

February 24, 2010

Nunavut Water Board
P.O. Box 119
Gjoa Haven, NU
X0B 1J0

Attn: Phyllis Beaulieu, Manager of Licensing
Dionne Filiatrault, Executive Director

Dear Ms. Beaulieu and Ms. Filiatrault;

Notification of Proposed Modification - Doris North Water Licence 2AM-DOH0713 Part H, Item 1 (Location of Explosives Facility)

Part H, Item 1 of the Doris North Water License 2AM-DOH0713 (the “License”) permits Hope Bay Mining Ltd. (“HBML”) to, without written consent from the Board, carry out Modifications¹ to the Water Supply Facilities² and Waste Disposal Facilities³ permitted under the Licence, provided that such Modifications are consistent with the terms of the Licence and the following requirements are met:

- a. the Licensee has notified the Board in writing of such proposed Modifications at least sixty (60) days prior to beginning the Modifications;
- b. such Modifications do not place the Licensee in contravention of the Licence or the *Act*;
- c. such Modifications are consistent with NIRB Project Certificate;
- d. 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
- e. The Board has not rejected the proposed Modifications.

HBML hereby submits notice of its proposal to revise the location of its Explosives Mixing and Storage Facility (the “Explosives Facility”), as illustrated in the drawings attached to this letter at Appendix A. The Explosives Facility has not yet been constructed. The Explosives Facility was originally intended to be located north-west of the Doris camp site, a safe distance west of the primary access road. This facility will instead be installed at the Secondary access road close to the proposed South Dam at Tail Lake.

¹ As per Schedule B, means an alteration to a physical work that introduces a new structure or eliminates an existing structure and does not alter the purpose or function of the work, but does not include an expansion.

² As per Schedule B, means the Fresh Water Intake, the Reclaim System and associated infrastructure.

³ As per Schedule B, means all site infrastructure designed to contain waste on a temporary or permanent basis including the Landfill, Landfarm, Tailings Impoundment Area, site Sumps, Pollution Control Pond, and Sedimentation Pond.

The Explosives Facility will be within the Commercial Lease boundary and the KIA has indicated it will permit the change.

(1) Description of Proposed Modification and Reason for Change

As set out in the original project description submitted to NIRB and NWB, the Doris North Project requires an Explosives Facility that includes Type-4 magazines to store high explosives, detonators and mixed ANFO. The Explosives Facility will also contain an ANFO mixing plant and bulk storage for Ammonium Nitrate. This facility will be designed and constructed in accordance with all appropriate federal and territorial regulations and will be subject to approval from the Mines Inspector.

The reason for the change to the location of the Explosives Facility is that the original proposed location would be unsafe. Construction scheduling required installation of the Doris North camp before blasting in Quarry 2 was complete. For safety reasons, access to Quarry 2 was relocated from the north to the west. The west access to Quarry 2 conflicts with the originally proposed Explosives Facility location as it no longer complies with the relevant safe quantity-distance requirements.

This change will not expand or alter the purpose or the function of the Explosives Facility.

(2) Confirmation of No Additional Impacts on Water and No Adverse Environmental Effects

HBML does not believe that there will be any additional impacts to water resulting from the changes to the Explosives Facility location, including impacts on drainage. There will be no associated increase in water consumption or waste water generation. The change to the Explosives Facility location will have no impact on effluent quality.

It is HBML's opinion (formed in consultation with its Rescan consultants) that the proposed change will not change the environmental impact of the Doris North Project in any significant manner and that pursuant to Article 12 and section 12.4.3 of the NLCA, the proposed change will not require a screening determination by the NIRB. By copy of this letter, HBML will confirm with NIRB that the proposed change is consistent with NIRB Certificate No. 003.

(3) Confirmation that Modification is Consistent with Terms of License

HBML will continue to comply with the terms of the Licence during construction and operation of the Explosives Facility, in particular Part D "Conditions Applying to Construction".

HBML has reviewed the conditions of the License to confirm that the change is consistent with the terms of the License. In HBML's view, there is no impact on nor changes required to any terms of the Licence. Where relevant, HBML has addressed specific terms of the Licence below.

- Schedule A, "*Explosives Mixing and Storage Facility*" means a facility designed for the storage of ammonium nitrate, detonators and explosives; and designed for the mixing and storage of Ammonium Nitrate Fuel Oil (ANFO), as illustrated in the Revised Water Licence Application Supporting Document S4 entitled "*Engineering Drawings for Tailings Containment Area and Surface Infrastructure Components*", DWG. S-04 dated Mar 2007, SRK Job Number ICM014.008.

