

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 Portal)

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 the portal (the “Portal”) entrance approx. 100m north-north-west from the location originally proposed. The new location is illustrated in the drawings attached to this letter at Appendix A.

The portal will remain within the Commercial Lease boundary. On February 2, 2010, KIA issued to HBML an amendment to KTP307Q010 which permits HBML to excavate the portal

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.

face-off and permits HBML to use that material as quarry rock in accordance with the Quarry Rock Seepage Monitoring and Management program described in Part D, Item 21 of the License.

(1) Description of Proposed Modification and Reason for Change

The change to the original Portal location is necessary because the original Portal requires a significant uphill haul to the ore stockpile and waste rock pile locations. It would be extremely unsafe and inefficient for the underground mine haul trucks to operate on this grade during the winter months. The proposed new Portal location will result in the haul trucks coming out at grade with the ore stockpile location and upslope of the waste rock pile location.

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

(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 Portal location, including impacts on drainage. There will be no associated increase in water consumption or waste water generation.

It is HBML's opinion (formed in consultation with its Rescan consultants) that the proposed revisions to the Portal 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 Portal, in particular Part D "Conditions Applying to Construction".

The changes to the Portal location will not change effluent quality. HBML will continue to meet all effluent standards set out in the Licence and in particular those standards set during construction at Part D, Item 19.

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 in association with this change. Where relevant, HBML has addressed specific terms of the Licence below.

- Part A, Item 1. *MHBL may conduct mining, milling and associated activities at the Doris North Project in the Kitikmeot Region of Nunavut (68 09 N, 106 40 W) including, in general, as follows: ... The extraction of portal development rock, waste rock and ore from underground via decline*

HBML is proposing to extract portal development rock as authorized by Part A, Item 1. No changes are required to this provision.

- Part D, Item 23: *The Licensee shall ensure that all rock used in construction is non-acid generating.*

SRK Consulting (Canada) Inc. is currently conducting geochemical analysis to confirm that the portal development rock and rock associated with the change in alignment of the decline is not potentially acid generating rock. Preliminary analysis is attached at Appendix B to this Letter. HBML will provide final results of geochemical analysis to the Board once it is available, and will not proceed until it receives confirmation that the rock is not potentially acid generating.

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

- Quarry Rock Seepage Monitoring and Management program (as described in Part D, Item 21);
- Water Management Plan (as described in Part F, “Conditions Applying to Water Management”);
- Waste Rock Management Plan (as described in Part G, “Conditions Applying to Waste Management and Waste Management Plans,” Item 15);
- 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); 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 collaring the Portal as soon as practical, following any required review by the NIRB and NWB.

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 stamped 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,

