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October 05, 2011

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

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 (Airstrip Expansion and Bypass Road Design)

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 design of the airstrip expansion at the existing airstrip location. The original design included a separate bypass road constructed on the east side of the expanded airstrip. HBML has decided to remove the separate bypass road and include an 8-m wide attached bypass road that is constructed along the east edge of the expanded airstrip. The redesigned airstrip expansion is illustrated in the drawings attached to this letter at Appendix A.

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.

(1) Description of Proposed Modification and Reason for Change

The original design of a separated bypass road was intended to allow continued traffic flow during aircraft activities, and to eliminate vehicle traffic from the airstrip. However, HBML's aircraft service provider has indicated that vehicle traffic may not be present on the bypass road during aircraft take-off or landing. For this reason, the original bypass road and airstrip has been redesigned to reduce the activity footprint, while still allowing HBML to keep vehicle traffic off of the airstrip.

This change will not expand or alter the purpose or the function of the airstrip or bypass road.

(2) <u>Confirmation of No Additional Impacts on Water and No Adverse Environmental Effects</u>

HBML does not believe that there will be any additional impacts to water resulting from the changes to the airstrip and bypass road design, including impacts on drainage. There will be no associated increase in water consumption or waste water generation.

It is HBML's opinion the proposed revisions to the airstrip and bypass road design 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 airstrip and bypass road, in particular Part D "Conditions Applying to Construction".

The changes to the airstrip and bypass road design 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.

HBML confirms that the revised airstrip and bypass road design 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) <u>Construction Schedule</u>

HBML proposes to proceed with constructing the airstrip expansion and bypass road 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,

for

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

cc. Li Wan, NIRB Stanley Anablak, KIA

Appendix A: Engineering Drawings

- Dwg. DN-AE-01 Rev. D, "General Arrangement"
 Dwg. DN-AE-02 Rev. C, "Airstrip Expansion Plan and Centerline Profile"
 Dwg. DN-AE-03 Rev. C, "Airstrip Expansion Sections"