The Explosives Facility will be illustrated by Drawing S-04, Rev. C, "Temporary Explosives Facility Layout and Typical Details", dated Feb. 2010.

HBML confirms that the revised Explosives Facility location will not trigger any substantive revisions to the plans required under the License, including:

- Emergency Response and Contingency Plan (as described in Part I, "Conditions Applying to Contingency Planning") (also known as the "Spill Contingency Plan" dated September 30, 2009 and the "Revised Emergency Response Contingency Plan" dated September 30, 2009);
- Water Monitoring Program (as described in Part J, "Conditions Applying to General and Aquatic Effects Monitoring" and as detailed in the Tables of Schedule J) ;
- Water Management Plan (as described in Part F, "Conditions Applying to Water Management" (note this plan is currently being prepared for submission); and
- Quality Assurance/Quality Control Plan (as described in Part K, "Conditions Applying to General and Aquatic Effects Monitoring Plans").

(4) Construction Schedule

HBML proposes to proceed with construction of the Explosives Facility as soon as practical, such that the facility can be operational by April 2010.

Issued for construction drawings are currently being prepared by SRK Consulting (Canada) Inc. who will act as engineer-of-record for design and construction. These drawings will be submitted to the NWB as soon as they are available and in any event prior to construction. As per the requirements of Part H, Item 3 of the License, as-built drawings by a Professional Engineer registered in Nunavut will be submitted to the NWB within 90 days of completion.

Should you have any questions regarding this submission, please do not hesitate to contact me directly.

Sincerely,

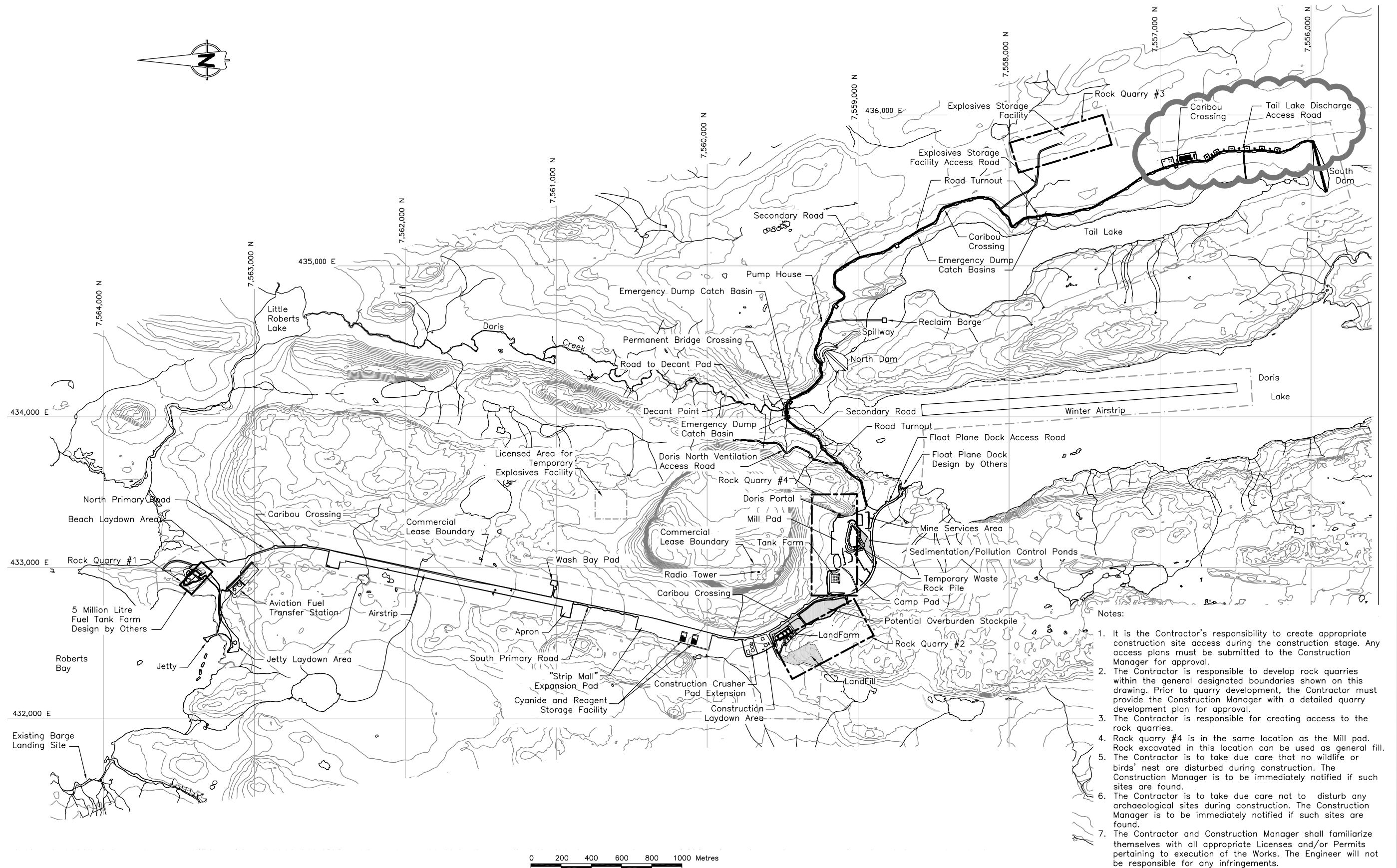
Chris Hanks
Director, Environmental & Social Responsibility
Hope Bay Mining Ltd.

