



Hope Bay Mining Ltd.

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David W. Abernethy  
Water Resources Regional Coordinator  
Operations Directorate, Nunavut Regional Office  
Indian and Northern Affairs Canada  
Iqaluit, Nunavut  
X0A 0H0

Dear Mr. Abernethy,

**Re: Hope Bay Mining Ltd. response to INAC review of the Water Licence 2BE-HOP0712, HBML Hope Bay Regional Exploration Project, Kitikmeot Region – June 2009 Monitoring Report**

Thank you for your review. Please find enclosed HBML's response to your questions.

**Item 2 Windy Land Farm Closure** – The NWB was notified by letter on May 18, 2008 that HBML proposed to remove the Windy Landfarm during 2008. After purchase of the Hope Bay properties from the previous owner in late 2007, HBML discovered facility integrity issues in the spring of 2008 as the Windy Land Farm melted out. Specifically, HBML became aware of drainage issues that left unresolved could have posed an immediate risk to Windy Lake, which is located approximately 30 m from the former facility. These risks needed to be promptly addressed. Further, in 2007 the annual INAC Inspection had identified significant facility deficiencies with the facility that required remediation. When HBML did not receive a response from the NWB because of the press of ground conditions, the company simply preceded to close the facility.

Petroflag samples indicated that soil in the Land Farm would probably not meet the criteria set out in Part D – 18 of the Water Licence for use in reclamation. A suite of soil samples was pulled for analysis. As the Hope Bay Belt does not include a lined land fill where material could be encapsulated or an alternative properly constructed land farm, HBML decided to remove the contaminated material from the site. An excavator was used to place the contaminated soil, facility liner, and soil immediately under the liner in lined mega-bags. It was slung by helicopter to an NTCL barge in Roberts Bay. The sub-strata was reclaimed to near original contours using a finish bucket on a excavator, proper

drainage was established and the surface armored against ongoing erosion with coco mat. These techniques were used because the machine could reach across the facility without having to place heavy equipment on the ground. Coco mat had previously proved effective in stabilization of the fine marine sediments that make up the soils surrounding Windy Lake.

During the annual water license inspection in July of 2008, INAC Inspectors examined the facility during reclamation.

A waste generator number was obtained from the Government of Nunavut and the Government of Nunavut was informed that the material would not be taken to a facility in Nunavut, since there was/is not a licenced facility in Nunavut capable of receiving the 75 tonnes of hydrocarbon contaminated soil that needed to be removed. Land treatment at the Con Mine in Yellowknife was considered but that facility, which Newmont owns and is currently closing, is not licenced to receive waste. As a consequence the decision was made to send contaminated soils to KBL Environmental Ltd. in Yellowknife. KBL received the material and made arrangements for its proper disposal in a Class 1 Land Fill in Onway, Alberta. Part of the material was disposed in the Onway Landfill in 2008. The remaining material was stored temporarily in Inuvik as it reached there too late in the season to be hauled up river. This material is currently being managed by KBL. Results of soil samples taken from the Windy Land Farm prior to the removal of the contaminated material were reported to the NWB in the October 2008 Monitoring Report. Samples were analyzed for TPH, Benzene, Toluene, Ethylbenzene and Lead.

The closed site was again inspected in 2009 by INAC during their annual Water Licence inspection of Hope Bay. HBML feels that the INAC inspections conform to Part D – 20 of the Water Licence as the facility was operated to the satisfaction of the Inspector. As per Part D – 6 of the Water Licence, HBML has maintained all waste back haul records and confirmation of proper disposal. As per the licence, these records are available to the Inspector upon request. HBML identified QA/QC issues with samples taken from the substrate beneath the facility in 2008. Those samples have been retaken by SRK in 2009 as part of the hydrocarbon evaluation of the Windy Camp being done in support of the development of a final Closure Plan for the Windy Camp site. A geotechnical evaluation of ground conditions and drainage at Windy Camp, including the former Land Farm site, was undertaken by a registered professional engineer from SRK in 2009, with the appropriate professional qualification. This work was also undertaken in support of the final Windy Camp Closure Plan. A final post-mortem on the closure of the Land Farm will be placed in the Windy Camp Closure Plan, as well as recommendations for management of any residual effects in the substrate. It is anticipated that this plan will be submitted to the NWB by the fourth quarter of 2009.

**Item 3 Water Quality Sampling** – Fuel was transferred from the tanks at Windy Camp and hauled back to the tanks at Doris Camp by truck on the 2009 winter road. Subsequently, the empty skid mounted tanks were removed from the tank farm and taken to Doris Camp for storage. When a faster than expected spring freshet occurred in the spring of 2009, HBML called the INAC Inspector and left a message (as the officer was on duty travel) concerning the need to discharge water. Samples were pulled and 10 days later, HBML received results indicating lead was above discharge levels. A charcoal filter oil water separator was set up and a sample was taken of the treated water. While the sample was out for analysis, water from the berm was run through the oil water separator and was stored in the empty tanks of the Windy Camp Sewage Treatment Plant. When the sample came back demonstrating the treatment had successfully removed the lead, a letter was sent to the Inspector indicating discharge would take place. Before

discharge occurred the INAC Inspector arrived at Windy for the annual 2009 Water Licence Inspection. Discharge at HOP-2 is not possible as the large generators at the camp are not currently available to power the pumps necessary to push the water over the top of the outcrop behind the camp. An alternate discharge location on the slope of the pass between the tank farm and the top of Windy Pass was discussed with the INAC Inspector at the time of the 2009 inspection. This was selected as the preferred alternative to HOP-2.

Thank you, for your time and consideration of our response. If you should have any further questions please feel free to contact me at <chris.hanks@newmont.com>

Sincerely yours,

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