

Project Description

Application for Amendment No. 5 Water Licence No. 2BE HOP0712 (the “Water Licence”)

Description and Reason for Change

Hope Bay Mining Ltd. (HBML) is moving Windy Camp to Quarry D, a location that is more than 30 m from the high water mark of Windy Lake. This move will allow HBML to move forward with the reclamation of the current Windy site while continuing to use the new Windy Camp as the base for exploration activities throughout the Hope Bay Belt.

The new camp will house up to 180 individuals supporting geological exploration in the Hope Bay belt outside of the Doris North area. Facilities at the site will include living quarters, utility services, and offices. Utility services, used to support the living quarters and offices, will include a sewage treatment plant, a water treatment plant, gensets and switchgear, fire water tank, fire water system, and fuel tanks. The gensets and switchgear will be enclosed in containers, and the fuel tank farm and supply pumps will be located in a contained area. The fuel tank farm will include all fuel tanks originally planned to be installed at Windy Camp and at Patch Lake. These will be installed at a bermed, lined location that will meet all applicable regulatory requirements. The office buildings, including the contractor's office, test lab, and geology office and core logging building will be used for those persons involved in regional exploration and the development of future mines in the local vicinity.

With respect to the Waste Water Treatment Facility described in the Water Licence, HBML proposes to instead utilize the membrane technology plant approved by the NWB in 2009 for use at Boston Camp. This facility will replace the Rotodisk Facility originally described to the NWB. Consistent with Part E, Item 5, HBML will submit to the NWB for approval, within 90 days of the issuance of the Amendment, an Operation and Maintenance Manual for the Waste Water Treatment Facility prepared in accordance with the *“Guidelines for the Preparation of an Operation and Maintenance Manual for Sewage and Solid Waste Disposal Facilities in the Northwest Territories; 1996”* and adapted for the use of a mechanical sewage treatment facility.

HBML will consider the impact of the proposed facility modifications on its Spill Contingency Plan and Abandonment and Reclamation Plan and will revise these plans as required. Any updated plans will be submitted to the NWB.

Potential for Impacts on Water and Environmental Effects

The 2001 Water Licence Renewal for Windy Camp underwent a screening in accordance with Article 12 of the *Nunavut Land Claims Agreement* ("NLCA"). On December 4, 2001 the Nunavut Impact Review Board ("NIRB") issued a screening decision allowing construction and operations to proceed subject to project specific terms and conditions. The proposed amendment is consistent with the terms of this screening decision. When the Water Licence was renewed in 2007, the Nunavut Water Board indicated that the project was exempt from screening by the NIRB in accordance with Schedule 12.1 of the NLCA (see enclosed NWB decision dated July 20, 2007).

It is HBML's opinion that the proposed Windy Camp and related facility relocation will not change the environmental impact of the Windy Camp and associated facilities in any significant manner. In particular:

- Quarry D does not include any archeological sites. Any potential sites in the vicinity of the camp will not be disturbed.
- HBML has consulted with Rescan to confirm that the new location, including the re-routing of associated infrastructure, will not cause any additional impacts to water, fish habitat or wildlife.
- No waste will be deposited to waters nor will it be deposited under conditions in which the waste may enter waters in Nunavut.
- Water intake points and discharge points will not be revised. The existing fresh water intake, 100 feet from shore and 60 feet deep, will continue to be equipped with a mesh screen to protect fish.

Proposed Construction Timeline

It is proposed that water intake and waste disposal lines will be installed beginning in September 2010. HBML plans to begin constructing the pad the camp will be built on in November 2010. All work is planned to be complete by the end of January 2010.