

May 30, 2012

Eva Paul  
Water Resources Officer  
Aboriginal Affairs and Northern Development Canada  
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Dear Ms. Paul,

**RE: Water Licence Inspection – Doris North Site March 20, 2012 Follow-Up Report**

Thank you for the follow-up report and photos provided for the March 20, 2012 site inspection. In this report, you had requested that Hope Bay Mining Ltd (HBML) provide a plan for dealing with the issues noted during the inspection. The requested information is included in the attachment to this letter.

In addition, we wish to provide several clarifications on the information provided in the report and photo captions:

- *Photos, Page 3 top photo and Inspection Letter Page 4:* The drums lying on their sides on the left side of the photo are empty drums that are not on a liner. The drums stacked upright on the right side of the photo are waste oil and fuel drums that were being packaged for transfer into lined seacans or into the main 5M litre tank berm.
- *Inspection Letter Page 4, bottom:* The fuel drums at the airport were placed on spill pallets; however, these pallets were buried in snow at the time of the inspection.

Please do not hesitate to contact me at 604-345-3122 or [angela.holzapfel@newmont.com](mailto:angela.holzapfel@newmont.com) if you have any questions regarding the progress being made to address these compliance issues.

Sincerely,

Angela Holzapfel  
Manager of Environmental Compliance  
Hope Bay Mining Ltd.

cc: Phyllis Beaulieu, NWB; John Roesch, KIA

**Steps that Have Been/Will Be Taken by HBML  
to Respond to Issues Identified in April 30, 2012 AANDC Inspection Report**

<b><i>Issues identified during March 2, 2012 inspection</i></b>	<b><i>Steps HBML will take or has taken to remedy the issues identified</i></b>
Part G, Item 6: Metals are to be removed from waste being incinerated, as per the Incinerator Management Plan.	<i>HBML strives to remove all metal, glass and plastic from the incinerator stream through source sorting and some sorting at the Waste Management Facility as a means to improve air quality emissions from the incinerator. However, some metal, plastic and glass can be missed and ends up in the incinerator. Although Ketek Manufacturing indicates that metal, glass and plastic can be handled by the HBML incinerator, removal of these items should result in cleaner stack emissions. HBML will continue to improve waste sorting and removal of metal from the incinerator.</i>
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.	<p><i>HBML responded to the issue by closing the burn pan on the day of the inspection, and it remained closed until appropriate management strategies could be developed and implemented. HBML installed locked gates on each access to the burn pan area, and the Waste Management Facility personnel are the only permitted employees in the area. The Waste Management Facility personnel have single point accountability for loading, burning, and cleaning the burn pan. HBML is using the log forms that were discussed with Ms. Paul and the forms will be included in the monthly SNP reports as well as be provided directly to Ms. Paul at the end of each month, for 3 months. A conference call is scheduled with Ms. Paul for September 2012 to re-visit the reporting frequency.</i></p> <p><i>In addition, HBML commissioned a wood chipper purchased for shredding clean wood for future use in reclamation activities. Shredding wood for re-use is expected to drastically reduce the frequency of use of the burn pan.</i></p>

<b><i>Issues identified during March 2, 2012 inspection</i></b>	<b><i>Steps HBML will take or has taken to remedy the issues identified</i></b>
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.	<p><i>The former waste oil storage area beside the Roberts Bay 5M litre tank fuel storage facility is lined, however, the liner is damaged. At the time of the inspection, HBML was in the process of packaging and moving the waste oil and fuel into lined seacans and into the main containment of the 5M litre tank berm. This activity has now been completed and the damaged liner is no longer used to store containers holding liquids, and the berm will be removed as part of the care and maintenance preparations.</i></p> <p><i>The large stack of drums that are laying on their sides are empty drums and are not on a liner. These drums have been kept to be reused for various purposes at site, including storage of waste fuels and oils, or cleaned and used for collection and shipping of solid wastes. Excess empty drums will be crushed for offsite disposal.</i></p>
Part I, Item 5: Consistent use of drip pans or absorbent pads under parked vehicles and equipment is requested.	<i>HBML implemented use of these drip pans under parked mobile equipment in early 2012. Initially, the intention was to place these under all pieces of equipment that were not in regular use; however, to date, nearly all of the parked equipment has drip trays. HBML will continue to identify missing drip trays and place them under equipment. HBML is planning a clean-up blitz in early June 2012 to install drip trays under all parked equipment.</i>
Part I, Item 5: 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.	<i>HBML will continue to conduct inspections of contractor areas and will work with contractors to resolve any identified issues. The McCaws shop, identified as having improperly stored chemicals, was addressed immediately after the inspection. Most contractors are leaving site due to the project going into care and maintenance. As such, the contractors have been packing their equipment and supplies for shipment offsite in September 2012. As contractors have completed the packing of their assigned areas, HBML has been conducting inspections to ensure that the waste and chemicals are removed to proper storage areas.</i>

<i>Issues identified during March 2, 2012 inspection</i>	<i>Steps HBML will take or has taken to remedy the issues identified</i>
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.	<p><i>HBML will continue to inspect containment areas, and will strive to maintain containments free from snow and water. HBML will complete an inspection of temporary berms in use around site, and will remove or repair those that are damaged. The snowmobile fuelling station berm located at the helipad has been removed. The torn berm identified beside the helipad office will be replaced in June 2012.</i></p> <p><i>As part of the care and maintenance preparations, fuel storage tanks that are no longer required will be drained and the empty tanks will be moved to the reagent pad and the berms will then be removed wherever possible. HBML will include inspections of berm integrity as part of the routine inspection program.</i></p>
Part I, Item 6: Drums of fuel at the airport should have secondary containment.	<p><i>HBML verified that the drums of fuel at the airport are sitting on appropriate spill trays, however, the spill trays were covered in snow at the time of the inspection. HBML will continue to require contractors to use, and maintain, adequate spill containment.</i></p>