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May 24, 2010

Chris Hanks
Director, Environment and Social Responsibility
Hope Bay Mining Ltd.
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North Vancouver, BC
V7P 3S1

E-mail: chris.hanks@Newmont.com

Subject: Licence No. 2BE-HOP0712, Part D, Item 25; Hope Bay Project Revised Quarry A,

B & D Management and Monitoring Plan

Dear Mr. Hanks,

The Nunavut Water Board (NWB) received the above-cited quarry management plan (Plan) submitted by Hope Bay Mining Ltd. (HBML) on October 20, 2010 in accordance with Part D, Item 25 of water Licence 2BE-HOP0712 as amended on August 24, 2010, which states:

The Licensee shall submit to the Board for approval, within sixty (60) days of issuance of amendment No. 4, a revised Hope Bay Project Quarry A, B & D Management and Monitoring Plan in order to:

- a. Incorporate the conditions of this amendment;
- b. Include any findings and mitigation measures proposed under Part D, Item 24;
- c. Provide a concordance table to demonstrate where the following conditions from Licence 2AM-DOH0713 have been applied:
 - i. Part D: Conditions Applying to Construction, Items 9, 9b, 10, 21, and 22; and
 - ii. Schedule D, Conditions Applying to Construction, Items a, b, c, f, k, and n;
- d. Provide for the monitoring of watercourse crossings along the all-weather road throughout the annual ice-free period in order to confirm of their structural integrity, confirm soil and permafrost stability in the immediate areas, and confirm that the crossings have been located adequately with respect to the watercourses.

The Plan was distributed to interested parties for review and comment. The NWB received comments from the Kitikmeot Inuit Association, Indian and Northern Affairs Canada and Environment Canada on or before December 21, 2010. The comments are available on the NWB's ftp site at the following link:

The NWB notes that parties are generally satisfied with the revised Plan. Following a review of the information submitted, including the comments provided by interested parties, the NWB finds that the Plan is generally acceptable and it has been approved by the Board (2011-05-L02).

In providing this approval, the NWB would like to clarify and remind the Licensee, that compliance with the discharge parameters provided in Part D, Item 22 must be demonstrated prior to discharge. In the event that the proposed discharge does not meet the regulated Effluent limits, the report required in accordance with Part D, Item 24 is to be provided **for approval prior to any effluent release**. As stated in the Board's decision with respect to Amendment 4, the use of non-compliant effluent for all-weather road dust suppression is of concern to INAC and the NWB, and is not permitted without prior written authorization. In the absence of information concerning potential volumes and quality of effluent, and analysis of potential effects of such discharge, the Board views transferring non-compliant effluent to the Doris North Tailings Impoundment Area as the <u>preferred</u> contingency measure at this time.

With respect to the comments provided by EC, the report entitled *Geochemical Characterization of Quarry Materials for the Doris-Windy All-Weather Road, Hope Bay Project* (SRK 2008) has been provided to the NWB and is filed on the public registry along with the Amendment 4 application. EC also recommended that the Licensee provide a spill plan and abandonment and restoration plan for the quarry sites. The NWB finds that the quarries should be covered within the existing spill plan and abandonment and restoration plan for the project overall. The NWB therefore reminds the Licensee of its responsibility to keep those plans up to date in accordance with Part H, Item 4 and Part I, Item 3.

Should you have any questions please do not hesitate to contact me at your earliest convenience at (780) 443-4406 or dts@nunavutwaterboard.org.

Yours truly,

Original signed by:

David Hohnstein, C.E.T. Director Technical Services

DH/tla/pb

Cc. Kitikmeot Distribution

