



P.O. Box 119

GJOA HAVEN, NU X0B 1J0

TEL: (867) 360-6338

FAX: (867) 360-6369

kNK5 wmoEp5 vtmp5

NUNAVUT WATER BOARD

NUNAVUT IMALIRIYIN KATIMAYIT

OFFICE DES EAUX DU NUNAVUT

File No.: **2AM-DOH0713/Amendment No. 3**

January 18, 2012

Mr. Chris Hanks
Director, Environmental & Social Responsibility
Hope Bay Mining Ltd.
Suite 300, 889 Harbourside Drive
North Vancouver, BC V7P 3S1
By email: chris.hanks@newmont.com

RE: Licence 2AM-DOH0713 Type A Licence, Hope Bay Mining Limited, Doris North Project; Amendment No.3: Waste Rock and Ore Management – Storage and use

Dear Mr. Hanks,

Please find attached Amendment No.3 to Water Licence No. 2AM-DOH0713 Type “A” issued to Hope Bay Mining Ltd. (HBML) by the Nunavut Water Board (NWB) (**Motion 2011-18-L03**) 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 Nunavut Surface Rights Tribunal Act* (NWNSTRA).

The terms and conditions of the original Licence related to water use and waste disposal remain an integral part of this approval. Please note that the Amendment, as issued, must be approved by the Minister under s. 56 of the NWNSTRA and accordingly, the NWB has forwarded the issued Amendment to the Minister for his consideration.

The NWB recommends that the Licensee consult the comments received by interested persons¹. This information is attached for your review.

Sincerely,

Thomas Kabloona
Nunavut Water Board
Chair

TK/kt/pb

¹ AANDC letter dated November 25, 2011, AANDC letter dated December 5, 2011, EC letter dated November 25, 2011, EC letter dated December 13, 2011, and KIA letter dated November 23, 2011;

Enclosure: Licence No. **2AM-DOH0713 – Amendment No. 3**
 AANDC, EC and KIA Comments

Cc: Kitikmeot Distribution List

LICENCE AMENDMENT No. 3

Licensee:	HOPE BAY MINING LTD.
Licence No:	2AM-DOH0713 Type “A”
Licence Issued:	September 19, 2007
Minister Approval of Licence:	November 5, 2007
Licence Expiry:	September 30, 2013
Amendment No. 1 Issuance:	August 4, 2010
Minister Approval of Amendment No. 1:	September 17, 2010
Amendment 2 Issuance:	February 15, 2011
Minister Approval of Amendment No. 2:	March 24, 2011
Amendment 3 Issuance:	January 18, 2012

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*, the Nunavut Water Board hereby issues the following Licence amendment.

The Licence issued September 19, 2007 and 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 the use of water and deposit of waste, to allow Hope Bay Mining Ltd. (HBML or Licensee) to use non-mineralized waste rock for surface construction purposes and allow excess non-mineralized waste rock to be reclaimed in place on the Temporary Waste Rock Pad.

Any undertakings mentioned above shall be carried out in accordance with an approved Waste Rock Management Plan (2010 or later) submitted as additional information with the amendment application dated October 13, 2011 and the conditions of approval contained herein. The Plan is to be considered following a decision on the Amendment.

The project is located in an area that is absent of an approved regional 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 environmental assessment screening by the Nunavut Impact Review Board on November 3, 2011.²

On or before November 25, 2011 comments on the amendment application were submitted to the

² Letter from R. Barry, NIRB, to T. Kabloona, NWB, Re: Application exempt from Screening pursuant to Section 12.4.3 of the NLCA: HBML Amendment #3 to its Type A Water Licence – Implementation of the “Waste Rock and Ore Storage Management Plan” for the Doris North Gold Mine Project, dated November 3, 2011.

NWB by Aboriginal Affairs and Northern Development Canada (AANDC)³, Environment Canada (EC)⁴, and the Kitikmeot Inuit Organization (KIA)⁵. On December 5, 2011, AANDC provided clarification regarding its previous submission⁶ and on December 7, 2011 HBML provided a response to all parties' comments⁷. On December 13, 2011, following review of HBML's response, EC indicated that it had no further comments⁸.

No major issues were identified by parties during the review of the amendment application that would prevent the undertakings identified in the application from proceeding. Parties were generally supportive, encouraging a precautionary approach and due diligence.

The Licence shall be amended to indicate and include the following:

PART D: CONDITIONS APPLYING TO CONSTRUCTION

Amend

Item 24 The Licensee shall not use Waste Rock from underground for any purpose, including the construction of any infrastructure, unless otherwise approved by the Board under Part G, Item 17 and in accordance with the plan provided under Part G, Item 15, revised and approved accordingly.

**PART G: CONDITIONS APPLYING TO WASTE MANAGEMENT AND
WASTE MANAGEMENT PLANS**

Amend

Item 17 All Waste Rock brought to the surface from underground shall be managed in accordance with the approved Plan submitted under Part G, Item 15 and:

- a. stored on the Temporary Waste Rock Pad;
- b. stored at other locations as identified in the approved Waste Rock and Ore Storage Plan, and
- c. managed as otherwise approved by the Board in writing.

