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NUNAVUT WATER BOARD
NUNAVUT IMALIRIYIN KATIMAYIT
OFFICE DES EAUX DU NUNAVUT

File: 2AM-DOH0713/ G-15, 17

July 21, 2011

Mr. Chris Hanks
Director Environment, Social Responsibility
Hope Bay Mining Ltd.
Suite 300, 889 Harbourside Drive
North Vancouver, B.C.,
V7P 3S1
Email: Chris.Hanks@Newmont.com

Subject: Hope Bay Project Doris North Waste Rock and Ore Management Plan, December 2010 and Request Pursuant to Part G, Items 16 and 17 of Water Licence 2AM-DOH0713.

Dear Mr. Hanks,

On December 10, 2010, the Nunavut Water Board (NWB) received Hope Bay Mining Ltd.'s (HBML) revised Waste Rock Management Plan, entitled "Hope Bay Project Doris North Waste Rock and Ore Management Plan" dated December 2010 (Plan) for review in accordance with Part G, Item 15 of Type A Water Licence 2AM-DOH0713 (Licence). In addition, the NWB received HBML's request for Board approval to place waste rock in areas other than the Temporary Waste Rock Pad (Pad I) in accordance with Part G, Item 17 of the Licence (Request). This Request involved: (a) Board approval to temporarily place waste rock on adjacent Pads F and G; and (b) Board approval to place non-acid generating waste rock for construction.¹

On February 10, 2011, the NWB distributed HBML's Plan to interested parties for review and comment.² By March 10, 2011, the NWB was in receipt of comments from Indian and Northern Affairs Canada (INAC)³, Environment Canada (EC)⁴, and the Kitikmeot Inuit Association (KIA)⁵. On June 2, 2011, HBML provided a detailed response to KIA's comments as well as clarifications to address INAC and EC

¹ Letter from C. Hanks, HBML, to P. Beaulieu, NWB, Re: 2AM-DOH0713 – Revised Waste Rock Management Plan, dated December 9, 2010.

² Email from P. Beaulieu, NWB, to C. Hanks and L. Bowes-Lyon, HBML, Subject: 110210 2AM-DOH0713 Request Pursuant to Part G, Items 16 and 17, dated February 10, 2011.

³ Letter and Technical Memo from D. Abernethy, INAC, to P. Beaulieu, NWB, Re: Type A Water Licence No. 2AM-DOH0713 – Doris North Project – Hope Bay Mining Ltd. – Kitikmeot Region – December 2010 Waste Rock and Ore Management Plan, dated March 10, 2011.

⁴ Letter from P. Smith, EC, to P. Beaulieu, NWB, Re: 110210 2AM-DOH0713 Request Pursuant to Part G, Items 16 and 17, dated March 10, 2011.

⁵ Letter from L. Torretti, KIA, to P. Beaulieu, NWB, Re: 110210 2AM-DOH0713 Request Pursuant to Part G, Items 16 and 17, dated March 10, 2011.



comments.^{6,7} On June 16, 2011, the NWB acknowledged receipt of HBML's response and requested confirmation from KIA that the responses provided the clarification necessary to complete their assessment of the Plan.⁸ On June 29, 2011 the KIA confirmed that it was satisfied with HBML's submission.⁹

All documents and correspondence related to the file are available from the NWB's ftp site using the username "public", password "registry" without the quotes at:

[ftp://nunavutwaterboard.org/1%20PRUC/2%20MINING%20MILLING/2A/2AM%20-%20Mining/2AM-DOH0713/3%20TECH/4%20WASTE%20DISP%20\(G\)/](ftp://nunavutwaterboard.org/1%20PRUC/2%20MINING%20MILLING/2A/2AM%20-%20Mining/2AM-DOH0713/3%20TECH/4%20WASTE%20DISP%20(G)/)

Based on the information submitted and the NWB's internal assessment, the Board has determined under Motion 2011-11-L10, dated July 20, 2011 that it cannot approve HBML's Request without processing an amendment to Part D, Item 24 of the Licence to allow for the use of non-acid generating waste rock during construction. Part D, Item 24 states:

The Licensee shall not use waste rock from underground for the construction of any infrastructure.

The Board notes that although section 2.4 of the revised Waste Rock Management Plan indicates that Part D, Item 24 of the Licence was considered in the development of the Plan, the Plan does not specifically address compliance with this condition of the Licence.

In addition, either an amendment to Part G, Item 17 of the Licence, or the definition of "Temporary Waste Rock Pad" is required to approve the placement of waste rock in areas other than the Temporary Waste Rock Pad which is defined in Schedule A of the Licence:

"Temporary Waste Rock Pad" means the engineered facility designed for the temporary deposit of waste rock as illustrated in the Revised Water Licence Application Supporting Document S4 entitled "Engineering Drawings for Tailings Containment Area and Surface Infrastructure Components" DWGS S-07 and S-08, SRK Job Number ICM014.008.

Furthermore, the Board cannot accept the revised Waste Rock Management Plan as presented, as proposed activities in the Plan and the related Request conflict with conditions of the Licence as discussed above. As such, the Board is continuing to require submission of a revised Plan from HBML in accordance with Part G, Item 15 of the Licence that complies with the conditions of the Licence.

If HBML wishes to proceed with an amendment to the Licence to proceed with the Request, an application to amend the Licence must be submitted in accordance with the NWB's *Guide 7: Licensee Requirements Following the Issuance of a Water Licence*, April 2010. The amendment application should be submitted as soon as possible to give the NWB sufficient time to go through the amendment process, understanding that in accordance with sections 52(1) and 56(1) of the *Nunavut Waters Nunavut Surface*

⁶ Letter from C. Hanks, HBML, to S. Lines, Tunaley, Lines & Associates on behalf of NWB, Re: Responses to Comments on Waste Rock Management Plan and HBML Request Pursuant to Part G, Items 16 and 17, dated June 1, 2011.

⁷ Memo from K. Sexsmith, SRK Consulting, to C. Hanks, HBML, Subject: Formal SRK Responses to KIA Requests, dated May 11, 2011.

⁸ Letter from D. Hohnstein, NWB, to C. Hanks, HBML, Re: Acknowledgement of Receipt of Response to Comments on Waste Rock Management Plan and Request Pursuant to Part G, Items 16 and 17, dated June 16, 2011.

⁹ Email from L. Torretti, KIA, to P. Beaulieu, NWB, Subject: RE: 110616 2AM-DOH0713 Part G, Items 16 and 17, dated June 29, 2011.



Rights Tribunal Act a public hearing may be required and the amendment is subject to Ministerial approval.

Should you have any further questions, please contact me at dts@nunavutwaterboard.org or (780) 443-4406.

Sincerely,

Original signed by:

David Hohnstein
Director of Technical Services
DH/kt

Cc. Kitikmeot Distribution List

