

A horizontal decorative band with a complex, colorful pattern of geometric and organic shapes, including spirals and lines, in shades of brown, green, and gold.

Managing Complex Projects and Their Regulatory Requirements

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Outline

- Hope Bay location and history
- Nunavut's regulatory history
- Hope Bay facts
- Phases of Hope Bay development
- Regulatory framework
- Current regulatory tools
- Regulatory regime for a complex mining district



Project location



Hope Bay history

Hope Bay has been long in the making...

- 1962 – Hope Bay Greenstone Belt first mapped by the GSC
- 1960s to 1980s – Exploration by various companies
 - Hope Bay Mining Company mines silver near Roberts Bay (1973-1974)
- **BHP Billiton Years (1988-1999)**
 - Boston drilling program begins (1992)
 - Construction of Windy and Boston Camps
 - Bulk sample at Boston (1996-1997)
- **Miramar Years (1999-2007)**
 - Continued belt wide exploration
 - EIA for the Doris North Project (2005)
 - Project Certificate issued (2006)
 - Water Licence issued (2007)
- **Newmont Mining Years (2007 to present)**
 - Continued belt wide exploration
 - MMER Schedule 2 (2008)
 - Construction of Phase 1 Doris North (2008 to present)
 - Doris North portal (October 2010)
 - Phase 2 planning and permitting



