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July 19, 2011 VIA EMAIL

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

Re: 2AM-DOH0713 Notification of Water Discharge from Partially Constructed Tailings Impoundment Area to Doris Creek

Dear Ian and David,

As per Part G, Condition 1 of Type A Water Licence 2AM-DOH0713 ("the Licence"), Hope Bay Mining Ltd. ("HBML") is providing notice to the Inspector prior to discharging water from the Tail Lake Tailings Impoundment Area ("TIA"). As per the attached memo from SRK Engineering, the planned discharge has been recommended by our Geotechnical Engineer in order to ensure the structural integrity of the partially constructed North Dam is maintained in the interim period until the TIA can be completed next winter. The intent of the discharge is to keep the water level in Tail Lake below 29.5 m above sea level. To date, no tailings have been placed in the TIA because the fish-out has not yet been completed. The water level is at its current elevation due to natural accumulation.

Water samples were taken from Tail Lake during the week of July 4, 2011 to confirm that the discharge meets all criteria set out in Part G of the Licence, in particular those set out at Conditions 26–28. Results of the water sample analysis are attached. As the results show, the water meets the discharge criteria and we ask that permission to discharge be granted as soon as possible in order to start managing the water level in the TIA. When discharging, we will not exceed a discharge rate of 10% of the background flow in Doris Creek as measured at monitoring station TL-2 at the time of discharge, as per Part G, Condition 30 of the Licence. We

also wish to notify you that if, in the opinion of our Geotechnical Engineer, an emergency discharge is necessary to protect the structural integrity of the North Dam due to the fact that water levels reach 29.5 m, as described in the SRK memo, we may request immediate approval to discharge water from Tail Lake at a rate higher than 10% of background flow in Doris Creek.

Kindly acknowledge receipt of this notification and direct any questions to the undersigned. If you have any questions please feel free to contact me at chris.hanks@newmont.com.

Sincerely,

Léa-Marie Bowes-Lyon

Digitally signed by Léa-Marie Bowes-Lyon
DN: cn=Léa-Marie Bowes-Lyon, o=Hope Bay Mining Ltd., ou=ESR, email=lea-marie.bowes-lyon@newmont.com, c=CA
Date: 2011.07.19 14:01:23 -07'00'

for

Chris Hanks
Vice President, Environmental Affairs
Hope Bay Mining Ltd.

cc. Phyllis Beaulieu, Nunavut Water Board

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Memo

To:	Kevin Mather	**Date:**	July 19, 2011
Company:	JDS Engineering	**From:**	Maritz Rykaart
Copy to:	Chris Hanks, Christine Kowbel	**Project #:**	1CH008.033
Subject:	Tail Lake Water Level		

On April 15, 2011 SRK prepared a close-out plan for temporary cessation of construction of the North Dam due to the onset of warmer temperatures, which prevented timely freeze-back of the core material.

At that time SRK reassessed the water balance for Tail Lake, taking into consideration the expected rise in water levels for the summer and fall season of 2011. Considering only natural inflows from the Tail Lake catchment, and zero outflows due to the presence of the North Dam, the water level in Tail Lake was estimated to rise from the normal level in Tail Lake of 28.3 m to between 28.9 m and 29.3 m, depending on which combination of anticipated climatic events were modeled. Based on that analysis, SRK recommended that a minimum interim design height for the North Dam core be set at 29.8 m which included 0.5 m freeboard over the maximum anticipated water level rise in Tail Lake for the 2011 summer and fall seasons. This was subsequently implemented and the dam core was constructed to an elevation of 29.8 m.

Water level measurements in Tail Lake taken since June 17, 2011has confirmed that the level is raising significantly faster than what was anticipated, most likely due to the water in Tail Lake having been at an above normal initial elevation when dam construction started. By July 8, 2011 the water level in Tail Lake has reached the interim FSL of 29.3 m leaving only the interim design freeboard remaining.

Further re-evaluation of the water balance, using the available rate of infill as calibration leads SRK to conclude that emergency measures should be put in place to manage the water level in Tail Lake to prevent overtopping of the partially completed frozen core structure. Such overtopping would lead to complex, time-consuming and expensive repairs once dam construction resumes in November or December of 2011.

The water balance was rerun once again considering a number of different anticipated climatic events, including average precipitation, wetter than normal precipitation, reduced evaporation potential, and inflow of extreme storm events and we have concluded that should the water level in Tail Lake reach 29.5 m immediate measures should be put in place to maintain the water level at 29.5 m or less. This is based on the fact that a 1:100 year, 24-hr duration storm event would result in a water level rise in Tail Lake of about 0.25 m.

In accordance with the Type A Water Licence for the Doris North Project, discharge from Tail Lake cannot exceed 10% of the flow in Doris Creek as determined by hydrometric monitoring station TL-2. To minimize the overtopping risk for the partially constructed North Dam, SRK in our capacity as Engineer-of Record for the North Dam recommends that the water level in Tail Lake be lowered by immediately starting discharge in accordance with the Water Licence. It should however be acknowledged that should the water level continue to rise it may be necessary to discharge at a rate that exceed the Licensed volumes to prevent overtopping.

Regards

SRK Consulting (Canada) Inc.

