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NUNAVUT WATER BOARD
NUNAVUT IMALIRIYIN KATIMAYIT
OFFICE DES EAUX DU NUNAVUT

NWB File No: 2AM-DOH0713

October 10, 2012

Chris Hanks
Vice President, Environmental Affairs
Hope Bay Mining Ltd.
Suite 300
889 Harbourside Drive
North Vancouver, BC
V7P 3S1
E-mail: chris.hanks@newmont.com

Re: Water Licence No.2AM-DOH0713; Application for the amendment and renewal of a Type ‘A’ Water Licence

Dear Mr. Hanks:

The Nunavut Water Board (NWB or Board) acknowledged receipt on September 7, 2012 of the Type “A” water licence amendment and renewal application and supporting documentation submitted August 16, 2012, by Hope Bay Mining Ltd., (“the Applicant” or “HBML”) for the Doris North Project, Licence No. 2AM-DOH0713.

Your submission has been placed in the Board’s Public Registry and is available from our ftp site using the following access (Username: Public and Password: Registry) and link:

<ftp://nunavutwaterboard.org/1%20PRUC/2%20MINING%20MILLING/2A/2AM%20-%20Mining/2AM-DOH0713%20HBML/1%20APPLICATION/2012%20Amend%20Renew/>

The following documents are included within the renewal application:

- Renewal application form;
- Supporting Documentation
 - *Appendix A*: Summary of the application in English;
 - *Appendix B*: Summary of the application in Inuktitut;
 - *Appendix C*: Newmont’s 2011 Annual Report;
 - *Appendix D*: HBML’s Certificate of Incorporation and list of directors;
 - *Appendix E*: Compliance Status;
 - *Appendix F*: Type A Water Licence 2AM-DOH0713 (Marked to Show Past Amendments and Suggested Changes)
 - *Appendix G*: SRK Water Licence Amendments Supporting Memo
 - *Appendix H*: Windy Lake Fresh Water Intake
 - *Appendix I*: Doris North Landfill Amendment Supporting Materials

In addition, documents previously submitted pertaining to Licence No. 2AM-DOH0713 as well as more recently, and related to the current status of the project, are available on the ftp site and are as follows:

- Hazardous Waste Management Plan, Rev. 1.1 – March 21, 2012
- Incinerator Management Plan, Rev. 1.1 – March 21, 2012
- Non-Hazardous Waste Management Plan, Rev. 1.1 – March 21, 2012
- Interim Water Management Plan – February 8, 2012
- QA/QC Plan, Rev. 7.0 – July 1, 2012, and
- Doris North Closure Plan – August 23, 2012

Based on our initial review of your submission, your application is deemed to be an application for a Type “A” water licence renewal/amendment, which will require a public hearing as required by the *Nunavut Waters and Nunavut Surface Rights Tribunal Act (NWSRTA or Act)*. All public hearing matters will be carried out in accordance with the Board’s *Rules of Practice and Procedure for Public Hearing* dated May 11, 2005 (NWB Rules).

The next step in the processing of the Application is an assessment for completeness and a technical assessment to determine if all of the necessary information and studies to evaluate quantitative and qualitative effects are provided. **Accordingly, by copy of this letter, the Board asks interested parties to review the submitted documents for completeness and technical assessment. In addition, the Board is also requesting interested parties to provide comments, to the NWB, on the type of hearing to be held (written, teleconference or in person as per step 4. in the process set out below).**

Following the receipt of comments, the NWB will determine whether the application is complete, or whether additional information and studies are required to evaluate all quantitative and qualitative effects of the undertaking pursuant to section 48 of the Act. Hope Bay Mining Limited will be advised of the Board’s determination at that time.

Once the application is deemed complete, the following process will be undertaken:

1. A Notice of the Application is made in accordance with subsection 55(1) of the Act. This notice will invite interested persons to make representation to the Board. Parties will be advised that consequences of failure to respond are outlined in Section 59 and Subsection 60(2) of the Act. Furthermore, the Board will distribute notice to the council of each municipality in the area affected by the application and shall publish the notice in a newspaper of general circulation in the area affected or, if there is no such newspaper, in such other manner as the Board considers appropriate.
2. Interested parties will be advised to undertake a detailed Technical Assessment of a complete application. Parties will be encouraged to work cooperatively to address technical issues during the review period. Generally, the Board provides at least sixty (60) days for technical review in advance of a technical meeting. However, as the renewal is related to the expiry of the term rather than amendments, the Board may request the parties’ assistance in expediting this Technical Assessment. Accordingly, parties are requested to begin a detailed technical assessment as soon as possible.
3. Rule 14 of the NWB Rules permits the Board, through its staff or in conjunction with staff, to hold a Technical Meeting and Pre-hearing Conference (PHC) with the parties, either in writing,

by teleconference, or in person. The Board anticipates setting a date for a Technical meeting and PHC shortly after the date for receipt of submission of technical reviews. The PHC is typically scheduled to follow immediately after a Technical Meeting.

