



Inspection Report

License #: 2AM-DOH0713

Inspector: Eva Paul

CIDMS # 524810

Client	Hope Bay Mining Ltd.		
Mailing Address	Suite 300 889 Harbourside Dr. North Vancouver, BC V7P 3S1		
Inspection site location	Doris North Project		
Contact name	Angela Holzapfel	Title	Manager of Environmental Compliance
Previous Inspection Dates	July 12, 2011	March 15, 2011	August 2-3, 2010
Inspection date	March 20, 2012		
Region	Kitikmeot Region		



P.O. Box 100
Building 918
Iqaluit, NU, X0A 0H0

Submitted Via E-Mail
Our File: 2AM-DOH0713
Your File: _____
CIDM # 524810

April 30, 2012

Angela Holzapfel, VP Manager of Environmental Compliance
Hope Bay Mining Ltd.
Suite 300, 889 Harbourside Dr.
North Vancouver, BC V7P 3S1
Email: Angela.Holzapfel@Newmont.com

RE: Water License Inspection – 2AM-DOH0713 March 20, 2012

Ms. Holzapfel,

Please find attached a report on the Water License Inspection conducted March 20th, 2012. Included at the end of the report is a record of observations made during the inspection with respect to issues of Non-compliance or Non-conformity with the issued Water License or the Nunavut Water and Nunavut Surface Rights tribunals Act.

The role of Aboriginal Affairs and Northern Development Canada (AANDC) in issues related to the use of water or deposit of waste in Nunavut is one of compliance monitoring and enforcement. Our preferred option in all instances is to work with clients by identifying instances of non-compliance, risks to the environment and/or people, bringing them to the client's attention and ensuring the operator is better able to address these issues to ensure compliance with the authorizations and the Act.

Should you require more information or clarification please contact me at the coordinates listed below.

I look forward to working with you and your staff. If you have any questions please do not hesitate to contact our offices here in Iqaluit.

Sincerely,

(Sent by e-mail)

Eva Paul
Water Resources Officer
Aboriginal Affairs and Northern Development Canada
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RE: Water License Inspection – Doris North Site March 20, 2012

Doris Camp was inspected on March 20, 2012 for compliance with the Water License terms and conditions. I appreciate the flexibility demonstrated on-site to accommodate me a day ahead of schedule, and the assistance and cooperation provided by Jill Turk, Angela Holzapfel, and Fred Penner during the inspection.

The licensee continues to work diligently on compliance with the issued license and is continuing to deal with hazardous waste left from legacy sites. The company has given notification of their intent to go into Care and Maintenance and will be modifying all relevant plans prior to the submission of the next Annual Report, or the renewal application.

The following report is based on my observations made at the time of the inspection for the following facilities:

- Water Pump House
- Heli-pad and snowmobile fuel station
- Fuel farm at Doris Camp
- Fuel tank and fuelling station at Roberts Bay
- Contractor shops
- Burn Pan
- Sewage Treatment Plant
- Water Treatment Plant
- Airport

A review of the terms and conditions of the water license was completed following the individual inspections.

Water Pump House

- Site was found to be clean and in good order.
- *The berm for the back-up generator was filled with snow.*

Heli-pad and Snowmobile Fuel Station

- *The instaberm under the fuel tank beside the heli-pad office contains snow.*
- *The above berm is also ripped on the side.*
- *The instaberm at the snowmobile fuel station has been partially cleared of snow.*
- *Snowmobile fuel station berm is collapsed on one side.*

Fuel Farm at Doris Camp

- 5 x1.5 million-litre tanks were installed in 2010.
- HBML is still completing the ducting in the fuel farm.



- This will run the plant on-site.
- Fuelling station not yet operational.
- Tanks are approximately $\frac{3}{4}$ full.
- No spills visible at this time; active snow removal is occurring within the bermed area.

Fuel Tank and Fuelling Station at Robert's Bay

- Fuel station has buckets to catch drips.
- Drip pan was used during fuelling.
- 5 million L (2008) less than $\frac{1}{4}$ full.
- HBML intends to decommission this tank and use the bermed area to as temporary storage for hazardous waste. Some sea-cans, barrels, and decommissioned empty tanks already stored there.
- *Accumulated snow partially removed.*
- *Hundreds of barrels of waste oil(?) stored across from the fuel station – unclear whether the area is lined.*
- Staff are in the process of transferring the oil into lined sea-cans.

Incinerator Area and Contractor Shops

- Incinerator area found clean and logs kept on-site.
- *Some burned metals noted in front of incinerator door.*
- Ash is loaded into 45 gal drums and contained in a sea-can.
- Waste segregation area is well-organized.
- Contractor shops are lined and generally appear to be working to minimize the risk of spills.
 - *(McCaw) Used batteries and jerry-cans of hydraulic oil were sitting on the shop floor without absorbent or containment and two 5 gal. waste oil containers were uncovered.*
- *Vehicles outside contractor shops are inconsistent in their use of drip pans/absorbent materials to catch leaks.*

Burn Pan Area

- Old burn pan full of ash and waste, including scrap metal, wire, insulation, and recent addition of food scraps.
- *New burn pan has scraps of burned metal.*
- Waste oil from Boston is staged across from the burn pan.
- Landfarm/soil/water cells – used for contaminated soil and snow – to be filtered before release at the STP effluent discharge site (with notification to Inspector).
- Signage present but blown down.

Sewage Treatment Plant

- Main plant is in operation; found in good operating condition.
- Operator is confident that the plant will perform well even as staff numbers decrease.

Water Treatment Plant

- WTP found clean and in good operating condition.
- Flow meter reading: 10524440 and 47.0 GPM
- Water usage logs, STP logs, and water reconciliation provided for Jan-Feb 2012.

Airport

- The airport was visited upon departure.
- *Fuel drums at the airport are not in secondary containment.*



Non-Compliance: *Issues identified during the inspection and/or review of relevant material*

Issues where there is a known or suspected violation of a requirement of the Water License or Act:

Part G, Item 6

- Metals are to be removed from waste being incinerated, as per the Incinerator Management Plan.

Part G, Item 8

- Burn Pan was found operating out of compliance, which has been an on-going issue in past inspections. While it was discussed at the time that this waste would be disposed of by alternative means, HBML has instead proposed alternative management practices of the burn pan in order to resume burning. HBML will submit detailed logs to me for the first three months, and will include the monthly logs with their annual report.

Part I, Item 5

- It was unclear to me whether the waste oil handling area across from the fuelling station at Robert's Bay is a properly lined or bermed area. As there is a large volume of hazardous waste, please clarify whether or not this area is lined, and how the current activities at this site are being conducted in order to minimize the likelihood of a spill or any contamination that may reach a water source.
- Consistent use of drip pans or absorbent pads under parked vehicles and equipment is requested.
- Surveillance of contractors is required to ensure they are handling hazardous materials appropriately to minimize risks, as well consistently using drip pads under parked vehicles and equipment.

Part I, Item 6

- Secondary containment structures to be inspected regularly for integrity and maintained free of snow or water so as not to compromise their capacity. Damaged berms to be replaced immediately.
- Drums of fuel at the airport should have secondary containment.

Please submit to me a plan outlining the steps that have been or will be taken to remedy the items identified in the inspection. This should include dates that the actions will be implemented. This plan should be received by me within 30 days of receipt of this report.

Eva Paul

Inspector's Name

Sent by e-mail

Inspector's Signature

Cc:

Phyllis Beaulieu – Manager licensing – Nunavut Water Board