Cc Stephanie Autut, NIRB
KIA

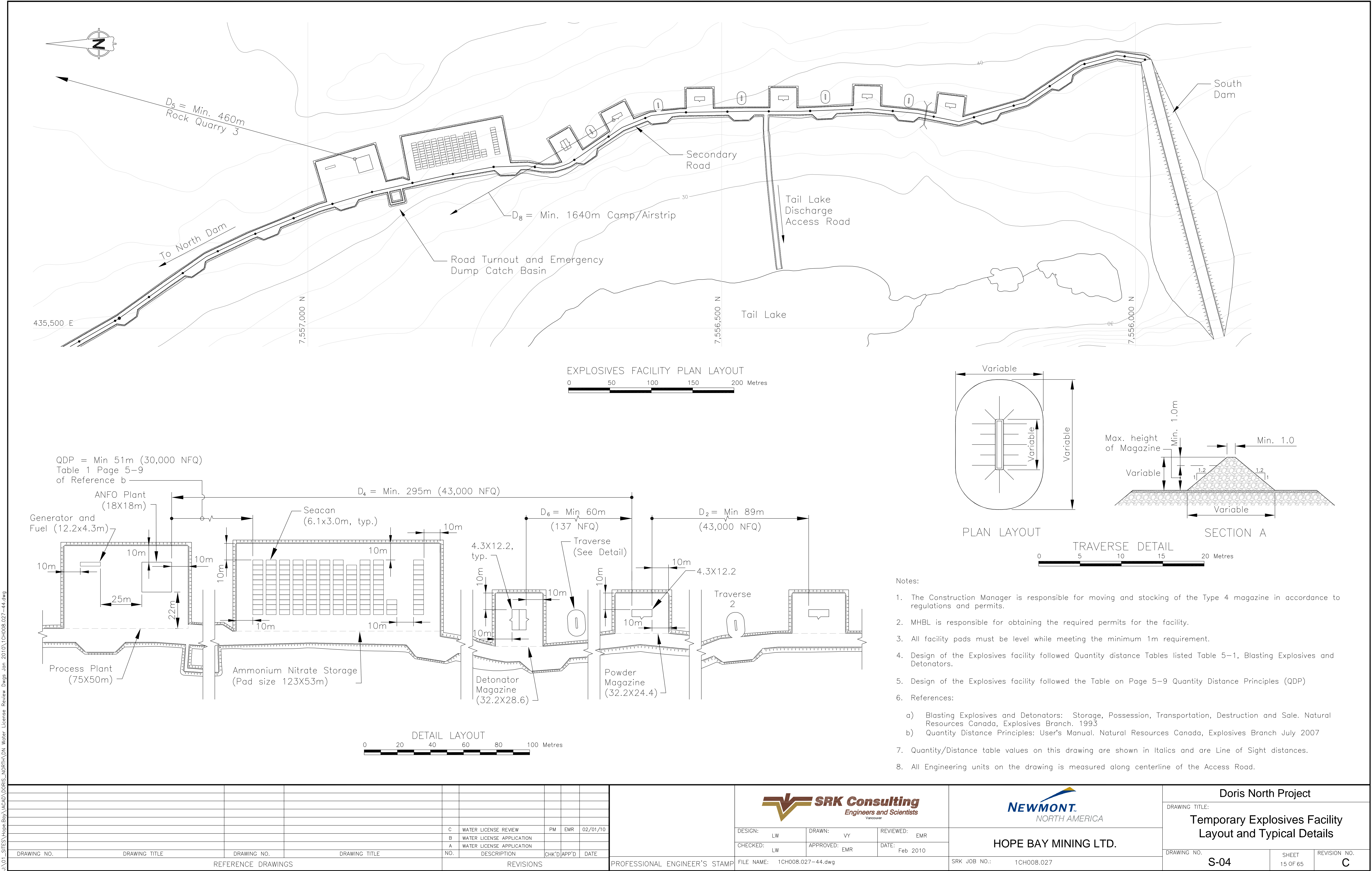
Appendix A: Engineering Drawings

1. G-02 Rev. E, “General Arrangement”
2. S-04 Rev. C, “Temporary Explosives Facility Layout and Typical Details”
3. Dwg. 1 Rev. 0, “Belt Wide General Arrangement”

STAKE OUT TABLE	
Easting	Northing
Quarry 1	
432825.0	7563415.0
432887.0	7563494.0
433040.0	7563351.0
432975.0	7563277.0
Quarry 2	
432793.6	7559026.5
432505.5	7559565.8
432263.7	7559436.5
432551.8	7558897.2
Quarry 3	
436000.7	7557380.0
435803.4	7557320.8
435618.6	7557936.0
435815.9	7557995.3
Quarry 4	
433487.9	7559008.9
433486.5	7559307.3
432816.6	7559308.9
432816.6	7559008.9



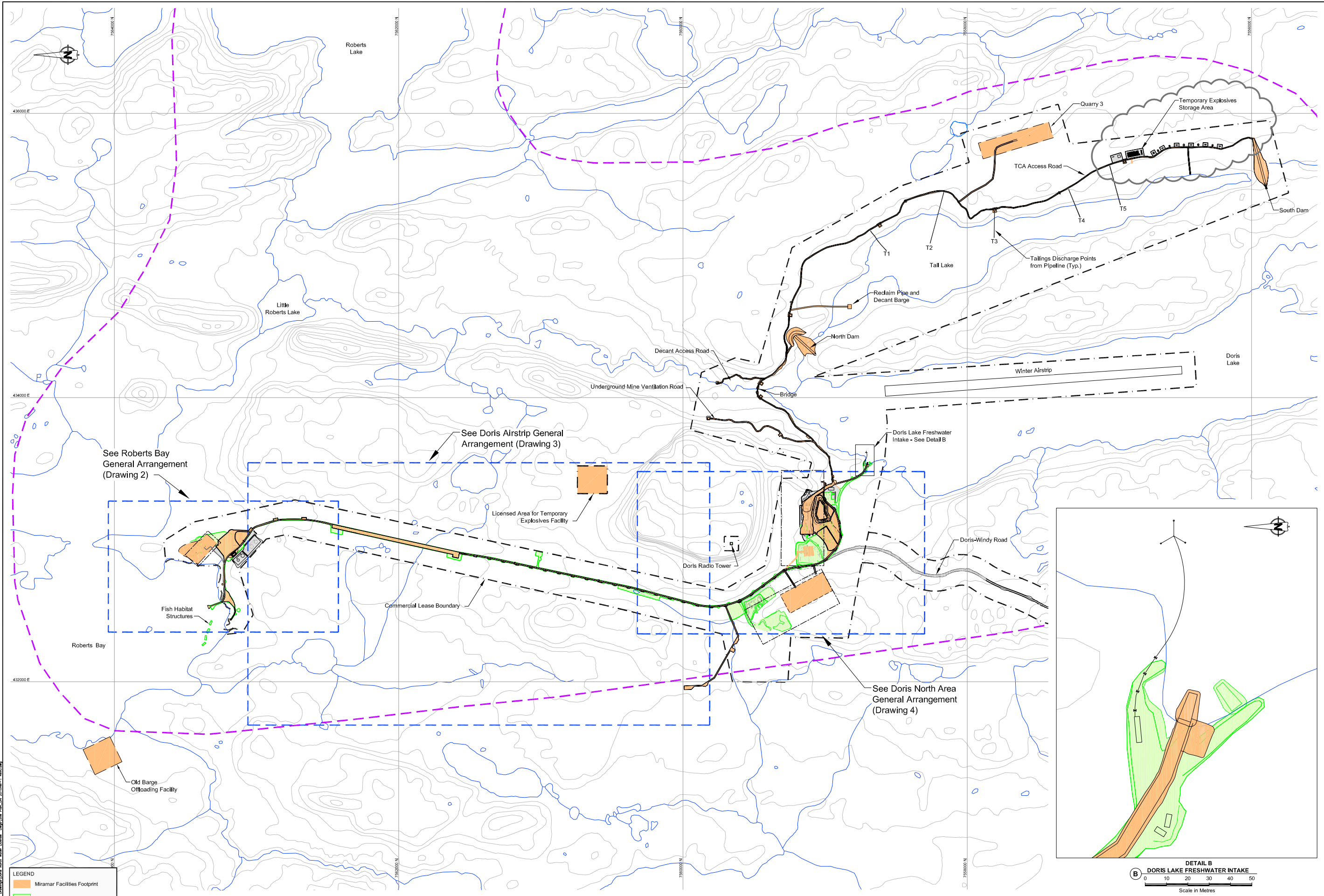
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- Notes:
1. The Construction Manager is responsible for moving and stocking of the Type 4 magazine in accordance to regulations and permits.
 2. MHBL is responsible for obtaining the required permits for the facility.
 3. All facility pads must be level while meeting the minimum 1m requirement.
 4. Design of the Explosives facility followed Quantity distance Tables listed Table 5-1, Blasting Explosives and Detonators.
 5. Design of the Explosives facility followed the Table on Page 5-9 Quantity Distance Principles (QDP)
 6. References:
 - a) Blasting Explosives and Detonators: Storage, Possession, Transportation, Destruction and Sale. Natural Resources Canada, Explosives Branch. 1993
 - b) Quantity Distance Principles: User's Manual. Natural Resources Canada, Explosives Branch July 2007
 7. Quantity/Distance table values on this drawing are shown in Italics and are Line of Sight distances.
 8. All Engineering units on the drawing is measured along centerline of the Access Road.

