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David Hohnstein Director Technical Services Nunavut Water Board P.O. Box 119 Gjoa Haven, NU X0B 1J0 dts@nunavutwaterboard.org

Dear David,

Re: 2AM-DOH0713 Need to temporarily upgrade the Doris North Sewage Treatment Plant (STP) to handle volume and meet water licence criteria

At peak Doris North construction periods there are between 175 and 180 people at the Doris North Camp. The current STP has a name plate for 180 people but the system is facing challenges handling the volume in a timely manner that may, over the next several months, affect our ability to stay in compliance at the current camp loadings. To avoid this situation the following temporary actions will be taken immediately to assure compliance with the discharge criteria of our Type A Water Licence 2AM-DOH0713:

- 1. Divert excess RO treated water from the STP and directly discharge it to the environment by using it for dust suppression on roads. This water complies with all water licence discharge criteria.
- 2. Temporarily install the 180 person STP slated for use at the new Windy Camp once that facility is approved by the NWB. This second STP which is of identical design to the current Doris North system would run as a parallel plant to the current plant to make sure we have reserve capacity while the main plant is being fully serviced and rebalanced. Please see details below.

Background

During the installation of the Doris North Camp, HBML purchased a Membrane Package Sewage Treatment Plant from Sanitherm in Burnaby, British Columbia, with an estimated plate throughput of 180 people. Over the past several years the plant has operated in compliance with the 2AM-DOH0713 permit conditions and without the need for major maintenance or repairs. The camp continues to operate at, or near, peak capacity (180 beds). Recently, the plant has started to face challenges handling the load.

Near Term Enhancements

The STP operator has identified several enhancements that can be made to the existing STP using other equipment currently on site that will assist HBML in staying in compliance. The following is a description of the enhancements immediately planned to handle the current challenge.

- Install manual control valves in the influent line between the camp and the existing STP to split the flow of sewage between the current STP and the one to be installed (see item 2 above). This will allow the control of flow to one or the other plants or the isolation of a plant.
- Set-up additional membrane equipment to reduce the processing of waste through the existing membranes by 50%.
- Install an additional sludge treatment unit and an additional emergency overflow tank to add redundancy to the system to avoid upset situations when camp is at capacity (180 beds).
- The STP to be installed is equipped with an emergency overflow.

Process Description

Following the installation of the additional equipment, the two STP units will each be working at approximately 50% capacity versus the current situation where one unit is working at nearly 100% capacity. In addition, the enhancements will allow 100% redundancy for upset conditions should the need arise during peak operation and maintenance periods. The influent and effluent will remain within the permitted limits (180 beds); however, the process capacity will be doubled.

The enhancements described above will allow for greater flexibility in both operations and maintenance of the STP during this challenging period. Please see Attached Flow Diagram. If you have any questions please feel free to contact me at chris.hanks@newmont.com or (720) 917-4489.

Sincerely yours,

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