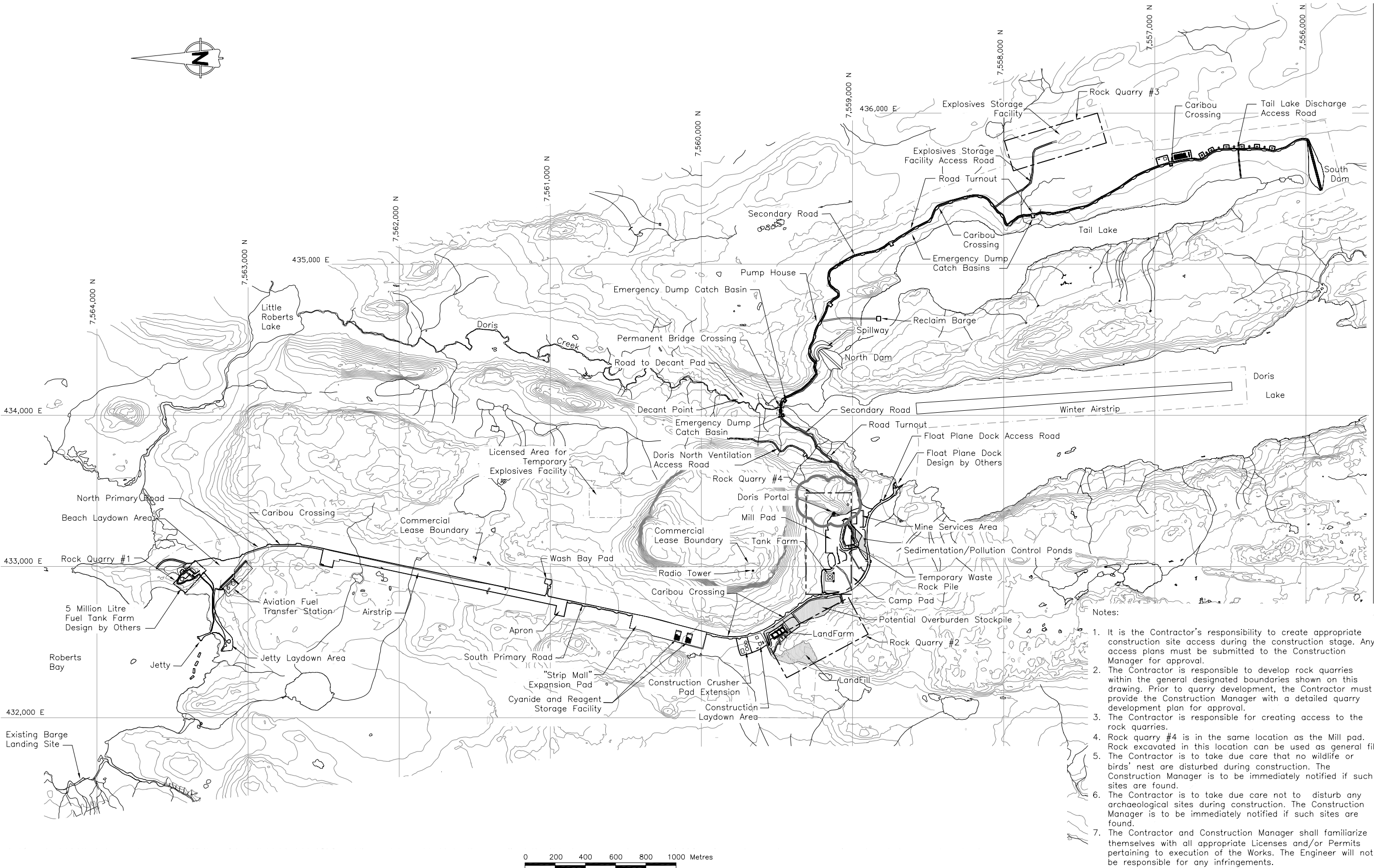
Chris Hanks
Director, Environmental & Social Responsibility
Hope Bay Mining Ltd.

Cc Stephanie Autut, NIRB
KIA

Appendix A: Engineering Drawings

1. G-02 Rev. E, “General Arrangement”
2. S-07 Rev. C, “Camp and Mill Pad Plan”
3. Dwg. 1 Rev. 0, “Belt Wide General Arrangement”
4. Dwg. 4 Rev. 0, “Doris North Area 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

