

February 6, 2013

Glenn Sorensen
Nunavut Impact Review Board
P.O. Box 1360
Cambridge Bay, NU
X0B 0C0
(867) 983-4606

Re: NIRB Doris North 2012 Monitoring Report Recommendations Response

Dear Mr. Sorensen,

Hope Bay Mining Ltd. (HBML) received your December 7, 2012 letter regarding your review of 2012 monitoring requirements of the Doris North project certificate. In this letter you requested that we address five items from your review. Below you will find your comments followed by our responses.

Recommendation 1: *The Board requests that HBML provide it with an update as to the status of caribou management initiatives, including any memorandum of understanding, collaring program, or other steps it has taken in conjunction with the Government of Nunavut to address caribou management.*

In 2012, the Doris North Project was placed under Care and Maintenance and HBML discontinued annual aerial caribou surveys within a reduced Doris North Wildlife Monitoring and Mitigation Plan Study Area. Aerial surveys were discontinued for two main reasons: reduced activity at the Project site last year meant reduced disturbance leading to reduced detection of the effects of Project activities on the caribou, and; 2011 GN DoE feedback and internal study of this monitoring technique clearly showed that aerial surveys have little power to detect a Zone of Influence around the Project for caribou given current range utilization patterns. The limited value of these surveys does not outweigh the disturbance to caribou caused by over-flights, an overriding concern expressed by the majority of Nunavut Hunters and Trappers Organizations (HTOs) and expressed to HBML by the GN DoE.

HBML has maintained a dialogue with the GN DoE in 2011 and 2012 aimed at reaching a memorandum of understanding (MOU) on wildlife monitoring, and a draft MOU is under consideration by the Parties. Progress towards completing the MOU has been hampered by the vacancy of the GN DoE Kitikmeot Biologist position, which has recently been filled. HBML has twice supported, and can continue to support GNWT and GN caribou research on the Dolphin

and Union (DU) and Ahiak herds as these studies are proposed and implemented. To date, no GN sponsored DU herd collaring program has been proposed, although HBML has offered to assist in study design. On-site caribou management and mitigation methods for the Doris North project are in place and subject to GN DoE notice and collaboration, and will be documented in the *2012 Wildlife Mitigation and Monitoring Plan Annual Report* to be released shortly.

Recommendation 2: *The Board requests that HBML assess the potential impacts posed by geo-mat® mesh materials protruding from marine waters at the Roberts Bay area, and further, that the mitigation of any identified potential impacts be reflected in updates to the Wildlife Mitigation Monitoring Plan, the Aquatic Effects Monitoring Plan, Roberts Bay Jetty Monitoring Plan, and, the Health, Safety, and Loss Prevention Plan and any associated and/or annual reporting.*

The Roberts Bay jetty was constructed, modified and is operated in compliance with all applicable federal authorizations (namely, the approval granted by Transport Canada in accordance with section 5 of the *Navigable Waters Protection Act*, the authorization and related No Net Loss Plan granted by the Department of Fisheries and Oceans in accordance with the *Fisheries Act*, and the land lease granted by Aboriginal Affairs and Northern Development Canada) in accordance with the *Territorial Lands Act*, and related monitoring is carried out pursuant to the requirements of DFO. All reports relating to monitoring of the jetty pursuant to these approvals are provided to NIRB.

HBML acknowledges that there is geo-mat material protruding from marine waters near the Roberts Bay jetty. This material is there to catch any rock that might slough off the jetty and prevent it from affecting the water bottom. DFO has seen the geo-mat during their site inspections and have not raised any issues with it to date or noted the potential for any impacts to marine waters. The material should remain in the event that the potential new owners of the project wish to upgrade the jetty as per previous approved plans.

Recommendation 3: *The Board requests that HBML monitor the impacts of rimple rolygon trials conducted overland and report the results of these trials, including impacts and proposed mitigation measures, in its future Annual Reporting to the NIRB.*

No federal permits are required in relation to the operation of the Tucker Snowcat and the Rimpull. Use of this equipment at site is governed by the terms of the Commercial Lease with the private landowner (Kitikmeot Inuit Association) and any additional monitoring required by the KIA.