Following the PHC, a PHC decision will be issued and may outline the technical commitments of the Applicant and the administrative and procedural requirements for a Public Hearing.

4. Sub-section 55(2) of the Act requires that a period of at least sixty (60) days notice of a Public Hearing be provided. As with the Technical Meeting and Pre-hearing Conference, the Board has the ability to conduct its Public Hearing either in writing, by teleconference or in person.
5. Once the Board has received the information requested through this process and is satisfied that the Public Hearing should proceed, the place, date and time of the hearing will be determined and a notice will be published by the Board at least sixty (60) days prior to the commencement of the public hearing in a manner that promotes public awareness and participation in the hearing.

The Board notes an absence of information related to pre-licensing information with respect to land use planning and environmental assessment processes. The NWB acknowledges that the Doris North Project location is in an area without an approved land use plan. Therefore pursuant to 12.3.5¹ of the Nunavut Land Claim Agreement (NLCA), the NWB is forwarding the application to the Nunavut Impact Review Board (NIRB) to determine if your application requires further screening, reconsideration of the terms and conditions of the current Project Certificate,² or a review under Part 5 or Part 6³ of the NLCA. It should be understood that the NWB, in accordance with 39(1) of the Act, may not issue, renew, or amend a licence until the NIRB has completed the screening, reconsideration or where a review is required, issued a new project certificate.

In the interests of ensuring this application is dealt with in a timely and coordinated manner, but recognizing the limits on the Board's actions under s. 39, while the Board awaits the direction of the NIRB regarding the pre-licensing process that may be required, the Board will continue with its processing of the application.

In this regard, the Board acknowledges that based on the specific nature of this application (requiring amendment(s) in addition to renewal) to the existing Licence and to reflect that the site has been placed under care and maintenance indefinitely, as announced by the parent company Newmont Mining Corporation, January 31, 2012, the Board is providing an opportunity for parties to submit Information Requests (IRs). IRs should identify additional information and/or studies that may be required to evaluate all quantitative and qualitative effects of the undertaking in relation to the current water licence, project certificate concordance with respect to the NWB mandate and application before the Board.

Accordingly, by copy of this letter, **the NWB is asking interested persons to review the scope of the information provided and identify any deficiencies requiring an additional response from the Applicant.** To re-state the above, the NWB is requesting comments on the completeness of the Application based on an initial technical assessment, the type of hearing to be held and Information

¹ Article 12 of the Nunavut Land Claim Agreement (NLCA) Section 12.3.5 of the NLCA which states

In absence of an approved land use plan, all project proposals other than those that fall within Schedule 12-1 shall be referred directly to NIRB for screening

² A copy of the NIRB PC No. 003 is available from the ftp site, Username: public, Password: registry, at the following link:

<ftp://nunavutwaterboard.org/1%20PRUC/2%20MINING%20MILLING/2A/2AM%20-%20Mining/2AM-DOH0713%20HBML/2%20ADMIN/2%20NPC%20NIRB/1%20NIRB/>

³ Reference to Article 12 of the NLCA

Requests (IRs), to be submitted to the Board no later than 3:00 pm MST November 9, 2012. All submissions should be provided to the Manager of Licensing at licensing@nunavutwaterboard.org.

Once the application is deemed to be fully complete, including if necessary, the NIRB providing direction regarding any pre-licensing requirements that must be met, and following NWB confirmation of concordance with the information requests, the NWB will then issue notice of the application pursuant to subsection 55(1) of the *Nunavut Waters Nunavut Surface Rights Tribunal Act* (Act).

The formal technical review of the application will begin on the date of the public notice of the application, however the Board strongly recommends that interested parties do not wait for the publication of the notice to begin their technical review on the information already provided by the applicant, as it is in the best interests of all parties to ensure they engage in timely review and response to the application. At this time, the Board has set a tentative date of **December 7, 2012** as the proposed date for receiving the technical submissions for this application, with a technical meeting tentatively scheduled for **January 10, 2013**. These dates will be confirmed in the notice of the application referred to above and may be dependent on the IR's received, if any, and the ability of the Applicant to provide the necessary information in a timely manner to facilitate the review during the tentative set timeframe.

If you have any questions or require clarification on the above, please contact David Hohnstein, Director of Technical Services at 780-443-4406 or by email to dts@nunavutwaterboard.org for any technical inquiries or, Phyllis Beaulieu, Manager of Licensing at 867-360-6338 or by email licensing@nunavutwaterboard.org for any procedural inquiries.

Sincerely,

Original signed by:

Phyllis Beaulieu
Manager of Licensing

Cc: Distribution List – Doris North