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NUNAVUT WATER BOARD
NUNAVUT IMALIRIYIN KATIMAYIT
OFFICE DES EAUX DU NUNAVUT

File: 2AM-DOH0713/ Modification

November 14, 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 5 ML Tank Farm Berm (Secondary Containment)

Dear Ms. Holzapfel,

On August 9, 2011 the Nunavut Water Board (NWB or Board) acknowledged receipt of a Notice from Hope Bay Mining Ltd (HBML) regarding the Robert's Bay tank farm berm (secondary containment), including 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. The Notice informed the NWB of HBML's plans to increase the secondary containment capacity of the 5 ML 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 comments 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 HBML's Notice 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 submission.^{1,2}

On October 7, 2011, following its preliminary review, the NWB considered HBML's submission a modification under Part H of the Licence. As required by Part H, Item 1(d), the NWB informed HBML that the review of the proposal would require more than sixty (60) days. In addition to re-distributing HBML's August 9, 2011 submission as a Notice of Modification for technical review, the NWB required the following documentation:

- Confirmation in writing from the Nunavut Impact Review Board (NIRB) 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.

In addition to the above requests, the NWB included a request to the KIA to provide documentation with respect to the above letter of October 3, 2011 and any correspondence or record of discussions that had taken place between the KIA and HBML regarding the Tank Farm berm, for the public record, in order to have a full account of information exchange and allow for a thorough and meaningful assessment of the submission before the Board.³ On October 20, 2011, the KIA provided a response to the NWB's request indicating that it considers the subject discussions with HBML as private communications between landowner and tenant and that the NWB may request clarifications and information from HBML.⁴

By October 14, 2011 the NWB was in receipt of comments from Aboriginal Affairs and Northern Development Canada (AANDC) and Environment Canada (EC)^{5,6}. AANDC indicated support for HBML's modification request and recommended that HBML revise their Emergency Response and Contingency Plan to take into account the new design of the 6.5 ML Robert's Bay Tank Farm (formerly 5 ML). EC indicated that it had no concerns with HBML's modification request as long as all current licence conditions continue to be adhered to, including that all required monitoring plans are updated accordingly following construction.

As requested by the NWB, the NIRB provided on October 24, 2011, written confirmation that the modification request is exempt from the requirement for screening as per Section 12.4.3 of the

¹ Email from P.Emingak, KIA, to D. Filiatrault, NWB, Subject: FW: HBML 5ML Tank Farm Berm Raise Further Information, dated October 3, 2011.

² Letter from C.Hanks, HBML, to , P. Emingak, KIA, Re: Expansion of Roberts Bay Tank Farm Berm, dated September 28, 2011.

³ Letter from D. Hohnstein, NWB, to Angela Hozapfel, HBML,, Subject: Licence No.2AM-DOH0713 – Notice of Modification Regarding Robert's Bay Tank Farm Fuel Storage and Secondary Containment Berm Raising, dated October 7, 2011

⁴ Letter from P.Emingak, KIA, to D. Filiatrault and P.Beaulieu, NWB, Re: 2AM-DOH0713 Roberts Bay Berm Expansion, dated October 20, 2011.

⁵ Letter and Technical Review Memo from D. Abernethy, AANDC, to I. Porter, NWB, 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, dated October 14, 2011.

⁶ Letter from P. Smith, EC, to P. Beaulieu, NWB, Re:2AM-DOH0713 Notice Modification Tank Farm Berm Expansion, October 14, 2011.

NLCA and the activities therein remain subject to the terms and conditions included in the NIRB's Project Certificate [No. 003] for the Doris North Project.⁷ In addition, the KIA provided written confirmation on October 25, 2011 that the modification request would not raise any water compensation issues.⁸

The NWB hereby accepts the notice of Modification and approves (Motion No. 2011-17-L01) the proposed modification as presented in the August 9, 2011 notice and encourages HBML to update its contingency and monitoring plans accordingly. In addition, the NWB would like to highlight Licence conditions and requirements that apply to the modification and the facility, which include:

