

September 14, 2010

Phyllis Beaulieu  
Manager of Licensing  
Nunavut Water Board  
P.O. Box 119  
Gjoa Haven, NU  
X0B 1J0

**Re: 2BE-HOP0712 Amendment 5 Comments Response**

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Dear Ms. Beaulieu,

Hope Bay Mining Ltd. (HBML) has reviewed the comments received in regards to our application to amend water licence 2BE-HOP0712 to construct a camp at Quarry D (Amendment 5) and would like to provide the NWB with the following additional information in support of this amendment application. This letter addresses comments made by INAC on July 30, 2010 and by Environment Canada (EC) on July 28, 2010.

*Increased water use (INAC):*

We appreciate INAC's recommendation that HBML include the volume of water required for dust suppression. After review of the volume of water used for dust suppression on the Roberts Bay all-weather road, HBML estimates that approximately 25 m<sup>3</sup>/km is needed for dust suppression. The all-weather road to Windy Lake is approximately 8 km in length. Water for dust suppression, needed between the end of May and the end of September (approximately 122 days), would total a maximum of 200 m<sup>3</sup>/day and would only be used when necessary. This volume is in addition to water used for domestic and drilling purposes, 63 m<sup>3</sup>/day and 80 m<sup>3</sup>/day, respectively. The average annual daily water use for 2BE-HOP0712 would be 210 m<sup>3</sup>/day taking into account that water used for dust suppression is only needed for four months of the year, as calculated below:

Domestic Use:	63 m <sup>3</sup> /day	x 365 days	= 22,995 m <sup>3</sup> /year
Drilling Use:	80 m <sup>3</sup> /day	x 365 days	= 29,200 m <sup>3</sup> /year
Dust Suppression Use:	200 m <sup>3</sup> /day	x 122 days	= 24,400 m <sup>3</sup> /year
Total:			= 76,595 m <sup>3</sup> /year
Yearly Average:	76,595 m <sup>3</sup>	/ 365 days	= <b>210 m<sup>3</sup>/day</b>

Water used for dust suppression will not increase the amount of waste water that the permit currently allows. Water would be removed from lakes that would not be significantly drawn down by the use, such as Windy Lake.

In using water for dust suppression along the all-weather road, HBML will ensure that dust suppression will only occur when necessary and that this use minimizes the amount of water applied. HBML must

however, request the maximum amount noted above in order to be able to adequately address any environmental or health concerns that may arise from the dust along the road in any one particular day.

The alternatives to using water as a dust suppressant are to use nothing or to use chemical dust suppressants. HBML believes that using no dust suppressant is not an option because this could have negative effects on wildlife, vegetation, and workers. Chemical suppressants are not the preferred option.

Enclosed is a memo dated from September 14, 2010 from Rescan which considers the implications of including additional water for dust suppression use in 2BE-HOP0712 in some detail and confirms that there is no potential for adverse effects from the proposed increase in water withdrawal rates from Windy Lake.

*Increase water use (EC):*

With regards to Environment Canada's question about whether additional drill sumps would be needed to manage increased waste water, HBML would like to note that no additional water use for drilling purposes was requested as part of the Amendment 5 application. Additional water use was requested for an increase in domestic water use and for water used for dust suppression only.

*Sewage Treatment (INAC):*

HBML can provide an Operations and Maintenance Manual specific to the new camp's sewage treatment plant within 90 days of an approved licence.

*Spill Prevention and Contingency Planning (INAC):*

HBML will revise the March 2010 Spill Contingency Plan to include the new camp's location.

*Revised Closure and Reclamation Plan (INAC):*

HBML will submit a revised Closure and Reclamation Plan by December 31, 2010 as indicated in our letter to the NWB on June 21, 2010

([ftp://nunavutwaterboard.org/1%20PRUC/2%20MINING%20MILLING/2B/2BE%20-%20Exploration/2BE-HOP0712%20Newmont/3%20TECH/10%20A%20&%20%20R%20\(I\)/100621%202BE-HOP0712%20Windy%20Land%20Farm%20Closure%20Plan%20Update-ILAE.pdf](ftp://nunavutwaterboard.org/1%20PRUC/2%20MINING%20MILLING/2B/2BE%20-%20Exploration/2BE-HOP0712%20Newmont/3%20TECH/10%20A%20&%20%20R%20(I)/100621%202BE-HOP0712%20Windy%20Land%20Farm%20Closure%20Plan%20Update-ILAE.pdf)). This plan will address aspects of the licence listed by INAC in item 7 of their letter.

*Storage Tank System for Petroleum Products (EC):*

HBML has confirmed with Environment Canada that the new CEPA *Storage Tank System for Petroleum Products and Allied Petroleum Products Regulations* do not apply to this project because the storage tanks will not be located on federal or Aboriginal lands and instead will be located on Inuit Owned Lands. Hope Bay tanks are registered with INAC at the request of KIA.

Should you have any questions regarding this submission or require any additional information, please do not hesitate to contact me directly.

Sincerely,

Chris Hanks  
Director Environmental and Social Responsibility  
Hope Bay Mining Ltd.