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HOPE BAY JOINT VENTURE

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

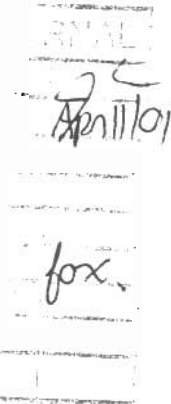
311 West First Street, North Vancouver, B.C. V7M 1B5 Canada

Phone 604-985-2572 Fax 604-980-0731

March 14, 2001

By fax to: 867-975-4560 and by e-mail.

Mr. Stephen Traynor
Director of Operations
Nunavut Regional Office
P.O. Box 2200
Iqaluit, Nunavut
X0A 0H0



Dear Mr. Traynor:

Re: Spill Reporting and Closure of Spill Files:

It was a pleasure meeting you again last week while I was in Iqaluit. As I mentioned, the Hope Bay Joint Venture (HBJV) purchased the Hope Bay Gold Belt from BHP in late 1999 and began an advanced exploration program on the belt in 2000 to better define and expand the gold resources in the belt. The advanced exploration continues in 2001 with the reactivation of the camps and exploration activities in February this year.

We discussed a number of things on March 7th, however; the focus of this letter is to get clarity on the closure of various spill files and hopefully come to a consensus on what constitutes a reportable spill.

As you know, the Water Resources Officer from your regions district office carried out an inspection in the Hope Bay Belt in July 2000 focusing on our two water licences. One of the aspects that he looked at was the condition of old spills and the desire of the inspector and the proponent to get these old spill files closed. Although some spill files were closed by DIAND Yellowknife, some of the spill files that remained open dated back to 1998, with a number in 1999 as well, which were the result of activities undertaken by the previous owners (BHP). As well, the spills that were reported by the HBJV in 2000 were also inspected, at least to the degree possible. Your Inspector visited the sites and it was our hope that all the files would be closed following his inspection. This in fact has not happened, and as we discussed, the Inspector has mentioned in his latest correspondence that closure will not be possible until next summer. This we find to be unacceptable for the following reasons:

- Spills dating back to 1998 and 1999, a result of activities of the previous owners, have in our mind, been properly remediated and residual effects are negligible.

- All of the spills that occurred in 2000, and reported to the spill line have been cleaned up with no visible or residual effects. We feel all these files should be closed by the Inspector immediately.
- Closure of spill files should be carried out in an expeditious manner and considering that some of the spills reported in 2000 were very small and the cleanup is complete, we question the delays in receiving confirmation of spill report file closure.

Since the HBJV has owned the property, we have been very diligent in attempting to minimize the number of spills and have been reporting all spills, regardless of size. This is partly due to the fact that our Land Use Permits, issued by KIA lands division require that all spills be reported to the NWT Spill Report Line. To our credit, our spill reporting diligence has been acknowledged by the various inspectors, including your Water Resources Officer. Although the HBJV appreciates the recognition, we feel there is a better, and more efficient way of dealing with spill reporting, ensuring of course there is no detrimental effect on the environment.

With the above in mind, the HBJV strongly feels that there needs to be clarity on "what constitutes a reportable spill" and "when the spill files should be closed". On the first point, "what constitutes a reportable spill", we provide the following:

- The HBJV has been reporting all spills, regardless of size, from less than a litre to many litres. This we feel is too onerous on the spill line and from experience the closure of these minor spill files takes far too long.
- The bulk of the spills are generally less than 50 liters and all spills, no matter what size are cleaned up immediately. In most cases, residual effects are negligible and visual evidence of the spill is non-existent.
- The HBJV proposes that spills larger than 50 litres will be reported to the spill line immediately and for those spills less than 50 litres will be recorded and filed at the operation and made available for viewing by the inspector, if required. This we feel will focus on the more serious spills without overlooking the potential impacts of smaller spills.

On the second point, "when the spill file should be closed", we provide the following:

- As a point of clarity, when the HBJV requested that all the spill files (historic and 2000) be closed, this request went to the Nunavut Water Board (NWB) as per the requirements of our water licence. This request was copied to others including your water resources officer. The NWB response was that the spill report files had to be closed by DIAND, more specifically the water resources officer. We provided with our letter, a listing of the spills, actions taken to clean them up and a specific request that these files be closed. To date our request has not been actioned by your department.
- The HBJV proposes that all spill files up to and including the date of an inspection, be closed immediately by the water resources officer. For the spills that have been recorded and below the 50 litre threshold, they should be acknowledged by the inspector and comments made by the inspector that no further action is required.
- It would seem logical that discussions with other interests such as KIA Lands and NWB would be in order to rectify this matter and come to an agreement that satisfies all parties.

