

June 1, 2011

Steve Lines
Technical Services
Nunavut Water Board
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Responses to Comments on Waste Rock Management Plan and HBML Request Pursuant to Part G, Items 16 and 17

Dear Mr. Lines;

As requested, please find enclosed HBML's detailed response to the questions raised by the Kitikmeot Inuit Association ("KIA") in relation to HBML's Waste Rock Management Plan submitted to the Nunavut Water Board on December 10, 2010. This response has been provided separately to the KIA as well.

As well, Ms. Beaulieu has indicated that you have asked for clarification on the following, based on comments received from Indian and Northern Affairs Canada ("INAC") and Environment Canada ("EC").

- EC – information on dust suppressants;
- INAC – HBML to confirm that Part G, Item 16 is not affected by the waste rock management plan. Part G, Item 16 states, "The Licensee shall store all potentially acid generating rock at the Temporary Waste Rock Pad prior to ultimate disposal underground as mine backfill, unless otherwise approved by the Board."

On the first point, HBML has enclosed the MSDS sheets on DL-10 and EK-35 as requested by Environment Canada. This information has been provided to Environment Canada by copy on this letter.

On the second point, HBML confirms that Part G, Item 16 would not be affected by the waste rock management plan. All PAG waste rock will be returned underground as currently required by the Licence. HBML is proposing to utilize non-PAG rock as construction material. Any non-PAG waste rock used for construction would be monitored as per Part D Item 21 and reported on as per Part D Item 22.

Provided the NWB approves our December 10, 2010 request, HBML would like to begin placing waste rock in areas other than the Temporary Waste Rock Storage Pad (e.g. on Pads F and G), consolidating Pads I, F and G, and utilizing non-PAG waste rock as construction material as soon as possible. Approval of this request will result in significant improvements in site operations.

Thank you for your consideration of our request and our Waste Rock Management Plan. Please do not hesitate to contact me if you have any further questions.

Sincerely,

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

cc. Phyllis Beaulieu, Allison Dunn (Environment Canada), Luigi Torretti (KIA Lands), David Abernethy (INAC)