et du Nord Canada

Our reference File # IQA-N 9545-2-1.2AM.DOHA UNC CIDMS #386223

February 05, 2010

Phyllis Beaulieu Manager of Licensing Nunavut Water Board Gjoa Haven, Nunavut X0E 1J0

Your reference 2AM-DOH0713/TR/H1

Sent Via Email

Dear Phyllis,

Subject Water License #2AM-DOH0713/TR/H1, Hope Bay Mining Ltd.,

Doris North Project, Kitikmeot Region, Submission of

Notification of Construction of a Landfarm

Please be advised that on behalf of Indian and Northern Affairs Canada, I have completed a review of the above referenced Hope Bay Mining Ltd. submission to the Nunavut Water Board.

A Technical Review Memorandum (attached) is provided to the Board for consideration.

Should you have any questions regarding this submission, feel free to contact me at 867 975-4555 or David.Abernethy@inac-ainc.gc.ca.

Regards,

David W. Abernethy Water Resources Regional Coordinator Operations Directorate, Nunavut Regional Office Indian and Northern Affairs Canada Igaluit, Nunavut XOA OHO

Attached.

Cc: Lou-Ann Cornacchio, INAC Water Resources Manager



TECHNICAL REVIEW MEMORANDUM

Date: Feb. 05/10

To: Phyllis Beaulieu, Nunavut Water Board

From: David Abernethy, Indian and Northern Affairs Canada

Re: Water License #2AM-DOH0713/TR/H1, Hope Bay Mining Ltd.,

Doris North Project, Kitikmeot Region, Submission of

Notification of Construction of a Landfarm

A. PROJECT DESCRIPTION

On Dec. 21/09 Hope Bay Mining Ltd. (HBML) submitted a notification of construction of a landfarm at the Doris North Project along with design drawings to the Nunavut Water Board (NWB) pursuant to Part H, Item #1 of their Type A Water License. The NWB subsequently distributed this information to interested parties on Jan. 6/09.

Part H, Item #1 of the License states,

The Licensee may, without written consent from the Board, carry out Modifications to the Water Supply Facilities and Waste Disposal Facilities provided that such Modifications are consistent with the terms of this License and the following requirements are met,

- a. The Licensee has notified the Board in writing of such Modifications at least sixty (60) days prior to beginning the Modifications;
- b. Such Modifications do not place the Licensee in contravention of the License or the Act;
- c. The Board has not, during the sixty (60) days following notification of the proposed Modifications, informed the Licensee that review of the proposal will require more than sixty (60) days; and,
- d. The Board has not rejected the proposed Modifications.

HBML plans to begin constructing a landfarm for the treatment of hydrocarbon contaminated soil this year. They have submitted revised design drawings for this facility because it will no longer be constructed in an excavated quarry (Quarry #2) as originally planned due to a delay in the excavation of this aggregate material source. HBML is now proposing to construct this facility in a location on the immediate south side of the Quarry #2 access road on the west side of the road from the Doris Camp to Roberts Bay.

Following construction, HBML will submit as-built drawings prepared by the engineer of record pursuant to Part H, Item #3 of the License. Furthermore, HBML will submit an updated Landfarm Management Plan prior to making use of this facility pursuant to Part G, Item #14.

B. Results of Review

Indian and Northern Affairs Canada (INAC) has reviewed the above-referenced HBML submission and provides the following comments / recommendations to the Board for consideration,

1. Revised Design

The submitted design drawings are different from those that Miramar Hope Bay Ltd. (Miramar), the previous Licensee, provided to the NWB in their Nov. 2/06 Type A Water License Application. The original Oct. 2006 design drawings had a landfarm constructed within a landfill facility. The revised design drawings do not make reference to a landfill facility and the landfarm is much larger, comprising of three (3) separate cells. These separate cells are labeled Water Pond, Snow Pond, and Soil Pond.

As mentioned in HBML's Nov. 9/09 HBML letter to the NWB, HBML is preparing a conceptual design for a landfill facility and will present a site study to the Kitikmeot Inuit Association (KIA) concerning its construction on their land. Once and if an agreement is made with the KIA, HBML will submit landfill design drawings and a management plan to the NWB.

It appears that HBML is following the required water license process for the construction of their landfarm facility. Changes to this facility's design will not change the desired goal of treating recovered hydrocarbon contaminated soils through bioremediation.

2. As-built Drawings and Updated Landfarm Management Plan

The revised landfarm facility design must be reflected in HBML's as-built drawing and Landfarm Management Plan submissions. The Dec. 21/09 HBML submission states that these license conditions will be met.

Prepared by David Abernethy

Cc: Lou-Ann Cornacchio, INAC Water Resources Manager