The HBJV is hopeful that the forgoing highlights our concern with spill reporting and the closure of spill files and that an acceptable solution can be reached shortly. It is imperative that the spill files, both historic and the ones reported in 2000 be closed immediately, as we feel enough information has been provided to your department to enable this to happen. Because there are other agencies that are or could be involved in this request, we have copied them accordingly.

Once again, I thank you for meeting with me on March 7th, and I look forward to your positive response. Should you have any questions, please do not hesitate to contact me at the numbers above, on my cell number 780-975-2550 or by e-mail to hwilson@miramarmining.com; hugh_r_Wilson@hotmail.com and terrbear@powersurfr.com.

Yours truly,

Original signed by: "H.R. Wilson"

Hugh R. Wilson
Manager, Environmental Affairs

Cc: Jack Kaniak, KIA Lands (jkaniak@polarnet.ca)
Rita Becker, NWB (rbecker@polarnet.ca)
David Mablick, Environmental Technician HBJV
Adrian Fleming, Exploration Manager HBJV.

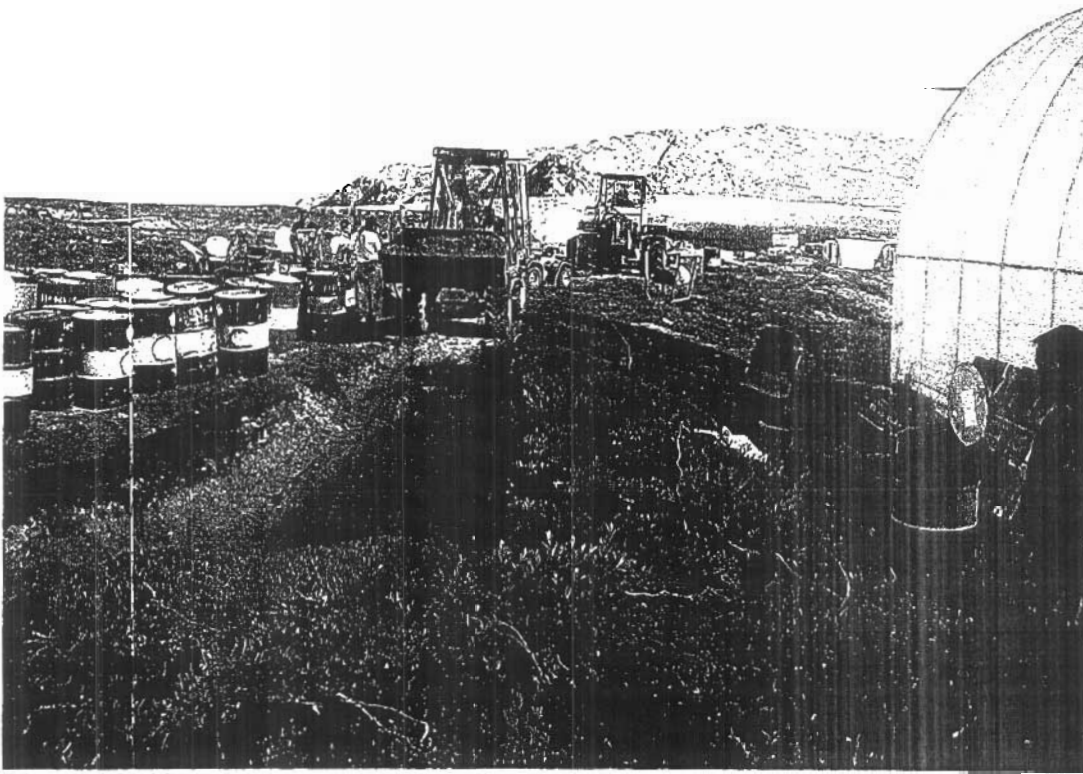


Photo #3: Kabota excavating contaminated soil.