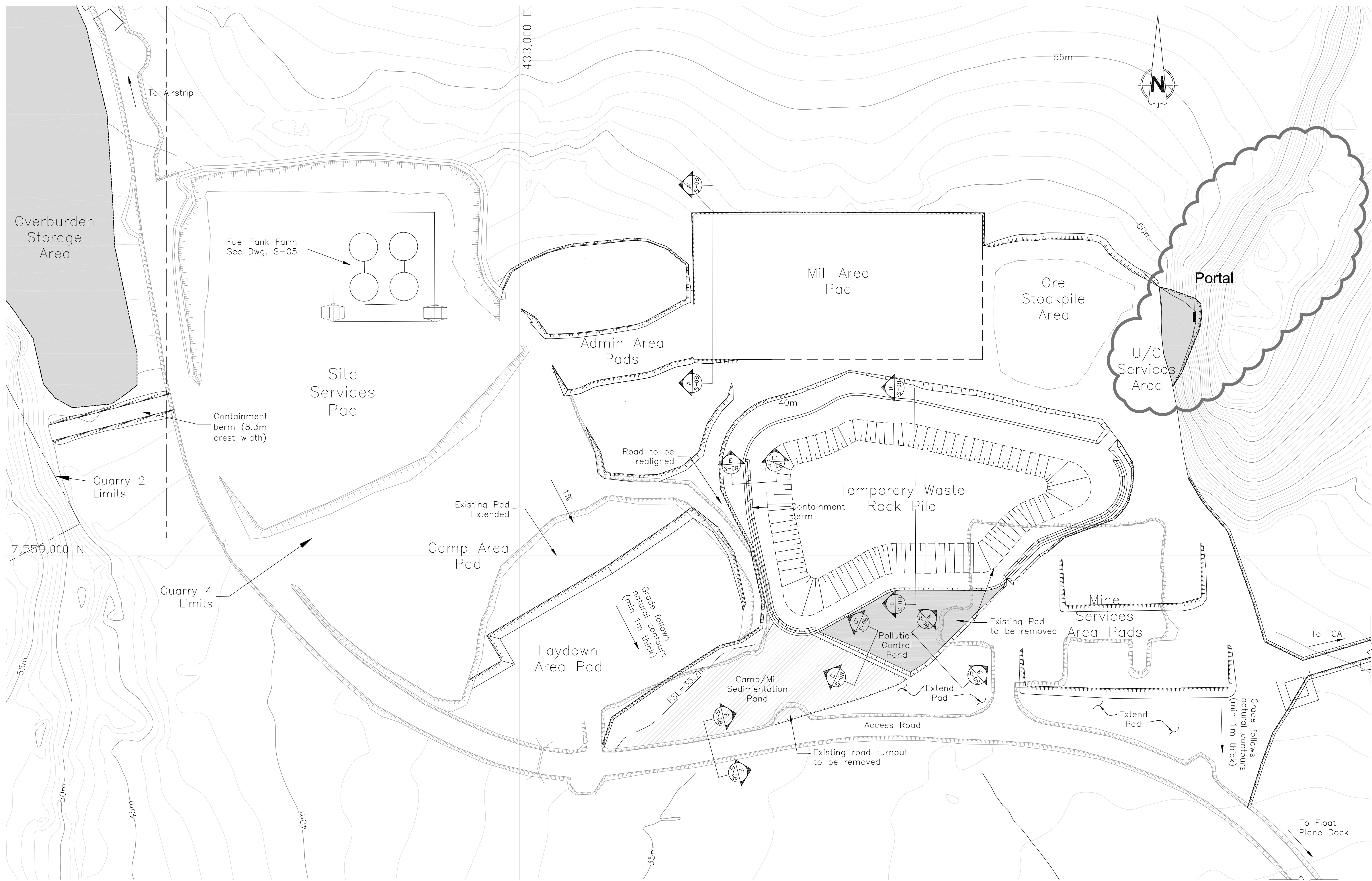


- Notes:
1. It is the Contractor's responsibility to create appropriate construction site access during the construction stage. Any access plans must be submitted to the Construction Manager for approval.
 2. The Contractor is responsible to develop rock quarries within the general designated boundaries shown on this drawing. Prior to quarry development, the Contractor must provide the Construction Manager with a detailed quarry development plan for approval.
 3. The Contractor is responsible for creating access to the rock quarries.
 4. Rock quarry #4 is in the same location as the Mill pad. Rock excavated in this location can be used as general fill.
 5. The Contractor is to take due care that no wildlife or birds' nest are disturbed during construction. The Construction Manager is to be immediately notified if such sites are found.
 6. The Contractor is to take due care not to disturb any archaeological sites during construction. The Construction Manager is to be immediately notified if such sites are found.
 7. The Contractor and Construction Manager shall familiarize themselves with all appropriate Licenses and/or Permits pertaining to execution of the Works. The Engineer will not be responsible for any infringements.

