Ministre des Affaires indiennes et du Nord canadien, interlocuteur fédéral auprès des Métis et des Indiens non inscrits et ministre de l'Agence cunadienne de développement économique du Nord



Minister of Indian Affairs and Northern Development, Federal Interlocutor for Mélis and Non-Status Indians and Minister of the Canadian Northern Economic Development Agency

SEP 17 2010

Ottawa, Carrada K 'A 0144

Mr. Thomas Kabloona Chair Nunavut Water Board PO Box 119 GJOA HAVEN NU X0B 1J0

## Dear Mr. Kabloona:

Thank you for your letter of August 4, 2010, regarding the issuance of Amendment No.1 to Hope Bay Mining Ltd.'s Type A Nunavut Water Board licence 2AM-DOH0713 for their Doris North Gold Mine (Motion 2010-13-L10). I appreciate the Nunavut Water Board's efforts in the preparation of this licence amendment.

I have approved this licence amendment as required by the *Nunavut Waters and Nunavut Surface Rights Tribunal Act*. A signed original copy is enclosed for your records. A copy of this letter is being sent to Hope Bay Mining Ltd. and the Kitikmeot Inuit Association, the Designated Inuit Organization, which holds the water rights and surface land management authorities where this project is located.

Again, I would like to thank the Nunavut Water Board for its work in issuing this licence amendment as it continually demonstrates its commitment to responsible water management.

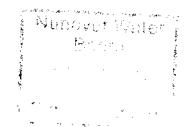
Sincerely,

John Duncan, PC, MP

Encl.

c.c.: Mr. Chris Hanks

Mr. Charlie Evalik





## LICENCE AMENDMENT No. 1

Licensee:

Licence No:

Licence Issued: Minister Approval

of Licence:

Amendment Issuance:

Licence Expiry:

HOPE BAY MINING LTD. 2AM-DOH0713 Type "A"

September 19, 2007

November 5, 2007

August 4, 2010

September 30, 2013

The Licence issued September 19, 2007, subsequently approved by the Minister on November 5, 2007 with an expiry date of September 30, 2013, shall be amended to include the following terms and conditions, with respect to use of water and deposit of waste, to allow the Licensee to relocate the Explosives Mixing and Storage Facility to the secondary access road along Tail Lake. The location originally proposed for the facility does not comply with the set-back requirement from the access point to quarry 2, and therefore the facility must be relocated. The amendment does not expand or alter the purpose or the function of the facility.

The project is located in area that does not have an approved land use plan and is therefore exempt from a Nunavut Planning Commission land use plan conformity determination. In addition, the amendment application was exempt from screening by the Nunavut Impact Review Board on July 7, 2010.

Comments on the amendment application were submitted by the Kitikmeot Inuit Association, Indian and Northern Affairs Canada (INAC), Environment Canada and Fisheries and Oceans Canada (DFO). No major issues were identified by parties during the review of the amendment application, subject to the continued application of existing Licence conditions.

DFO confirmed that formal approval was not required from DFO in order to proceed. INAC noted that there are no monitoring stations specific to the facility. The NWB finds that the measures to be implemented to protect the receiving environment in accordance with the Explosives Management Plan are sufficient and that no additional monitoring is required at this time.

Nevertheless, in accordance with Schedule B, Item 8 of the Licence, the Licensee shall revise Management Plans, including the Explosives Management Plan and the Emergency Response and Contingency Plans, as and where may be necessary, to reflect the relocation of the Facility.

Part D, Item 27 of the Licence requires that the construction of engineered structures be 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.

Finally, the Licensee is reminded that in accordance with Part H, Item 3 as-built plans and drawings of the Explosives Mixing and Storage Facility are to be provided within ninety (90) days of completion. The plans and drawings shall be stamped by an Engineer.

Pursuant to its authority under Article 13 of the Agreement between the Inuit of the Nunavut Settlement Area and Her Majesty the Queen in Right of Canada and the Nunavut Waters and the Nunavut Surface Rights Tribunal Act, with respect to an application for amendment dated May 20, 2010, made by Hope Bay Mining Ltd. (HBML or Licensee), the Nunavut Water Board hereby grants the following Licence amendment:

## SCHEDULE A SCOPE, DEFINITIONS AND ENFORCEMENT

Delete Definition

"Explosives Mixing and Storage Facility" means a facility designed for the storage of ammonium nitrate, detonators and explosives; and designed for the mixing and storage of Ammonium Nitrate Fuel Oil (ANFO), as illustrated in the Revised Water Licence Application Supporting Document S4 entitled "Engineering Drawings for Tailings Containment Area and Surface Infrastructure Components", DWG, S-04 dated Mar 2007, SRK Job Number ICM014.008;

Insert new Definition

"Explosives Mixing and Storage Facility" means a facility designed for the storage of ammonium nitrate, detonators and explosives; and designed for the mixing and storage of Ammonium Nitrate Fuel Oil (ANFO), as illustrated in the in Engineering Drawings submitted with Amendment Application dated May 20, 2010 for the Doris North Explosives Facility, Doris North Project, Nunavut, Canada DWG TL-EXP-01 and 02.

All remaining terms and conditions of the Licence 2AM-DOH0713 Type 'A" dated September 19, 2007 still apply.

This Licence Amendment No.1, issued and recorded at Gjoa Haven, NU on August 4, 2010.

APPROVED

Thomas Kabloona, Nunavut Water Board Chair

Minister of Indian and Northern Affairs Canada

DATE AMENDMENT APPROVED: