

October 14, 2011

Our reference IQALUIT-#488620

Sent by email: iporter@nunavutwaterboard.org

Ida Porter Licensing Administrator Nunavut Water Board Gjoa Haven, Nunavut X0E 1J0

Your reference 2AM-DOH0713

Re: Water Licence No. 2AM-DOH0713, Notice of Modification to Roberts Bay Tank Farm Fuel Storage and Secondary Containment Berm -Doris North Gold Project - Hope Bay Mining Ltd. - Kitikmeot Region

Dear Ida,

Thank you for your October 7, 2011 request for written representations on the above referenced water licence application.

A Technical Review Memorandum is provided for the Board's consideration.

Please do not hesitate to contact me by telephone at 867 975-4555 or email at David.Abernethy@aandc-aadnc.gc.ca to discuss this submission.

Regards,

David W. Abernethy Water Resources Regional Coordinator **Operations Directorate** Nunavut Regional Office Igaluit, Nunavut X0A 0H0

Encl.



Technical Review Memo

TO Ida Porter OUR REFERENCE

Licensing Administrator File #9545-2-1.2AM.DOHA

Nunavut Water Board IQALUIT-#488620

YOUR REFERENCE

FROM David Abernethy 2AM-DOH0713

Water Resources Regional Coordinator

Aboriginal Affairs and Northern DATE

Development Canada October 14, 2011

SUBJECT Water Licence No. 2AM-DOH0713, Notice of Modification to Roberts Bay

Tank Farm Fuel Storage and Secondary Containment Berm – Doris North Gold Project – Hope Bay Mining Ltd. – Kitikmeot Region

A. PROJECT DESCRIPTION

On October 7, 2011 the Nunavut Water Board (**the Board**) provided notification of Hope Bay Mining Ltd.'s (**HBML**) request to increase the fuel storage and secondary containment capacity of their 5ML Roberts Bay Tank Farm. The Board is processing this request as a modification under Part H of the Doris North Project's Type 'A' Water Licence.

HBML plans to increase the secondary capacity of the 5ML Roberts Bay Tank Farm by raising the facility's existing berm. This will accommodate the installation of the 1.5 ML jet fuel tank that was originally planned to be located at the 20 ML Roberts Bay Tank Farm and address an error that was made when constructing the facility's existing berm that resulted in the facility having inadequate secondary containment. It should be noted that HBML are operating their 5ML Roberts Bay Tank Farm at a reduced fuel storage capacity to ensure that its existing secondary containment capacity will not be exceeded.

HBML has provided a July 8, 2011 SRK Memo entitled, "Engineering Drawings for the Roberts Bay Quarry 1 Fuel Tank Farm, Doris North Project." In total, the 5ML Roberts Bay Tank Farm will be used for the storage of 5ML of diesel fuel and 1.5 ML of jet fuel.

B. RESULTS OF REVIEW

The Aboriginal Affairs and Northern Development Canada (**AANDC**) Water Resources Division agrees with the Board's decision to process HBML's

request as a modification to the Doris North Project's Type 'A' Water Licence. The submitted request is considered to be reasonable because it will ensure that the 5ML Roberts Bay Fuel Tank Farm has sufficient secondary containment capacity while allowing for the placement of a 1.5 ML jet fuel storage tank in a location better suited to HBML's needs. As a result, the AANDC Water Resources Division supports the submitted modification request.

Pending the Board's approval of HBML's modification request, HBML should revise their Emergency Response and Contingency Plan to take into account the new design of the 5ML (now 6.5 ML) Roberts Bay Fuel Tank Farm.

Prepared by David Abernethy