip near Roberts Bay

This proposed 600 metre long all-weather airstrip would be constructed along the footprint of the permanent all-weather airstrip to be constructed as a widened section of the all-weather road that will connect Roberts Bay to the Doris North camp/mill site. This short airstrip will ultimately be covered over by the permanent airstrip and thus this construction does not add any additional disturbance to the overall project footprint.

The objective is to provide an all-weather airstrip to be used by a Turbo Beaver or Twin Otter style aircraft to provide MHBL with a safer method of moving work crews to and from the Roberts Bay work site on a daily basis during the early phase of construction (until the Doris North camp is set up) and in the event of a medical evacuation from the work site.

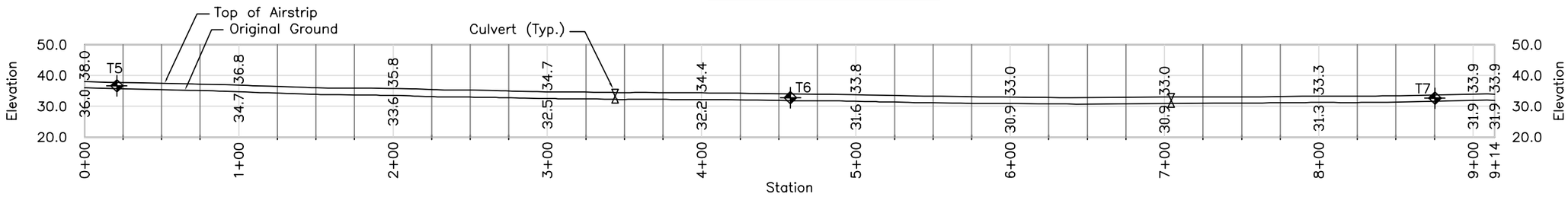
The rock that will be used to construct this airstrip will come from quarry number one at Roberts Bay. This rock material has already been drilled and blasted and awaits excavation. The work would commence with the construction of a rock drain across the first ephemeral drainage stream located at the north end of the airstrip. The rock drain will be constructed in accordance with the designs submitted to the NWB and the NIRB as part of the water license application supplementary filings (June Technical Hearing Addendum and letters to the NWB and to the NIRB on Project changes). The airstrip would then be constructed southwards by extending the construction approximately 350 metres beyond this crossing.

It is estimated that a total of 15 days will be required to complete this short airstrip.



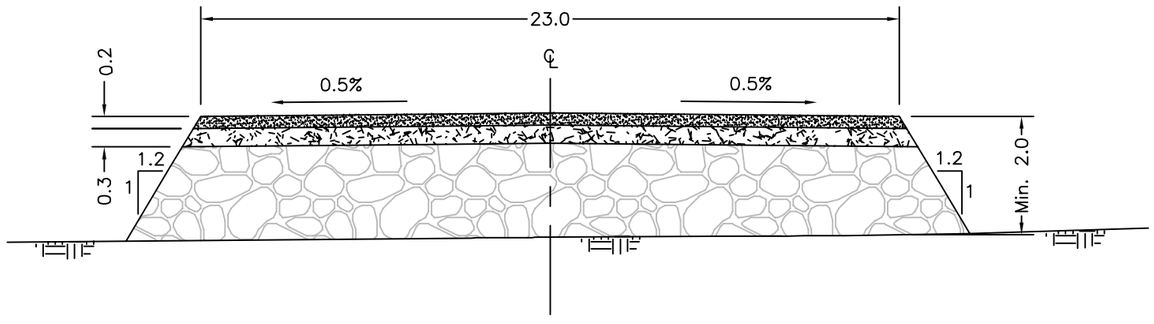
AIRSTRIP PLAN LAYOUT

1:1500 0 50 100 150 Metres



TYPICAL SECTION A–A'

