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August 5, 2009

David W. Abernathy
Water Resources Regional Coordinator
Indian and Northern Affairs
Nunavut Regional Office Operations Directorate
P.O. Box 100
Iqaluit, NU
X0A 0H0

Re: Water License 2BE-HOP0712 2008 Annual Report INAC Review

Dear Mr. Abernathy,

In response to your July 20, 2009 letter and technical memorandum reviewing Hope Bay Mining Ltd.'s 2008 Annual Report submission for the water license 2BE-HOP0712, please find below the implementation timetable addressing the noted deficiencies.

1. On page 3 of the submitted Annual Report Form HBML states that "The body of the Spill Contingency Plan submitted in October 2007 has not been modified or revised. New contact names and numbers are set out at Item 3 of the attached supplement." This Plan should be modified / revised to include current information. This is in accordance with Part B, Item #2(v.) which reads "An up-to-date copy of the Spill Contingency Plan, including contact information."

Action: While the information in the on file plan is still generally current, there is a need to update contacts. The Spill Contingency Plan is currently being updated and will be submitted, with the appropriate contact information, to INAC and the Nunavut Water Board no later than September 30, 2009.

2. In Part F, Item #4 of the license, the NWB requests that HBML provide permafrost depths along with drill hole locations in Annual Report submissions. It is stated in the supplemental information report that, "The majority of drill holes in the Hope Bay Belt do not go deep enough to penetrate below the permafrost layer. For the Hope Bay Project, depth of permafrost is therefore calculated using thermistor strings that measure ground temperature, installed mainly in geotechnical drill holes. Results are used to extrapolate the lower depth of permafrost using thermal gradient. There are several such thermistor strings throughout the Hope Bay Belt and measurements are taken on an on-going basis." For information purposes, it would be helpful if any information related to

permafrost depths could be provided in Annual Report submissions as requested by the NWB in this license condition.

Action: HBML will provide the NWB with permafrost data as more information is gathered through future geotechnical investigations.

3. According to Appendix A of the Supplemental Document, HBML's sample results for their Oct. 6/08 toxicity tests demonstrated that effluent discharged from the wastewater treatment facility at HOP-3 was not acutely toxic. The test procedures identified in Part J, Item #3 of the license were followed. The test results are not included in the Annual Report submission. Part B, Item #2(ii.) of the License requires Annual Reports to include a summary of all information requested and results of the Monitoring Program. Therefore, HBML has not fulfilled this license requirement.

Action: The toxicity test data has previously been provided to the NWB in monthly reports, but the author is correct that it should also have been provided in the annual report; HBML will provide the 2008 HOP-3 Toxicity Testing Data to the NWB no later than September 30, 2009.

4. In Appendix B of the Supplemental Document, HBML's letter to Melissa Joy, INAC Water Resources Officer (dated Aug. 1/08), it is stated that "SRK Engineering was contracted to undertake a Phase 2 Environmental Assessment of the Major Patch Lake Shop during the summer of 2008 in order to determine the nature of environmental impacts that may be associated with the shop, lay down areas, and tank farm." This letter goes on to say that "SRK Engineering will perform a geotechnical engineering evaluation of the rutting of the Windy Lake / Narrtuk Winter Road." This information should be communicated with the Board and incorporated into any modifications / revisions to the project's Closure and Reclamation Plan.

Action: This work was done as part of updating closure plans that are being prepared for the NWB and KIA as surface land owner. A field investigation of the Patch Lake shop and Windy Camp has been completed. A geotechnical engineering evaluation of the rutting of the Windy Lake/Narrtuk Winter Road has also been completed. An updated version of the Closure and Reclamation Plan associated with components of the Major Patch Lake Shop and Windy Camp, including a summary of the findings to date, will be submitted to NIRB and the Nunavut Water Board for review no later than December 31, 2009.

Please contact me at Chris.Hanks@newmont.com if you have additional questions or require any further information relating to the contents of this letter.

Sincerely,

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