

P.O. Box 119 Gjoa Haven, NU X0B 1J0 Tel: (867) 360-6338 Fax: (867) 360-6369 ຼຼວວ ΔL ← ሲትና ቴ∩ Lት ዣ NUNAVUT WATER BOARD NUNAVUT IMALIRIYIN KATIMAYINGI OFFICE DES EAUX DU NUNAVUT

File: 2BE-HOP0712

May 19, 2010

Chris Hanks
Director, Environment and Social Responsibility
Hope Bay Mining Ltd.
Suite 300, 889 Harbourside Drive
North Vancouver, BC
V7P 3S1

Email: chris.hanks@newmont.com

Subject: Application for Amendment No. 4

Dear Mr. Hanks,

The Nunavut Water Board acknowledges receipt on April 23, 2010 of an application from Hope Bay Mining Ltd (HBML) to amend Type B exploration Licence 2BE-HOP0712. The application is the fourth amendment application for the Licence issued May 20, 2007.

The proposed scope of amendment No. 4 is to permit the construction of an all-weather road from the Doris North camp to Windy camp and will require the development of three (3) new quarries along the road alignment and subsequent discharge of water from the quarries.

The amendment application contains the following information:

- ➤ Cover letter dated April 21, 2010;
- ➤ Water Licence Application Form;
- > Executive summary in English;
- ➤ Hope Bay Project Quarry A, B & D Management and Monitoring Plan (April 2010); and
- ➤ Geochemical Characterization of Quarry Materials for the Doris-Windy All-Weather Road Hope Bay Project Final (August 2008).

The NWB has undertaken a preliminary review of the application and finds that further clarification is required in two areas.

First, the purpose of the Doris-Windy road is unclear as the application simply states that the road will be used to support further exploration of the Hope Bay Belt. In order to determine whether it is procedurally correct to process this application as an amendment to Type B Licence 2BE-HOP0712, rather than as an amendment to HBML's Type A Licence for Doris North 2AM-DOH0713, the NWB asks that HBML provide further information on the exact uses of the road, and, how the new road fits with future development plans for the Hope Bay Area and the Doris North site in particular.

Currently, the NWB notes the following from the application:

Although Quarry A, B and D are not included in 2AM-DOH0713, construction of Quarry A, B and D will proceed in a manner that is consistent with Part D, "Conditions Applying to Construction" of that license. (Application executive summary Pg 2)

And

HBML wishes to source rock from six quarries along the proposed road alignment in order to optimize the construction cost of the road. The rock from one of the quarries (Quarry #2, located in the Doris North area) was previously geochemically characterized (SRK, 2007) and approved for development by relevant regulatory agencies. Five additional quarries have been identified for road construction. (SRK consulting August 2008 Pg. 1)

Considering the above, which indicates a strong connection to the Doris North project, and that conditions regulating quarry development are already included in Licence 2AM-DOH0713, it may be necessary to process the application as an amendment to HBML's Type A Licence.

In order to consider this procedural issue further, HBML is asked to submit additional information concerning the specific uses of the road and how it fits into the future development scheme for the Hope Bay region.

Second, based on Figure 2.1 (SRK August 2008), there appear to be potential stream crossings required for the all-weather road. HBML is asked to confirm whether stream crossings are required and, if so, to submit the information required in the NWB's Culvert and Bridge Questionnaire.

Please submit a response concerning the above to the NWB's Manager of Licensing (<u>licensing@nunavutwaterboard.org</u>) on or before June 7, 2010.

If you have any questions concerning the above, please do not hesitate to contact the undersigned or Stephen Lines (403-697-7897, slines@tlaconsutltants.ca).

Yours truly,

Original signed by:

Phyllis Beaulieu Manager of Licensing

PB/tla

Cc: D. Hohnstein, Director Technical Services