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November 9, 2009

Phyllis Beaulieu Manager of Licensing Nunavut Water Board P.O. Box 119 Gjoa Haven, NU X0B 1J0 (867) 360-6338

Re: 2AM-DOH0713 (the "Water License") – Sewage Treatment Plant Operation and Monitoring

Dear Ms. Beaulieu,

This letter is intended to respond to the points raised in Dionne Filiatrault's letter of August 26, 2009 regarding the Sewage Treatment Plant operation and monitoring.

Currently, treated effluent produced at the Doris sewage treatment plant is being discharged as per Part G, Item 3c of the Water License, 400 metres north of the camp pad. As per Part G Item 3d of the Water License, treated effluent is to be disposed of in the tailings impoundment area once this facility is operational. HBML plans to have the tailings impoundment area completed by 2012. Until that time, HBML will continue to discharge treated effluent at the location it is currently using. In order to protect the permafrost at the current discharge location, HBML will construct a rock diffuser in 2010. The design for this structure is currently being done by SRK. Once the design is complete HBML will file a copy with the NWB. This proposal was previously discussed and agreed upon by the INAC inspector during the July 2009 inspection.

A review of the 2008 Sewage Treatment Plant Management Plan was undertaken and no changes are required are required at this time for the existing facility.

Hope Bay Mining Ltd (HBML) under separate cover will shortly file an amendment to the 2AM-DOH0713 water licence to increase the capacity of the Doris Camp to 240 beds and to double the current sewage treatment plant capacity. If the amendment is approved, HBML will file an updated Sewage Treatment Plant Management Plan for the expanded facility.

Thank you for your time and consideration of our response. If you should have any further questions please feel free to contact me at <a href="mailto:chris.hanks@newmont.com">chris.hanks@newmont.com</a>.

Sincerely yours,

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

cc: David Hohnstein, Acting Director of Technical Services