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December 20, 2007

Via email and Canada Xpresspost

Mr. Andrew Keim
Water Resources Officer
INAC – Nunavut District
P.O. Box 2200
Iqaluit, NU, X0A 0H0
867-975-4289

Dear Mr. Keim,

Re: 2BE-HOP0712 - 2006 Annual Report - Response to request for additional information

Please consider the following as response to information requests made under File 2BE-HOP0712 / CIDM # 181315, *Water License Inspection – Windy Camp – Hope Bay Joint Venture Project August 15th, 2007* received at our office on November 21, 2007.

Part B: General Conditions

Request

A review of the Nunavut Water Board FTP – Public Registry was undertaken during the writing of this report. An annual report for the 2006 annum was located and reviewed. This report is a requirement under the terms and conditions of the Water License. The report was found to be complete. However the Inspector is seeking information on the locations and quantities of water used from all sources, The Licensee has suggested in the 2006 annual report that this information is N/A. This is not the case and this information is required to ensure the completeness of the report. This information is to be provided to the Nunavut Water Board and the Inspector within 30 days of receipt of this inspection report.

Response

Camp Water Source: Location and Quantity

In 2006, 2729 m³ was drawn from Windy Lake.

Drilling Water Sources: Location and Quantity

Table: 2006 drill areas, water volumes and figure references for permit 2BE-HOP0712.

Area	Source	easting (m)*	northing (m)*	# meters drilled	volume H2O used (m3)**	figure reference
Chicago	lake	433000	7496700	1,463	73.15	Chicago
Ak2 south	Koignuk River	434140	7504160	550	27.5	regional1
Aim area	Spyder Lake	442900	7506920	298	14.9	regional2
Ak3 area	pond	445550	7512510	301	15.05	regional3
Ak2 north	lake	433630	7521430	149	7.45	regional4
Ak1 area	pond	435470	7527920	392.5	19.625	regional5
QSP area	lake	428650	7532130	400	20	regional6
Kamik1	lake	434260	7537930	529.7	26.485	regional7
Kamik2	Koignuk River	433710	7537380	209	10.45	regional8
Tok2	Diawa Lake	428473	7540068	299	14.95	regional8
Peanut Area	Peanut Lake	435860	7543700	275	13.75	regional9
Wolverine	Wolverine Lake	at each drill site		1,016	50.8	regional10
Madrid North	Patch Lake	433370	7551550	2,905	145.25	Madrid
Madrid Winter	Patch Lake	at each drill site				Madrid
Madrid drilling	Patch Lake	433870	7550760			Madrid
	Patch Lake	433800	7550500			Madrid
	Patch Lake	433690	7550470			Madrid
	Patch Lake			47,002	2350.1	
Doris Connector	Doris Lake	at each drill site		3,126	156.3	no figure
Doris Geotech	Doris Lake	433630	7558730	387	19.35	no figure
TOTAL					2,965.11	