For the information of NIRB, overland trials of the Tucker Snowcat and the Rimpull were conducted in 2010 and 2011 after HBML obtained permission from the land owner, the Kitikmeot Inuit Association, to conduct the trials. These trials were conducted to evaluate whether these low-pressure vehicles could be used for off-road transport outside of the snow-covered season (the season to which off-road vehicle access is currently limited). The study was conducted on various tundra types, with differing transit frequencies, and at various times of year (summer through freeze-up). Results of these trials have been provided to the Kitikmeot Inuit Association and are attached to this letter. The trials indicated that low frequency of use on

frozen ground produces minimal impacts to the tundra, while heavy (frequent) use on the tundra when the ground is unfrozen can create impacts, particularly in wet areas. HBML's off-road vehicle use policy mitigates these affects by limiting off-road transit to tracked and low-pressure vehicles and only in the snow-covered winter period. To date, neither the Tucker nor the Rimpull has been used overland in non-winter months outside of the trial area.

Recommendation 4: *The Board requests that HBML provide the Monitoring Officer with its plan to monitor the relocated sewage outfall in terms of potential impacts of erosion, as well as any part of site operations which involve the discharge of sewage effluent during winter months.*

The sewage outfall is regulated pursuant to Type A Water Licence 2AM-DOH0713. The sewage outfall was relocated in accordance with HBML's communications to the Nunavut Water Board, and HBML carries out all required monitoring related to the sewage outfall required under the Type A Water Licence. A summary of these activities are described in the annual report filed to the Nunavut Water Board in respect of the Type A Water Licence.

For the information of NIRB, the sewage outfall mentioned in this recommendation is to be used on a short term basis when site conditions, such as low camp numbers and freezing temperatures, make maintaining the main sewage line to the regular discharge location difficult. As such, the sewage outfall discussed in this recommendation is for temporary use only. This is explained in our notification to the AANDC inspector of Sept. 25, 2012, attached. In non-freezing temperatures or when the camp is in continuous use over winter with a large camp loading, the regular discharge location, an outcrop with diffuser (as described in our letter to the NWB of June 21, 2011, attached) will be used until the Tailings Impoundment Area is ready to accept sewage effluent. Treated sewage effluent is sampled monthly during discharge, as is water (including TSS) at a location downslope of the discharge point, prior to entry into the nearest waterbody, as per the Type A Water Licence.

Recommendation 5: *The Board recommends that HBML continue monitoring all discharge events from Tail Lake into Doris Creek during care and maintenance pursuant to Condition 10, and that the results of the associated sampling be included within the Proponent's 2012 Annual Report.*

HBML continues to manage all discharges from Tail Lake in compliance with the Type A Water Licence and in accordance with the Interim Water Management Plan, approved by the Nunavut Water Board pursuant to Type A Water Licence 2AM-DOH0713. Monitoring results are provided monthly to the Nunavut Water Board and are summarized in the Annual Report.

For the information of NIRB, during care and maintenance, HBML will discharge water from Tail Lake in order to maintain adequate water levels in the impoundment area. To date, no tailings have been deposited into Tail Lake. No analytical laboratory has been constructed on site. All samples taken in relation to the discharge of water from Tail Lake are analyzed by a third party laboratory as per the NWB approved QA/QC Plan. Results from the sampling are reported monthly during discharge in the monthly monitoring reports provided to the NWB as required by licence 2AM-DOH0713, and summarized annually in the Water Licence annual

report. Data collected from the 2012 discharge from Tail Lake will be provided to the NIRB in the 2012 annual report.

In addition to the above, HBML would like to note some errors in the site visit report. To clarify the statement on the camp sewage treatment facility in section 5.8: the reverse osmosis water treatment system is used for potable water only and is not a part of the sewage treatment process. With regard to Boston Camp mentioned at page 14 of the site visit report, 377,127L of fuel is stored at Boston this winter and not 70,000L.

