

June 16, 2011

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Re: 2BE-HOP0712 Unauthorized Discharge from Bulk Fuel Storage Facility HOP-5

On June 13, 2011, HBML detected overflow of run-off water from the HOP-5 containment facility located at old Windy Camp. It is unknown how much water overflowed the berm. Immediately upon detecting the seepage, a crew was dispatched to build up the low corner of the berm using polyethylene plastic sheeting and sandbags. The flow over the liner appears to have stopped; however, water still appears to be seeping from underneath the liner. Water samples were sent to ALS Laboratories for rush analysis. Preliminary results are expected to be available by June 17, 2011.

In April 2011, a diversion berm was constructed to divert water from running off of the hill into the containment berm to avoid having excess water entering the facility. The snow was also removed from the area when the diversion berm was constructed. The containment berm was destined to be dismantled in 2012; however, HBML is now expediting the schedule to remove this facility as early as possible in 2011 instead.

Portable containment berms are being gathered and set-up at Windy Camp to draw down the water in the HOP-5 containment facility. As an immediate action, 20 000 L of untreated water was pumped into a temporary containment berm, which dropped the water level in the containment facility by approximately 5 inches. The oil-water separator pump will be used to transfer additional water from the containment facility to the portable berms, where the water will be held until the sample results are received. If the results show that the untreated water is compliant with the water licence and other relevant legislation, it will be released. Otherwise, it will be run through the oil-water separator into the portable berm. Water samples will also be collected from the treated water in the portable berms and it will be released once it is demonstrated to be compliant.



June 4, 2011. Looking north at newly constructed diversion berm and frozen HOP-5 containment facility



June 13, 2011. Looking north at the low corner of HOP-5 containment facility where the seepage was detected. Note the oil-water separator already in place in preparation for dealing with the water when the pond was thawed.



June 14, 2011. Looking south at the polyethylene sheeting and sandbags installed on June 13, 2011 to prevent further seepage from within the berm. Absorbant booms were also placed as a precaution since the containment facility was the former fuel containment.

With your permission, HBML requests authorization to discharge compliant water prior to the 10 day waiting period after the notification is issued. We appreciate your consideration of this request, and compliant water will not be discharged until 10 days after the notification is issued if we do not receive written authorization from you to discharge earlier.

Kindly acknowledge receipt of this notification and direct any questions to the undersigned. If you have any questions please feel free to contact me at angela.holzapfel@newmont.com.

Sincerely yours,

A handwritten signature in black ink, appearing to read 'A. Holzapfel'.

Angela Holzapfel
Manager, Environmental Compliance
Hope Bay Mining Ltd.

cc. Phyllis Beaulieu, Nunavut Water Board