Maritz Rykaart, Ph.D., P.Eng.
Principal

ALS		Sample ID	TL4-5JULY11
7/17/2011		ALS ID	L1027749-1
L1027749		Date Sampled	6/6/2011 2:45:00 PM
Analyte	**Units**	**LOR**	Water
Hardness (as CaCO3)	mg/L	1.3	33.3
pH	pH	0.1	7.51
Total Suspended Solids	mg/L	3	<3.0
Total Dissolved Solids	mg/L	5	92
Ammonia (as N)	mg/L	0.05	<0.050
Chloride (Cl)	mg/L	0.5	22.6
Nitrate (as N)	mg/L	0.05	<0.050
Orthophosphate-Dissolved (as P)	mg/L	0.01	<0.010
Phosphorus (P)-Total	mg/L	0.02	<0.020
Cyanide, Weak Acid Diss		n/a	IP
Cyanide, Total	mg/L	0.002	<0.0020
Cyanide, Free	mg/L	0.01	<0.010
Fecal Coliforms	CFU/100mL	1	3
Aluminum (Al)-Total	mg/L	0.01	0.037
Antimony (Sb)-Total	mg/L	0.0004	<0.00040
Arsenic (As)-Total	mg/L	0.0004	<0.00040
Barium (Ba)-Total	mg/L	0.003	<0.0030
Beryllium (Be)-Total	mg/L	0.001	<0.0010
Boron (B)-Total	mg/L	0.05	<0.050
Cadmium (Cd)-Total	mg/L	0.00005	<0.000050
Calcium (Ca)-Total	mg/L	0.5	6.84
Chromium (Cr)-Total	mg/L	0.005	<0.0050
Cobalt (Co)-Total	mg/L	0.002	<0.0020
Copper (Cu)-Total	mg/L	0.001	0.0015
Iron (Fe)-Total	mg/L	0.01	0.068
Lead (Pb)-Total	mg/L	0.0001	<0.00010
Lithium (Li)-Total	mg/L	0.01	<0.010
Magnesium (Mg)-Total	mg/L	0.1	4
Manganese (Mn)-Total	mg/L	0.002	<0.0020
Mercury (Hg)-Total	mg/L	0.0001	<0.00010
Molybdenum (Mo)-Total	mg/L	0.005	<0.0050
Nickel (Ni)-Total	mg/L	0.002	<0.0020
Potassium (K)-Total	mg/L	0.1	1.15
Selenium (Se)-Total	mg/L	0.0004	<0.00040
Silver (Ag)-Total	mg/L	0.0001	<0.00010
Sodium (Na)-Total	mg/L	1	11.5
Thallium (Tl)-Total	mg/L	0.0001	<0.00010
Tin (Sn)-Total	mg/L	0.05	<0.050
Titanium (Ti)-Total	mg/L	0.001	<0.0010
Uranium (U)-Total	mg/L	0.0001	<0.00010
Vanadium (V)-Total	mg/L	0.001	<0.0010
Zinc (Zn)-Total	mg/L	0.004	<0.0040
Aluminum (Al)-Dissolved	mg/L	0.01	0.013
Antimony (Sb)-Dissolved	mg/L	0.0004	<0.00040
Arsenic (As)-Dissolved	mg/L	0.0004	<0.00040
Barium (Ba)-Dissolved	mg/L	0.003	<0.0030
Beryllium (Be)-Dissolved	mg/L	0.001	<0.0010
Boron (B)-Dissolved	mg/L	0.05	<0.050

Cadmium (Cd)-Dissolved	mg/L	0.00005	<0.000050
Calcium (Ca)-Dissolved	mg/L	0.5	6.73
Chromium (Cr)-Dissolved	mg/L	0.005	<0.0050
Cobalt (Co)-Dissolved	mg/L	0.002	<0.0020
Copper (Cu)-Dissolved	mg/L	0.001	0.0012
Iron (Fe)-Dissolved	mg/L	0.03	<0.030
Lead (Pb)-Dissolved	mg/L	0.0001	<0.00010
Lithium (Li)-Dissolved	mg/L	0.003	0.0031
Magnesium (Mg)-Dissolved	mg/L	0.1	4.02
Manganese (Mn)-Dissolved	mg/L	0.005	<0.0050
Mercury (Hg)-Dissolved	mg/L	0.0001	<0.00010
Molybdenum (Mo)-Dissolved	mg/L	0.005	<0.0050
Nickel (Ni)-Dissolved	mg/L	0.002	<0.0020
Potassium (K)-Dissolved	mg/L	0.5	1.26
Selenium (Se)-Dissolved	mg/L	0.0004	<0.00040
Silver (Ag)-Dissolved	mg/L	0.0001	<0.00010
Sodium (Na)-Dissolved	mg/L	1	11.6
Thallium (Tl)-Dissolved	mg/L	0.0001	<0.00010
Tin (Sn)-Dissolved	mg/L	0.05	<0.050
Titanium (Ti)-Dissolved	mg/L	0.001	<0.0010
Uranium (U)-Dissolved	mg/L	0.0001	<0.00010
Vanadium (V)-Dissolved	mg/L	0.001	<0.0010
Zinc (Zn)-Dissolved	mg/L	0.002	0.0021
Biochemical Oxygen Demand	mg/L	2	<2.0
Oil and Grease	mg/L	1	<1.0
Radium-226		n/a	IP
IP = In Progress	Mouse-over the cell to see the current status.		