Should you have any questions or concerns regarding this letter, please do not hesitate to contact me at Chris.Hanks@newmont.com.

Sincerely,

Chris Hanks
VP Environmental Affairs
Hope Bay Mining Ltd.

Encl. 20110909 KTCL308D003 2010 Tundra Vehicle Monitoring Program Report
 20120413 KTCL308D003 2011 Tundra Vehicle Monitoring Program Report
 20110621 2AM-DOH0713 Relocation of the STP Effluent Diffuser
 20120925 2AM-DOH0713 Seasonal Temporary Use of Old Sewage Discharge Location

June 21, 2011

Phyllis Beaulieu
Nunavut Water Board
P.O. Box 119
Gjoa Haven, NU
X0B 1J0
(867) 360-6338

Re: 2AM-DOH0713 – Relocation and Design of Sewage Treatment Plant Effluent Discharge Rev A

Dear Ms. Beaulieu,

Hope Bay Mining Ltd. (HBML) would like to present to the Nunavut Water Board (NWB) with the proposed location and design of the sewage treatment plant effluent discharge to be relocated in 2011. Please see the attached engineering drawing. This updated drawing indicates a slightly different arrangement than originally proposed. Upon further field investigation, it was determined that the southern portion of the bedrock outcrop was too fractured to allow efficient dispersal of water; therefore the design was altered to provide the most effective discharge pattern. This temporary discharge line will be redirected to the tailings impoundment area upon construction of the tailings line from the mill to Tail Lake.

HBML has discussed the discharge design and with the INAC inspector. Approval of the INAC inspector was provided in a telephone conversation on May 26, 2011. It is noted that the inspector felt the design was appropriate for improving dispersal of the effluent over a larger area, and should prevent erosion issues with the discharge occurring on bedrock. The attached drawing shows further improvement to the design that was discussed with the inspector on May 26, 2011.

HBML is also writing this letter to provide an update to the NWB with respect to the current status of site construction, in particular the Tail Lake Tailings Impoundment Area (TIA). HBML expects that the construction of the TIA will complete during winter 2011. Since TIA construction is not yet complete, HBML is notifying the NWB that it will be necessary to continue to discharge treated effluent from the Sewage Treatment Plant to the tundra until the TIA is operational (including installation of the effluent lines to the TIA) (as per Part G, Item 3(c) of the Type A Water Licence). This ongoing discharge will continue in compliance with all provisions of the Type A Water License, including in particular Part G, Item 2 “The Licensee shall ensure that all land applied discharges are

performed in a manner that prevents erosion at the point of discharge and downstream.”
Once the TIA is operational, treated effluent will be directed to the TIA as per Part G, Item 3(d), although HBML may be required to discharge to the tundra from time to time.

