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June 04, 2012

Eva Paul
Water Resource Officer
Aboriginal Affairs and Northern Development Canada
Building 915, P.O. Box 100
Iqaluit, NU X0A 0H0
Eva.Paul@aandc-aadnc.gc.ca

Dear Eva,

Re: 2AM-DOH0713 Notification of Discharge from Tail Lake (TL-1) to Doris Creek – Additional Information

As per the discharge notification for Tail Lake dated May 30, 2012, HBML has requested permission to reduce the 2 week pre-discharge sampling period required at TL-2 (background Doris Creek) to begin discharging as soon as possible once the creek begins to flow to take full advantage of the early freshet volumes. HBML completed the 2 week pre-discharge sampling from on-ice in Tail Lake (TL-1) in anticipation of freshet, however, Doris Creek is not yet flowing, meaning the TL-2 samples cannot yet be collected.

As per our discussion via telephone on June 4, 2012, HBML is providing supplemental information to explain the rationale for reducing the number of samples collected from TL-2 prior to discharge, and to outline our commitment to meet the remaining licence conditions pertaining to the Tail Lake discharge in 2012.

As per Part J Item 2 of the water licence, HBML will install the continuous monitoring hydrostation at TL-2 to calculate the maximum permitted daily discharge volume for the Tail Lake discharge. HBML will not discharge more than 10% of the background flow of Doris Creek while dewatering Tail Lake.

As soon as the stream begins to flow, HBML will commence sampling TL-2 every second day until the hydrostation is installed and the 10% discharge volume can be calculated. HBML anticipates that at least one week would be required after the Doris Creek begins to open to allow installation of this hydrostation.

The intention of the TL-2 sampling frequency is to calculate the average concentration of each chemical parameter, to which the water quality at station TL-3 must be compared. HBML believes that decreasing the 2 week pre-discharge sampling period to 1 week prior to discharge will not impact the intended purpose of this sampling because sufficient baseline data for Doris Creek exists from historical sampling programs, and the 2011 Tail Lake dewatering program. This existing baseline data can be used for comparisons between TL-2 and TL-3 (downstream of the TL-4 discharge point).

With the single exception of reducing the pre-discharge sampling period at TL-2, HBML will collect samples at TL-1/TL-4, TL-2, TL-3 and TL-10 as described in Schedule J for the remainder of the 2012 dewatering program. A sampling location map has been included for your reference.

HBML does not anticipate issues with exceeding the TL-4 discharge criteria because neither water from the Doris site or tailings have been deposited in Tail Lake at this time. Sediment laden snow and rocks from construction of the North Dam had been placed on the ice of Tail Lake in winter 2011/12, which has the potential to increase the total suspended sediment concentrations. HBML commits to monitoring TL-4 throughout the 2012 dewatering program to ensure that the discharge criteria continue to be met once water from the Doris mine site begins to be placed into the lake. HBML also has the ability to monitor turbidity on-site, which can provide early warning if sediment and rock placed on the ice surface begin to increase the total suspended sediment levels in Tail Lake.

The water quality results and actual volume of water pumped will be included in the monthly SNP reports.

If you have any questions please feel free to contact me at angela.holzapfel@newmont.com .

