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November 19, 2012

Andrew Keim Water Resources Officer Aboriginal Affairs and Northern Development Canada Box 100 Building 918 Iqaluit, Nunavut XOA OHO

Dear Mr. Keim,

RE: Water License Inspection - Temporary Closure- Hope Bay Mining Ltd. - 2AM-DOH0713, 2BE- HOP-1222 and 2BB-BOS1217 October 2 and 3, 2012 Draft Inspection Report Waste Water Shut Down Response

In response to your draft October Inspection Report, Hope Bay Mining Ltd (HBML) has compiled the following information to address your request for information on how the Doris Waste Water Treatment Plant (WWTP) was shut down and how the sludge was disposed of.

Shut down of the WWTP began in the last week of September by progressively processing all of the material in the plant and dewatering the solids. This was done concurrently with decreasing WWTP input by decreasing numbers of on-site personnel and shutting down the wastewater generation zones throughout the camp, with the exception of the Kitchen and the Men's and Women's dry's.

The shutdown process for the camp involved flushing and draining the lines, including the main line running from the camp to the WWTP. Each lift station was rinsed and vacuumed empty with the use of a vacuum truck, with all water being transferred to the WWTP. Once drained, the lines were blown out with compressed air, where necessary, low point drains were left open and un-drainable lowpoints (e.g. sink and toilet U-bends) were filled with non-toxic RV Antifreeze that will be flushed to, and processed through, the WWTP on start-up.

While sections of the camp were being shut down, the wastewater in the WWTP continued to be processed and dewatered. As water levels in the WWTP equalization tank were lowered, wastewater was moved from the primary settling/aeration tanks to the equalization tank by vacuum truck for continued processing and dewatering. Multiple presses were conducted a day during this process and sludge produced was incinerated in the quantities outlined in Table 2.

Table 2. Doris Camp WWTP Dewatered Sludge Incineration Log

| Date | Quantity of Dewatered WWTP |
|--------|----------------------------|
| | Sludge Incinerated (lbs) |
| 23-Sep | 50 |
| 24-Sep | 125 |
| 25-Sep | 250 |
| 26-Sep | 100 |
| 27-Sep | 50 |
| 28-Sep | 125 |
| 29-Sep | 100 |
| 30-Sep | 75 |
| 01-Oct | 100 |
| 02-Oct | 250 |
| 03-Oct | 25 |
| 04-Oct | - |
| 05-Oct | - |
| 06-Oct | - |
| 07-Oct | 200 |
| 08-Oct | - |
| 09-Oct | - |
| 10-Oct | <u> </u> |
| Total | 22,000 |
| | • |

At the completion of the dewatering/pressing process the membranes were washed and cleaned and the residual liquid in the WWTP tanks and piping was collected by vacuum track and placed in an overflow holding tank for overwinter storage.

On October 7th, 2012, only two lift stations remained active at Doris Camp: Lift Station 5 in the kitchen, and Lift Station 6 near the Dry. As the line to the WWTP had already been shut down, all discharge from these lift stations occurred by pumper truck between October 8th to 12th (the date of camp closure).

Kitchen greywater reporting to Lift Station 5 was collected by vacuum truck and transferred to the WWTP (October 8th) or the Doris Overburden Pile (October 9th to October 12th, 2012) as approved by AANDC on October 4th, 2012. This was done to reduce overwinter wastewater storage quantities. The volumes of greywater discharged to the overburden pile are presented in Table 1.

Table 1. Discharge Volumes of Greywater from Lift Station 5 (Doris Kitchen) to the Doris Overburden Pile.

| Date | Greywater discharged (liters) |
|--------------|-------------------------------|
| Oct 9, 2012 | 1,000 |
| Oct 10, 2012 | 1,000 |
| Oct 11, 2012 | 17,000* |
| Oct 12, 2012 | 3000 |
| Total | 22,000 |

^{*}This water was discharged from the water treatment plant water storage tanks

Wastewater reporting to Lift Station 6 (which includes water from toilets, washers, and showers) was removed by vacuum truck between October 8th and October 12th and discharged into the WWTP overflow holding tank for overwinter storage.

In total, 20,000 L of wastewater was transferred to the Doris WWTP overflow holding tank for seasonal overwinter storage until the WWTP is reactivated in spring 2013.

Doris Camp was closed for the season on October 12, 2012.

If you have any questions regarding this response, please contact Chris Hanks at Chris.Hanks@Newmont.com or 720-917-4489.

Sincerely,

For

Chris Hanks VP Environmental Affairs Hope Bay Mining Ltd.