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David Hohnstein
Director Technical Services
Nunavut Water Board
P.O. Box 119, Gjoa Haven, NU X0B 1J0
dts@nunavutwaterboard.org

Dear David,

2AM-DOH0712 Notice regarding Roberts Bay Tank Farm Berm (Secondary Containment)

We are writing this letter to inform you that HBML plans to increase the secondary containment capacity at the 5ML Roberts Bay Tank Farm by raising the existing berm.

The berm is being raised in part to accommodate the installation of the aviation tank originally proposed to be located at the 20 ML Roberts Bay Tank Farm. Additionally, HBML has become aware that there was an error when the berm was originally constructed and that the As Built engineering drawings submitted to the NWB for the facility are incorrect, in that they set out that the diesel fuel tank capacity is 5000 cubic metres and that the tank containment capacity is 5500 cubic metres. The current actual as-built secondary containment capacity is 3204 cubic metres. Until the secondary containment capacity is increased to at a minimum meet the 5500 cubic metres requirement, HBML has taken steps to operate at a reduced tank farm capacity to ensure that the containment capacity is not exceeded.

The berm raising work will generally proceed in accordance with the enclosed SRK memo and drawing and is proposed to be commenced as soon as possible but no later than September 7, 2011. HBML will submit As Built drawings that reflect the facility as required under 2AM-DOH0712 once the work is complete. Please let me know if you have any questions.

Sincerely,



Angela Holzapfel
Manager of Environmental Compliance

Hope Bay Mining Ltd.

cc. Phyllis Beaulieu, Nunavut Water Board