

July 5, 2012

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David Hohnstein
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Dear Eva and David,

RE: 2BE-HOP1222 and 2BB-BOS0712 Progressive Reclamation Activities Planned for 2012

As per Part I Conditions applying to abandonment and restoration or temporary closing, HBML is providing notice of several reclamation activities that will be initiated in 2012. HBML has submitted a final closure plan for Windy Camp and Patch Lake, and will submit an interim closure plan for Boston Camp in July 2012. However, HBML has identified that the Windy Camp fuel containment berm (HOP-5), the Patch Lake Laydown fuel containment berm (HOP-6) and the Boston Land farm (BOS-6) as liabilities that pose compliance risks during the care and maintenance phase at Hope Bay. As such, HBML intends to begin removal of these facilities in summer 2012.

After the 2011 overflow incident at the Windy Camp fuel containment berm (HOP-5), HBML indicated that plans were being developed to remove the berm (letter dated June 16, 2011). HBML completed removal of this berm on July 2, 2012. The walls of the berm were graded and covered in coconut matting to prevent erosion until the method for remediation is approved in the closure plan by the regulators.

Soils from within the HOP-5 berm were found to be compliant with the CCME Industrial Remediation Guidelines during the 2011 Phase III site assessment completed by EBA. The soils were hauled to the Quarry D pad; the soils were re-sampled to confirm the 2011 results. HBML requests approval, under the Water Licence Part I Item 13, to use the material to backfill two trenches that were created during preparations for constructing new Windy Camp at Quarry D.

These trenches are currently accumulating water which can lead to permafrost degradation in the area. The soils would only be used in the trenches upon receipt of sample results showing the material to be below CCME Industrial Remediation Guidelines. The results of the material, quantity and location of use will be included in the monthly SNP report upon your approval for use. If any soils do not meet the guidelines, the material will be segregated and transported to the Doris Landfarm for remediation, or packaged for offsite disposal if necessary.

The fuel containment berm at Patch Lake (HOP-6) is a mechanical berm. HBML has undertaken major clean-up efforts at Patch in Winter 2011/2012. The fuel containment berm, megabags of cuttings and a few small wood buildings are the only items remaining at Patch to be removed. HBML intends to package all of these items for removal in 2012, and as much as possible will be removed via helicopter in summer 2012. The remainder will be moved in 2013 via snow road. The wood will be transported to Doris Camp for off-site disposal or shredding, the mechanical berm will be packaged for offsite disposal, and the megabags will be removed from the cuttings sump. During the 2011 Phase III site assessment done by EBA, the soils within the HOP-6 fuel containment were found to be compliant with the CCME Industrial Remediation Guidelines. HBML proposed to resample these soils to confirm the 2011 results; non-compliant material will be packaged in lined mega-bags for transport to the Doris land farm for remediation, or offsite disposal if necessary. Under the Water Licence Part I Item 13, HBML request approval to use the material as backfill at the Patch Lake facility during reclamation activities.

Finally, as time permits in 2012, HBML will begin to package the soils from the Boston land farm (BOS-6). This berm was constructed by Miramar, and based on inspections by HBML, it appears that the base and walls of the berm are not constructed in a uniform manner. HBML believes that there is a very high risk of damaging the liner if the materials are land farmed, however, a more detailed inspection will be conducted in association with collection of soil samples to determine the feasibility of turning the soils. If the soil quality results indicate that the material is not compliant with the CCME Industrial Remediation Guidelines or the condition of the liner will prevent safely turning the soils, HBML will package the soils for offsite disposal, or for future placement in a newly constructed land farm at Boston or the Doris land farm. The final destination of this soil would be documented in the monthly SNP report. If sampling indicates that the soil meets CCME Industrial Remediation Guidelines, HBML requests permission to use this material for reclamation activities in the Boston project area.

Please do not hesitate to contact Chris Hanks at 720-917-4489 or Chris.Hanks@Newmont.com, or Angela Holzapfel at 604-345-3122 or Angela.Holzapfel@Newmont.com if you have any questions or would like to discuss this notification further.

Sincerely,

Angela Holzapfel
Manager, Environmental Compliance
Hope Bay Mining Ltd.

cc. Phyllis Beaulieu, Nunavut Water Board