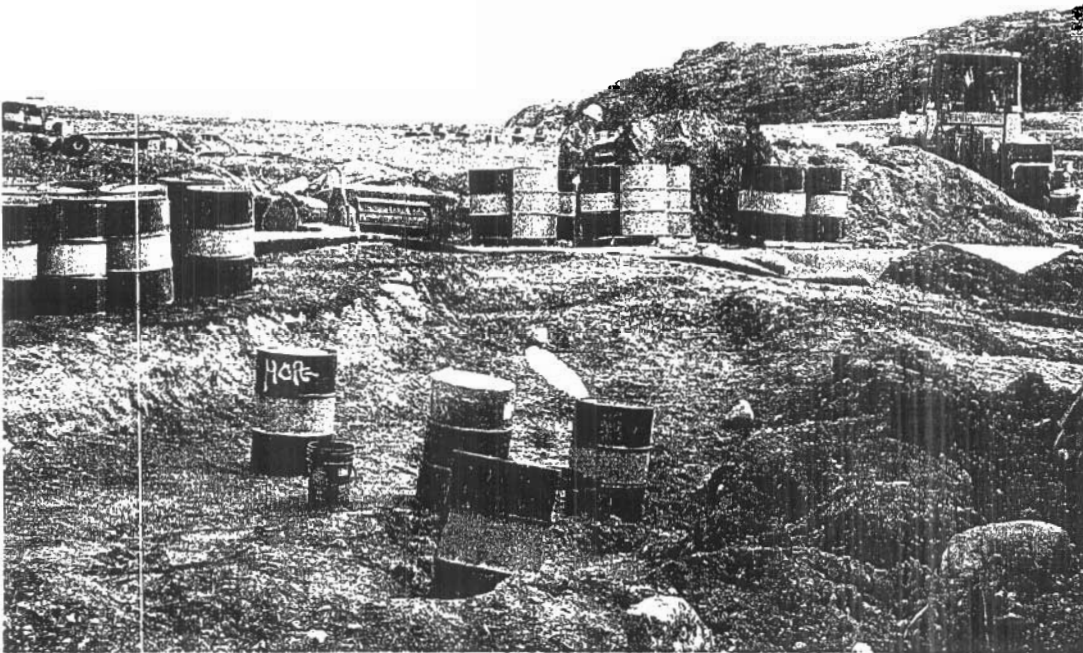


Photo #4: Transferring contaminated soil into 45 gallon drums.

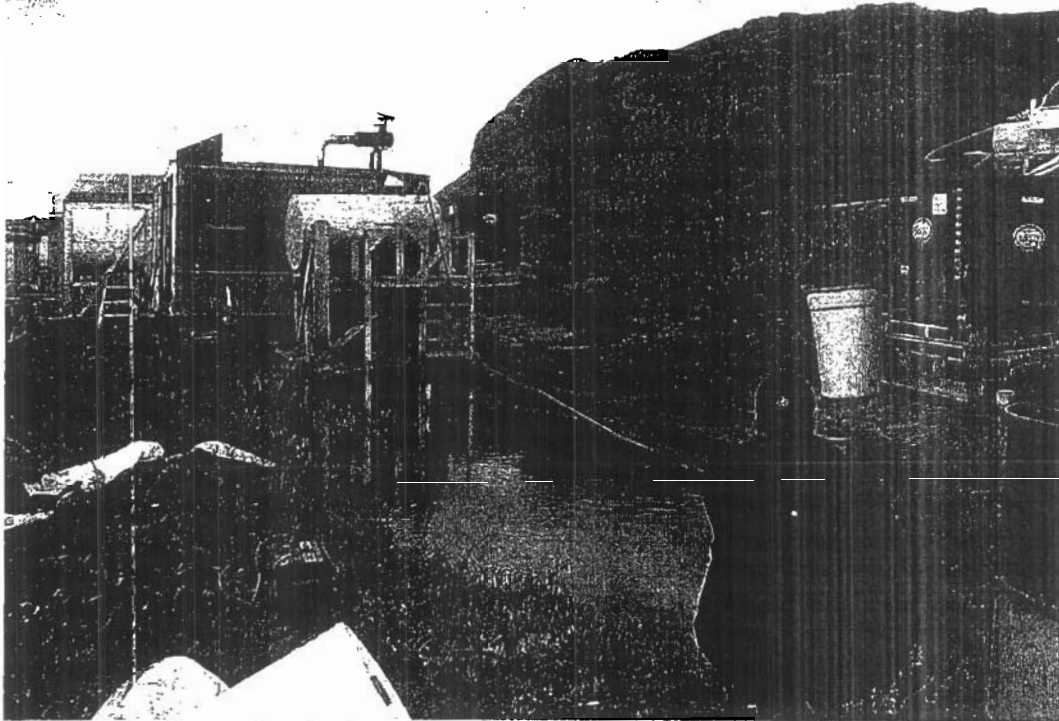


Photo #1: Generator tank and spill ponded behind natural berm.