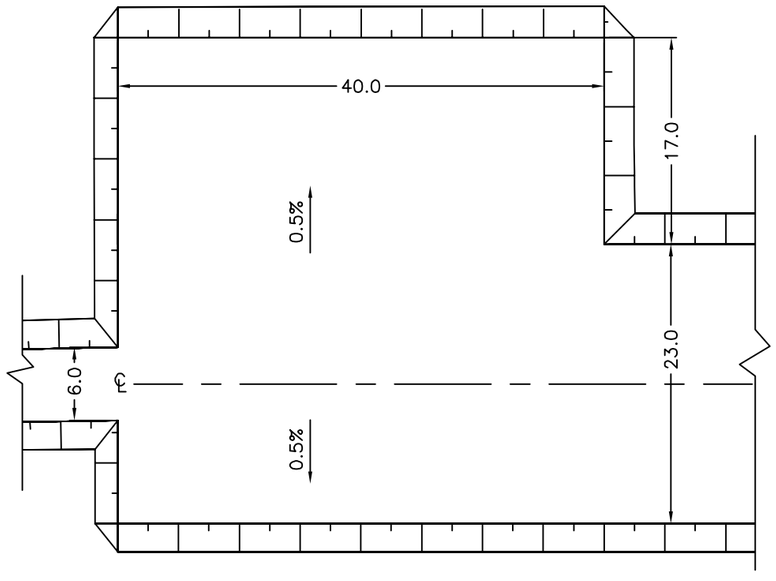
1:1500 0 50 100 150 Metres



TYPICAL SECTION B–B'

1:100 0 1 2 3 4 5 Metres

2x Vertical Exaggeration



APRON PLAN LAYOUT

1:250 0 5 10 15 20 25 Metres

STAKEOUT TABLE		
Airstrip and Apron		
Point	Easting	Northing
A1	432895.9	7561575.9
A2	432871.0	7561581.4
A3	432879.7	7561620.5
A4	432896.3	7561616.8
A5	433085.1	7562470.1
A6	433091.0	7562468.8
A7	433099.2	7562467.0
A8	433107.5	7562465.2
A9	432910.1	7561572.8
A10	432901.8	7561574.6
A11	433016.0	7562051.3
A12	432993.5	7562056.3
Thermistors		
T7	432892.1	7561598.0
T8	432997.7	7562022.0
T9	433087.9	7562429.8

Legend:

- Natural ground
- Surfacing material
- Select Subgrade
- Run of quarry
- T7 Thermistors

Notes:

1. The Contractor is to supply and install thermistors in locations as indicated on the drawing. With approval from the Engineer the exact locations can be finalized on site.
2. The Contractor is to take all necessary precautions to ensure that the thermistor cables, and their read–out boxes are not damaged during construction.
3. The final culvert locations will be determined on–site. The Contractor is to stake–out the approximate culvert locations as indicated on these drawings and after inspection by the Engineer, approval will be given for culvert placement.

Note: Drawings plotted to half scale

DRAWING NO.	DRAWING TITLE	DRAWING NO.	DRAWING TITLE
REFERENCE DRAWINGS			

NO.	DESCRIPTION	CHK'D	APP'D	DATE
B	WATER LICENCE APPLICATION			
A	WATER LICENCE APPLICATION			

REVISIONS

Stamped, signed and dated originals submitted to the Nunavut Water Board

PROFESSIONAL ENGINEERS STAMP

SRK Consulting Engineers and Scientists Vancouver

DESIGN:	DRAWN:	REVIEWED:
AT	JJH	EMR
CHECKED:	APPROVED:	DATE:
AT	EMR	Mar. 2007

FILE NAME: AIRSTRIP.DWG

MIRAMAR HOPE BAY LTD.

DORIS NORTH PROJECT
DETAILED DESIGN

SRK JOB NO.: 1CM014.008

Doris North Project

DRAWING TITLE:

Airstrip and Apron Plan Typical Sections and Details

DRAWING NO.	SHEET	REVISION NO.
S-03	11 OF 49	B

Appendix B - Construction of the Tote Road from Roberts Bay to Doris North Plant Site

The proposed tote road would be constructed along the footprint of the permanent all-weather road that will connect Roberts Bay to the Doris North camp/mill site. The tote road will ultimately be covered over by the permanent road and thus this construction does not add any additional disturbance to the overall project footprint.

