



Our reference
File #9545-2-1.2AM.DOHA
CIDMS #414733

July 16, 2010

Your reference
2AM-DOH0713

Phyllis Beaulieu
Manager of Licensing
Nunavut Water Board
Gjoa Haven, Nunavut
X0E 1J0

Sent Via Email

Dear Phyllis,

**Subject Water License #2AM-DOH0713, Hope Bay Mining Ltd., Doris
North Gold Project, Kitikmeot Region, Amendment Application
to Install Explosives Mixing and Storage Facility at a Different
Location than Originally Proposed**

Please be advised that on behalf of Indian and Northern Affairs Canada, I have completed a review of the above referenced Hope Bay Mining Ltd. submission to the Nunavut Water Board.

A Technical Review Memorandum (attached) is provided to the Board for consideration.

Should you have any questions regarding this submission, feel free to contact me at 867 975-4555 or david.abernethy@inac-ainc.gc.ca.

Regards,

David W. Abernethy
Water Resources Regional Coordinator
Operations Directorate, Nunavut Regional Office
Indian and Northern Affairs Canada
Iqaluit, Nunavut
X0A 0H0

Attached.

Cc: Lou-Ann Cornacchio, INAC Water Resources Manager
Peter Kusugak, INAC Field Operations Manager
Bryan Rayner, INAC Water Resource Officer
Melissa Joy, INAC Water Resource Officer

TECHNICAL REVIEW MEMORANDUM

Date: July 16/10

To: Phyllis Beaulieu, Nunavut Water Board

From: David Abernethy, Indian and Northern Affairs Canada

Re: **Water License #2AM-DOH0713, Hope Bay Mining Ltd., Doris North Gold Project, Kitikmeot Region, Amendment Application to Install Explosives Mixing and Storage Facility at a Different Location than Originally Proposed**

A. PROJECT DESCRIPTION

On June 16/10 the Nunavut Water Board (NWB or Board) distributed Hope Bay Mining Ltd.'s (HBML) May 20/10 license amendment application to allow for the installation of their Explosives Mixing and Storage Facility in a different location than originally proposed. Interested parties were requested to provide representations by July 16/10. On Feb. 24/10 HBML requested that this change in location be considered as a modification pursuant to Part H: Conditions Applying to Modifications, Item #1 of their license but the NWB determined that this would be inconsistent with the license condition and contrary to the facility's definition provided in Schedule A – Definitions of the license. Through their Apr. 15/10 letter to HBML, the NWB informed HBML that they were required to submit an amendment application detailing their request.

HBML intends to install this facility near Tail Lake's southeast shore rather than at the originally proposed site northwest of the Doris North camp. This change in location is due to safety concerns associated with the mine site design. Drainage from the new location flows toward Tail Lake, the mine's future tailings containment area.

B. RESULTS OF REVIEW

On behalf of Indian and Northern Affairs Canada (INAC), I am providing the following comments / recommendations for the Board's consideration,

1. General

A change in location for the Explosives Mixing and Storage Facility's installation should not result in any change to the use of water and disposal of waste associated with HBML's Doris North Project. As a result, INAC supports an amendment application to allow for the installation of this facility at the newly proposed location.

2. Additional Information Requirements

In the NWB's Apr. 15/10 letter to HBML information was requested on design specification, mitigation measures, and monitoring requirements. In their May 20/10 submission, HBML stated that design specification information is provided in the notes sections of their enclosed engineering drawings, that the project's Emergency Response and Spill Contingency Plan will be updated to reflect the new facility layout but the response procedures currently in place will remain the same, and that the monitoring requirements specified in the license are adequate. The NWB also requested clarification on the "temporary" nature of the installation indicated in the design drawings provided in HBML's Feb. 24/10 submission. HBML has since removed the "temporary" designation from the design drawings and explained that "the reason for this designation was that if development proceeds in other areas of the Hope Bay Belt the explosives facility may eventually be relocated. Such future development is separate from the Doris North Project and would be the subject of detailed review by regulatory (including the Board and the Nunavut Impact Review Board) and Inuit authorities."

HBML's response for the NWB's questions on design specification and temporary designation of design drawings are considered to be sufficient. However, HBML should provide additional information with respect to mitigation measures and monitoring requirements.

Mitigation Measures

HBML's March 2010 Spill Contingency Plan should be revised to include spill prevention and response procedures specific to explosives and their ingredients. More specifically, this plan should address the following,

- storage practices (measures to control run-off from storage areas should be provided);
- spill response plans;
- spill response kits and equipment;
- disposal procedures for recovered contaminated materials;
- disposal procedures for deteriorated or damaged explosives;
- applicable material safety data sheets; and,
- spill response training.

Monitoring Requirements

HBML should provide clarification to the Board on why they consider the monitoring requirements included in their license are adequate with respect to the Explosives Mixing and Storage Facility. It is noted that no monitoring stations or requirements specific to this facility can be found when reviewing the license.

3. Summary

Indian and Northern Affairs Canada is satisfied with HBML's license amendment application to allow for the installation of their Explosive Mixing Storage Facility near Tail Lake southeast shore rather than at the originally proposed site northwest of the Doris North camp. However, HBML should provide the Board with additional information for the following points,

- The project's Emergency Response and Spill Contingency Plan requires revision to include spill prevention and response procedures specific to explosives and their ingredients; and,
- Clarification is needed with respect to monitoring activities associated with this facility.

Prepared by David Abernethy

Cc: Lou-Ann Cornacchio, INAC Water Resources Manager
Peter Kusugak, INAC Field Operations Manager
Bryan Rayner, INAC Water Resource Officer
Melissa Joy, INAC Water Resource Officer