

P.O. Box 119 Gjoa Haven, NU X0B 1J0 Tel: (867) 360-6338 Fax: (867) 360-6369 אבה ל בת ל החבר החבר העומא לעד שמדבת BOARD NUNAVUT IMALIRIYIN KATIMAYIT OFFICE DES EAUX DU NUNAVUT

File No: 2AM-DOH0713/F1

June 1, 2011

Chris Hanks
Director, Environment and Social Responsibility
Hope Bay Mining Ltd.
Suite 300, 889 Harbourside Drive
North Vancouver, BC V7P 3S1
By email: chris.hanks@newmont.com

Re: Licence No. 2AM-DOH0713, Part F, Item 1; Review of Revised Interim Water Management Plan

Dear Mr. Hanks:

The Nunavut Water Board (NWB) distributed the revised Doris North Interim Water Management Plan (Plan) to interested parties for review on February 22, 2011. The Plan was submit by Hope Bay Mining Limited in accordance with Part F, Item 1 of the Type A Water Licence No. 2AM-DOH0713, which states:

The Licensee shall submit to the Board for review by May 1, 2008, a revised Water Management Plan. The revised Plan shall include to the following:

- a. A requirement to continuously monitor Doris Lake levels and outflow during the two
 (2) years of mining and beyond to confirm water balance model predictions;
- b. Requirements for on-going monitoring and calibration of the water quality model;
- c. A strategy to monitor and remove where necessary snow accumulation in the Pollution Control Pond, roads, ditches, and drainage channels; and
- d. The Plan shall consider the monitoring requirements set out in Parts J and K.

The NWB notes that submission of the Plan was delayed due to the deferral of construction of Project infrastructure components. The NWB further understands that the Plan does not address Part F, Item 1(a) and (b) as the tailings impoundment area is not yet operational and that HBML has committed to submit an update to the Plan prior to diverting contact water to the facility.

Following the review period, the NWB received comments from Indian and Northern Affairs Canada, Environment Canada, and the Kitikmeot Inuit Association. Comments can be downloaded from the NWB's ftp site at the following link (username: public; password: registry):

$\frac{\text{ftp://nunavutwaterboard.org/1\%20PRUC/2\%20MINING\%20MILLING/2A/2AM\%20-\%20Mining/2AM-DOH0713/3\%20TECHNICAL/3\%20WATER\%20USE\%20(E)(F)/}{}$

Although the Licence does include a requirement for Board approval of the revised Plan, understandably the NWB is of the view that the Plan is central to water management at the Doris North site and therefore has the following input on the Plan's acceptability.

The NWB finds that the revised Plan is generally acceptable with respect to meeting the requirements of Part F, Items 1(c) and (d). However, because the Plan does not address items (a) and (b), the Plan cannot be found to meet the Licence requirements as presented. Nevertheless, the NWB acknowledges and accepts HBML's commitment to provide a Plan update to address these deficiencies prior to diverting contact water to the Tailings Impoundment Area. The NWB therefore is deferring the approval of the Plan, under Part F, Item 2 and requests that the update be provided for approval of the Board in writing, extending the thirty (30) day requirement of this part, to be by **August 1, 2011** to ensure the plan can be reviewed by parties and the NWB, prior to the anticipated use of the Tailings Impoundment Area sometime after September 2011.

In addition to the Plan update, the NWB requests that HBML also submit a table addressing each of the comments submitted by parties during this review. The NWB believes that comments submitted by parties are important considerations in ensuring that the site facilities are capable of managing water in accordance with the Licence. Any changes with respect to the water management strategy should be highlighted in the cover letter and document to facilitate the review.

Finally, understanding that freshet will soon occur at site, the Licensee should be particularly mindful of the water quality criteria provided in the Licence. Should you have any questions please feel free to contact the undersigned directly, or the NWB office.

Sincerely,

Original Signed By:

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

DH/sl

Cc: Kitikmeot Distribution List