* UTM coordinates are NAD83 zone 13

** estimate is based on average salt consumption of 50m drilled per day at 10% solution requires 2.5 m3 water per day

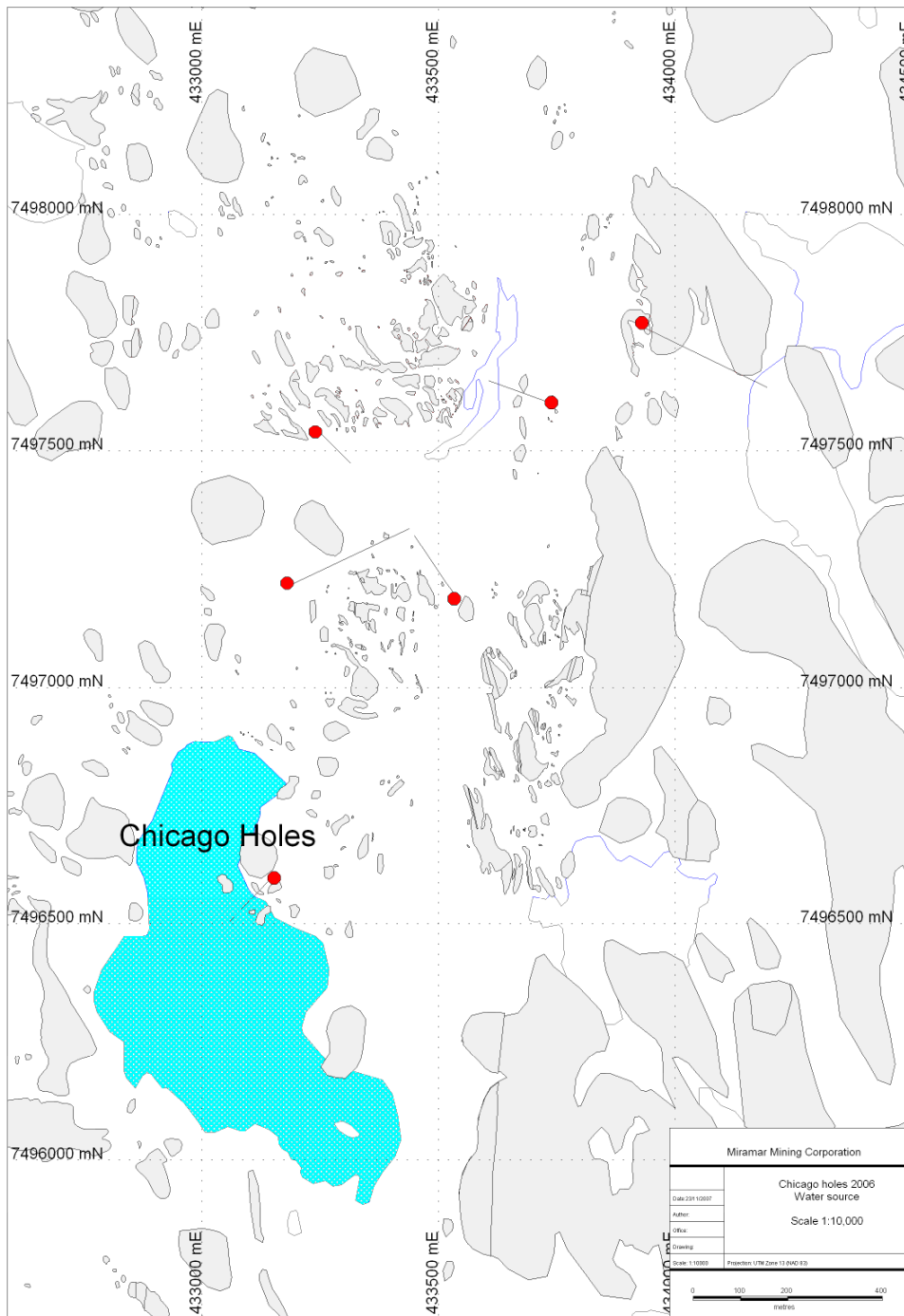


Figure: Chicago drilling

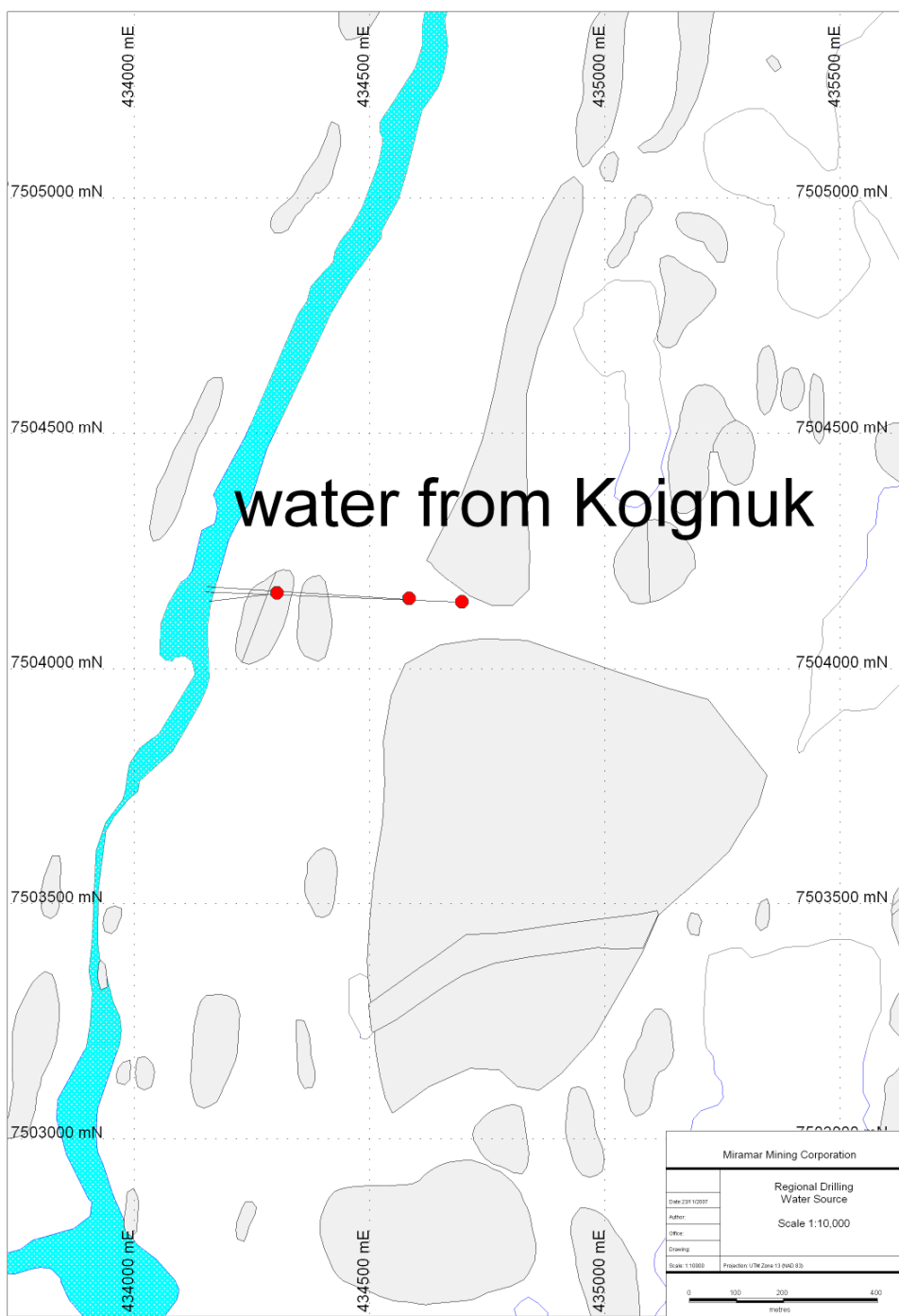


Figure: Regional drilling 1

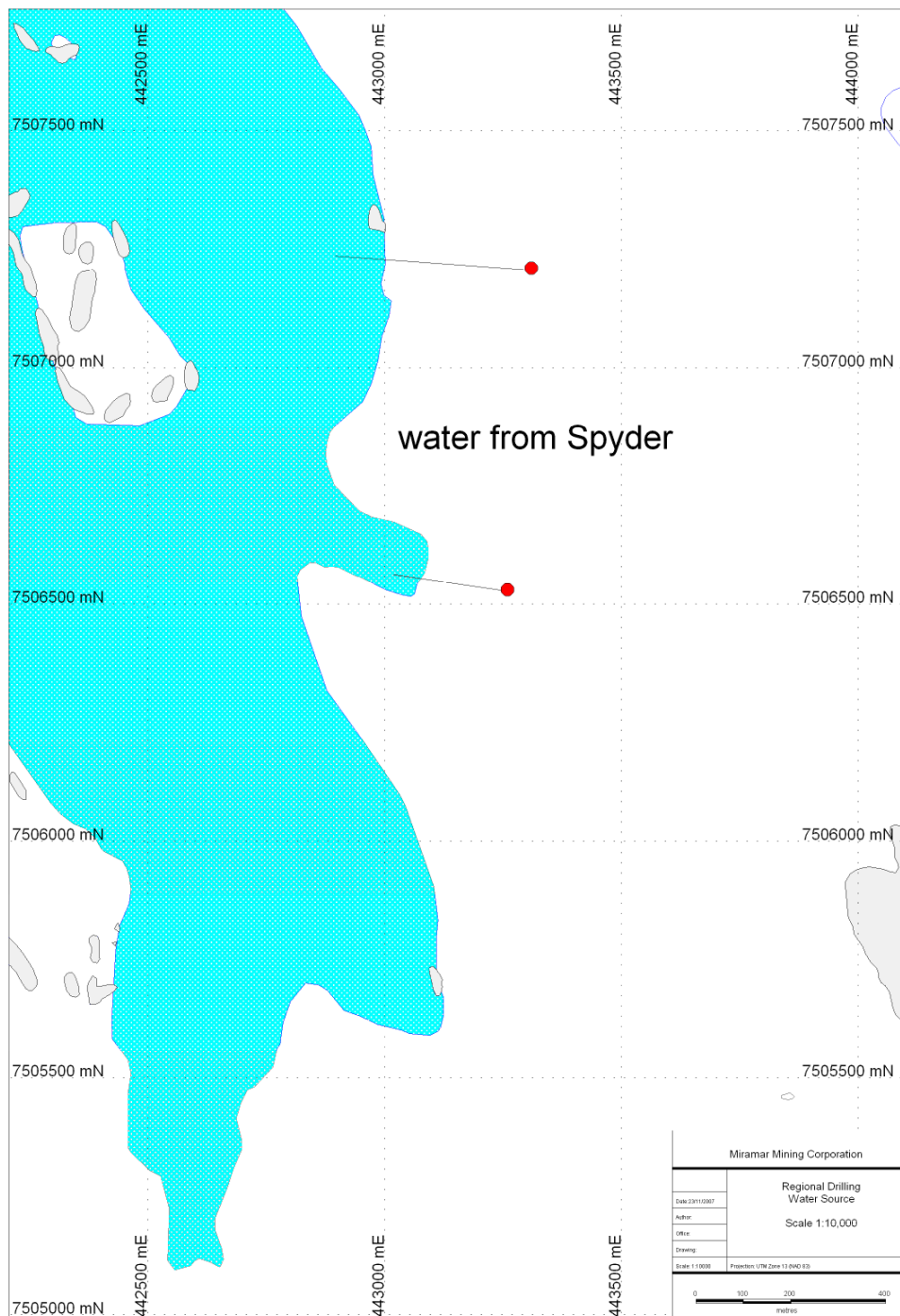


Figure: Regional drilling 2

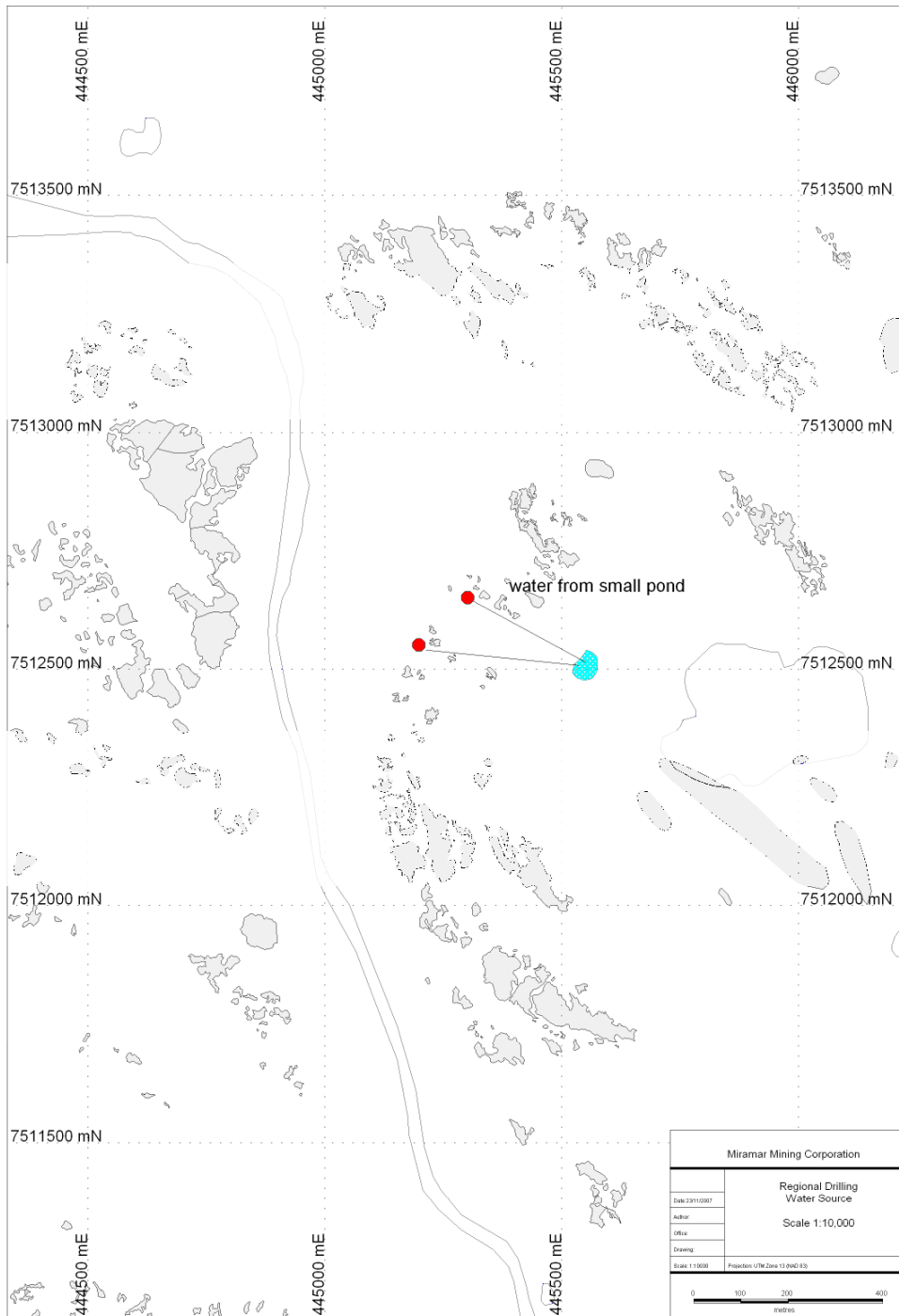


Figure: Regional drilling 3

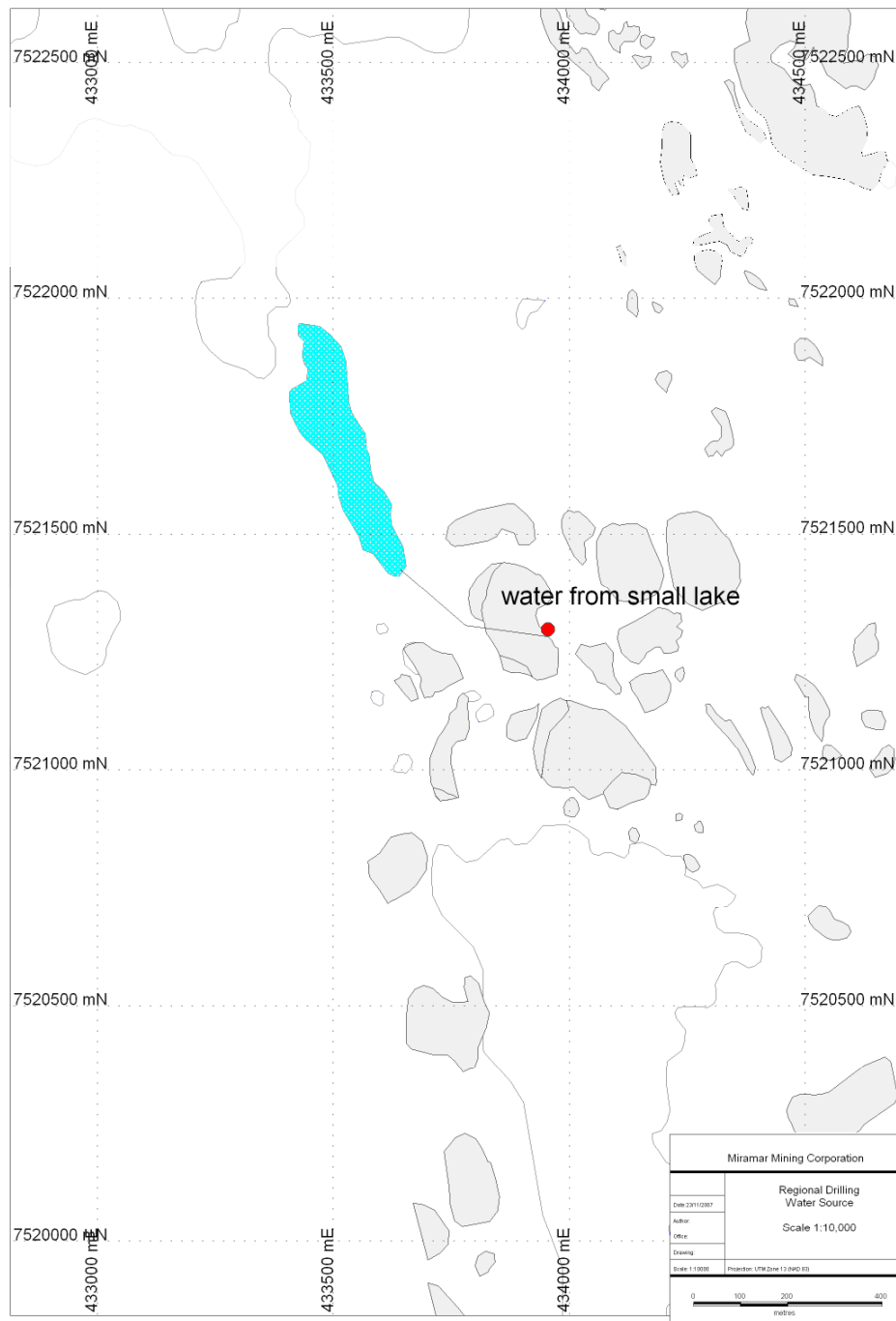


Figure: Regional drilling 4

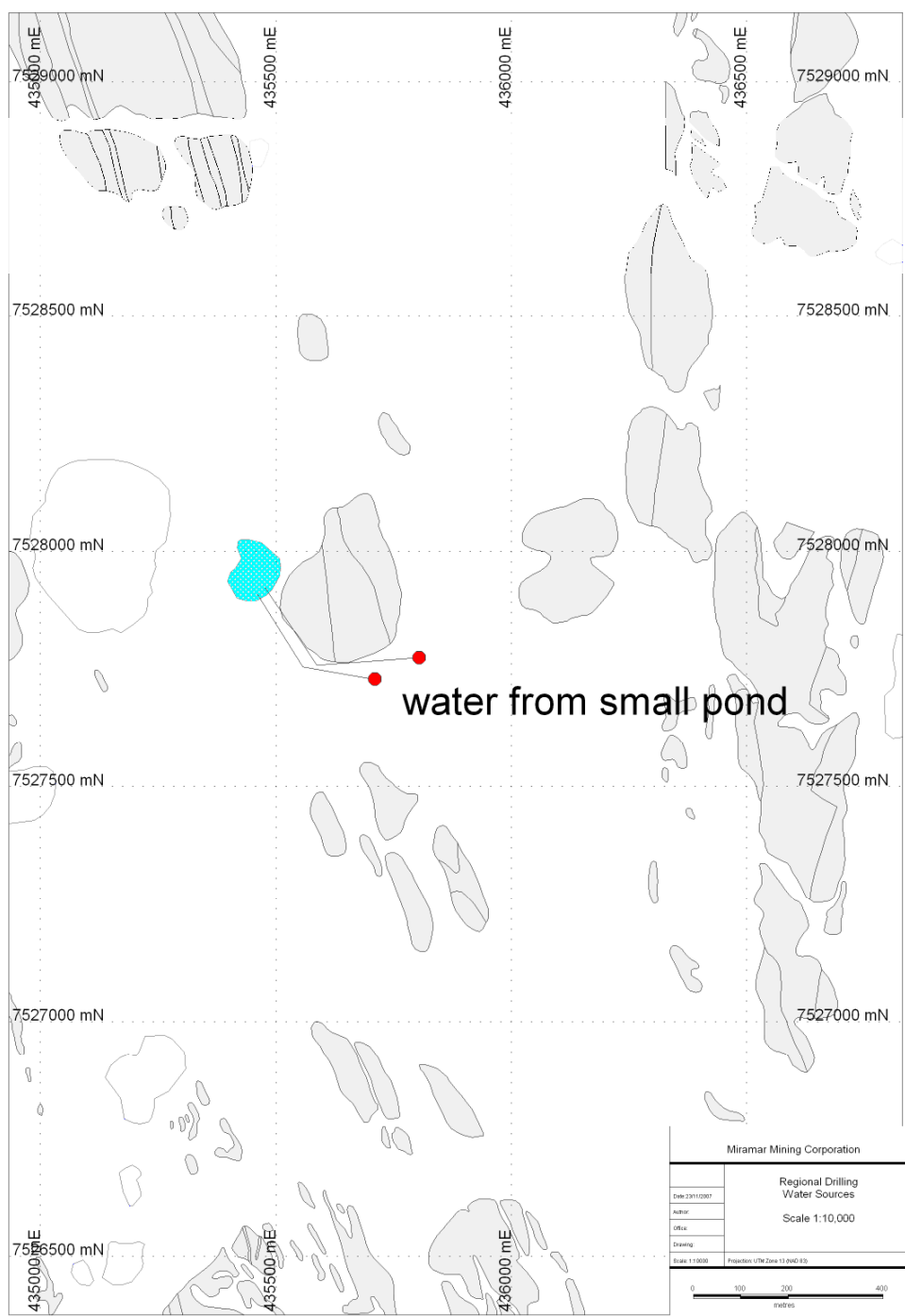


Figure: Regional drilling 5

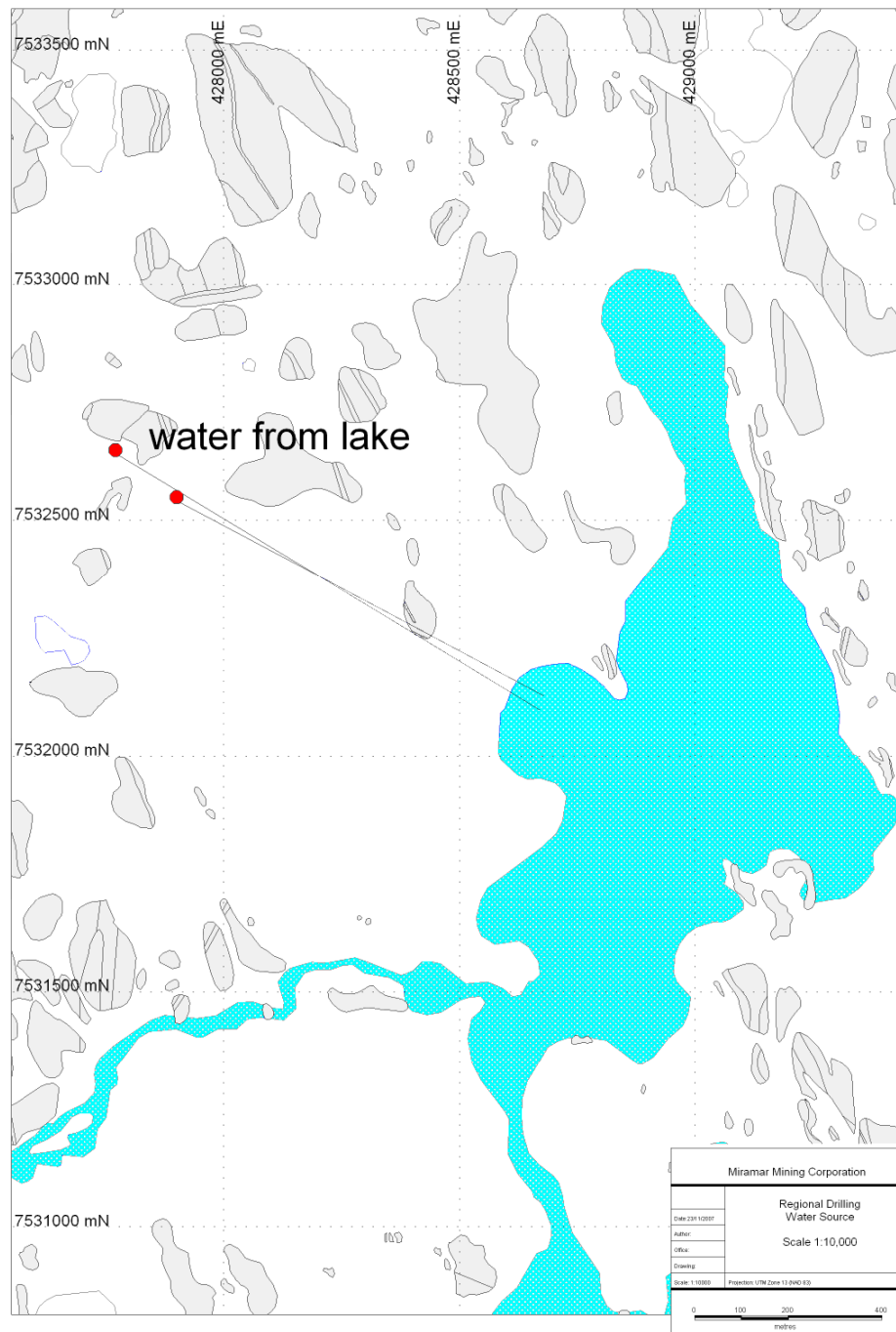