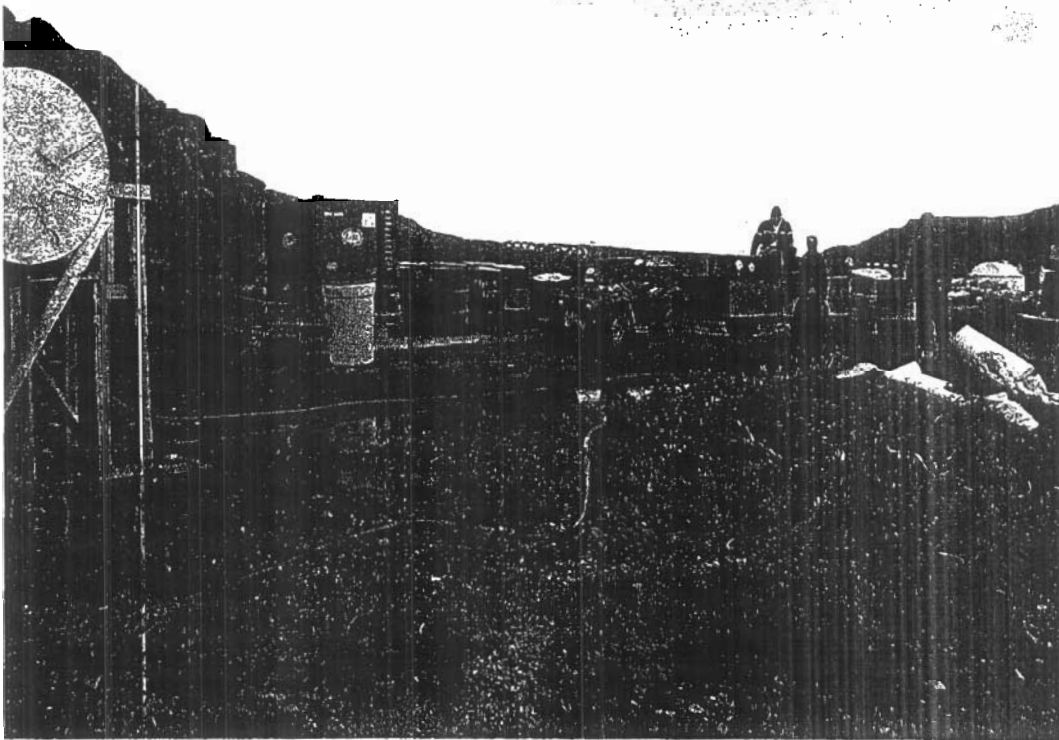


Photo #2: Standing fuel being pumped into 45 gallon drums.

Phyllis Beaulieu

NWB2 HOP

From: "Hugh R. Wilson" <hugh_r_wilson@hotmail.com>
To: <nwbexec@polarnet.ca>; <pdipizzo@polarnet.ca>; <rbecker@polarnet.ca>
Cc: <evalik@polarnet.ca>; <jkaniak@polarnet.ca>; <sbriscoe@polarnet.ca>;
<bodykevichc@inac.gc.ca>; <anne.wilson@ec.gc.ca>
Sent: September 5, 2002 5:42 PM
Attach: Fuel Spill Incident Report.02.451followupreportSept.3.02.pdf; Memo for refuelling procedures.pdf;
Photos5-7.doc
Subject: Spill File # 02-451 Update and final report

Philippe:

Attached are files related to the follow-up and final report for the above captioned spill file. The photos (1-4) referred to in the report will be sent in a subsequent e-mail, due to file size.

Any problems in receiving this transmission, contact me.

Any questions, also contact me directly.

Regards:

Hugh

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10/09/2002



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LA	
OM	
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VIA E-MAIL nwbexec@polarnet.ca, pdipizzo@polarnet.ca, rbecker@polarnet.ca and to CC List

03 September 2002

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

Nunavut Water
Board

SEP 10 2002

Public Registry

Dear Mr. di Pizzo,

Re: Follow-up Report – Spill Report 02-451: Water License: NWB2HOP0207

Please accept the following as an update to the original spill report filed on August 1, 2002 for spill number 02-451. This response is seen to be in full compliance with the above captioned water licence and also provides the 24 hour spill response recipients with the latest information.