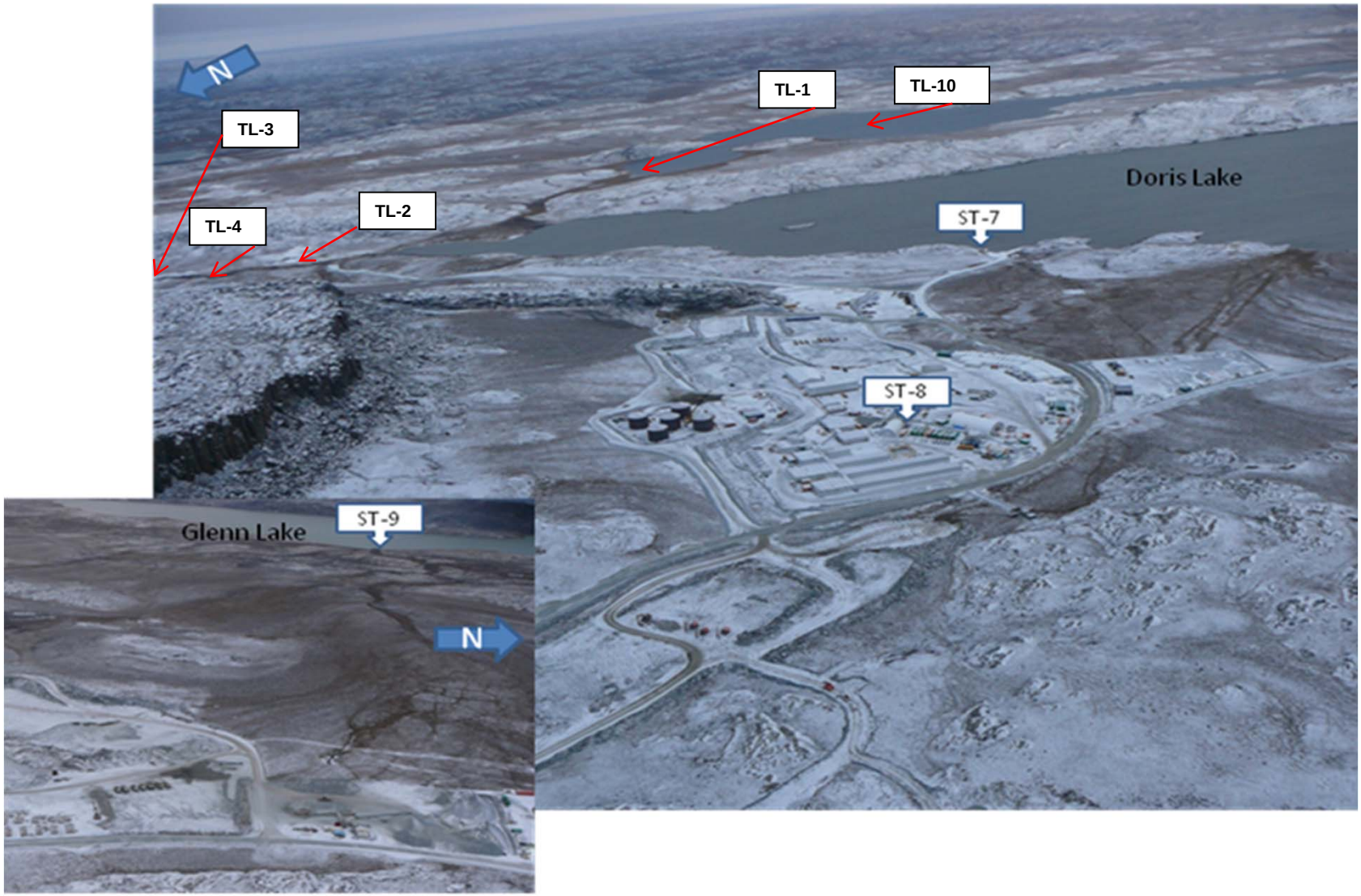
Sincerely,

Angela Holzapfel

Digitally signed by Angela Holzapfel
DN: cn=Angela Holzapfel, o=Hope Bay Mining Ltd, ou=Manager of Environmental Compliance, email=angela.holzapfel@newmont.com, c=CA
Date: 2012.06.04 15:18:07 -06'00'

Angela Holzapfel
Manager of Environmental Compliance
Hope Bay Mining Ltd.

cc. Phyllis Beaulieu, Nunavut Water Board, David Hohnstein, Nunavut Water Board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TL-3
TL-1
TL-10
TL-4
TL-2
Doris Lake
ST-7
ST-8
Glenn Lake
ST-9
N