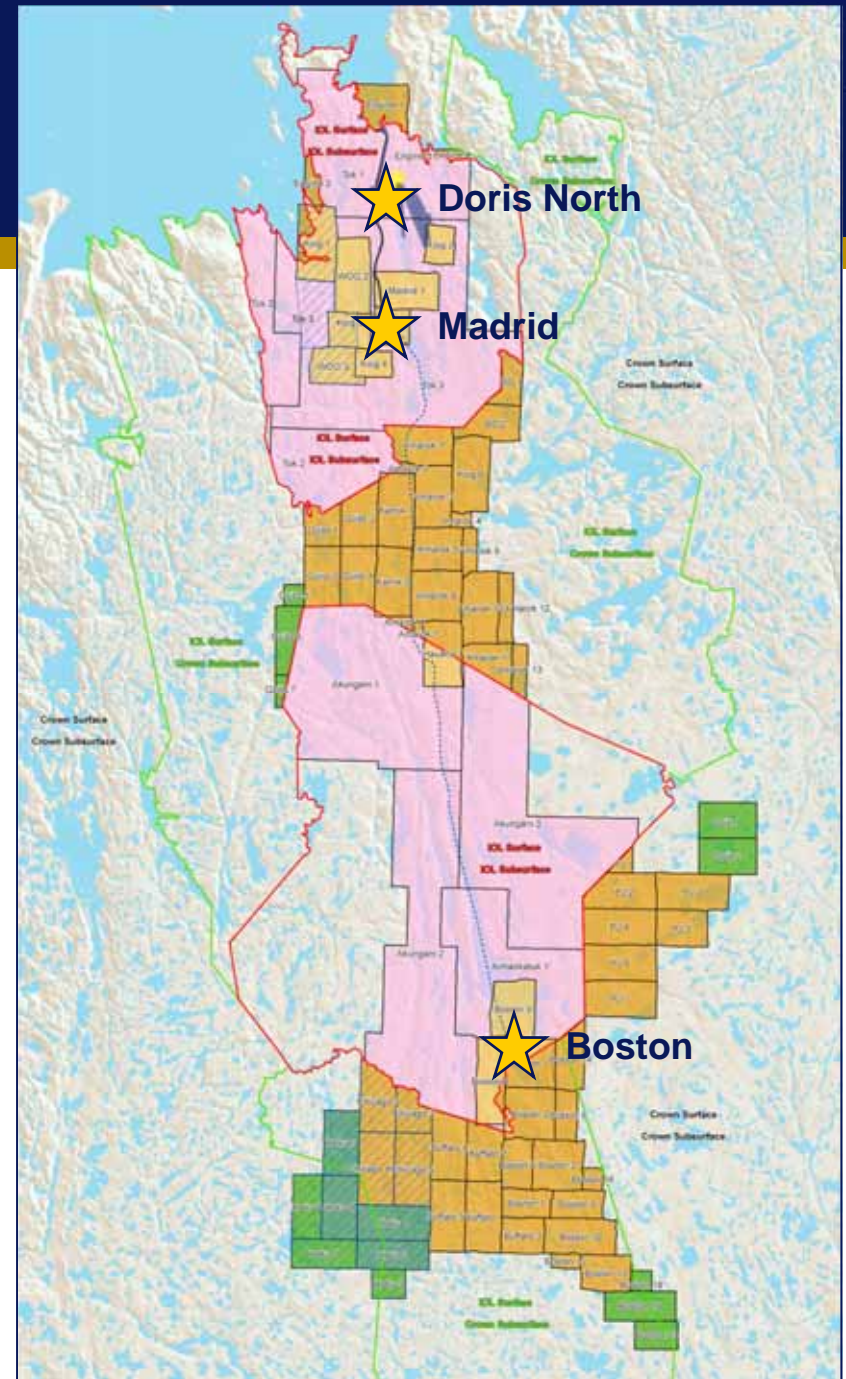
Nunavut regulatory history

As Hope Bay has been explored over the last 50 years, Nunavut has come of age:

- Negotiations begin on Nunavut Land Claim (1976)
 - Nunavut Land Claim Agreement Signed (1993)
- Creation of NLCA Boards (1996)
- The Boston bulk sample (1996) was the last to be permitted by INAC before the NLCA Boards took over
- The Boston water licence was one of the first Type B licences approved by the NWB
- Nunavut Tunngavik Incorporated manages Inuit owned subsurface rights
- Regional Inuit Associations manage Inuit owned surface rights
- INAC continues to manage Crown land

Hope Bay facts

- 80 km long from north to south, 7-20 km wide
- Over 1,000 km²
- Estimated 9M oz of gold potential
- 100% Newmont owned
- 3 current major deposits:
 - Doris North
 - Madrid
 - Boston
- Land Tenure mix
 - 47% IOL subsurface/53% Crown subsurface (incl. grandfathered Crown subsurface)
 - Principally IOL surface/some Crown surface



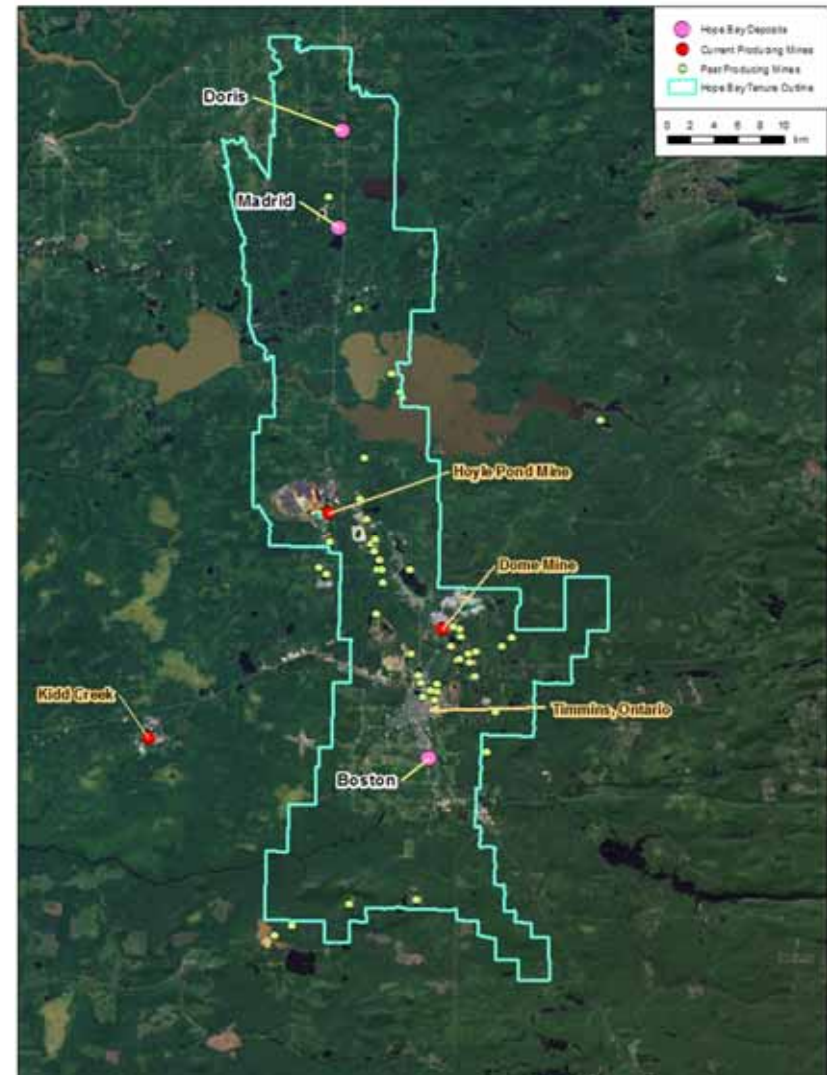
Hope Bay compared to Timmins, another Canadian gold camp

