

Sept. 21, 2009

Technical Advisor – Mining
Nunavut Water Board
P.O. Box 119
Gjoa Haven, NU X0B 1J0

Re: August 2009 –Monthly Monitoring Report for Water License 2AM-DOH0713

Following is the monthly report for August 2009 as required under Doris Water License No/Type 2AM-DOH0713 Type “A”. The license was issued on September 19, 2007 and will expire on September 30, 2013. The water license is specific for Mining and Milling and associated uses. The quantity of water usages shall not exceed 480,000 cubic meters annually.

This monthly report provides information on Part D (Conditions Applying to Construction) Item 19, Part E (Conditions applying to Water Use) Item 1, Part G (Conditions Applying to Waste Management and Waste Management Plans) Item 3 and 22 (e), and Part H (Conditions Applying to Modifications). The report also contains the relevant monitoring requirements as set out in Schedule J of the licence, plus additional requirements from INAC.

Other conditions stipulated in the license refer specially to mining and milling processes. These facilities have not been constructed at this time, due to the deferral of the Doris North Project by Hope Bay Mining Ltd. (HBML) and therefore, no monitoring has taken place to comply with conditions. The Nunavut Water Board (NWB) was notified of this deferral on September 11, 2008 and is after ongoing discussions, at this time considering a letter from HBML dated April 21, 2009 outlining the clauses that can not be complied with due to the deferral of the Doris North Project.

1. Part D: Item 19 Conditions Applying to Construction

No surface runoff from construction occurred for sampling during the period. No major infrastructure modifications occurred.

2. Part E: Item 1. Conditions Applying to Water Use

a. Water Usage

During the month of August 2009, Doris Camp was in operation for the entire month with water extraction occurring from Doris Lake via SNP Station ST-7 or by direct extraction by water truck at the Doris Lake pumphouse shoreline. Water usage was in compliance with the licence for the month of August. Total water usage is detailed in Table 1.

Table 1. Water Usage for Domestic Camp Use, Dust Suppression and Other Uses* in m³, August 2009

Parameters	Doris Camp Domestic and Other Use	2AM-DOH0713
Water Source	Doris Lake	Compliance Values
Geographical Coordinates	On file	Part J: Item 9
Monthly Cumulative	1206.6	3,100 m ³ monthly
Volume Average (Daily)	38.9	100 m ³ daily
Maximum	100.6	100 m ³ daily
Minimum	18.8	100 m ³ daily

* Other uses include dust suppression on roads, core cutting saws, fire truck filling, and washroom facilities at Doris Camp heli pad

b. Water Quality Monitoring: Schedule J and Special Requirements

Monthly compliance samples in accordance with Schedule J requirements of the licence were taken from monitoring station ST-7 on August 5/09. Sampling for cyanide is not presently being conducted at this monitoring station as no processes are occurring to generate cyanide at site. Results of the August monitoring are provided in Table 2.

Table 2. Monthly Compliance Sample Results for SNP Monitoring Station ST-7, August 2009

Parameter/SNP Sites	ST-7	Doris: 2AM-DOH0713
ALS Lab Reference #	L801272-6	Maximum Average Concentration (mg/L)
Field Sample Details	ST-7	Part G: Item 3
Sample Date/Time	August 5/09 7:15am	No Requirement Specified
BOD	<2.0	-
Fecal Coliforms	<1	-
Total Oil and Grease	<1.0	-
pH	7.79	-
TSS	4.0	-
Ammonia-N	<0.050	-
Nitrate-N	<0.050	-
Nitrite-N	<0.050	-
Orthophosphate-P	<0.010	-
Total Phosphate (as P)	<0.020	-
Total Aluminium	0.034	-
Total Arsenic	0.00079	-
Total Cadmium	<0.000050	-
Total Copper	0.0024	-
Total Chromium	<0.0050	-
Total Iron	0.095	-
Total Mercury	<0.00010	-
Total Molybdenum	<0.0050	-
Total Nickel	<0.0020	-
Total Lead	0.00016	-
Total Selenium	<0.0020	-
Total Silver	<0.00010	-
Total Thallium	<0.00010	-
Total Zinc	0.0066	-

Results of the technical review in April 2009 by INAC with regards to the Doris Camp planned water system modifications included recommendations for monthly reporting of sample analysis of the blue-green algae in the raw water from Doris Lake. Results of this sampling for August are provided in Table 3.

Table 3. Sampling Results for Blue-green Algae, August 2009

Parameter/SNP Site	ST-7
ALS Lab Reference #	L7801272-6
Field Sample Details	ST-7
Sample Date/Time	August 5/09 7:15am
Blue-green Algae	29600 cells/mL

3. Part G: Item 3(b) Conditions Applying to Waste Management and Waste Management Plans.

During the month of August 2009, water samples were collected once at monitoring stations ST-8 and ST-9.