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Legend:

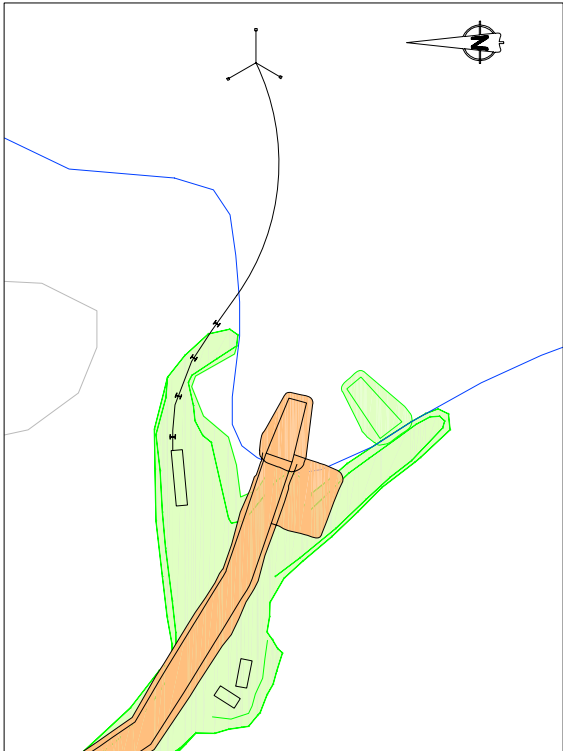
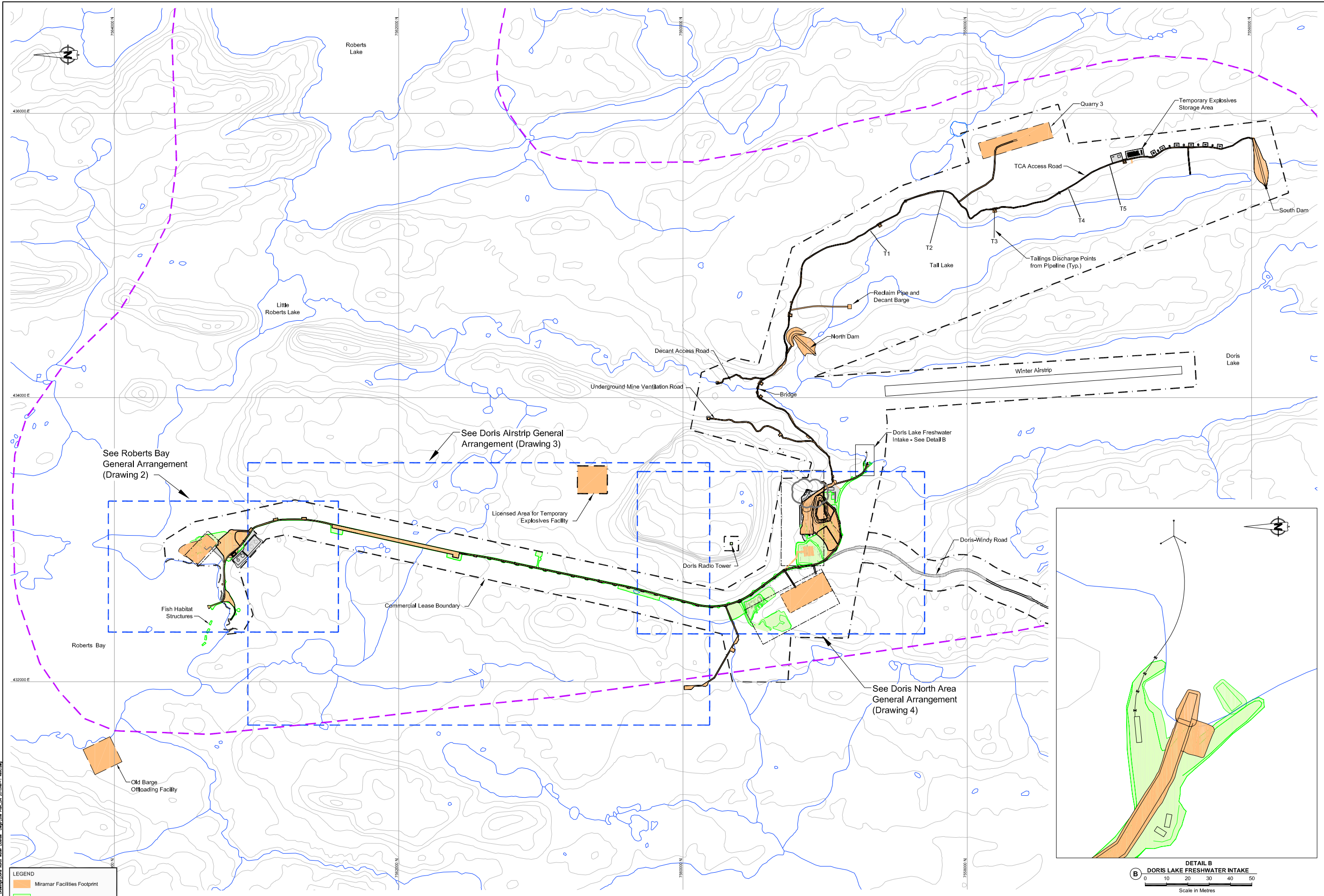
- Asbuilt Toe/Crest
- Design Toe/Crest
- Quarry Limit



