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August 5, 2009

David W. Abernathy
Water Resources Regional Coordinator
Indian and Northern Affairs
Nunavut Regional Office Operations Directorate
P.O. Box 100
Iqaluit, NU
X0A 0H0

Re: Water License 2AM-DOH0713 2008 Annual Report INAC Review

Dear Mr. Abernathy,

In response to your July 13, 2009 letter and technical memorandum reviewing Hope Bay Mining Ltd.'s (HBML) 2008 Annual Report submission for the water license 2AM-DOH0713, please find below the implementation timetable addressing the noted deficiencies.

1. An executive summary of this report in Inuktitut and Inuinnaqtun was not included with HBML's submission to the NWB. This is a required under Part B, Item #8 of the license.

Action: An Inuinnaqtun translation of the detailed executive summary of the annual report was submitted with the hard copy of the report. HBML will provide an Inuktitut translation of the executive summary of the annual report by September 30, 2009.

2. As per Part D, Item #8 of the license, HBML is required to provide a Construction Monitoring Report that includes a summary of their Quarry Rock Construction Monitoring Program. To date, this report has not been submitted to the Board. In their 2008 Annual Report, HBML states that a Construction Monitoring Report is currently being developed and will be submitted in 2009.

Action: A Construction Monitoring Report will be submitted to the NWB by December 31, 2009.

3. *As per Part D, Item #22 of the license, HBML is required to provide a report that presents data from the Quarry Rock Seepage Monitoring Program conducted under Part D, Item #21. A report was not provided with the Annual Report.*

Action: The data collected from the Quarry Rock Seepage Monitoring Program is currently being compiled. The report will be submitted to the Nunavut Water Board by December 31, 2009.

4. *As per Part G, Item #9 of the license, HBML is required to provide an Incineration Management Plan. Appendix B of the Supplemental Document states that this plan is being prepared and will be included in a Material Management Plan.*

Action: An Incineration Management Plan has been developed and will be submitted to the NWB by August 14, 2009.

5. *As per Part H, Item #18 of the license, HBML shall ensure that a geotechnical inspection is carried out annually between July and September by a Geotechnical Engineer. Furthermore, as per Part H, Item #29, HBML shall submit the Geotechnical Engineer's inspection report along with a cover letter outlining an implementation plan addressing each of the Geotechnical Engineer's recommendations. In the Supporting Document's section of geotechnical inspections (p.7) it is stated that "the construction of a tailings impoundment area has been deferred and as such HBML cannot update the NWB on the capacity of this area." It is noted that not all geotechnical engineering monitoring requirements relate to the tailings impoundment area and that in HBML's Apr. 21/09 notice to the Board, it was indicated that the following components identified in Part H, Item #18 remain applicable for annual geotechnical inspections,*

- *Geotechnical instrumentation and associated monitoring data;*
- *All weather access roads;*
- *Roberts Bay Jetty*
- *Fuel Storage and Containment Facilities at the Roberts Bay site; and,*
- *Sedimentation Pond; and,*
- *Sumps.*

Action: Doris Camp was still under construction in the summer of 2008 and so a geotechnical inspection could not be conducted as many of the structures were still incomplete. HBML has conducted a geotechnical inspection of the above noted facilities in July 2009. Results of the inspection will be included in a report to be submitted to the Board by September 30, 2009.

6. *As per Part F, Item #1 of the license, HBML is required to submit to the Board a revised Water Management Plan, including certain aspects identified in this license condition. According to page 8 of the submitted Supplemental Document, this plan has not been revised or modified.*

Action: This plan was discussed in previous correspondence with the NWB submitted April 21, 2009, related to requirements associated with this licence that

are not relevant at this time due to the deferral of the Doris North Project. The Water Management Plan applies to a mine and mill operation. Due to the fact that the Doris North Mine has been deferred, this requirement is not applicable at this time.

7. As per Part G, Item #11 of the license, HBML is required to submit to the Board for review a revised Hazardous Waste Management Plan. According to page 8 of the submitted Supplemental Document, this plan has not been revised or modified.

Action: A Hazardous Waste Management Plan will be submitted to the NWB by September 30, 2009.

8. Although the Emergency Response and Contingency Plan's contact names and numbers have changed since the Miramar Hope Bay Ltd. April 2007 submission (previous licensee) and changes have been made to the project's fuel management system (refer to Appendix C, Letter from HBML to INAC dated Aug. 11/08), HBML has not revised this plan accordingly.

Action: A revised Emergency Response and Contingency Plan will be submitted to the NWB September 30, 2009.

9. Currently, "at the request of the land owner, the Kitikmeot Inuit Association, solid waste is taken off-site to an approved site for disposal" (refer to Part A of the Annual Report Form). For this reason, HBML has not submitted a revised Landfill Management Plan, required under Part G, Item #9 of the license. This information was previously provided to the NWB on Apr. 21/09 (refer to Appendix B of the 2008 Annual Report Supplemental Document).

Action: No action required.

HBML will notify the NWB through monthly and annual monitoring report submissions the total amount of solid waste produced on-site and the location of where such waste is disposed of (provide copies of Hamlet written permission). As all waste is being removed from Nunavut at this time and is being taken to qualified commercial waste facilities there are no copies of written permissions from Hamlets.

Please contact me at Chris.Hanks@newmont.com if you have additional questions or require any further information relating to the contents of this letter.

Sincerely,

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