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October 20, 2010

Manager of Licensing
Nunavut Water Board
Gjoa Haven, NU

Attention: Phyllis Beaulieu

Dear Phyllis,

2BB-BOS0712 Response to Review Comment for the Hope Bay Project Waste and Ore/ Waste Rock Management Plan for the Boston Site

The Water and Ore/Waste Rock Management Plan (the WRMP) for the Boston Site was submitted to the Nunavut Water Board in July 2009. Review comments regarding the WRMP were received from each Environment Canada and Indian and Northern Affairs (INAC) Canada on September 21, 2009 and September 25, 2009, respectively. This letter provides responses to these comments in the form of tracking tables prepared by SRK Consulting on our behalf. Responses to comments provided by Environment Canada are presented in Table 1. Responses to comments provided by INAC are presented in Table 2.

Although responses comments provided in September of last year have not been made until now, HBML has proceeded with recommendations presented in the WRMP. These recommendations included continued monitoring of the ephemeral stream locations, which was completed in both 2009 and 2010, as well as monitoring of seepage.

Now that the Doris North Mine is under development, we are now in the process advancing our plans to haul the Boston ore stockpiles to the Doris Mill for processing, and intend to process the stockpiles as soon as possible, likely sometime within the next four years. These plans will require additional feasibility studies and permitting activities to obtain all of the approvals that will be needed to relocate the ore and manage the resulting tailings and process water. As a first step in this process, we will be assessing the incremental effects of the additional tailings storage on the water balance and water quality in Tail Lake in the Phase 1B Permit Amendment package for the Doris North water licence, and will consult with you regarding the other permitting requirements during the first quarter of 2011. Although the planning and the approvals for the processing of Boston ore stockpiles are expected to take some time, it is not anticipated that interim reclamation efforts of the stockpiles will be required.

If you have questions or further comments, please contact me at <chris.hanks@newmont.com>

Sincerely your,

Chris Hanks

Digitally signed by Chris Hanks
DN: cn=Chris Hanks, o=Hope Bay Mining Ltd., ou=Director, Environment and Social Responsiblity, email=chris.hanks@newmont.com, c=US
Date: 2010.11.04 16:18:50 -07'00'

Chris Hanks
Director, Environment and Social Responsibility
Hope Bay Mining Ltd.

Table 1 Responses to Environment Canada Comments Regarding the Hope Bay Project Boston Area Water and Ore/ Waste Rock Management Plan (Environment Canada, September 21, 2009)

ID No.	Comment	Response
EC-01	EC does not consider dilution to be an acceptable method to reduce contamination concentrations. Discharge should be non-deleterious at "end of pipe", and should be demonstrably non-acutely toxic at that point.	Photos presented in Attachment 1 of Supporting Document B of the Plan illustrate the nature of the streams, which lend themselves to periodic overland flow. In July 2009, an aquatic specialist from Rescan assessed the ephemeral streams at Boston for fish habitat. At the time, the streams were not flowing and were characterized as having "no stream channelization, no substrate/stream bed, and no aquatic vegetation". On this basis, the streams were not considered fish habitat. In fact, by most definitions, they would not be considered to be streams. At the point where these flows enter the receiving environment (i.e., the Aimaokatalok Lake shoreline, where aquatic life is likely present and where these regulations are applicable), metals concentrations were demonstrably low and non-acutely toxic. HBML would like to provide an opportunity for EC to visit the site in 2011 and observe the conditions along these flow paths first hand. We believe that this would lead to an improved understanding of the conditions in this area and therefore a clearer understanding of where the MMER and Fisheries Act would be applicable.
EC-02	Further details are needed on how the degree of natural attenuation of the tundra will be established. When will the capacity to remove these parameters be reached?	Although data are not available to determine definitively the time until capacity for attenuation of the water quality parameters by the tundra, the very low flow conditions, fine soils and relatively low source concentrations in this area suggest that it is likely to continue for a very long time. However, it is acknowledged that some additional work to establish the timing of breakthrough would be helpful. To better define the degree and capacity of attenuation of the tundra, water quality and flow sampling along a transect between the camp pad and the shore of Aimaokatalok Lake will be completed to show the changes in concentration with distance. This data can be used to estimate travel times for each of the contaminants of potential concern, and therefore how much time is available before these could reach the shoreline.
EC-03	In Section 2.8, the sensitivity analysis suggested that efforts to reduce seepage from the ore stockpiles would help protect water quality in East Bay. Are there any plans to complete this work? If so, would this work be similar to planned closure activities? Similarly, plans describing mitigation measures that would take place in the event that attenuation in the tundra decreases or if the receiving environment approaches or exceeds set targets should also be established.	The sensitivity analyses indicated that such measures would help to ensure that water quality is not affected over the longer term. The monitoring results have shown that there are no concerns that would trigger the implementation of seepage controls. If conditions were to change, they could include a variety of approaches, including snow removal to reduce flows from the pad area, collection and treatment of the seepage, or installation of covers as described under the closure alternatives. As noted in the introduction, HBML intends to process the ore stockpiles as soon as possible. Although it is expected that the permitting process for the processing of Boston ore stockpiles will take some time, it is not anticipated that interim reclamation efforts of the stockpiles will be required.