- Part D, Item 1 -The Licensee shall ensure that all fill material used is from an approved source and shall be free of contaminants.
- Part D, Item 11 - The Licensee shall ensure that the construction and operation of the Fuel Storage and Containment Facility(s) meets, at a minimum, all applicable legislation and industry standards that include the following:
 - a) Environmental Code of Practice for Aboveground Storage Tank Systems Containing Petroleum Products, 2003; CCME, PN 1326; and
 - b) National Fire Code, 1995.
- Part D, Item 23 - The Licensee shall ensure that all rock used in construction is non-acid generating.
- Part D, Item 26 - The Licensee shall submit to the Board for review, within ninety (90) days of completion of all structures designed to contain, withhold, divert or retain waters or wastes during the construction phase, a Construction Summary Report prepared by a qualified Engineer(s) that shall include as-built drawings, documentation of field decisions that deviate from original plans and any data used to support these decisions.
- Part D, Item 27 - The Licensee shall ensure that all construction of engineered structures is 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.
- Part G, Item 22 (e) –The Licensee shall operate and maintain the Sumps in accordance with the following:
 - e) Water discharged from the Fuel Storage and Containment Facility Sumps at monitoring stations ST-5 and ST-6a and ST-6b shall not exceed the following effluent quality limits:

⁷ Letter from R. Barry, NIRB, to T. Kabloona, NWB, Re: Application exempt from Screening pursuant to Section 12.4.3 of the NLCA: HBML Notice regarding Roberts Bay Tank Farm Berm (Secondary Containment) for the Doris North Gold Mine Project, dated October 24, 2011.

⁸ Letter from L. Torretto, KIA, to P. Beaulieu, NWB, Re: 2AM-DOH0713 Roberts Bay Berm Expansion, dated October 25, 2011.



Parameter	Maximum Average Concentration (mg/L)	Maximum Concentration in any Grab Sample (mg/L)
pH	6.0-9.0	9.0
TSS	15	30
Total Oil and Grease	5	10
Total Lead	0.01	0.02
Benzene	0.37	-
Toluene	0.002	-
Ethyl Benzene	0.090	-

- Part H, Item 3 – The Licensee shall provide as-built plans and drawings of the Modifications referred to in this Licence within ninety (90) days of completion of the Modification. These plans and drawings shall be stamped by an Engineer.
- Part I, Item 4 -The Licensee shall review the Emergency Response and Contingency Plan annually and revise the Plan as necessary to reflect changes in operation and/or technology. Proposed changes to the Plan may be submitted to the Board for review, in the form of an addendum as part of the Annual Report under Part B, Item 3, complete with a revisions list detailing where significant content changes are made.
- Part I, Item 6 - The Licensee shall provide to the satisfaction of an Inspector, secondary containment for fuel storage as required by applicable standards and acceptable industry practice.
- Part I, Item 7 - The Licensee shall perform regular inspections of Fuel Storage and Containment Areas, Sumps, Emergency Dump Catch Basins, other fuel tanks and connectors for leaks and movement and shall keep a written log of inspections to be made available to an Inspector upon request. More frequent inspections may be required at the request of an Inspector.
- Part J, Item 18 (i) - The Licensee shall ensure that a geotechnical inspection is carried out annually between July and September by a Geotechnical Engineer. The inspection shall be conducted in accordance with the Canadian Dam Safety Guidelines where applicable and take into account all major earthworks, including the following:
 - i) Fuel Storage and Containment Facilities at the Plant Site and Roberts Bay site;
- Part J, Item 20 (e) - The Licensee shall visually monitor and record observations on a daily basis during periods of discharge, all discharge onto the tundra from the:
 - e) Roberts Bay Fuel Storage and Containment Area Sump;

The monitoring results shall be made available to an Inspector upon request.

This design, location and construction as provided for in the notification documents (and engineering drawings) is acknowledged through this letter as superseding the previously submitted and approved design, as described in the Licence under Schedule A – Definitions.



Should you have any questions or require any clarification with respect to the above, please feel free to contact the undersigned via email at dts@nunavutwaterboard.org or phone (780) 443-4406.

Sincerely,

Original Signed By

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

