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March 9, 2010

Nunavut Water Board
 P.O. Box 119
 Gjoa Haven, NU
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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 (Installation of 3 Tanks at Roberts Bay)

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 the 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.

Accordingly, as per Part H, Item 1 of the Licence, HBML hereby submits notice of its proposal to install three fuel tanks (two 4.5 million litre fuel capacity volume diesel fuel tanks and one 1.35 million litre total volume capacity aviation fuel tank) (collectively, the “Fuel Tanks”) on a bedrock pad excavated in an outcrop at Roberts Bay immediately south of the beach laydown area and near the existing 5.7 million litre⁴ fuel tank, rather than at the Doris North site as originally proposed (the “Modification”). As part of the Modification, HBML will install a lined

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.

⁴ Note the maximum amount of fuel that can be stored in the existing Roberts Bay tank is 4.5 million litres. The tank has a total volume of 5.7 million litres but this includes the dome at the top of the tank which is for gas expansion purposes.

berm with a sump to contain the Fuel Tanks in accordance with the National Fire Code. The Modification is illustrated by the drawings attached to this notice at Appendix A.

The proposed location of the Fuel Tanks is within the Commercial Lease boundary and the KIA has approved this proposal. No additional water compensation would be due to the KIA as a result of the Modification. Newmont is working with KIA to modify the boundary of the commercial lease.

a. Description of Proposed Modification, Reason for Change, and Construction Scheduling

The definition of “Modification” set out at Schedule B of the License is applicable to the proposed Fuel Tank installation. The installation of additional Fuel Tanks at Roberts Bay rather than at the Doris North Camp will not alter the purpose or the function of the Fuel Storage Containment Facility and does not constitute an expansion as the total Fuel Storage Containment Facility footprint and impact will not be expanded beyond the original proposed volume.

Further, the Modification is necessary because installation of additional Fuel Tanks near the existing fuel tank at Roberts Bay would require blasting in the immediate vicinity of the existing tank. Blasting close to the existing tank would pose an unacceptable risk to human safety and the environment.

Installation of the Fuel Tanks will proceed as follows. During foundation preparation for the Fuel Tanks, the outcrop will be drilled and blasted to create a level base which will ensure adequate foundation conditions. The lined berm containment design will be similar to that used for the existing fuel tank, and is consistent with all appropriate federal and territorial guidelines and regulations as well as industry best practice standards. After the Fuel Tanks are installed, for a brief period following annual fuel delivery, total volume of fuel at site (14.85 million litres) will be slightly above the 14 million litres total storage fuel capacity volumes for the Doris North Project originally described to the NWB and NIRB by Miramar in June 2007.

To ensure that the Fuel Tanks and associated containment are constructed in time for fuel barges scheduled to arrive in July 2010, HBML plans to start foundation preparation in May 2010, and complete construction of the secondary containment by the end of May 2010. Fuel Tank erection needs to be completed in June 2010.

b. The Modification does not place the HBML in contravention of the Licence or the Act and is consistent with the Licence

HBML has reviewed the *Nunavut Waters and Nunavut Surface Rights Tribunal Act* (the “Act”) and regulations to confirm that the Modification would not place HBML in contravention of the Act. There will be no impacts to water resulting from the Modification. There will be no associated increase in water consumption or waste water generation. No waste will be deposited to waters nor will it be deposited under conditions in which the waste may enter waters in Nunavut.

HBML has reviewed the conditions of the License to confirm that the Modification is consistent with the terms of the License and to confirm that the Modification would not place HBML in contravention of the License. In HBML's view, there are no changes required to any terms of the License in association with this Modification. HBML will continue to comply with the terms of the License during construction and operation of the Fuel Tanks. HBML has addressed specific terms of the License relevant to the Modification in the table attached at Appendix B to this notice.

c. The Modification is Consistent with the Terms of NIRB Project Certificate No. 003

The Doris North Gold Mine Project was initially proposed by Miramar Hope Bay Ltd. and underwent a Part 5 Review in accordance with Article 12 of the *Nunavut Land Claims Agreement* ("NLCA"). On September 15, 2006 the NIRB issued Project Certificate No. 003 (the "Project Certificate"), allowing the Doris North Gold Mine project to proceed subject to project-specific terms and conditions.

