

**STATUS REPORT ON FACILITIES AND ACTIVITIES  
UNDER WATER LICENCE 2AM-DOH0713 (DORIS NORTH)  
PREPARED FOR THE NUNAVUT WATER BOARD**

As the Water Board (along with other regulators and stakeholders) was advised by our letter of September 11, 2008, the Doris North project has been deferred pending further advanced exploration in the Hope Bay belt with the intention of developing options for a belt-wide project.

The Doris North Type A Water Licence permits mining, milling and associated activities for the Miramar Doris North Project. At this time Hope Bay Mining Ltd (HBML) activities on the Hope Bay belt involve advanced exploration to firm up the business case for a new HBML project, environmental work in support of the project and other related activities. HBML's program is supported by approximately 100+ workers on site at Doris Camp. HBML has committed to an advanced exploration program through June of 2009, but is currently assessing plans for drilling as late as the end of the year. The current drilling program is being conducted using standard technology with diamond drills and reverse circulating drills. HBML's advanced exploration is conducted under the terms of the Hope Bay and Boston Type B Water Licences. The Doris facilities are being used for accommodations for staff working on the exploration.

These activities were contemplated in our original Water License Applications and are permissible under the Boston, Hope Bay and Doris North Water Licenses.

Chapter 4 [Doris North Project Description] of the Doris North Project's Technical Report to FEIS submitted to NIRB June 2005 included various phases for the Project including: Planning for Mine Development, Exploration, Construction and Project Operations. Under Section 4.6 of the Project Description the Exploration phase included this description:

MHBL exploration activity is being staged from its exploration camp on the east shore of Windy Lake, approximately 10 km west of the Doris North Project site. The Windy Camp will continue to act as the base of exploration on the Hope Bay belt until the proposed permanent accommodation camp at the Doris North Project site is complete. At that time (approximately the third quarter of 2007), all exploration personnel and activity will be transferred to the Doris North Project site. In the following winter (winter of 2007-2008) the Windy exploration camp will be fully decommissioned and the site reclaimed. All remaining material and equipment will be moved across the frozen tundra to the Doris North Project site.

Section 5.3 of the Doris North Project's Technical Report to FEIS emphasizes the objective to use Doris Camp as the central camp for activity on the belt, including work focused on development:

Under this staged development approach, support infrastructure and waste management facilities would be centered at one site (Doris North), reducing the overall footprint of the infrastructure required for future development on the Hope Bay belt.

This transition from Windy to Doris Camps is largely completed. HBML is using the residential facilities at Doris Camp to support its advanced exploration operations as assessed in the Project Description.

Under the Project's April 2007 application for the Type A Water Licence, the FEIS and the Project Description were provided to the NWB and referenced in the Water Licence application Support Document. See for example Section 1.1 and 1.2 (introduction sections to Support Document) and Section 2.0 the Project Description, which further confirms that exploration activities would be conducted throughout each phase of the Project.

The following is a report on the status of the facilities and activities permitted under the Type A Water Licence. For ease of reference, the following is a list of facilities and activities referred to under Part A, paragraph 1 (scope) of the Water Licence, with an indication of the their status.

