

June 21, 2011

Phyllis Beaulieu
Nunavut Water Board
P.O. Box 119
Gjoa Haven, NU
X0B 1J0
(867) 360-6338

Re: 2AM-DOH0713 – Relocation and Design of Sewage Treatment Plant Effluent Discharge Rev A

Dear Ms. Beaulieu,

Hope Bay Mining Ltd. (HBML) would like to present to the Nunavut Water Board (NWB) with the proposed location and design of the sewage treatment plant effluent discharge to be relocated in 2011. Please see the attached engineering drawing. This updated drawing indicates a slightly different arrangement than originally proposed. Upon further field investigation, it was determined that the southern portion of the bedrock outcrop was too fractured to allow efficient dispersal of water; therefore the design was altered to provide the most effective discharge pattern. This temporary discharge line will be redirected to the tailings impoundment area upon construction of the tailings line from the mill to Tail Lake.

HBML has discussed the discharge design and with the INAC inspector. Approval of the INAC inspector was provided in a telephone conversation on May 26, 2011. It is noted that the inspector felt the design was appropriate for improving dispersal of the effluent over a larger area, and should prevent erosion issues with the discharge occurring on bedrock. The attached drawing shows further improvement to the design that was discussed with the inspector on May 26, 2011.

HBML is also writing this letter to provide an update to the NWB with respect to the current status of site construction, in particular the Tail Lake Tailings Impoundment Area (TIA). HBML expects that the construction of the TIA will complete during winter 2011. Since TIA construction is not yet complete, HBML is notifying the NWB that it will be necessary to continue to discharge treated effluent from the Sewage Treatment Plant to the tundra until the TIA is operational (including installation of the effluent lines to the TIA) (as per Part G, Item 3(c) of the Type A Water Licence). This ongoing discharge will continue in compliance with all provisions of the Type A Water License, including in particular Part G, Item 2 “The Licensee shall ensure that all land applied discharges are

performed in a manner that prevents erosion at the point of discharge and downstream.”
Once the TIA is operational, treated effluent will be directed to the TIA as per Part G, Item 3(d), although HBML may be required to discharge to the tundra from time to time.

Should you have any questions or concerns regarding this notice, please do not hesitate to contact me at chris.hanks@newmont.com to discuss this further.

Sincerely,

for

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

cc. Ian Rumbolt, Water Resources Officer, INAC