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5 September 2008

Deon Bridge
Technical Advisor Mining
Nunavut Water Board
P.O. Box 119
Gjoa Haven, NU X0B 1J0

Dear Mr. Bridge,

Re: Response to NWB letter dated August 5, 2008 - Licence conditions for the Boston Exploration Project; Licence 2BB-BOS0712 and Windy Lake Camp; Licence 2BE-HOP0712

Hope Bay Mining Ltd. (HBML) would like to respond to the four issues raised in your letter:

- The retro-active requirement for *As for Construction Drawings* that have been stamped by an appropriately qualified engineer who is registered in Nunavut;
- HBMLs plan to close the Windy Land Farm;
- A reminder to HBML to provide appropriate documentation for the transportation of the material from the Lands Farms to the Government of Nunavut; and
- Your request to HBML to provide an Addendum the Closure and Reclamation Plan with in 30 days of your August 5, 2008 letter.

We understand that these questions arose during your recent review of the Land Farm Plan submitted to the NWB by Miramar in 2007.

Land Farm Construction Drawings

To better understand the background for your request for engineered drawings of the land farms, HBML went to EBA Engineering, the company that conducted the clean-up of the spills and specified the Land Farms that were built as part of the treatment. We reviewed the reports *Hydrocarbon Spill and Assessment and Remediation, Boston Camp, NU – February 2004* and *Windy Camp, NU – Diesel Fuel Spill Assessment and Remediation – July 2004*. Both reports, which include the basic design elements for the Land Farms were written and signed off by Environmental and Geologic staff at EBA who were qualified to do the work. The designs in the report are not full engineering designs, but were adequate to guide the construction and to meet the regulatory requirement at that time. HBML understands that these reports have been submitted to the NWB by Miramar on two different occasions. We also understand that Miramar in 2007 did submit drawing under the signature of one of its own engineers based on post construction site survey. We did not however, review those drawings as they were not done by the firm of record on the project.

Further, HBML did inquire of EBA, if it was possible to retroactively provide the requested drawings. We were told by one of EBA's senior geotechnical engineers that the risk of design failure for the Land Farms was low and lacking a regulatory requirement the structures had therefore not gone through a complete design process. The construction was not supervised by a professional engineer. It is therefore, not possible for a registered engineer to produce the requested signed drawings.

Final, HBML has reviewed the versions of the Boston 2BB-BOS0712 and the Windy 2BE-HOP0712 Licences that were in effect in 2003 and 2004, respectively when the spills at Boston and Windy occurred that resulted in the construction of the two Land Farms. At that time there was not a requirement in either licence to submit *As for Construction* design drawings stamped by an appropriately qualified engineer registered in Nunavut to the Nunavut Water Board for land farms. While Part E of the renewal water licences that are now in effect for those two camps, now requires that of new construction completed under those licences, there is no retroactive clause for activities previously carried out under an earlier version of either of the two licences. HBML would respectfully submit that there is therefore no legal requirement for the company to submit those drawing to the NWB at this time, but as is apparent above we did take your request seriously and would have voluntarily submitted the required drawings if it was possible to do so.

HBML decommissioning of the Windy Land Farm

During it's 2007 Water Licence inspection INAC raised concerns about Miramar's operation of the Land Farms at Boston and Windy. In response to that INAC inspection HBML submitted a letter on May 13, 2008 to the NWB discussing progress and proposed actions to mitigate issues raised in that inspection. This letter clearly indicates that the procedure described in the letter will supersede the existing Land Farm Plan. I am enclosing below the section from that letter on the remediation of the Windy land farm:

Due to the limited land available near the camp, HBML has decided to close the landfarm and backhaul soils and drums from the facility prior to reclaiming the site. Several specific steps are needed to close the facility. First is the relocation of bagged drill cuttings within the landfarm, which are being relocated to a common area for drill cuttings where they will then be used for backfilling exploration trenches as part of the reclamation of these areas. Second is that the drums will be sampled and labeled prior to being prepared for backhauling. Third is the sampling of excess water, which will be treated on-site using portable oil-water separation units, as needed. Lastly, soils will then be placed in drums, labeled and prepped for backhauling. While the NWB has acknowledged receipt of the operational plan for the landfarm, this will become irrelevant upon closure of the Windy facility.

I have checked and HBML has never received any confirmation from NWB of receipt of the letter. A copy was also provided to the INAC inspector and was in her possession at the time of the annual INAC inspection in July 2008.

The water that was discharged by HBML in 2008, was done in accordance with the requirements of the water licence and report in the monthly SNP report. INAC inspected the site during the operational decommissioning of in July of 2008.

Proper documentation for the transportation of contaminated materials

The Windy Land Farm has been removed, the material treated as described in the May 13, 2008 letter. Contaminated soils are being taken south by barge for treatment. Contaminated materials are not being sent for treatment in any other area of Nunavut.

The containers will be properly labeled indicating the source and the approved destination according to TDG requirements. We have also spoken with Environment Canada who is responsible for the trans-boundary shipment of contaminated material and confirmed the steps.

Request to provide an Addendum to the Closure Plan

HBML has kept both the INAC inspector who raised the concerns with the land farm to Miramar in 2007 and the NWB informed through the May 13, 2008 letter prior to work being undertaken. The work at Windy has been inspected by INAC during its execution and the results of water tests conducted during discharge have been provided in the monthly SNP reports to the NWB and INAC under the terms of the Windy Type B Water Licence in question. Further, data will be provided to INAC and the NWB on the results of soil samples from under the former facility in the monthly report when they are available. Finally, HBML will use coconut mats and peat to stabilize the surface of the former facility. Site drainage will be monitored by site environment to determine if further actions are required.

Reasonable actions to mitigate the problems identified by INAC with the Land Farm have been implemented and proper notification has been provided to the NWB by the May 13, 2008 letter, which clearly indicated it was to supersede the procedures described in the existing Land Farm Plan you have recently reviewed.

The Boston Land Farm has similar problems having been over filled by the previous owners and is therefore not operationally effective. HBML plans to decommission this facility in 2009 in the same manner as has been followed with Windy.

HBML has already provided the NWB with the information that was required prior to remediation. It is further our opinion that a temporary facility like a land farm built in response to a specific incident is an operational issue that is being responsibly conducted and properly reported to the appropriate Board and Inspector. If this work had been conducted as part of a camp closure exercise then certainly the Closure Plan would have been updated and followed.

HBML does however; plan to up date both the Boston and Windy Closure Plans over the next year, to confirm compliance with the respective water licences, Newmont Mining Corporation standards and to reflect future site operations. We would anticipate that those documents will be reviewed in a timely manner.

I hope that the above information addresses your concerns, but should you wish to further clarification please feel free to contact me at chris.hanks@newmont.com

Sincerely yours,

Original Signed

Chris Hanks

Director, Environment and Social Responsibility

Hope Bay Mining Ltd. an affiliate of

Newmont Mining Corporation