Nunavut Regional Office Operations Directorate Water Resources Division P.O. Box 100 Igaluit, NU X0A 0H0

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23 April 2009 Via Email

Phyllis Beaulieu Manager of Licensing Nunavut Water Board P.O. Box 119 Gjoa Haven, NU X0E 1J0

Subject Water License #2BE-HOP0712, Hope Bay Mining Ltd., Hope

Regional Exploration Project, Kitikmeot Region, Amendment

Application

Dear Phyllis,

Please be advised that on behalf of Indian and Northern Affairs Canada, I have reviewed the above referenced Hope Bay Mining Ltd. submission to the Nunavut Water Board.

A Technical Review Memorandum (attached) is provided to the Board for consideration.

Should you have any questions regarding this submission, feel free to contact me at 867-975-4555 or David.Abernethy@inac-ainc.gc.ca.

Regards, David W. Abernethy

Cc. Kevin Buck, Water Resources Division Manager



Technical Review Memorandum

Date: Apr. 23/09

To: Phyllis Beaulieu, Nunavut Water Board

From: David Abernethy, Indian and Northern Affairs Canada, Water

Resources Division, Iqaluit, NU

Re: Water License #2BE-HOP0712 – Amendment Application

A. Background Description

On Apr. 17/09 the Nunavut Water Board (NWB) distributed the Hope Bay Mining Ltd.'s (HBML) Apr. 8/09 water license amendment application, requesting representations from interested parties by Apr. 27/09. A license amendment is required to permit the temporary use of water withdrawn from Windy Lake to be trucked for use as potable water at the HBML Doris Camp.

Doris Lake (Doris Camp potable water source) contains Oscillatoria, a blue-green algae (cyanobacteria). The degradation by-product of this type of algae are microcystins, a known toxin.

Mycrocystin concentrations above the May, 2008 Federal-Provincial-Territorial Committee on Drinking Water Quality "Guidelines for Drinking Water Quality" limit of 0.0015 mg/L have been detected (Dec. 08 sample results) in the camp's raw water supply. As a result, modifications are required to the Doris Camp water treatment system to ensure that safe drinking water is provided for workers. Pending completion of these modifications, potable water from Windy Lake is being transported to the Doris Camp.

The Windy Camp is a seasonal camp that is temporarily closed. HBML states that the volume of water taken from Windy Lake will not exceed the volumes authorized under Part C, Item #1 of Water License #2BE-HOP0712 (20 m³/day for domestic use and 80 m³/day for drilling purposes).

B. Review Results

The following comments / recommendations are provided to the NWB for consideration:

• INAC is not opposed to the water license amendment application;

- HBML should document the daily volumes of water withdrawn from Windy Lake and delivered to the Doris Camp in their 2009 Annual Report; and,
- INAC provided comments / recommendations with regard to the HBML notice of modification to the Doris Camp water treatment system under Part H, Item #1 of Water License #2AM-DOH0713 on Apr. 22/09 (attached).

Attached.