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File: 2AM-DOH0713/ F - 1,2,3

August 25, 2011

Mr. Chris Hanks Director Environment, Social Responsibility Hope Bay Mining Ltd. Suite 300, 889 Harbourside Drive North Vancouver, B.C., V7P 3S1

Email: Chris.Hanks@newmont.com

Subject: Licence No. 2AM-DOH0713, Part F, Items 1, 2, & 3: Second Revision to Interim

Water Management Plan.

Dear Mr. Hanks,

On January 12, 2011, the Nunavut Water Board (NWB) received Hope Bay Mining Ltd (HBML) revised Interim Water Management Plan (Plan), dated December 2010 in accordance with Part F Item 1 of water licence 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 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 distributed the revised Plan to interested parties for review on February 22, 2011 and following the review period, the NWB was in receipt of comments from Indian and Northern Affairs Canada, Environment Canada, and the Kitikmeot Inuit Association.

On June 1, 2011, the NWB provided input to HBML on the Plan's acceptability indicating that the revised Plan was generally acceptable with respect to meeting the requirements of Part F Item 1 (c) and (d); however, because the Plan did not address items (a) and (b), the Plan was found to not meet the requirements of the Licence condition. The NWB deferred the approval of the Plan under Part F,



Items 2 and 3 and requested that an update be provided for approval by the Board in writing by August 1, 2011.

On August 2, 2011, the NWB received HBML's second revision to its Interim Water Management Plan including a cover letter detailing responses to parties' comments on the previous revision. This submission as well as all correspondence related to the file are available from the NWB's ftp site at the following link using the username "public", password, "registry", without the quotes:

<u>ftp://nunavutwaterboard.org/1%20PRUC/2%20MINING%20MILLING/2A/2AM%20-</u>%20Mining/2AM-DOH0713/3%20TECH/3%20WATER%20USE%20(E)(F)/

By copy of this letter to distribution, the NWB invites interested persons to review and provide comments to the Board on the second revision of HBML's Plan with respect to Part F Item 1 (a) and (b) as well as HBML's response to parties' comments on the previous version of the Plan. Written representations are to be submitted to the NWB's Manager of Licensing at licensing@nunavutwaterboard.org by September 16, 2011. Following the review period, the Board may provide additional procedural instructions. Should you have any further questions, please contact me at dts@nunavutwaterboard.org or (780) 443-4406.

Sincerely,

Original Signed By:

David Hohnstein Director of Technical Services DH/kt

Cc. Kitikmeot Distribution List