Figure: Regional drilling 6

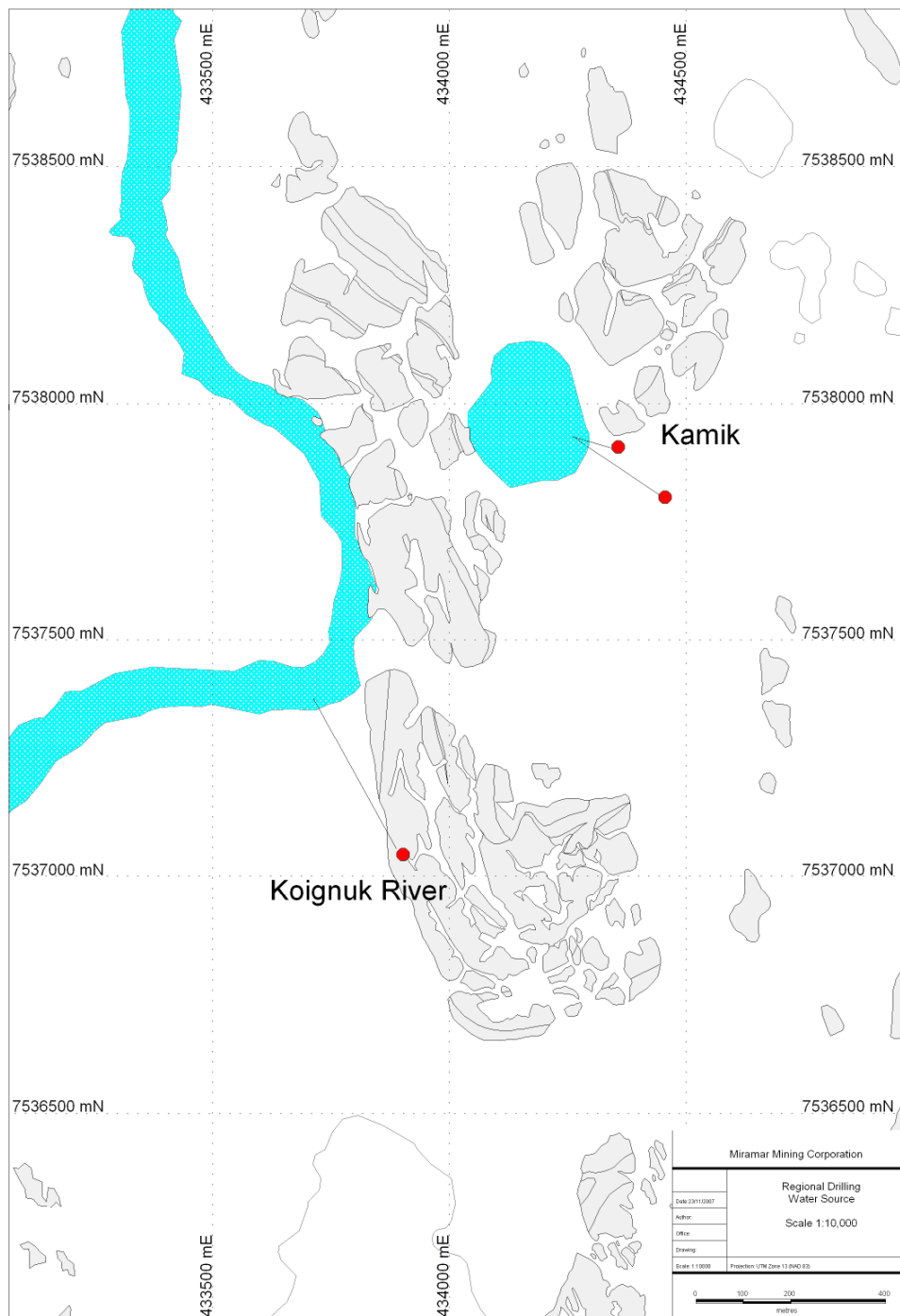


Figure: Regional drilling 7



Figure: Regional drilling 8

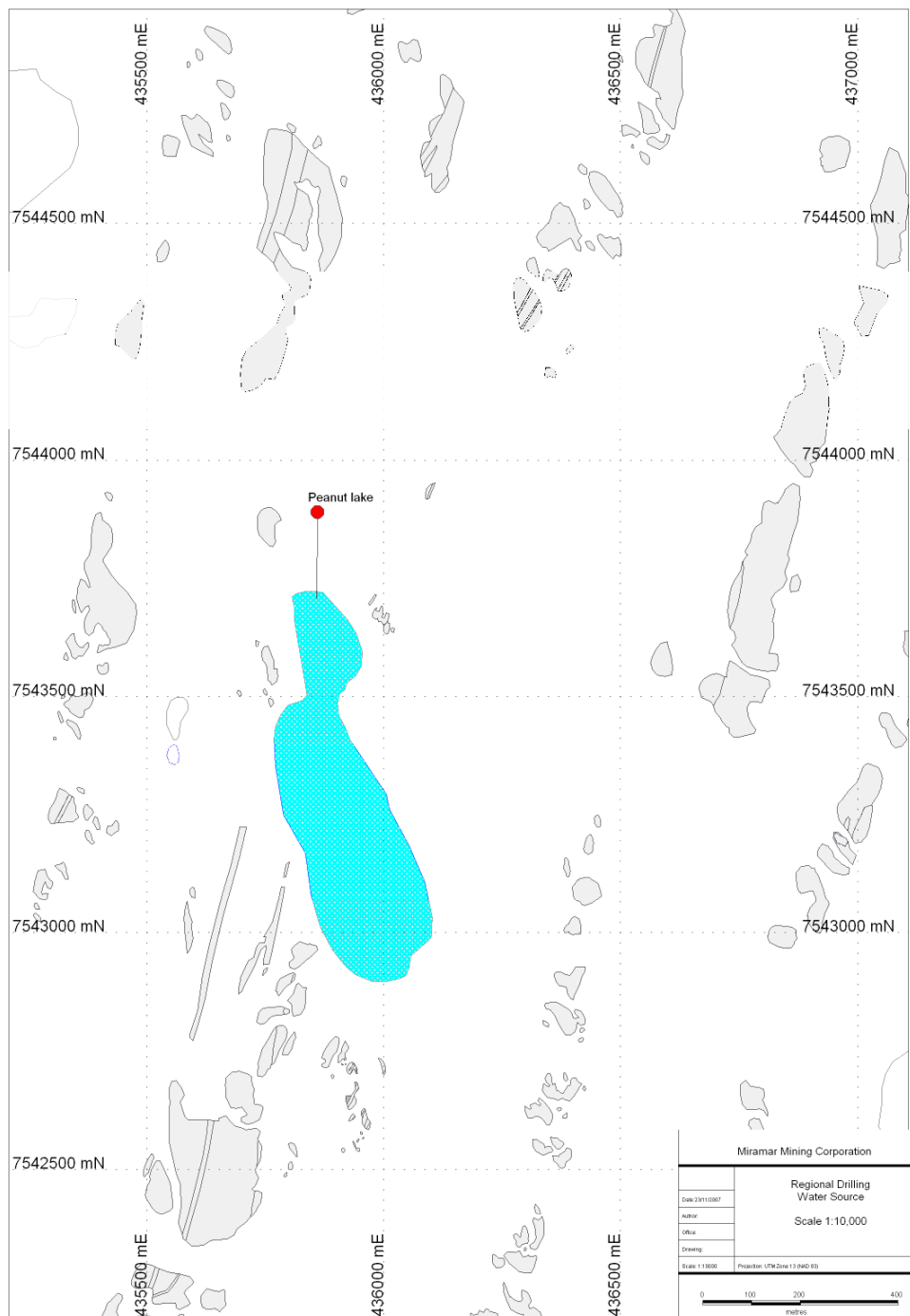


Figure: Regional drilling 9

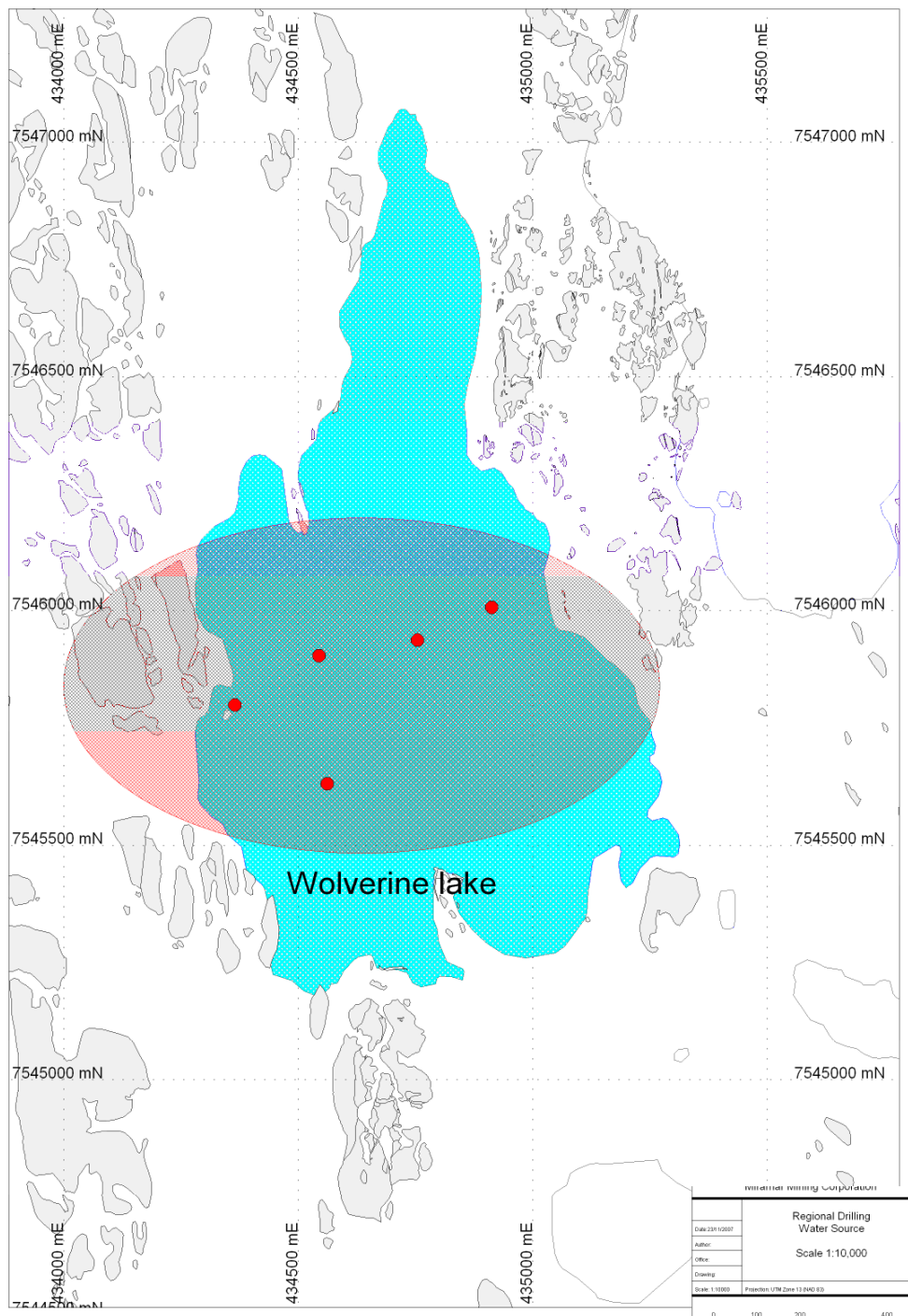


Figure: Regional drilling 10

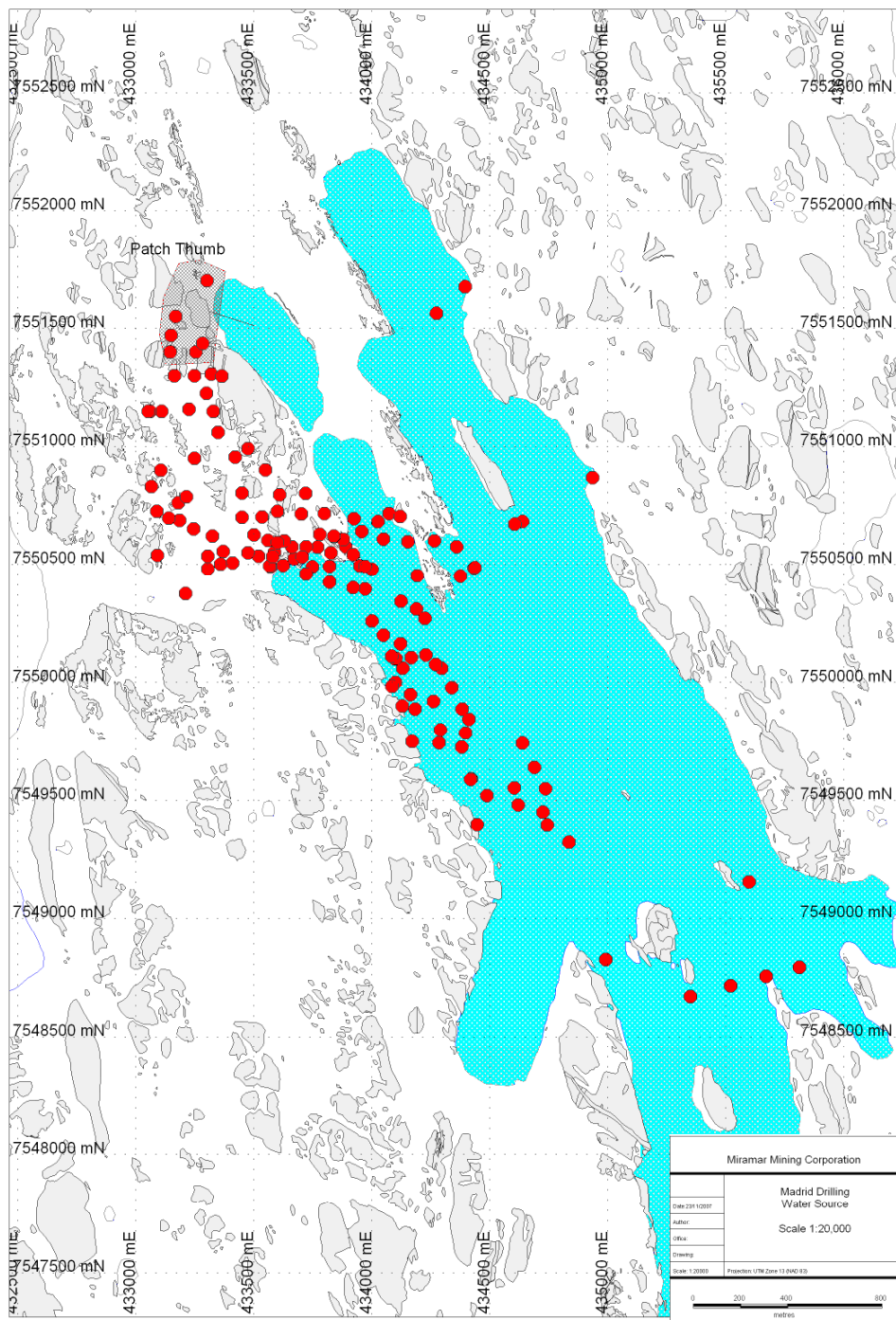


Figure: Madrid drilling

Part D: Conditions Applying to Waste Disposal

Request

Additionally during the period of inspection the location of the WWTF and ROTODISK unit were noted as also being within the 30 meter set back required by the license. In discussion with the