Notes:

1. The finished grade of the Mill Pad cannot be lower than elevation 42 m, and undulations cannot be more than 0.2m.
2. A nominal leveling layer of Surfacing material shall be spread over the exposed bedrock surface before proceeding with foundation development.
3. The bedrock cut highwall for the Mill Pad shall be site fitted with the direction from the Engineer.
4. The Contractor shall over excavate overburden on the highwall crest to ensure slope stability. The Engineer will confirm the slope finishing details on site.
5. The Contractor shall be responsible for keeping the Ponds dry, and completely free of snow and water throughout the construction phase, or until otherwise instructed by the Engineer.
6. The Engineer will work with the Contractor to ensure that surface runoff drainage on the Camp and Mill pads are directed to the appropriate Pond as applicable.

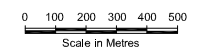
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LEGEND

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

NOTE: Contour Interval = 10m



REFERENCE DRAWINGS		REVISIONS		PROFESSIONAL ENGINEER'S STAMP	
DRAWING NO.	DRAWING TITLE	NO.	DESCRIPTION	LW	EMR
4	Doris North Area General Arrangement				
3	Doris Airstrip Area General Arrangement				
2	Roberts Bay Area General Arrangement				

SRK Consulting
Engineers and Scientists

DESIGN: LW/EMR
CHECKED: LW
DRAWN: NW/YY
APPROVED: EMR
REVIEWED: EMR
DATE: Feb. 3, 2010

FILE NAME: Site Plan_DN 2010Ver-1 Rev0.dwg

PROFESSIONAL ENGINEER'S STAMP

HOPE BAY MINING LTD.

SRK JOB NO.: 1CH008.026

Doris North Project (2010)

DRAWING TITLE: Belt Wide General Arrangement

DRAWING NO. 1

SHEET 1 OF 4

REVISION NO. 0

Appendix B: Portal Geochemistry Memo

Memo

To:	Lea-Marie Bowes-Lyon, Newmont	Date:	January 25, 2009
cc:	Chris Hanks, Newmont Ken Black, SRK Maritz Rykaart, SRK Lowell Wade, SRK	From:	Lisa Barazzuol Kelly Sexsmith
Subject:	Geochemical Characterization Program for the Portal Face-Off Area, Doris North, Hope Bay Project	Project #:	1CH008.029.3600

1 Introduction

Hope Bay Mining Ltd. (HBML) is planning to start construction of their Doris North mine in 2010, and is currently seeking approval from the Kitikmeot Inuit Association (KIA) for some changes to the currently boundary limits of Quarry 4. These include relocation of the portal, excavation of a rock cut in the portal area and use of the blasted rock to create a pad for other infrastructure requirements. The portal face-off area is to be the primary access portal for the Doris North underground mine (Figure 1). The area of excavation is approximately about 35 m x 100 m and to an approximate depth of 16 m.