EC-04	Section 3.2.1 states that a small portion of the runoff is allowed to accumulate in containment ponds or other low areas on site; this runoff is then discharged onto the tundra. This section also indicates that "water accumulating in these areas is typically monitored prior to discharge". Why is not all the discharge monitored? As well, no information is included on what is done if the monitoring criteria are not met in these containment ponds or low areas. Is storage capacity an issue?	The Boston SNP monitoring stations mark the discharge locations from containment ponds and low areas at the Boston site, with the exception of the accumulation of water near the portal. Since implementation of the Boston Waste Rock Management Plan, accumulated water from the portal has been consistently pumped to BOS-2 prior to discharge, and is monitored using parameters from this SNP station. Monitoring of all SNP sites (including portal water at BOS-2) is also now consistently practiced prior to discharge to the environment. During both 2009 and 2010, water quality in the containment pond was well below the criteria defined in the Boston water licence, indicating that there is no immediate need to change the current management approach.
EC-05	In terms of the closure plans, Section 4, a thorough description of how/when the decision will be made to either move the ore into condensed stockpiles and cover or move for processing should be included.	As per the response to comment EC-03, HBML intends to process the ore stockpiles as soon as possible. The option to move ore for processing has already been selected, and the timing of implementation of this option is contingent on completion of feasibility studies and obtaining the regulatory approvals.
EC-06	As described in Section 5.1, a survey of rinse pH and conductivity will be done every ten years. This monitoring frequency may be too low, given that lab results predicted higher metal leaching than is being observed, and that the rock materials are releasing poor quality leachate.	The high levels of Neutralization Potential (NP) in both ore and waste rock at Boston (greater than 100 Kg $CaCO_3$/tonne) for all samples indicate that rinse pH is not likely to change for several hundred years. Therefore, a higher frequency of rinse testing is not merited. Seepage surveys (which monitor conductivity as well as numerous other parameters) are a better tool for monitoring changes the quality of leachate originating from the Boston camp area. As outlined in Section 5.2.1 of the plan, annual seepage surveys are conducted at the site.
EC-07	In Sections 3.2.1 and 4.1, it is indicated that some of the most northeast piles of ore appear to have been place on tundra. Mitigation plans should include the removal of these from the tundra onto a storage pad.	Further review of our site photos indicated that two of the small stockpiles were located quite close to the edge of the camp pad, in an area where the pad is relatively thin. However, they do appear to be on the pad. A more thorough inspection of the stockpiles in this area will be completed during the 2011 field season, and if any ore is on the tundra, it will be removed.
EC-08	In Section 4.2 it states that "although some parameters in the seepage currently exceed CCME guidelines for aquatic life, there is a considerable distance between the stockpiles and receiving water, and it is likely that a risk assessment will show that these levels are within acceptable limits for a source material." Is a risk assessment planned or if not, why not?	The technical memo titled "Boston WRMP Task 2: Water and Load Balance" prepared by SRK in July 2009 and presented as Supporting Document B to the WRMP was used as the basis for evaluating potential risks to water quality from the site. The assessment concluded that even in the absence of any attenuation processes, discharges from the site would not result in any exceedances of generic water quality guidelines in either East Bay or Aimaiokatalok Lake (*i.e.,* where environmental receptors are present). However, sensitivity analyses showed that some further controls to reduce loadings from the site would help to ensure that water quality in East Bay is not affected over the longer-term. The purpose of the assessment was to provide a suitable basis for understanding closure requirements for this site. As a result of this assessment, a recommendation was made to incorporate features that would reduce the amount of arsenic loading from the site in the closure plan (Section 4 of the management plan), and only measures that considered this objective were identified as worthy of further consideration.

EC-09	If the proponent is not prepared to implement closure measures to isolate the ore in the near future, then actions should be taken to capture, treat and properly dispose of seepage/leachate.	As per the response to comment EC-03, HBML intends to process the ore stockpiles as soon as possible.

Table 2 Responses to INAC Comments Regarding the Hope Bay Project Boston Area Water and Ore/ Waste Rock Management Plan (INAC, September 25, 2009)

Comment ID No.	Comment	Response
INAC-1a	It is recommended that the ephemeral stream monitoring program be revised as follows: - The program should include at least 1 monitoring stations beyond the waste rock and ore stockpile footprint to allow for the comparison of the contact and non-contact water quality conditions.	A monitoring station will be established as a reference. Stations that sampled as part of the baseline water quality monitoring program in the Boston area were considered for use as a reference station. Station S12 (13 W 445806 7503424 UTM NAD 83) was selected. Sampling of this station was completed during freshet and September in 2010.
INAC-1b	- The same parameters that are analysed in runoff and seeps from the Waste Rock/Ore storage facility, identified as Monitoring Station #BOS-8 in the licence be monitored.	Samples collected from ephemeral streams are routinely analysed for the same parameters as required for SNP Station BOS-8, including pH, sulphate, conductivity, TSS, ammonia, and total metals.
INAC-1c	- Criteria/Limits/trigger values be imposed (with respect to monitoring parameters) and mitigation procedures be developed and implemented if monitoring results indicate an exceedence. INAC is not opposed to the assignment of criteria/limits/trigger values to a limited, representative group of monitoring parameters.	HBML is committed to developing water quality trigger values for adaptive management for the ephemeral streams in the Boston area, and would welcome the opportunity to work with INAC and EC on this. The triggers and the adaptive management actions will be presented in a separate memo to be submitted to the NWB by March 31, 2011 in time for use in the 2011 season.
INAC-2	INAC recommends that prior to any reclamation of the ore stockpiles, HBML submit a revised Water and Ore/Waste Rock Management Plan and Abandonment and Reclamation Plan detailing proposed procedures to the Board for approval.	HBML intends to process the ore stockpiles as soon as possible, and recognizes that there are a number of approvals that will need to be in place before this can proceed, including revision of the Ore/Waste Rock Management Plan to address the additional activities that would take place during relocation of the ore and subsequent reclamation of the stockpile area.