licensee the Inspector was provided information that the unit and sludge was scheduled to be moved once the ground was frozen. The Inspector reviewed the plan with the licensee and a verbal approval was provided on August 15th 2007 by the Inspector to the Licensee. The licensee was then directed to provide photographic evidence of the move, once completed, to the Inspector. To-date report has not been submitted to the Inspector. The Licensee is asked to provide clarity on this matter upon receipt of this inspection report.

Response

Plans to move the RBC unit are currently in progress. SNC Lavalin and Sanitherm will collaborate on choosing the best possible location within the existing footprint of Windy Camp. Once the location has been chosen, the necessary approvals will be sought from the landowner and regulatory agencies involved. Pending receipt of the required approvals and the timing of camp workloads, the move will most likely occur during break up in 2008, approximately May - June. The Inspector will be kept updated as the project moves forward in 2008.

Part E: Conditions Applying to Camps, Access Infrastructures and Operations

Request

The Licensee is directed to provide the required reports, plans and as-built drawings to the Inspector and the Nunavut Water Board within 30 days of receipt of the inspection report.

Response

The following documents were submitted to the NWB via email on November 20, 2007:

- Operation and Maintenance Manual for the Waste Water Treatment Facility
- Land farm Operation and Maintenance Plan
- Quality Control and Quality Assurance Plan
- As-built drawings and construction reports for the Bulk Fuel storage facilities and the Land Farm Facility

Part I: Conditions Applying to Abandonment and Restoration or Temporary Closing

Request

To date a notification of seasonal or temporary closure has not been received by the Inspector.

Response

Letters of seasonal closure were submitted to the Nunavut Water Board on November 8, 2007 and November 22, 2007.

Part J: Conditions Applying to the Monitoring Program

Request

The Licensee is reminded to submit the Quality Control and Quality Assurance Plan for approval by the Board was August 20th 2007. This plan is to be submitted within 30 days of receipt of this inspection report. Failure to file the required plan as outlined in the license is a violation of the Act and will subject the licensee to the enforcement measures and penalties provided for under the Act.

Response

The Quality Control and Quality Assurance Plan was submitted to the Nunavut Water Board for approval via email on November 20, 2007 and MHBL was advised on December 7, 2007 that the plan has been forwarded to the Analysts for review and approval.

If you have any questions or concerns regarding this submission, please contact me at the telephone number listed above, or via email at jwakeford@miramarmining.com. Thank you for your assistance in this matter.

Regards,

Original Signed By

John Wakeford
Vice President, Exploration
Miramar Hope Bay Ltd.