Timmins Gold Camp:

- 1909 – to present
- ~70 M Oz of gold
- 3 current producers and over 30 past producers
 - Each with its own regulatory requirements
- Infrastructure publicly funded
- ~2-7 yrs of known mine life at any time but 60+ yr total belt life

Hope Bay Greenstone Belt:

- 1962 – to present
- 9 M Oz of gold (estimated)
- 100% owned by Newmont
- 1 mine in development
- Regulatory requirements reflect activity
- Infrastructure privately funded



Diverse activities at Hope Bay require a range of regulatory solutions



At Hope Bay, Newmont manages grassroots exploration, test mining, development of production facilities, and closure

- Regulatory and environmental assessment requirements differ for each activity:
 - Prospecting and surface diamond drilling evolve as our understanding of the geology grows
 - Advanced exploration, including underground bulk sampling, have more semi-permanent facilities
 - Managing of water and waste is more complex
 - Production mining and milling permits are designed to manage a project over life of mine including larger volumes of water and waste

A phased approach

Newmont's development plan for Hope Bay:

- Ongoing regional exploration to discover new deposits
- Phase 1a
 - Doris North
- Phase 1b
 - Bulk sampling in Madrid Area
- Phase 2
 - EIA Madrid and Boston
 - Leading to multiple simultaneous mine production
- Phase 3
 - Future projects driven by ongoing exploration



Regulatory framework

At Hope Bay, we rely on a range of regulatory tools based on activity.

- Regional exploration and bulk sampling is managed under Type B water licences and KIA land use licences
- Mining and milling is managed under:
 - A NIRB project certificate
 - A Type A Mining and Milling water licence
 - A KIA commercial land lease with KIA
 - An IIBA with KIA
 - A production lease with NTI
- Other laws of general applications such as Fisheries Act, Arctic Waters Pollution Prevention Act, Canada Shipping Act, Territorial Lands Act, and others apply on case specific bases

Hope Bay regulatory tools

- 1 IIBA and 1 Water Compensation Agreement with the KIA
- 1 Commercial Lease from the KIA
- 3 Land Use Licences from the KIA
 - 1 for regional exploration
 - 1 for the Boston area
 - 1 for the winter road between Doris and Boston
- 2 Quarry Permits from the KIA
- 1 Project Certificate (for Doris North)
- 3 Water Licences
 - 1 Type A Mining and Milling Licence (for Doris North)
 - 1 Type B Bulk Sampling Licence (for Boston)
 - 1 Type B Exploration Licence (for regional exploration)
- 3 Fisheries Authorizations
 - 2 relating to the Roberts Bay jetty
 - 1 relating to Tail Lake
- 1 Navigable Waters Approval (for Roberts Bay Jetty)
- 1 MMER Schedule 2 (tailings impoundment area)
- And many others

What is the appropriate regulatory regime for a complex mining district?

An appropriate regulatory regime needs to:

- Adequately protect the environment
- Bestow benefits to Inuit, Nunavut, and Canada
- Guide orderly development of projects by:
 - Allowing flexibility for exploration
 - Regulating mining and processing in a way that promotes sustainable long-term operations
 - Providing safe, stable closure that will allow for post-mining land use activities



Conclusion

- Exploration, project planning, and market forces do not always proceed at the same rate as the regulatory approval process.
- Industry needs to be involved in the preparation of legislation, policy, and regulation.
- The phased development of a major geologic resource requires on going engagement with the range of stakeholders.
- There is no one size fits all regulatory package that will cover the entire continuum of exploration, mining, and closure.

Thank you. Questions?

