



HOPE BAY JOINT VENTURE

Miramar Hope Bay Ltd. – Hope Bay Gold Corporation Inc.

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03 May 2001

Mr. Philippe di Pizzo
Executive Director
Nunavut Water Board
P.O. Box 119
Gjoa Haven, NU, X0E 1J0

Dear Mr. di Pizzo,

Re: Hope Bay Joint Venture – Application for Renewal – Licence NWB1BOS9801
Pre- Hearing Conference Action List – ARD Reports

Further to the Pre-Hearing Conference held on the 25th April related to the renewal of water licence NWB1BOS9801, we are pleased to provide two (2) copies provided in 'CD' format of the following information:

- "Acid Rock Drainage Characterization, Boston Property (Waste Rock) Final Report, Rescan Environmental Services Ltd., February 1999" and
- A letter report entitled "Review of Past ARD Characterization at the Boston Property" prepared for the HBJV by Knight Piesold dated May 1, 2001.

Your follow-up letter dated April 25, 2001 suggested that those interested in receiving the documents contact the HBJV directly. As of today, only your staff, KIA lands and DIAND in Iqaluit have requested a copy. To ensure there are no unnecessary delays in the review, we are providing copies to those as per this letters distribution list by Priority Post.

The letter review carried out by Knight Piesold for the HBJV captioned above, was precipitated by a letter report dated July 26, 2000 by Mr. John Brodie entitled "Boston Gold Project – ARD Potential – Ore Stockpiles" following his visit to the Boston site with the NWB in July 2000. We found that the contents of Mr. Brodie's letter report only discusses visual observations regarding sulphide mineral abundance and preliminary waste characterization work but does not fairly represent the full body of ARD characterization work conducted at the site to date. To summarize our findings, and to clarify the questions raised by Mr. Brodie, we provide the following highlights:

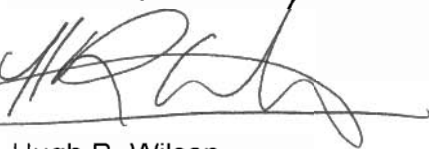
- Between 1996 and 1997 a total of 136,000 tonnes of rock were removed from the exploration decline at the Boston Property.
- A total of 283 samples (1 every 2 rounds excavated) were subjected to ARD characterization by standard acid base accounting analysis.
- For the 1996 samples (n=157) Total Sulphur values ranged from 0.01 to 1.75 wt% with an average of 1.41 wt%. The NPR ranged from 1.1 to 331 with an average of 43.3.
- For the 1997 samples (n=126) Total Sulphur values ranged from 0.01 to 1.75 wt% with an average of 0.29 wt%. The NPR ranged from 7.1 to 659.2 with an average of 69.3.

- 72% of the samples had Total Sulphur contents below 1%, NP values greater than 250 Kg CaCO₃/t and paste pH values greater than 8.0.
- All the decline materials had NPR values greater than 1.1 with 80% having NPR values greater than 5.0.
- Uncertain ARD potential appears to be limited to material associated with the Basalt-Sediment Transition Zone at the ore horizon. This material only represents a very small proportion of the total material excavated from the decline to date, and
- This ore body is contained within an area of high carbonate alteration. Consequently, the material has a naturally high natural buffering capacity as indicated by the extensive ABA waste characterization work completed to date.

With the above in mind and the contents of the "CD's", we are confident that any issue related to ARD at the Boston site has been alleviated and if the NWB feels there is remaining concerns, these concerns can be adequately addressed in the terms and conditions in the renewed water licence. We do however believe that the information database to date confirms the relative non-potential for ARD at the Boston site and would expect that requirements placed on the licensee would be minimal. It is also our opinion that the information provided justifies our suggestion and the support by others during the Pre-Hearing conference that a public hearing can be held by written submissions.

Should you require clarification on anything related to this application please do not hesitate to contact the undersigned at the numbers above, on cell # 780-975-2550 or by e-mail to:
hwilson@miramarmining.com;
hugh_r_wilson@hotmail.com
terrbear@powersurfr.com.

Yours truly,



Hugh R. Wilson
 Manager, Environmental Affairs

Cc: T. Mahoney, Project Manager HBJV-Boston
 D. Mablick, Environmental Technician- HBJV

Distribution List by Priority Post:

Jack Kaniak – KIA Lands – Kugluktuk (1 CD Copy)
 John Donihee- Legal Advisor to KIA – Calgary (1 CD Copy) sent to Yellowknife address.
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