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NUNAVUT WATER BOARD  
NUNAVUT IMALIRIYIN KATIMAYINGI  
OFFICE DES EAUX DU NUNAVUT

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File: 2AM-DOH0713/TR/B3

February 10, 2010

Chris Hanks  
Director, Environment and Social Responsibility  
Hope Bay Mining Ltd.  
Suite 300, 889 Harbourside Drive  
North Vancouver, BC  
V7P 3S1  
Email: [chris.hanks@newmont.com](mailto:chris.hanks@newmont.com)

**Subject: Review of 2008 Annual Report, submitted under Part B, Item 3 and direction for the 2009 Annual Report submission**

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Dear Mr. Hanks,

Hope Bay Mining Limited (HBML or Licensee) submitted the 2008 Annual Report (Report) on April 30, 2009 in accordance with Part B, Item 3 of Licence 2AM-DOH0713. The Report was distributed to interested parties and comments were submitted by Indian and Northern Affairs Canada (INAC) and Environment Canada (EC). Those comments are available on the Nunavut Water Board's (NWB) ftp site, **Username: public, Password: registry** at the following link:

[ftp://nunavutwaterboard.org/1%20PRUC/2%20MINING%20AND%20MILLING/2A/2AM%20-%20Mining/2AM-DOH0713/3%20TECH/1%20GENERAL%20\(B\)/2%20ANNUAL%20RPT/2008%20Annual%20Report/](ftp://nunavutwaterboard.org/1%20PRUC/2%20MINING%20AND%20MILLING/2A/2AM%20-%20Mining/2AM-DOH0713/3%20TECH/1%20GENERAL%20(B)/2%20ANNUAL%20RPT/2008%20Annual%20Report/)

The NWB has reviewed the Report and the comments provided by Parties, including HBML's response to INAC's comments dated August 5, 2009. In order to assist the Licensee with the development of the 2009 Annual Report, due March 31, 2010, the NWB is providing feedback and notes on the 2008 Report for HBML's consideration.

### **Annual Geotechnical Inspection Report**

Both INAC and EC commented on the lack of a geotechnical inspection report for 2008. This oversight was corrected by HBML in 2009 and the geotechnical inspection report was acknowledged and distributed on December 8, 2009. Review of the geotechnical inspection will be addressed under separate cover, however the NWB does note the lack of an implementation plan to address each of the Geotechnical Engineer's recommendations made in Table A. HBML is asked to submit the required implementation schedule by **March 1, 2010**.

**Schedule B, Item 8: Annual review and any revisions submitted in the form of addendums to the Management Plans or Emergency Response and Contingency Plan.**

In the Annual Report, HBML stated that a Sewage Management Plan was submitted to the NWB in August 2008. HBML also indicated that a revision of that plan based on stakeholder comments would be submitted in 2009. Most recently, in a letter to the NWB dated November 9, 2009 HBML stated that a review of the 2008 Plan was undertaken and no changes are required at this time for the existing facility. HBML further indicated:

HBML plans to have the tailings impoundment area completed by 2012. Until that time, HBML will continue to discharge treated effluent at the location it is currently using. In order to protect the permafrost at the current discharge location, HBML will construct a rock diffuser in 2010. The design for this structure is currently being done by SRK. Once the design is complete HBML will file a copy with the NWB. This proposal was previously discussed and agreed upon by the INAC inspector during the July 2009 inspection. (Pg. 1)

Although EC was generally agreeable with the Plan, INAC offered valuable recommendations that should be incorporated into a revision of the Plan. In addition, the NWB reminds HBML that any proposed construction or modification to existing facilities must be submitted to the NWB for review and approval in accordance with Part H of the Licence. At this time, the NWB will wait for the submission of the design for the rock diffuser. However, once approved, the NWB will require a revision to the Sewage Management Plan to incorporate the proposed rock diffuser and comments provided during the review of the Plan.

**Schedule B, Item 12: Annual Incineration stack testing results.**

HBML indicated that no stack tests were performed in 2008 as HBML did not have facilities to monitor for this requirement. The incinerator was being modified in 2009 by the manufacturer to allow the installation of the required monitoring equipment. Based on HBML commitment, the NWB anticipates that this issue was resolved in 2009 and that the results will be provided in the 2009 Annual Report, due March 31, 2010.

**Schedule B, Item 13: Annual Landfill Management report.**

HBML indicated that at the request of the Kitikmeot Inuit Association, HBML has not constructed a landfill and as a result, solid waste that cannot be burned is taken offsite for disposal. The NWB requests clarification concerning where solid waste is being disposed. If solid waste is being disposed of in Nunavut communities, HBML is requested to provide the NWB with written authorization from the Hamlet(s). HBML is asked to submit the required correspondence by **March 1, 2010**.

The NWB appreciates HBML's efforts in compiling the 2008 Annual Report. It is an important and helpful document to the administration of the Licence and project. If you have any questions concerning the above, please do not hesitate to contact me at (780) 443-4406 or via email at [dts@nunavutwaterboard.org](mailto:dts@nunavutwaterboard.org). If in providing any of the above requested information, AEM is of

the opinion that additional time may be required in order to file the 2009 Annual Report on time, and complete, the NWB suggests that a request for an extension be submitted prior to the end of February.

Yours truly,

*Original Signed by:*

David Hohnstein, C.E.T.  
Director Technical Services

DH/tla

Cc: Kitikmeot Dist. List