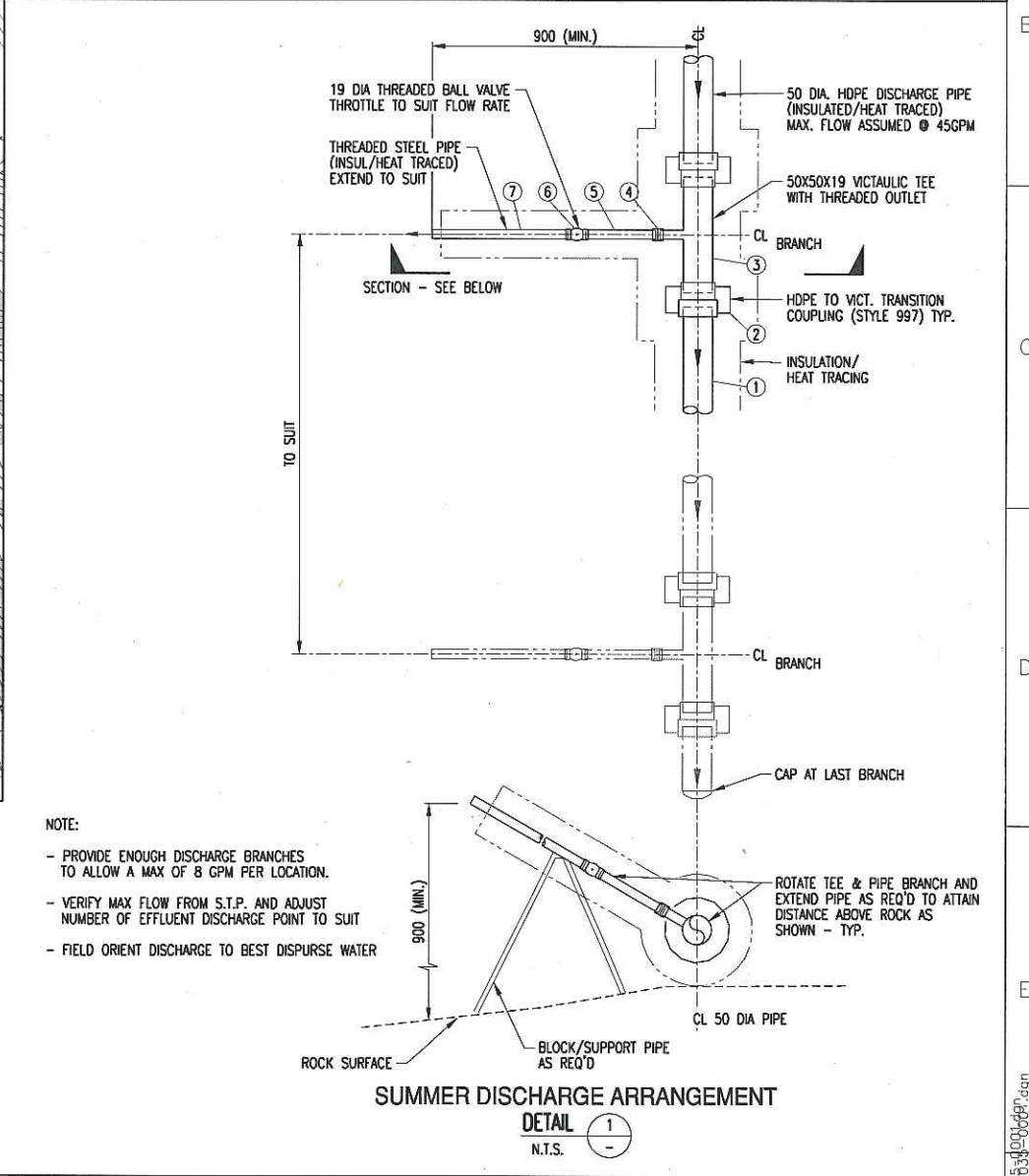
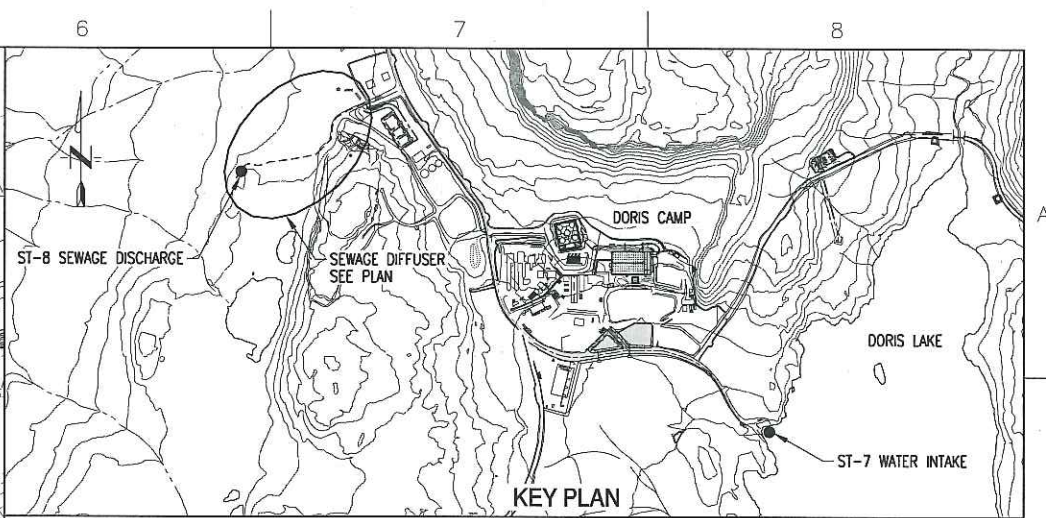
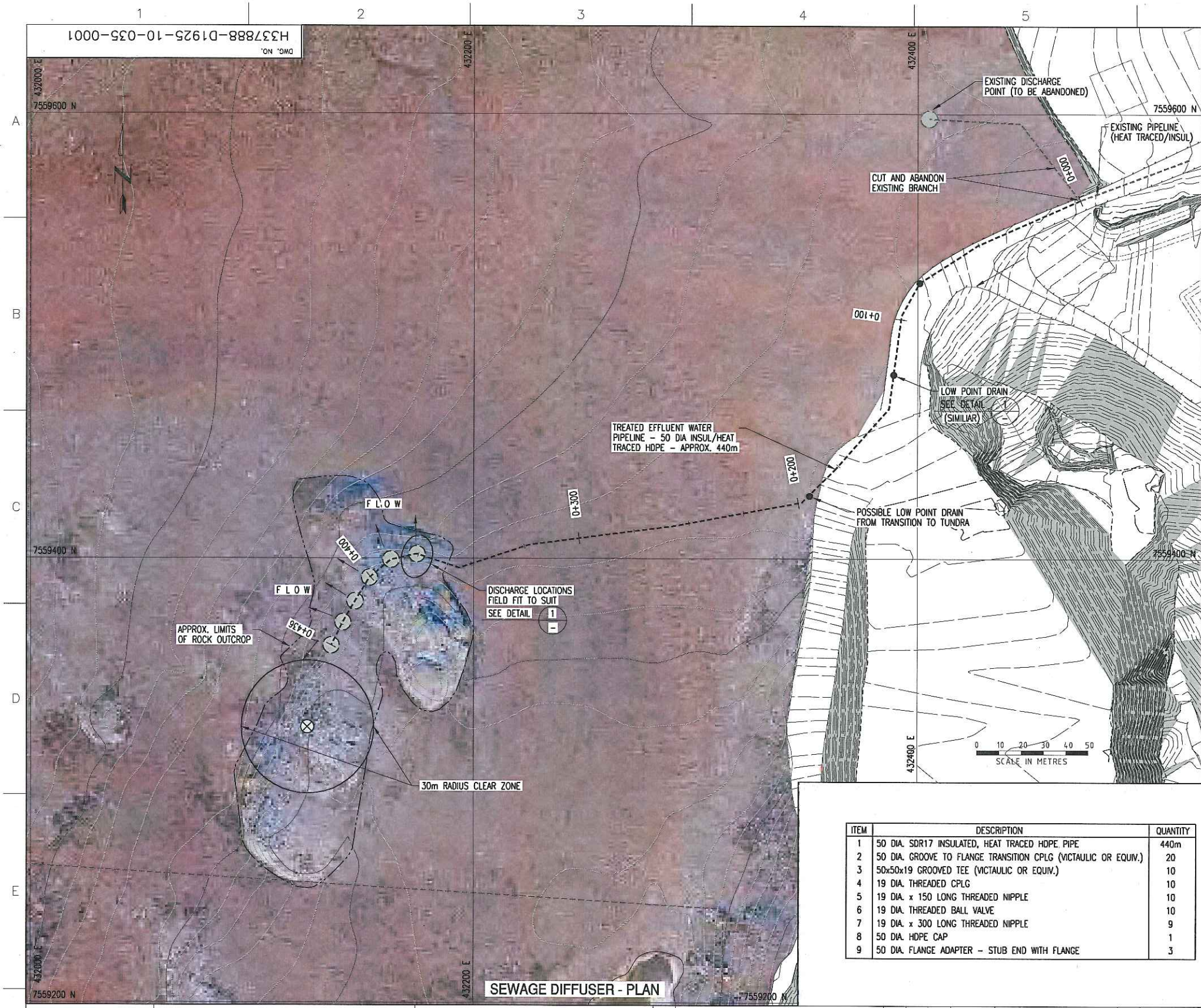
Should you have any questions or concerns regarding this notice, please do not hesitate to contact me at chris.hanks@newmont.com to discuss this further.