This memorandum is to be included in an information package that is being submitted by Newmont to the KIA. Included is an overview of the current knowledge of the geology and geochemistry of this area. Ongoing field and test programs are also presented, as well as monitoring and mitigation plans.

2 Geology

Table 2.1 outlines the three published geology maps of the Doris North area (Sherlock 2002, Stubley 2009 and HBML 2010). All maps have designated the portal face-off area as diabase. This type of rock is an intrusive volcanic rock that was deposited a long time after the gold deposits and their associated sulphide mineralization formed. The diabase has not been subjected to the kinds of events that result in changes to the original mineralogy, therefore this rock is expected to have relatively uniform geochemical characteristics.

Table 2.1: Geological Review of Portal Face-Off Area

Reference	Rock Type	Method
Sherlock (2002)	Diabase	Bedrock mapping
Stubley (2009)	Diabase	Bedrock mapping
HBML (2010)	Franklin diabase (11)	Bedrock mapping

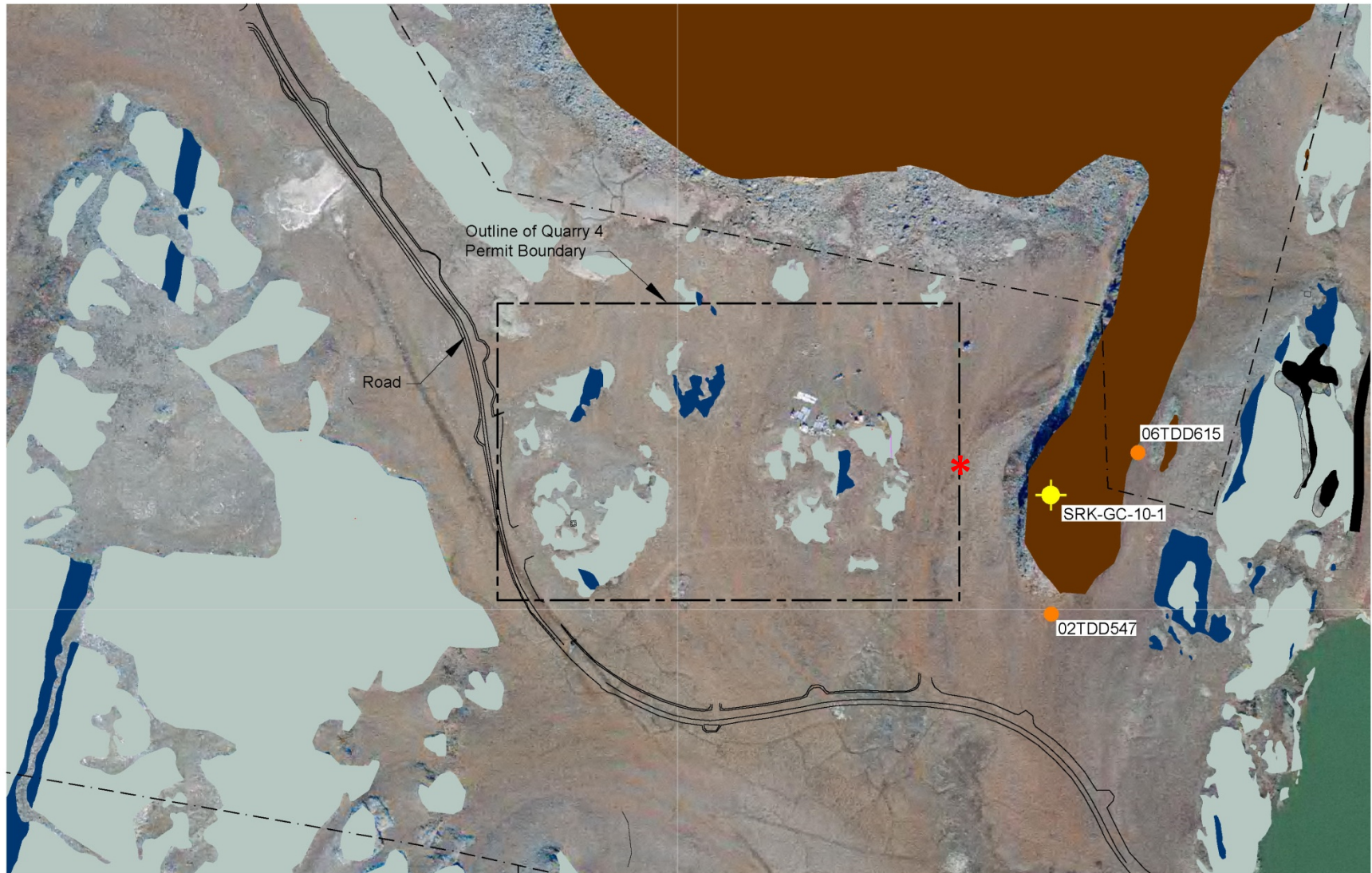


Figure 1: Proposed portal face-off area (area denoted by red star), Doris North

3 Geochemical Characteristics

Although there are presently no geochemical characterization data for diabase from within the portal face-off footprint, there are some data from a nearby location and from other locations in the Hope Bay area. Additionally, a field and laboratory testing program has been initiated to collect additional data within the actual footprint area. This section presents the current understanding of diabase geochemistry samples from existing samples. Also, details of the ongoing programs are presented, including the geochemical drill program specific to the portal face-off area.

3.1 Existing Geochemical Data

3.1.1 Portal Area

Existing geochemical data for samples of diabase from the same outcrop as the portal face-off development area include one sample from drill hole 02TDD547 (AMEC 2005) and 30 samples from drill hole 06TDD615 (SRK 2007) (Figure 1). AMEC (2005) and SRK (2007) data were previously presented to the KIA, Nunavut Impact Review Board (NIRB) and Nunavut Water Board (NWB) as part of the Doris North regulatory process (Miramar 2007).