The information contained in this follow-up report contains information previously provided with the original report on August 1, 2002; or immediately following the original filing.

TYPE OF INCIDENT:

Spill # 02-451, a spill of diesel fuel occurred at Windy Camp on August 1, 2002 at approximately 14:30 Hrs.

Based on tank dipping on the morning of August 1, 2002, an estimated 7,200 litres of diesel fuel was spilled when a fuel nozzle on the 70,000 litre enviro-tank was left locked in the open position while filling a 250 gallon (1000 litre) tank at the generator. While filling, the operator left the work station to do another task and forgot about the re-fuelling. The fuel line is direct from the bulk storage enviro tanks. This practice has been terminated and re-fuelling will only be done by using the 250 gallon tidy tanks. It is estimated that the fuel overflowed the 1000 litre generator tank for about three hours. As immediate follow-up to the original spill report being filed, Environment Canada requested further details and digital photographs which were provided on August 2nd to the attention of Ms. Anne Wilson.

DETAILS OF INCIDENT / ACTION TAKEN:

The generator fuel tank (the tank being filled) is located above a natural berm of sand and organic material, and the fuel ponded in a small depression just south of the generator fuel tank (see Photo # 1). When the spill was discovered, fuel was just starting to overflow through a small spillway previously dug through the top of the berm, to minimize runoff catchment in the area.

The Spill Response Plan was immediately placed into action. Standing fuel was pumped into 45 gallon drums from the ponded area (see Photo #2). An estimated 3300 litres (16 Drums) of liquid was recovered.

The area of the spill was underlain by 8" grass and organics, with coarse sand underneath. The grass and organic material was cleaned using absorbent 'enviromat'. This material, along with about 60cm sand underneath, has been recovered and transferred into 45 gallon drums. Two trenches were dug down-slope of the spill site one of which ran the full length of the large storage tent. The spill area is located approximately 120m from Windy Lake.

All of the camp crew and geologic personnel participated in the cleanup (mostly digging trenches and filling drums with contaminated sand and soil). A helicopter was dispatched to Boston Camp to retrieve remaining geotextile fabric and HDPE liner material that was used in the construction of the tank farm at Boston. Saturated soil was excavated using the Kubota tractor and the soil was temporarily stored on the area covered by the HDPE liner material until it was transferred into 45 gallon drums (see Photo # 3). The material has since been transferred to approximately 400 - 45 gallon drums and stored in an appropriate location, and final disposal will be undertaken once various options are investigated (See Photo # 4).

Corporate environmental personnel were informed of the spill at approximately 16:00 Hrs. on August 1st. The original Spill Report, once full details of the spill were known, was drafted and faxed to the 24-hour spill report line approximately 4 hours after the spill was identified. Although there was "no visible sheen" of oil and grease on any water body, water samples were taken from Windy Lake and from standing water located down-slope from the spill site. Preliminary analytical results have shown that water samples collected to date are at or near the detection limit for Oil and Grease indicating that there are no impacts on Windy Lake. We are currently awaiting the final analytical results from the external lab and they will be submitted to you (Nunavut Water Board) with the September monthly report.

As a further monitoring tool, and as mentioned above, a cut-off trench was dug along the length of the large storage shed, including the excavation of test holes (4) within the trench and down-slope inside the storage shed as well as another test hole (1) further down-slope and outside the storage shed (see Photo # 5). "Enviro-mat" absorbent material was placed in the trench and test holes (see Photo # 6), designed to collect any diesel fuel that accumulates within these test holes. Minimal diesel fuel is being collected on the "enviro-mat" and to monitor any collection of diesel fuel, the "enviro-mat" is being monitored daily and if required, disposed of in the incinerator. Site personnel will continue to observe these locations, however; the information collected to date indicates that minimal fuel is reporting to these locations, a further indication that the remedial measures taken by site personnel in response of this spill incident, confirms that most of the diesel fuel has either been recovered as liquid or in the excavated material mentioned earlier. We estimate that 99% of the fuel spilled has been recovered, again, either as recovered liquid or in contaminated soil.

