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NUNAVUT IMALIRIYIN KATIMAYINGI
NUNAVUT WATER BOARD
OFFICE DES EAUX DU NUNAVUT

File No: 2AM-DOH0713

May 15, 2009

Mr. Christopher Hanks
Director, Environment and Social Responsibility
Hope Bay Mining Ltd.
300-889 Harbourside Drive
North Vancouver BC V7P 3S1
Email: Chris.Hanks@newmont.com

Dear Mr. Hanks:

Re: Notice of Care and Maintenance of the Doris North Type A Licence 2AM-DOH0713

The Nunavut Water Board (NWB) acknowledges receipt of Hope Bay Mining Ltd.'s (HBML) letter dated January 13, 2009, providing notice pursuant to Part L, Item 2 of Doris North Type A Water Licence 2AM-DOH0713 (Licence) of intent to enter into a care and maintenance phase (Notice of Care and Maintenance).¹ The NWB staff met with HBML on April 3, 2009, to clarify issues surrounding the Notice of Care and Maintenance.

In a letter dated April 21, 2009, HBML provided the following supplemental information:

- a) "Summary of the Current Application Provisions of the Type A Water Licence";
- b) "Status of commitments under the NIRB Project Certificate relating to issues of water use, water quality and waste control"; and
- c) A marked copy of the Water Licence further delineating the summary of certain provisions of the Water Licence that are not applicable to HBML's current operations under the Type A Water Licence (given the deferral of the Doris North mine).

In addition, the NWB is in receipt of HBML's letter dated April 20, 2009, to the Nunavut Impact Review Board (NIRB) regarding the status of compliance with the Doris North Gold Mine Project Certificate. The above documents are available from the NWB ftp site located at:
[http://www.nunavutwaterboard.org//PRUC/2 MINING AND MILLING/2A/2AM - Mining/2AM-DOH0713/1 APPLICATION/2009 Care and Maintenance](http://www.nunavutwaterboard.org//PRUC/2%20MINING%20AND%20MILLING/2A/2AM-Mining/2AM-DOH0713/1%20APPLICATION/2009%20Care%20and%20Maintenance).

¹ 2AM-DOH0713 Part L, Item 2 states: The Licensee shall notify the Board, as soon as practically possible, of any intent to enter into a Care and Maintenance Phase.

The NWB notes that the Notice of Care and Maintenance does not contemplate what is typically understood to be a temporary mine closure or full care and maintenance.² As set out in HBML's letter of April 21, 2009, and the related attachments, HBML is requesting a deferral of certain provisions in the Project Certificate and Licence that are identified as "non-applicable in the context of the deferral of the Doris North Project pending further advanced exploration with the intention of developing a belt-wide project."

At this time the NWB is requesting comments from the Parties on HBML's proposed approach to deferring certain terms and conditions of the Licence pursuant to Part L, Item 2 of the Licence as described in the Notice of Care and Maintenance and without an amendment to the Licence. The NWB is further seeking comments on the specific provisions of the Licence proposed to be deferred, and any other issues identified by the Parties.

² Mine Site Reclamation Guidelines for the Northwest Territories, Indian and Northern Affairs Canada, Yellowknife, NWT, January 2007 Version, Section 1.4 – Temporary Mine Closure states:

Temporary mine closure refers to the scenario where a mine ceases operations with the intent to resume mining activities in the future. Closures can last for a period of weeks, or for several years, based on economical, environmental, and social factors.

Temporary closure activities must maintain all operating facilities necessary to protect humans, wildlife, and the environment. The following measures should be implemented or completed upon temporary mine closure:

- Access to the site, buildings, and all other structures must be secured and restricted to authorized personnel only
- All mine openings must be guarded or blocked and warning signs must be posted
- All physical, chemical and biological treatment and monitoring programs must continue according to licenses, permits, and leases in order to maintain compliance
- All waste management systems must be secured
- An inventory of chemicals and reagents, petroleum products, and other hazardous materials must be conducted and secured appropriately or removed if required
- Fluid levels in all fuel tanks must be recorded and monitored regularly for leaks or removed from the site
- All explosives must be relocated to the main powder magazine and secured, disposed of, or removed from the site
- All waste rock piles, ore stockpiles, tailings, mine water and other impoundment structures must be stable and maintained in an appropriate manner (including regular geotechnical inspections)
- Drainage ditches and spillways must be inspected and maintained regularly (e.g. seasonally depending on snow and ice accumulation and melting) during the closure period and included as part of geotechnical inspections
- Facilities and infrastructure must be inspected regularly
- The reclamation security deposit must be kept up to date

Care and Maintenance staff should be present at the site and sufficient in number and expertise to care for the site and any potential problems that may arise. Sufficient equipment and supplies/reagents should be left on site for any maintenance or reclamation activities that may need to take place.

Compliance with all applicable federal and territorial laws and regulations, in addition to the operator's Land Use Permits, Land Leases and Water Licenses, must also be ensured.

The NWB notes that under separate cover, the NIRB is requesting Parties comment on a request for a name change to the NIRB Project Certificate and whether the proposed Notice of Care and Maintenance creates any issues of non-compliance with the Project Certificate. The NWB is bringing this to the attention of the Parties to facilitate concurrent reviews where appropriate.

The NWB requests comments from interested parties on or before May 29, 2009. Submissions are to be sent to Phyllis Beaulieu, Manager of Licensing, NWB at licensing@nunavutwaterboard.org.

Sincerely,

Original signed by:

Phyllis Beaulieu
Manager of Licensing

cc: Kitikmeot Distribution List
Stephanie Autut, Executive Director, NIRB