Sampling point ST-8 is located within the Doris Camp Sewage Treatment Plant, which is located directly east of the main building complex. Effluent samples were collected from a tap on the discharge line to the tundra at a location installed after the addition of a UV disinfection system (ST-8A). All data reported for August at SNP ST-8A is within compliance values for all parameters. Sampling point ST-9 has been determined to be located at geographical coordinates: N 68° 08.337' W 106° 39.931' at a point east of Glenn Lake downslope from the tundra discharge location for ST-8. Table 4 provides sampling data as per Water Licence 2AM-DOH0713.

HBML acknowledges that discharge point ST-8 was originally intended to be a temporary discharge point that would be moved to the tailings storage facility after such a facility was constructed. HBML has deferred the construction of the tailings storage facility until a production decision is made by HBML. HBML proposes that the ST-8 discharge point remain until the tailings storage is constructed. To alleviate any risks associated with ponding and permafrost degradation HBML has proposed to build a rock diffuser during the first half of 2010 when the tundra is frozen. Designs will be prepared by a certified engineer and supplied prior to construction.

Table 4: Water Quality Data Summary for Monitoring Station ST-8A, August 2009

Parameter/SNP Sites	ST-8A	ST-9	Doris: 2AM-DOH0713
ALS Lab Reference #	L801272-4	L806323	Maximum Average Concentration (mg/L)
Field Sample Details	ST-8A	ST-9	Part G: Item 3
Sample Date/Time	August 6/09 8:00am	August 17/09 8:30am	(b)
BOD ₅	<2.0	<2.0	80 mg/L
TSS (mg/L)	<1.0	<3.0	100 mg/L
Fecal Coliform	<1	<1	10,000 CFU/100mL
pH (pH unit)	7.62	7.92	Between 6-9
Oil & Grease (Visibility)	nvs	nvs	NVS
Oil & Grease (mg/L)	<1.0	<1.0	5

4. Part G: Item 22 (e) Conditions Applying to Waste Management and Waste Management Plans.

During the month of August 2009, there was no accumulated water and no discharge occurred at monitoring station ST-6 in the Robert's Bay Fuel Storage and Containment Area.

No monitoring was conducted at ST-5 (bulk fuel storage facility) at Doris Camp as there was no accumulation of water and no discharges occurred.

Part G: Conditions applying to Waste Management and Waste Management Plans (Item 3b)

a. Part G: Item 3e (Treated Sewage Effluent Release in cubic meters)

Table 5 shows treated effluent released from the Doris Membrane Plant at SNP ST-8.

Table 5: Treated Sewage Effluent release in cubic meters (m³) through Doris Membrane Plant (ST-8), August 2009

Parameters	Doris Membrane Plant ST-8
Water Source	Windy Lake
Annual Cumulative	3963 m ³
Monthly Cumulative	521 m ³
Volume Average (Daily)	16.8 m ³
Maximum	22 m ³
Minimum	7 m ³

During the month of August, sludge was pressed 21 times from the membrane plant resulting in the removal of approx. 2.4 m³ of sludge from the plant. Sludge pressed was sent for incineration.

5. Environmental Incident Reporting

A total of 3 environmental incidents were reported during the month of August. A summary of these incidents is provided below:

1. Aug 7/09/09 – Level 3 (Moderate). Bear at Rob Bay getting into Orbit mega bags containing rod grease. Also mega bags containing food waste were discovered included with waste stockpiled for backhaul. Rod grease was removed and securely stored and all food waste sorted out of mega backs for proper disposal.
2. Aug 15/09 – Level 2 (Minor). Bear broke into Nuna tool crib at crusher area to access garbage not properly disposed off the previous season when crusher ceased operations in Oct 2008. All waste was removed for proper disposal.
3. Aug 29/09 – Level 1 (Insignificant). A caribou carcass was found at north end of Doris Lake, near the old hydrometric station, most likely killed by the wolves that had been spotted in the area for the last 2-3 days. The decaying carcass was removed to prevent it becoming a wildlife attractant close to camp, put into burlap sacks and taken to the incinerator.

Should there be any questions regarding the monthly report for August 2009, please contact Chris Hanks, Director, Environment and Social Responsibility, Hope Bay Mining Limited on phone number: 1-720-917-4489 or email: Chris.Hanks@Newmont.com

Yours sincerely,

Chris Hanks

Director, Environment and Social Responsibility
Hope Bay Mining Limited