

P.O. Box 119 GJOA HAVEN, NU XOB 1J0 TEL: (867) 360-6338 FAX: (867) 360-6369 File No: 2AM-DOH0713/G2, 3 and 4

July 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 G, Item 1; Receipt of Notice for installation of the Sewage Treatment Plant Effluent Diffuser, and Design

Dear Mr. Hanks:

The Nunavut Water Board (NWB) would like to acknowledge the receipt of a notification letter (dated June 21 2011) and accompanying drawing (dated June 9, 2011), in relation to the proposed Sewage Treatment Plant Effluent Diffuser at the Doris Camp. The diffuser, which is being proposed to reduce the potential for erosion as required under Part G, Item 2, by providing a multiple point discharge system and reduction in velocity of the discharge. The location has also been chosen (approximately 300m further to the southwest) to provide maximum erosion protection, as the discharge is directed to areas of bedrock outcropping, and provides the most effective discharge pattern, ultimately enhancing treatment over the natural tundra prior to entering Doris Lake. The letter has indicated as well, that the discharge design and location was discussed with the Inspector and that consensus had been reached on an appropriate discharge strategy. No formal written documentation was available for confirmation.

Initially, in a letter dated November 9, 2009, Hope Bay Mining Limited (HBML) had proposed the installation of a "rock diffuser" which would be installed to prevent erosion of the natural ground where discharge was taking place. Further to this, on May 9, 2011, HBML had proposed an alternative design, incorporating several discharge spigots, over a length of approximately 80m (given the scale provided on the drawing). In addition to the diffuser design, the discharge location has also been adjusted to meet with the condition Part G, Item 2 of the Licence.

Taking into consideration the information provided with the request, the NWB is in agreement with the approach HBML has taken to address ongoing operational concerns with erosion and the continued discharge of the sewage effluent to the tundra in order to comply with Part G, Item 2, until such a time as the Tailings impoundment Area is commissioned and the subsequent

redirection of the effluent to that facility. With respect to Part G, Item 4, and further to the NWB correspondence on May 25, 2010 requesting that updated information be incorporated into the sewage management plan (the Plan) as required, the NWB requests that HBML revise the Plan to incorporate the diffuser operations and provide as part of the annual reporting under Schedule B, Item 8. The update is to include the following:

- Operation and Maintenance procedures for the diffuser
- Routine Maintenance requirements
- Scheduled inspections of the diffuser and downstream flow paths
- An additional drawing showing the full flow path from the diffuser discharge location to Doris Lake, and
- Additional operational constraints due to requirements for discharge of sewage effluent outside of the summer discharge season that is proposed for the diffuser design (drawing no. H337888-D1925-10-035-0001Rev.A, Summer Discharge Arrangement-Detail 1).

Should you have any questions please feel free to contact the undersigned at 780-443-4406 or email at dts@nunavutwaterboard.org, or the NWB office.

Sincerely,

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

Cc: Kitikmeot Distribution List