The Modification is consistent with the terms of the Project Certificate. It is HBML's opinion (formed in consultation with its consultants) that the Modification will not change the environmental impact of the Doris North Project in any significant manner. HBML will continue to comply with the following specific conditions to the Project Certificate in relation to the Modification:

- 20. MHBL shall ensure the use of containment booms and berms to control potential spills whenever fuel and or waste is transferred between a barge and the shore. MHBL shall ensure spill kits are at hand at these locations at all times;
- 33. MHBL shall ensure that areas used to store fuel or hazardous materials are contained using the safest methods practically available; and
- Appendix A, "Air Quality": Use of an aggressive fuel conservation effort.

The Modification is also consistent with the development impact provisions of the NLCA and is not likely to require further review by NIRB. Section 12.4.3 of the NLCA states:

Any application for a component or activity of a project proposal that has been permitted to proceed in accordance with see provisions shall be exempt from the requirement for screening by NIRB unless:

- (a) Such component or activity was not part of the original proposal; or*
- (b) Its inclusion would significantly modify the project.*

The Modification does not change the scope of the Doris North Project, and the exceptions noted in NLCA 12.4.3(a) and (b) do not apply. Therefore, HBML anticipates this application will be exempt from screening as per Section 12.4.3 of the NLCA.

As well, the Modification does not significantly change the circumstances relating to the Doris North Project from those anticipated at the time the Project Certificate was issued (see section 12.8.2 of the NLCA).

By copy of this letter, HBML will confirm with NIRB its view that the proposed Modification is consistent with the Project Certificate and will not require further NIRB review.

d. Summary

In summary, as per Part H, Item 1 of the Licence, HBML:

- by this letter, notifies the Board in writing of the Modification described herein;
- has reviewed the Licence and Act to confirm that the proposed Modification is consistent with the terms of the Licence and Act;
- has reviewed the Licence and Act to confirm that the proposed Modification will not place HBML in contravention of the Licence or the Act;
- will confirm with NIRB its view that the Modification is consistent with the Project Certificate and will not require further NIRB review.

Should you have any questions regarding this submission, please do not hesitate to contact me directly at <chris.hanks@newmont.com>.

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-01 Rev. D, “Beach Layout Plan and Sections”
3. S-02 Rev. E, “Fuel Transfer Station Section and Details”
4. Dwg. 1 Rev. 0, “Belt Wide General Arrangement”
5. Dwg. 2 Rev. 0, “Roberts Bay Area General Arrangement”

Appendix B: Compliance with Specific Licence Terms

Term	Confirmation of HBML Compliance
Part B, Item 12. <i>The Licensee shall post signs in the appropriate areas to inform the public of the location of the ... Waste Disposal Facilities. All signs must be in English, Inuktitut and Inuinnaqtun and shall be located and maintained to the satisfaction of an Inspector.</i>	HBML will install all required signage.
Part D, Item 11. <i>The Licensee shall ensure that the construction and operation of the Fuel Storage and Containment Facility(s) meets, at a minimum, all applicable legislation and industry standards that include the following: a. Environmental Code of Practice for Aboveground and Underground Storage Tank Systems Containing Petroleum and Allied Petroleum Products, 2003, PN1326; CCME; b. National Fire Code, 1995.</i>	The Fuel Tanks will be constructed and operated in accordance with applicable legislation and standards.
Part D, Item 12. <i>The Licensee shall discontinue quarry operations in Quarry #1 upon commissioning of the Fuel Storage and Containment Facility.</i>	Quarry operations in Quarry #1 are complete. As set out in the attached drawings, the proposed location of the Fuel Tanks is approximately 100 m away from Quarry #1. The Modification has been proposed to avoid blasting in the immediate vicinity of the existing fuel tank located within Quarry #1, which is consistent with Part D, Item 12.
Part D, Item 25. <i>The Licensee shall ensure that all containment and runoff control structures are constructed and maintained to prevent escape of wastes to the surface or groundwater systems.</i>	The Fuel Tanks will be constructed and maintained in accordance with the requirements of Part D, Item 25.
Part D, Item 26. <i>The Licensee shall submit to the Board for review, within ninety (90) days of completion of all structures designed to contain, withhold, divert or retain waters or wastes during the construction phase, a Construction Summary Report prepared by a qualified Engineer(s) that shall include as-built drawings, documentation of field decisions that</i>	Following completion of the Fuel Tank installation, HBML will submit a Construction Summary Report as described in Part D, Item 26.

Term	Confirmation of HBML Compliance
<i>deviate from original plans and any data used to support these decisions.</i>	
Part G, Item 2. <i>The Licensee shall ensure that all land applied discharges are performed in a manner that prevents erosion at the point of discharge and downstream.</i>	Any land applied discharges will be performed in a manner that prevents erosion at the point of discharge and downstream.