<b>Facilities and Activities</b> <b>Part A, paragraph 1</b>	<b>Status</b>
Use of water from Doris Lake	No water from Doris Lake has been used for mining and milling processes. Water from Doris Lake has been used for domestic purposes in the Doris Camp constructed in 2008. As we advised in our letter of February 24, 2009, we have experienced some algae problems with the water from Doris Lake, and are temporarily obtaining potable water from Windy Lake for the Doris Camp. We have submitted an application to amend the Type B Water Licence authorizing withdrawals from Windy Lake (Licence No. 2BE-HOP0712) to confirm the temporary use of water from Windy Lake in the Doris Camp.
Quarrying of materials from specified locations	We have quarried materials from Quarry 1, Quarry 2 and Quarry 4 for the purposes of building roads, an airstrip, camp pad and lay down areas. Each quarry operation is authorized under a Quarry Permit with KIA.
Development and operation of site facilities	<p>The following site facilities have been built and are operating: Doris Camp, 900 meter airstrip, Roberts Bay Jetty and Doris Road and a 500 liter Tank Farm. These activities and facilities are authorized under the Water Licence.</p> <p>The Doris Camp was constructed in 2008 and is operational. The Camp currently provides accommodations for advanced exploration activities, environmental work and other related activities. The exploration activities are covered under the Hope Bay and Boston Type B Water Licences.</p>
Construction of access and site road, air strip, water crossings and lay down areas	<p>In 2008, we constructed a 900 meter airstrip along the road between Doris Camp and Roberts Bay.</p> <p>Under the Doris License we do not have water crossings.</p> <p>We have three lay down areas: one at Roberts Bay for the shop and maintenance areas; one along the road between Roberts Bay and Doris Camp, north of Quarry 2; one south of</p>

	Doris Camp on the lower pad.
Construction of a temporary waste rock storage pad	We do not have a temporary waste rock storage pad because we do not have any waste rock from mining operations.
Construction and Operation of a STP	In 2008, we built the Sewage Treatment Plant (STP) that was described in the Environmental Assessment and authorized in the Type A Water Licence.
Construction and Operation of a Landfill and Landfarm	<p>KIA has requested that we not build a Landfill. HBML has therefore not established a Landfill at this time.</p> <p>HBML has not constructed a Landfarm for treatment of hydrocarbon contaminated soil as it is not necessary at this time.</p> <p>Currently, HBML is shipping waste south for final treatment in a qualified facility or incinerating waste on site as permitted under the Water Licence.</p> <p>Our current operations, concentrated on advanced exploration, do not produce as much waste as was contemplated for the assessed mine operations.</p>
Construction and Operation of a sedimentation pond and pollution control pond	HBML has not constructed either facility as they are not needed given the very limited infrastructure that has been constructed to date.
Management and disposal of wastes associated with the STP, sedimentation and pollution control ponds, Land fill and Landfarm, and other wastes as described in the application	<p>Sewage sludge is currently being pressed to de-hydrate it and then, incinerated as per the criteria of the Type A Water Licence.</p> <p>Currently, we are shipping waste south for final treatment in a qualified facility or incinerating waste on site as permitted under the Water Licence.</p>
Handling and storage of petroleum products and hazardous materials	Petroleum products and hazardous materials are being handled in accordance with HBML's Emergency Response and Contingency Plan, which is on file with NWB.
Construction of dams, spillway, and shoreline erosion control needed for Tail Lake	HBML has not constructed the Tailings Facility and is not using Tail Lake as a Tailings Impoundment Area. Currently, this permitted use is not applicable to HBML's operations.
Extraction of portal development rock. Waste rock and ore from underground via decline	HBML has not constructed underground infrastructure. Currently, this permitted use is not applicable to HBML's operations.
A mining rate of 720 tonnes per	HBML is not conducting mining operations. Currently, this

day of ore	permitted use is not applicable to HBML's operations.
A mill with a design milling throughput of 800 tonnes per day ore	HBML is not conducting mining operations. Currently, this permitted use is not applicable to HBML's operations.
Deposition of tailings into the Tailings Impoundment Area	HBML is not conducting mining operations. Currently, this permitted use is not applicable to HBML's operations.
Disposal of waste rock, including potentially acid generating rock and cyanide leach residue within underground workings	HBML is not conducting mining operations and does not have waste rock or cyanide leach residue to dispose. Currently, this permitted use is not applicable to HBML's operations.
Controlled discharge of effluent from the Tailings Impoundment Area to Doris Creek	HBML is not conducting mining operations and has not established the Tailings Impoundment Area. Currently, this permitted use is not applicable to HBML's operations.
The progressive reclamation of on-site facilities and infrastructure	HBML has not conducted mining operations and has not started progressive reclamation of infrastructure. Currently, this permit requirement is not applicable to HBML's operations. An up-to-date Closure Plan is maintained with the NWB.