



Hope Bay Mining Ltd.
Suite 300
889 Harbourside Drive
North Vancouver, BC
V7P 3S1
Phone 604 985 - 2572
Facsimile 604 980 - 0731
www.newmont.com

9 October 2008

Nunavut Water Board
PO Box 119
Gjoa Haven NU X0B 1J0

Attention: Dionne Filiatrault, Executive Director

Dear Sirs and Mesdames:

Regulatory Requirements for the proposed Windy Camp Road

The purpose of this letter is to provide the Board with further clarification of our plans with respect to the Windy Camp Road and to confirm our assessment that the proposed road will not require any water licensing under the *Nunavut Waters and Nunavut Surface Rights Tribunal Act* (the "Act"). As you know, we are in the process of addressing separately the water licensing requirements relating to the construction and operation of the quarries.

We refer first to our letter of May 13, 2008 to the Board, a copy of which is attached to this letter, which provides a summary of the key features of the road. We have also attached relevant excerpts of the Technical Report respecting the proposed Windy Camp Road prepared by SRK Consulting Engineers and Scientists and dated May 2008, which was referred to in the May 13 letter.

We have reviewed the provisions of the Act and obtained advice from legal counsel (see attached memorandum), and wish to confirm that the construction and operation of the road will not entail any "use" of water (as defined in the Act) or any deposit of waste into water. We are advised that a water licence is only required under the Act if there is a "use" of water, as set out in Section 11, or if there is a deposit of waste into waters, as set out in Section 12.

The proposed Windy Camp Road does not entail any "use" of water, as defined in Section 4 of the Act for the following reasons:

- there is no use of water power and geothermal resources;
- there is no diversion or obstruction of waters;
- there is no alteration of the flow of waters; and

- there is no alteration of the bed or banks of any seasonal or permanent river, stream, lake or other body of water.

In particular, we have taken special care in designing the road to provide for the use of clear span crossings over streams with abutments that are at least one metre offset from the bank-full width of the stream (see attached excerpts of the Technical Report), to ensure that there is no alteration of the banks of the streams. In using the free span crossings, we have acted in compliance with the relevant DFO guidelines and provided the necessary notification to DFO (see attached). We have also received confirmation from Transport Canada that the relevant streams are not navigable waters and have adjusted our construction schedule in consultation with Environment Canada to avoid the migratory bird nesting season.

The proposed Windy Camp Road will also not result in the deposit of waste in waters. As noted in the enclosed Technical Report, silt fences will be installed to ensure that all surface runoff sediment is captured and not released into the streams. Further, extensive testing of the material proposed for use in construction has shown that the material is ideal for road construction as it is not potentially acid generating and will not result in any deposit of waste into water.

In addition, there will be inspection of the construction and monitoring to ensure that the rock construction material meets the specifications. We have consulted with the INAC inspector, Melissa Joy, and have made a commitment to provide an opportunity to inspect the road prior to spring break-up to ensure compliance with the Act.

As indicated to you through our legal counsel, our contractors, Nuna Logistics, are currently on the site and are prepared to start construction of the Windy Camp Road immediately. We have directed them to refrain from commencing construction pending further communications with the Board. We would like to proceed with construction with the road as soon as possible, as we believe that, among other things, the reduction of the use of helicopters into the site and the improvement of site-wide medical evacuation ability which will result from the construction of the Windy Camp Road will greatly improve the operational safety for the upcoming winter months and reduce safety risks at the site.

We recognize that poor communication has resulted in this last-minute confusion surrounding the commencement of construction on the Windy Camp Road and we accept responsibility for any lack of timely follow-up with the Board. We would appreciate your confirmation of receipt of this letter as soon as practicable, and look forward to your response.

Yours truly,

(signed) "*Chris Hanks*"

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

cc: Bill Tilleman