Term	Confirmation of HBML Compliance																								
<p>Part G, Item 22. <i>The Licensee shall operate and maintain the Sumps in accordance with the following: ...</i></p> <p><i>e. Water discharged from the Fuel Storage and Containment Facility Sumps at monitoring stations ST-5 and ST-6 shall not exceed the following effluent quality limits:</i></p> <table><tr><th>Parameter</th><th>Maximum Average Concentration (mg/L)</th><th>Maximum Concentration in any Grab Sample (mg/L)</th></tr><tr><td>pH</td><td>6.0-9.0</td><td>9.0</td></tr><tr><td>TSS</td><td>15</td><td>30</td></tr><tr><td>Total Oil and Grease</td><td>5</td><td>10</td></tr><tr><td>Total Lead</td><td>0.02</td><td>0.02</td></tr><tr><td>Benzene</td><td>0.37</td><td>-</td></tr><tr><td>Toluene</td><td>0.002</td><td>-</td></tr><tr><td>Ethyl benzene</td><td>0.090</td><td>-</td></tr></table> <p><i>f. Water from the Fuel Storage and Containment Facility Sump that is acceptable for discharge under Part G, Item 22(e) may be discharged to the tundra or as designated by an Inspector; and</i></p> <p><i>g. Sump water from the Fuel Storage and Containment Facility that does not meet the criteria in Part G, Items 22 (a), (c) and (e) respectively shall be directed to the Tailings Impoundment Area.</i></p>	Parameter	Maximum Average Concentration (mg/L)	Maximum Concentration in any Grab Sample (mg/L)	pH	6.0-9.0	9.0	TSS	15	30	Total Oil and Grease	5	10	Total Lead	0.02	0.02	Benzene	0.37	-	Toluene	0.002	-	Ethyl benzene	0.090	-	<p>Water collected in the sumps will be tested to confirm compliance with Part G, Item 22, pumped out and discharged at ST-5.</p>
Parameter	Maximum Average Concentration (mg/L)	Maximum Concentration in any Grab Sample (mg/L)																							
pH	6.0-9.0	9.0																							
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Benzene	0.37	-																							
Toluene	0.002	-																							
Ethyl benzene	0.090	-																							
<p>Part H, Item 3. <i>The Licensee shall provide as-built plans and drawings of the Modifications referred to in this Licence within ninety (90) days of completion of the Modification. These plans and drawings shall be stamped by an Engineer.</i></p>	<p>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</p>																								

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	stamped by a Professional Engineer registered in Nunavut will be submitted to the NWB within 90 days of completion.
Part I, Item 5. <i>The Licensee shall ensure that any chemicals, petroleum products or unauthorized wastes associated with the project do not enter water. All Sumps and fuel caches shall be located at a distance of at least thirty (30) metres from the ordinary high water mark of any adjacent water body.</i>	The Fuel Tanks will be located at a distance in excess of 30 metres from the ordinary high water mark of all adjacent water bodies.
Part I, Item 6. <i>The Licensee shall provide to the satisfaction of an Inspector, secondary containment for fuel storage as required by applicable standards and acceptable industry practice.</i>	The Fuel Tanks will be contained within a bermed, lined area as per the designs for the existing fuel tank farm.
Part J, Item 1. <i>The Licensee shall install and maintain flow meters or other such devices, or implement suitable methods required for the measuring of water use and Effluent discharge volumes, to be operated and maintained to the satisfaction of an Inspector.</i>	Water pumped from the sump in the lined berm will be metred.
Part J, Item 20. <i>The Licensee shall visually monitor and record observations on a daily basis during periods of discharge, all discharge onto the tundra from the:</i> ... <i>d. Plant Site Fuel Storage and Containment Area Sump;</i> <i>e. Roberts Bay Fuel Storage and Containment Area Sump; and</i> <i>The monitoring results shall be made available to an Inspector upon request.</i>	Discharge from the Fuel Tanks discharged at the Roberts Bay Fuel Storage and Containment Area Sump will be monitored as per Part J, Item 20 and HBML will make monitoring results available to an Inspector as required.
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	HBML will consider the revised as built site layout in relation to the various plans required under the Water Licence, but confirms that the Modification will not trigger any substantive revisions to these plans.

Term	Confirmation of HBML Compliance
<p>Management and Waste Management Plans,” Item 15)</p> <p>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)</p> <p>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)</p> <p>Quality Assurance/Quality Control Plan (as described in Part K, “Conditions Applying to General and Aquatic Effects Monitoring Plans”).</p>	