As mentioned above, contaminated soil has been transferred into 45 gallon drums (see photo # 7) for future disposal. Discussions with Environment Canada has indicated that the material could be placed on the proposed airstrip at the Doris Hinge project, once developed, as this is seen to be an acceptable method to 'land-farm' this type of contaminated material. Final disposal practices will be provided after further internal discussions.

New re-fuelling procedures have been developed (see attached) which specifically states that re-fuelling operations personnel shall never leave a worksite during pumping and fuelling duties. As well, additional training will be provided to all personnel on fuel handling, spill response and safety procedures.

Future Monitoring:

Although the potential of diesel fuel entering any water body is very remote, MHBL will monitor the site during the 2003 open water season, however; as the large storage shed is required for storage of critical equipment for the winter period, the trench and test holes will be lined with a significant amount of 'enviro-mat', empty 45 gallon drums will be placed in the test holes and the area will be backfilled with uncontaminated material and leveled to facilitate the storage of the critical equipment. One of the test holes will be excavated in the summer of 2003 and based on the findings, further remedial action will be undertaken. It should be noted, however; that based on recent results, actions in 2003 are expected to be minimal.

MHBL feels the forgoing satisfies conditions of the above captioned water licence. If you have any questions related to this follow-up report on spill # 02-451, please do not hesitate to contact the undersigned on the above numbers or 1-780-975-2550, or you can contact me by e-mail at hugh_r_wilson@hotmail.com; or hwilson@miramarmining.com.

Sincerely,
Miramar Hope Bay Ltd.

Original signed by "H.R.Wilson"

Hugh R. Wilson,
Manager, Environmental Affairs

CC: J. Kaniak, KIA Lands Manager: e-mail jkaniak@polarnet.ca
C.Evalik, President KIA: e-mail evalik@polarnet.ca
C. Bodykevich, Water Resources Officer-DIAND -Iqaluit: e-mail bodykevichc@inac.gc.ca
S. Briscoe, Exec. Director, NIRB, e-mail sbriscoe@polarnet.ca
A. Wilson, Environment Canada-YK- e-mail anne.wilson@ec.gc.ca
Fax copy to 24 hour spill line: 867-920-8130

Attachment:
Revised Spill refueling procedures - August. 2002.
Word Document of Photo's #1-7.

Miramar Hope Bay Ltd.
Memorandum

To Windy Camp Staff

Cc: Hugh Wilson/Dwayne Windsor

From Rob McLeod, Darren Lindsay

Date August 4, 2002

Re: Fueling Procedures at Windy Camp



In light of the major diesel spill at Windy camp on August 1st, 2002, new procedures for fueling and transferring fuel are required. It is imperative that these procedures be followed by all camp staff.

1. No fueling activities or transfer of fuel shall be left unattended at any time.
2. All hoses, nozzles and pumps must be inspected for flaws or leaks prior to each use.
3. Spill kits must be located at the fueling sites
4. All staff must be thoroughly trained in fueling procedures and spill cleanup procedures prior to fueling duties, as per the procedures of Miramar Hope Bay's Spill Response Plan.
5. Any spills, no matter how small, must be immediately reported to the Camp Manager, the Project Manager and Site Superintendent.
6. Spill Reports for all reportable spills shall be submitted to the 24 Hour Spill Response Line (867-920-873-6924) and to KIA Lands Manager on 867-982-3311.

These procedures are to be implemented immediately. It is the responsibility of every employee of Miramar Hope Bay Ltd to follow these procedures, and report any spill incidents to the Camp Manager, Project Manager and Site Superintendent..