³ Letter and Technical Review Memorandum from D. Abernethy, AANDC, to P. Beaulieu, NWB. Re: Water Licence No. 2AM-DOH0713, Amendment No. 3, Application to Permit Implementation of the Waste Rock and Ore Storage Management Plan – Doris North Gold Project – Hope Bay Mining Ltd.– Kitikmeot Region, dated November 25, 2011;

⁴ Letter from P. Smith, EC, to P. Beaulieu, EC, Re: 11 10 26 2AM-DOH0713 Amendment 3 Review-OMLE, dated November 25, 2011;

⁵ Letter from L. Torretti, KIA, to Ms. Beaulieu, NWB, Re: 2AM-DOH0713 Amendment 3 Review, dated November 23, 2011;

⁶ Email from D. Abernethy, AANDC, to P. Beaulieu, NWB, Subject: Water Licence 2AM-DOH0713, Amendment Application No.3 – Point of Clarification, dated December 5, 2011;

⁷ Letter from C. Hanks, HBML, to P. Beaulieu, NWB, Re: Responses to Comments on Application No. 4 to Amend Type A Water Licence 2AMDOH-0713, dated December 7, 2011;

⁸ Email from P. Smith, EC, to K. Tunaley, Tunaley, Lines & Associates on behalf of the NWB, Subject: RE: NWB File 2AM-DOH0713- HBML Amendment #3 - Waste Rock Ore Storage Management Plan, dated December 13, 2011.

Insert

Item 32

The Licensee shall submit to the Board for approval in writing, at least sixty (60) days prior to planned implementation, any changes that are contemplated to the geochemical confirmatory sampling and testing program or the criteria for using non-mineralized Waste Rock for construction as outlined in the approved Waste Rock Management Plan, submitted as per Part G, Item 15, including a description of and justification for the change.

Insert

Item 33

The Licensee shall clearly identify and segregate all potentially acid generating Waste Rock for storage on the Temporary Waste Rock Pad, awaiting its ultimate disposal underground.

Insert

Item 34

The Licensee shall submit to the Board as part of the Construction Monitoring Report referred to in Part D, Item 8, a Waste Rock and Quarry Monitoring Report. The Report shall be developed in accordance with Schedule D, Item 1 (f).

Insert

Item 35

The Licensee shall review the Plans referred to in this Part as required by changes in operation and/or technology and modify the Plan accordingly. Revisions to the Plans are to be submitted in the form of an addendum to be included with the Annual Report, unless otherwise directed by the Board or an Inspector.

PART J:

CONDITIONS APPLYING TO GENERAL AND AQUATIC EFFECTS MONITORING

Amend

Item 12(d)

The Licensee shall measure and record all flow and volume measurements on a monthly basis (unless otherwise stated):

(d) Tonnes of mineralized and un-mineralized Waste Rock stored on the Temporary Waste Rock Pad and at other locations approved by the Board in writing, during construction, operations and closure.

PART L:

CONDITIONS APPLYING TO ABANDONMENT, RECLAMATION AND CLOSURE

Amend

Item 4(j)

The Licensee shall submit to the Board for approval within six (6) months of the start of ore processing, an Interim Closure and Reclamation Plan prepared in accordance with the *Mine Site Reclamation Guidelines for the Northwest Territories, 2007* and consistent with the *INAC Mine Site Reclamation Policy for Nunavut, 2002*. The Plan shall include the following:

(j) The requirement that all Waste Rock classified as mineralized in accordance with the approved Waste Rock Management Plan as submitted under Part G, Item 15 or as otherwise revised as per Part G, Item 35, be returned underground

as backfill through progressive and final reclamation procedures, unless otherwise approved by the Board in writing.

SCHEDULE A: DEFINITIONS

Amend **“Temporary Waste Rock Pad”** to read:

“Temporary Waste Rock Pad” means the engineered facility designed for the storage of Waste Rock and potentially acid generating rock, as illustrated in the Engineering Drawings (specifically DN-DMC-01 and 06) for the Doris North Camp Area, Doris North Project, Nunavut, Canada, prepared by SRK Consulting for Hope Bay Mining Ltd., Project No. 1CH008.027, dated September 29, 2010 and further design as submitted under the Waste Rock Management Plan and approved by the Board in writing.

SCHEDULE B: GENERAL CONDITIONS

The Annual Report referred to in Part B, Item 3 shall include the following:

Amend
Item 3(c)

3. A Geochemical Monitoring and Waste Rock Storage Assessment that includes the following:
 - c. For Waste Rock:
 - i. Tonnage of mineralized and un-mineralized Waste Rock placed on the Temporary Waste Rock Pad and in other locations as approved by the Board in writing.

SCHEDULE D: CONDITIONS APPLYING TO CONSTRUCTION

Amend
Item 1(f)

1. The Construction Monitoring Report referred to in Part D, Item 8 shall include the following:
 - f. Waste Rock and Quarry Monitoring Report, including the following:
 - i. A summary of the geochemical inspections;
 - ii. Results of the seep surveys;
 - iii. Results of geochemical sampling and analysis; and
 - iv. A summary of all mitigation activities undertaken as a result of monitoring.

All remaining terms and conditions of Licence 2AM-DOH0713 Type “A” dated September 19, 2007, Licence Amendment No. 1 dated August 4, 2010 and Licence Amendment No. 2 dated February 15, 2011, continue to apply.

This Licence Amendment issued and recorded at Gjoa Haven, Nunavut on January 18, 2012.



**Thomas Kabloona,
Nunavut Water Board
Chair**

**APPROVED
BY:**

**Honourable John Duncan, P.C, M.P.
Minister of Aboriginal Affairs and
Northern Development Canada**

DATE LICENCE APPROVED: _____