Table 2.2 presents the ARD classifications for the 31 samples based on NP/AP and TIC/AP. The data indicate that most samples are classified¹ as uncertain or potentially acid generating (PAG) on the basis of TIC/AP only, or not-PAG on the basis of NP/AP ratios. However, the potential acid generation in the diabase samples will be limited by the very low sulphide values (0.02 to 0.05%, median 0.02%).

The apparent discrepancy in the ARD classifications is due to the low levels of carbonate minerals, as indicated by the total inorganic carbon (TIC) content (0.2 to 5.0 kgCaCO₃/t, median 1.0 kgCaCO₃/t), but more appreciable amounts of non-carbonate buffering minerals, as indicated by the higher levels of neutralization potential (NP). Given the low sulphide content of these samples, these differences are not considered to be important, and buffering by silicate minerals is likely to be adequate for maintaining neutral pH conditions.

Table 3.1: ARD Classifications, 30 Diabase Samples, Drill Hole 06TDD615

ARD Classification	NP/AP # of samples	TIC/AP # of samples	Sulphide Sulphur (%)
≤ 1	0	7	0.02 to 0.03
1 < x ≤ 3	0	21	0.02 to 0.06
> 3	31	3	0.02 to 0.05

3.1.2 Doris Area

Samples of diabase from other areas in the vicinity of the Doris deposit area are considered to be relevant due to their common origin and uniform geological and geochemical characteristics. Diabase samples from other areas of the site include six samples from Doris and two from Madrid (SRK 2009a).

¹ ARD classifications as follows: not-PAG defined as NP/AP or TIC/AP > 3; uncertain defined as NP/AP or TIC/AP between 1 and 3; PAG defined as NP/AP or TIC/AP ≤ 1

Mineralogy data for these samples indicated minor amounts of ferroan dolomite or calcite in some samples, and no detectable carbonates in others. Tables 2.3 and 2.4 present the ABA data and ARD classifications for these samples. The results were generally consistent with the results from the portal area, with some samples classified as either PAG or uncertain using TIC/AP ratios and not-PAG by NP/AP ratios. However, a higher proportion of samples were not-PAG by both classification methods. As with the other diabase samples, the potential for acid generation will be limited by the very low levels of sulphur.