Darren Lindsay
Project Manager Exploration

Rob McLeod
Assistant Project Manager, Development

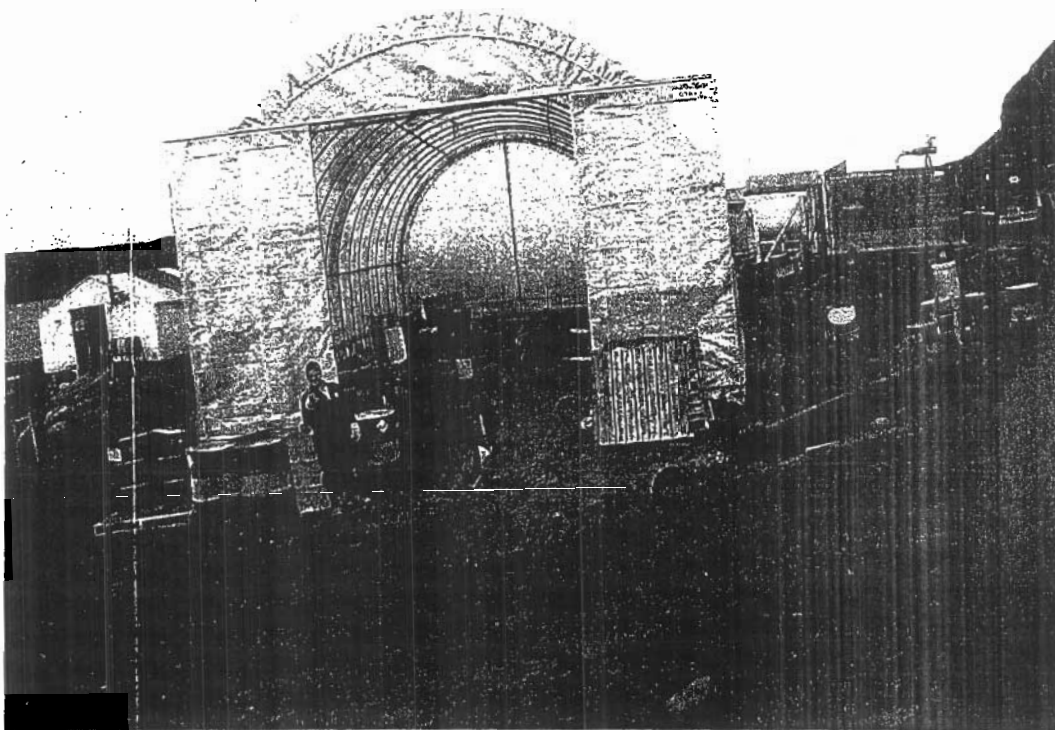


Photo #5: Trench and test holes in storage shed.



Photo #6: 'Enviro-mat' in test hole.

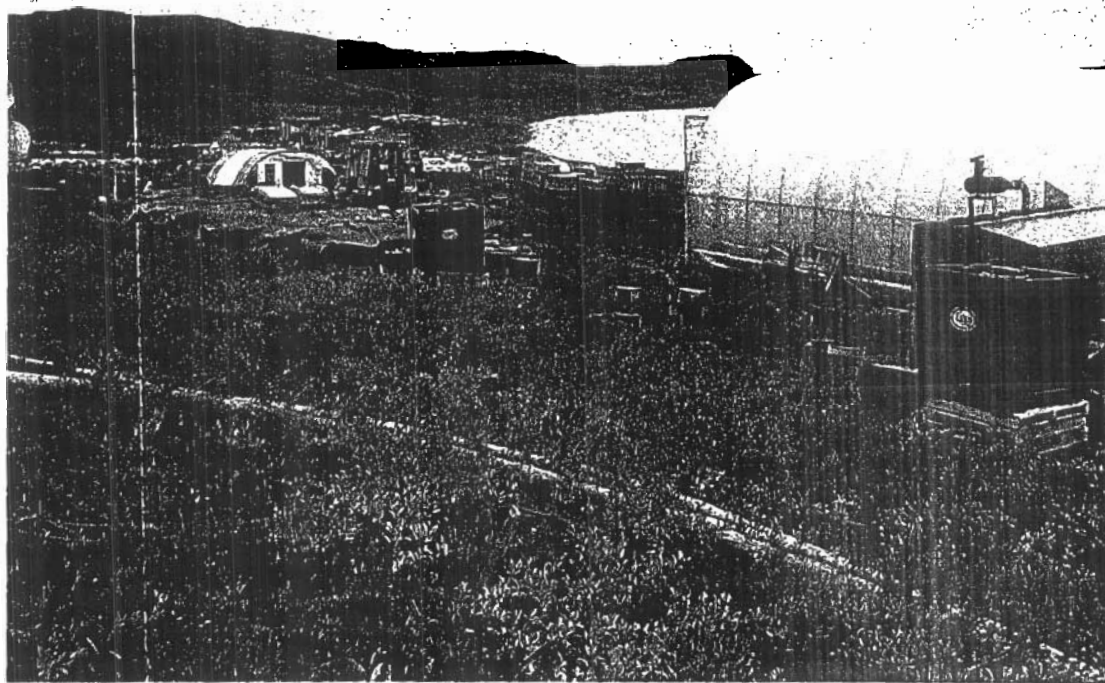


Photo #7: Drums under cover and cleaned area.