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NUNAVUT WATER BOARD
NUNAVUT IMALIRIYIN KATIMAYINGI
OFFICE DES EAUX DU NUNAVUT

File: 2AM-DOH0713/TR/H1

July 30, 2010

Christopher Hanks
Director Environmental and Social Responsibility
Hope Bay Mining Ltd.
Suite 300, 889 Harbourside Drive
North Vancouver, B.C. V7P 3S1
Email: Chris.Hanks@newmont.com

Subject: Water Licence 2AM-DOH0713; Doris North Project, Nunavut; Notification under Part H, Item 1 of Modification, Location change of the Mine Portal

Dear Mr. Hanks;

On April 14, 2010 the Nunavut Water Board (NWB) acknowledged the receipt of a modification notice submitted by Hope Bay Mining Ltd (HBML) for the above project, complete with the following supporting documents:

- Cover letter dated February 24, 2010 indicating a notification of the modification;
- Appendix A: Engineer drawings of the portal modification;
- Appendix B: Portal geochemistry memo, SRK Consulting dated January 25, 2009;
- HBML follow-up letter of April 1, 2010 with SRK Consulting memo dated March 30, 2010 entitled "Geochemical characterization and recommendations for portal face-off area construction rock, Doris North, Hope Bay Project – draft.

The modification notice was submitted in order to revise the location of the portal entrance to approximately 100 metres north-northwest from the originally proposed location. The change to the original portal location is necessary in order to reduce the ramp slope so that haul trucks can operate safely during the winter months. The modification does not expand or alter the purpose or the function of the portal.

In accordance with Part H, Item 1 of Licence 2AM-DOH0713, a notification is to be provided to the NWB at least sixty (60) days prior to the proposed beginning of the activities. At the time of distribution, the NWB notified HBML that the modification would require more than sixty (60) days to process.

The notification was distributed to interested parties for review, with comments due May 15, 2010. The NWB received comments¹ from the Kitikmeot Inuit Association (KIA), Fisheries and Oceans Canada (DFO), and Indian and Northern Affairs Canada (INAC). The Nunavut Impact Review Board exempted the modification from Article 12 screening on July 7, 2010.

Neither the KIA nor DFO expressed any concerns with the modification. INAC noted that the waste rock from the portal development may be used as quarry rock and commented that HBML continue to apply the monitoring procedures set out in the Waste Rock Management Plan in order to demonstrate the suitability of using the rock material at the surface. INAC also asked that the recommendations made by SRK Consulting be applied and incorporated into applicable plans.

With regard to the use of waste rock from underground for construction purposes, the NWB notes and wishes to clarify Part D, Item 24 of the Licence, which states:

The Licensee shall not use waste rock from underground for the construction of any infrastructure.

To clarify, the Licence differentiates between Waste Rock and Portal Development Rock and only restricts the use of Waste Rock from underground. However, HBML must ensure that, if used for construction, Portal Development Rock is properly characterized to meet the requirements of the Licence.

The NWB accepts the proposed modification to the portal location and would like to highlight other Licence conditions and requirements of this that apply to the modification:

1. It is the Licensee's responsibility to revise management plans where necessary in accordance with Schedule B, Item 8 to reflect the relocation of the portal and recommendations made.
2. The NWB agrees with INAC's request and asks that HBML provide an update on the status of the revisions to the 2007 Waste Rock Management Plan and 2007 Monitoring and Follow-up Plan required pursuant to Part G, Item 15 and Part K, Item 5 of the licence. The NWB requests that an update be submitted within fifteen (15) days of the date of this letter.
3. Part D, Item 27 of the Licence requires that the construction of engineered structures be supervised and field checked by an appropriately qualified and experienced Engineer in such a manner that the project specification can be enforced and, where required, the quality control measures can be followed. The Licensee shall also ensure that the construction records of all engineered structures are maintained and made available at the request of the Board and/or an Inspector.

¹ KIA dated May 5, 2010; DFO dated June 29, 2010; and INAC dated May 14, 2010.

4. The Licensee is reminded that in accordance with Part H, Item 3, as-built plans and drawings are to be provided within ninety (90) days of completion. The plans and drawings shall be stamped and signed by an Engineer. The NWB appreciates HBML acknowledgement of this requirement in the modification notice.

Should you have any questions or clarification with respect to the above, please feel free to contact the undersigned via email or phone (780) 443-4406, at your earliest convenience.

Yours truly,

Original signed by:

David Hohnstein, C.E.T.
Director Technical Services

DH/tla

Cc: Distribution list