Table 3.2: ABA Data for 8 Diabase (11c, 11cm) Waste Rock Samples, Doris & Madrid

Statistic	AP Sulphur (%)	NP (kgCaCO ₃ /t)	TIC (kgCaCO ₃ /t)
Min	0.02	15.11	0.83
P25	0.05	24.08	2.15
P50	0.07	70.11	9.66
P75	0.11	130.33	20.19
Max	0.13	137.50	177.50

Table 3.3: ARD Classifications for 8 Diabase (11c, 11cm) Waste Rock Samples, Doris and Madrid

ARD Classification	NP/AP # of samples	TIC/AP # of samples	Sulphide (%)	Deposit
≤ 1	--	3	0.05 to 0.13	Doris
1 < x ≤ 3	--	1	0.13	Doris
> 3	8	4	0.02 to 0.11	Doris/Madrid
# of Samples	8	8	8	--

3.2 Geochemical Programs in Progress

3.2.1 January 2010 Field Program for Portal Face-Off Area

One geochemical drill hole (SRK-GC-10-01) within the portal face-off footprint (Figure 1) will be drilled to confirm the sub-surface geology of the development area. Drilling is scheduled to start the week of January 17, 2010.² The hole will be logged by a Newmont geologist. Based on the drill logs, selected samples will be geochemically characterized.

² Since presenting this information to the KIA, it has been established that access to the proposed location may not be possible, and it may be necessary to defer the drilling program to a later date or to substitute chip samples from the surface of the outcrop area. Because the diabase has very uniform geochemical properties, we are confident that there will be no differences between the geochemical properties of the face-off area diabase and the samples that have already been characterized in previous programs. Therefore, the results from this program are not considered to be time sensitive.

3.2.2 Geochemical Characterization of Doris North Underground Workings

The mine decline will intersect the same diabase dyke as the portal face-off area, but at depth and to the northeast. Additional testing of rock from the underground workings is currently underway. As part of that work, an additional sample of diabase waste rock is currently being analyzed at the lab.

3.2.3 Humidity Cell Tests

Two humidity cell (HC) tests containing diabase material from the Doris deposit area were initiated in January 2010. Results are not yet available but the data supplement the geochemical database for diabase rock, and results from the first month of testing should be available prior to construction.

4 Management Recommendations

The information currently available for the diabase indicates a limited potential for acid generation, indicating that special management plans are not required to prevent acidic drainage from developing in this material.

In the unlikely event that localized acidic conditions develop, this could be mitigated by placement of a thin cover of basalt with geochemical properties like that of material from Quarry 2. SRK also recommends that the pads built using diabase material be recorded during construction.

5 Monitoring

SRK recommends a monitoring program to verify the characteristics of these materials following construction. The program would include visual inspection and sampling of both solid materials and seepage flowing from infrastructure, as has already been conducted for the existing Doris North camp, airstrip and roads (SRK 2009b).

6 Summary

The rock that would be excavated from the portal face-off area is an intrusive volcanic rock called diabase. It has not been mineralized, and it is expected to be geochemically uniform.

There are data for 32 samples in the near vicinity of the portal face-off area. These all show low sulphur, negligible carbonate content, and low neutralization potential. These data were previously reported to NIRB, NWB and KIA. The results give a mixed ARD classification depending on the form of NP that is used for the classification. However, given the very low sulphur content, these materials are considered to have a limited potential for ARD. Further work is in progress to confirm the properties of actual portal face off material. Humidity cell tests were also recently initiated on two samples of diabase from the Doris deposit area.

No special management plans would be required, but in the unlikely event that localized acidic conditions develop in this material, this could be mitigated by placement of a thin cover of basalt with geochemical properties like that of material from Quarry 2. Once placed, construction rock would be visually inspected and monitored (both solids and seepage flowing from infrastructure).

7 References

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