The objective is to construct a narrow (single lane) road across the tundra in as short a time frame as practical to facilitate the movement of the drilling and excavating equipment from quarry number one at Roberts Bay to the camp/mill site and to quarry number two so that drilling and excavating can start at both these locations immediately after the type A water license and commercial lease are issued. Once the type A water license and commercial lease are received then this tote road will be widened and raised in accordance with the road designed that was included as part of the water license application materials. At the same time work will commence on levelling the bedrock outcrops at the camp/mill site to allow for construction of the mill facilities and fuel storage tank farm foundations.

The rock that will be used to construct this tote road will come from quarry number one at Roberts Bay. This rock material has already been drilled and blasted and awaits excavation. The work would commence with the construction of a rock drain across the first ephemeral drainage stream located at the north end of the airstrip location. The rock drain will be constructed in accordance with the designs submitted to the NWB and the NIRB as part of the water license application supplementary filings (June Technical Hearing Addendum and letters to the NWB and to the NIRB on Project changes). The tote road would then be constructed southwards to the mill/camp site with a side connection into quarry number two. Similar rock drain structures will be constructed at the other ephemeral stream crossings along this section. It should be noted that this tote road will not cross any permanent streams. Truck turn around spurs will be constructed as laid out in the supplementary materials submitted to the NWB and to the NIRB as part of the water license application process.

It is estimated that a total of 30 days will be required to complete this tote road and to move the drilling and excavating equipment to the camp/mill site and quarry number two.

Appendix C – Constructing the Tunnel Opening into the Underground Mine (Collaring the Portal)

The first activity in collaring the portal is to stabilize the rock outcrop slope immediately above where the tunnel opening (the portal) will be. This will be done by drilling a series of holes above where the portal will be and blasting the rock to lower the angle of the slope of the rock face that will be above the portal and by creating a bench immediately above where the tunnel opening will be. Then the rock immediately above where the tunnel opening will be will be secured by installing rock bolts, strapping and screening (if necessary).

Once the portal rock face has been prepared the first round of holes will be drilled into the outcrop and the holes blasted to create the tunnel opening (the portal). The rock will then be excavated and placed as the base layer in the area of the future temporary waste rock stockpile. The roof and walls of the tunnel will be secured with rock bolts, straps and screening (if necessary). The cycle will then be repeated to advance the tunnel into the rock outcrop. This first 50 meters of tunnel will advance slightly uphill before turning downwards into the ground. This is to prevent surface runoff from entering the underground workings via the tunnel (the decline) that ultimately goes down into the underground mine.

Air will be supplied to the tunnel working face using a fan hung at the portal opening and ventilation tubing hung from the ceiling along one side of the tunnel to transfer the fresh air to the working face. Compressed air and water will be supplied to the working face through pipelines hung from the ceiling along one side of the tunnel adjacent to the ventilation tubing.

A sump will be created immediately outside the portal opening to capture all water draining from the tunnel during this initial development phase. The sump will be created from the rock blasted during the initial slope stabilization and tunnel development and will be lined with an HDPE liner.

Water will be used to wet the hydraulic and air powered drills and to wet the muck immediately after blasting. During this initial phase of development a water tank will be set up outside the portal with a pump to deliver water to the drills and water hose used for dust suppression. Fresh water will be pumped to the tank from Doris Lake using a an electrically powered submersible pump and an overland hose between the lake and the tank. Water will drain from the tunnel back into the sump. The water will be allowed to sit in the sump to allow the rock particles to settle. Water from the sump will then be pumped back into the tank supplying the drills thus recycling most of the water used in the tunnelling process. The total estimated consumption of fresh water from Doris Lake is 22.7 cubic metres per day (5,000 imperial gallons per day). This water will be lost to the excavated muck. In other words the drill and dust suppression water will wet the surface of the freshly broken rock and then stay with the rock as it is placed on the area of the temporary stockpile. Most of this water will remain within the rock with some draining down onto the underlying tundra. It is not expected that any of this water will

drain away from the stockpile area towards Doris Lake for this early development (50 meters of advance).

The total time required to collar the portal and advance the tunnel in 50 meters is estimated to be approximately one month. This includes the initial setup time. The total estimated fresh water consumption is approximately 227 cubic metres (10 “drilling” days at 22.7 cubic metres per day).