Sincerely,

for

Chris Hanks
Director, Environment and Social Responsibility
Hope Bay Mining Ltd.

cc. Ian Rumbolt, Water Resources Officer, INAC



ITEM	DESCRIPTION	QUANTITY
1	50 DIA. SDR17 INSULATED, HEAT TRACED HDPE PIPE	440m
2	50 DIA. GROOVE TO FLANGE TRANSITION CPLG (VICTAULIC OR EQUIV.)	20
3	50x50x19 GROOVED TEE (VICTAULIC OR EQUIV.)	10
4	19 DIA. THREADED CPLG	10
5	19 DIA. x 150 LONG THREADED NIPPLE	10
6	19 DIA. THREADED BALL VALVE	10
7	19 DIA. x 300 LONG THREADED NIPPLE	9
8	50 DIA. HDPE CAP	1
9	50 DIA. FLANGE ADAPTER - STUB END WITH FLANGE	3

PERMIT
APPLICATION
JUNE 09/2011

HATCH

NEWMONT
The Gold Company

HOPE BAY MINING LTD.

PLANT SERVICES
SEWAGE DISPOSAL DIFFUSER
PLAN AND DETAIL

DESIGNED BY
D.L.N.
DATE MAR 2011
CHECKED BY
DATE
PROJ. DES. COORD.
DATE
PROJ. MGR.
DATE

SCALE
1:1000
OR AS NOTED
DWG. NO.
H337888-D1925-10-035-0001
REV.
A

NO.	DESCRIPTION	DATE
A	SUPERCEDES OLD DWG # D1930-10-035-0001	09/06/2011

REV.	ISSUE FOR	DATE
A	PERMIT	09/06/2011

September 25, 2012

Eva Paul
Water Resource Officer
Aboriginal Affairs and Northern Development Canada
Building 915, P.O. Box 100
Iqaluit, NU X0A 0H0
Eva.Paul@aandc-aadnc.gc.ca

Dear Eva,

Re: 2AM-DOH0713 Alternate Sewage Outfall Discharge Location

As described in the letters dated 21 June 2011, and the Hope Bay Waste Water Treatment Plant Management Plan, HBML has relocated the Doris Camp sewage outfall onto a rock outcrop using a diffuser system. As explained during the site inspections with both you and the previous project inspector, HBML retained the old discharge point as a back-up to the diffuser system on the rock outcrop.

HBML will be required to use the old diffuser point during camp closing and opening procedures while the project is in care and maintenance. The old discharge point requires less power and maintenance (i.e., does not have diffusers to thaw out), which will be important when crews are opening and closing the camp. HBML has placed gravel under the old discharge point to mitigate any immediate potential erosion issues at this location.

Although the TIA construction is complete, there isn't a piping system that can transfer the sewage effluent to the TIA as per Part G, Item 3(c) of the Type A Water Licence. The discharge to tundra will continue in compliance with all provisions of the Type A Water License, including in particular Part G, Item 2 "The Licensee shall ensure that all land applied discharges are performed in a manner that prevents erosion at the point of discharge and downstream."

Kindly acknowledge receipt of this notification and direct any questions to the undersigned. If you have any questions please feel free to contact me at angela.holzapfel@newmont.com.

Sincerely,

Angela Holzapfel
Manager of Environmental Compliance
Hope Bay Mining Ltd.

cc. Phyllis Beaulieu, Nunavut Water Board