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File: 2AM-DOH0713/ Modification

October 7, 2011

Angela Holzapfel Manager of Environmental Compliance Hope Bay Mining Ltd. Suite 300, 889 Harbourside Drive North Vancouver, B.C., V7P 3S1

Email: Angela.Holzapfel@Newmont.com

Subject: Licence No. 2AM-DOH0713 – Notice of Modification Regarding Robert's Bay

Tank Farm Fuel Storage and Secondary Containment Berm Raising

Dear Ms. Holzapfel,

On August 9, 2011 the Nunavut Water Board (NWB or Board) received a notice from Hope Bay Mining Ltd. (HBML) regarding the Robert's Bay tank farm and berm under Water Licence 2AM-DOH0713 (Licence). The submission included the following documents:

- ➤ Cover letter from A. Holzapfel, HBML, to D. Hohnstein, NWB, Subject: 2AM-DOH0712 Notice regarding Roberts Bay Tank Farm Berm (Secondary Containment), dated August 9, 2011;
- ➤ Memo from I. Miskolczi, SRK Consulting, to C. Hanks, HBML, Subject: Roberts Bay Quarry 1 Tank Farm Liner Raise Design Notes, dated July 8, 2011; and
- ➤ Engineering Drawings for the Robert's Bay Quarry 1 Fuel Tank Farm, Doris North Project, Nunavut, Canada, prepared by SRK Consulting, Project No. 1CH008.033, dated July 8, 2011.

On August 29, 2011 the NWB distributed HBML's submission to interested parties for information purposes. In its submission, HBML provided notice of its plans to increase the secondary containment capacity of the 5ML Roberts Bay Tank Farm by raising the existing berm to accommodate the installation of the 1.5ML aviation fuel tank, originally proposed to be located at the 20 ML Roberts Bay Tank Farm. In addition, HBML noted an error in the original construction and capacity of the secondary containment berm and that the as-built engineering drawings submitted to the NWB for the facility are incorrect.

The NWB did not receive any formal submissions in response to the distribution of the information indicated above. On October 3, 2011 an email was received by the NWB from Mr. Paul Emingak, Executive Director, Kitikmeot Inuit Association (KIA) inquiring on the status of the request and included an electronic copy of a letter, dated September 28, 2011 from Chris Hanks, HBML which referred to the 'ongoing dialogue' between HBML and BGC Engineering and discussed two outstanding questions with respect to the noted request.



Letter from Chris Hanks, HBML to Paul Emingak, KIA, subject: Expansion of Roberts Bay Tank Farm Berm, dated September 28, 2011.

The above documents are available from the NWB ftp site using the username "public" and password "registry" without the quotes, at the following link:

ftp://nunavutwaterboard.org/1%20PRUC/2%20MINING%20MILLING/2A/2AM%20-%20Mining/2AM-DOH0713/3%20TECH/5%20CONSTRUCTION%20(D)/

On October 7, 2011, the NWB Licensing department sent a request to the KIA, asking to provide documentation with respect to the above and any correspondence and discussions that have taken place between the KIA and HBML regarding the notice of construction, for the public record, in order to have a full account of information exchange and allow for a thorough and meaningful assessment of the request before the Board. This information will be posted to the NWB ftp site when it becomes available. Delay in providing a response may affect the overall technical review request described below.

Following the review of HBML's submission, the NWB considers HBML's request a modification under Part H of the Licence. As required by Part H, Item 1(d), the NWB is hereby informing the Licensee that the review of the proposal will require more than sixty (60) days. In addition to the technical review, the NWB requires:

- ➤ Confirmation in writing from the Nunavut Impact Review Board that the proposed modification is consistent with its project certificate; and
- ➤ Confirmation in writing from the Designated Inuit Organization that the proposed modification will not raise any issues of compensation under Article 20 of the NLCA.

To facilitate review of HBML's proposed modification and receipt of the above confirmations, the NWB is hereby re-distributing HBML's submission and additional information to interested parties for comment. Submissions are to be forwarded to Phyllis Beaulieu, Manager of Licensing at licensing@nunavutwaterboard.org before 3:00 p.m. MDT, October 14, 2011. Should additional time be required for review of the information, the NWB requests that the Manager of Licensing be informed as soon as possible prior to the date. Following the review period, the Board may provide additional procedural instructions. Should you have any further questions, please contact the undersigned at dts@nunavutwaterboard.org or Ph. (780) 443-4406 or, for licensing inquiries, please contact the Manager of Licensing, Phyllis Beaulieu at licensing@nunavutwaterboard.org or Ph. (867) 360-6338 x26.

Sincerely,

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

DH/kt

Cc. Chris Hanks, Director Environment and Social Responsibility, HBML Lea-Marie Bowes-Lyon, HBML Kitikmeot Distribution List