								Doris North Project		
								DRAWING TITLE:		
								Temporary Explosives Facility		
								Layout and Typical Details		
								DRAWING NO.		
								S-04		
								SHEET		
								15 OF 65		
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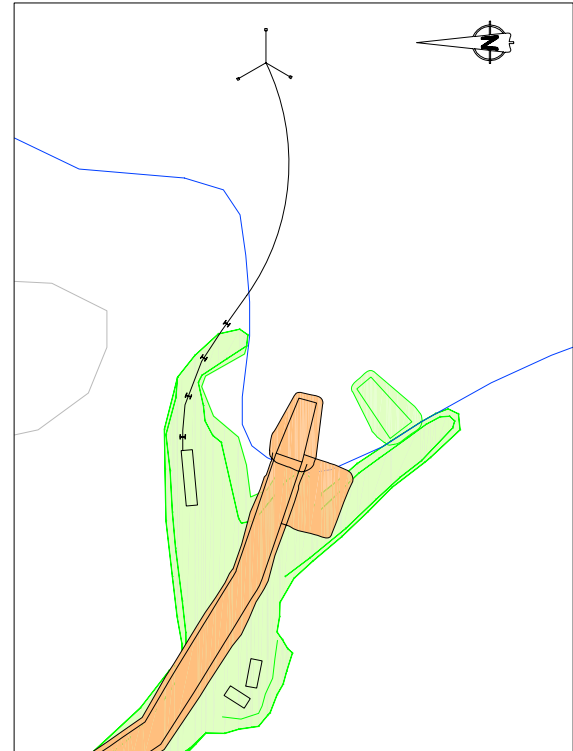
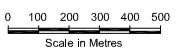
								Doris North Project		
								DRAWING TITLE:		
								Temporary Explosives Facility		
								Layout and Typical Details		
								DRAWING NO.		
								S-04		
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								15 OF 65		
								REVISION NO.		
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LEGEND

- Miramar Facilities Footprint
- As-built Footprint
- 2010 Construction
- Aquatic Assessment Boundary

NOTE: Contour Interval = 10m



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																				DESIGN: LW/EMR CHECKED: LW DRAWN: NW/YY APPROVED: EMR REVIEWED: EMR DATE: Feb. 3, 2010										HOPE BAY MINING LTD.										DRAWING TITLE: Belt Wide General Arrangement																																																																					
4 Doris North Area General Arrangement										0 ISSUED FOR DISCUSSION										LW EMR 3Feb10																																																																																									
3 Doris Airstrip Area General Arrangement																																																																																																													
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