

October 6, 2009

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

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

Following is the monthly report for July 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 occurring.

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

a. Water Usage

During the month of July 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 July. Total water usage is detailed in Table 1.

Table 1. Water Usage for Domestic Camp Use, Dust Suppression and Other Uses* in m³, July 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	1167.9	3,100 m ³ monthly
Volume Average (Daily)	40	100 m ³ daily
Maximum	89.8	100 m ³ daily
Minimum	8.9	100 m ³ daily

* Other uses include dust suppression on roads, core cutting saws, fire truck filling, water tank system flushing 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 July 6/09. 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 July monitoring are provided in Table 2.

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

Parameter/SNP Sites	ST-7	Doris: 2AM-DOH0713
ALS Lab Reference #	L787681-2/L796777-1	Maximum Average Concentration (mg/L)
Field Sample Details	ST-7	Part G: Item 3
Sample Date/Time	July/06 9:00am/July 24/09 7:00am	No Requirement Specified
BOD	2.0	-
Fecal Coliforms	<1	-
Total Oil and Grease	<1.0	-
pH	7.45	-
TSS	1.7	-
Ammonia-N	<0.050	-
Nitrate-N	<0.050	-
Nitrite-N	<0.050	-
Orthophosphate-P	<0.010	-
Total Phosphate (as P)	<0.020	-
Total Aluminium	0.025	-
Total Arsenic	0.00049	-
Total Cadmium	<0.000050	-
Total Copper	0.0018	-
Total Chromium	<0.0050	-
Total Iron	0.105	-
Total Mercury	<0.00010	-
Total Molybdenum	<0.0050	-
Total Nickel	<0.0020	-
Total Lead	<0.00010	-
Total Selenium	0.00049	-
Total Silver	<0.00010	-
Total Thallium	<0.00010	-
Total Zinc	<0.0040	-

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 July are provided in Table 3.

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

Parameter/SNP Site	ST-7 (PWQ-DC # 1)
ALS Lab Reference #	L787681-3
Field Sample Details	ST-7
Sample Date/Time	July 6/09 9:00am
Blue-green Algae	26000 cells/mL

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

During the month of July 2009, water samples were collected once at monitoring station ST-8. SNP monitoring station ST-9 was not sampled as HBML is still working with INAC to agree on the appropriate alternative location as the current location does not hydrologically connect with ST-8. A survey of the area revealed very limited drainage pathways to collect sufficient effluent samples to comply with requirements stipulated under Part G: Item 3. This will need to be resolved in order to monitor compliance with the licence.

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 July at SNP ST-8A is within compliance values for all parameters. Table 4 provides sampling data as per Water Licence 2AM-DOH0713.

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

Parameter/SNP Sites	ST-8A	ST-9 ¹	Doris: 2AM-DOH0713
ALS Lab Reference #	L787681-1		Maximum Average Concentration (mg/L)
Field Sample Details	ST-8A	ST-9	Part G: Item 3
Sample Date/Time	July 6/09 8:00am	-	(b)
BOD ₅	<2.0	-	80 mg/L
TSS (mg/L)	<3.0	-	100 mg/L
Fecal Coliform	<1	-	10,000 CFU/100mL
pH (pH unit)	7.43	-	Between 6-9
Oil & Grease (Visibility)	nvs	-	NVS
Oil & Grease (mg/L)	1.1	-	5

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

During the month of July 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.

¹ Sampling was not done due to misunderstanding of the exact location for drainage before entry into Glenn Lake. No suitable sampling site could be found.

5. 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 cumulative 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), July 2009

Parameters	Doris Membrane Plant ST-8
Water Source	Windy Lake
Annual Cumulative	3463 m ³
Monthly Cumulative	542 m ³
Volume Average (Daily)	17.5 m ³
Maximum	23 m ³
Minimum	13 m ³

During the month of July, sludge was pressed 26 times from the membrane plant resulting in the removal of approx. 2.8 m³ of sludge from the plant. Sludge pressed was sent for incineration.

6. Environmental Incident Reporting

A total of 4 environmental incidents were reported during the month of July. A summary of these incidents is provided below:

1. July 2/09 – Level 1 (Insignificant). The Doris Camp STP anoxic tank overflowed causing a small amount (200 litres) of partially treated sewage to overflow out of the facility onto the crushed rock pad. Corncob sorbent was placed on the spill to absorb the liquid. The float in the anoxic tank was replaced.
2. July 20/09 – Near Miss. Microcystin toxin detected in camp water supply. Toxin detected post filtration above CDWQ Guidelines, and at RO below CDWQ Guidelines. Additional sampling was undertaken and no further detections occurred.
3. July 23/09 – Level 3 (Moderate). Caribou fatality from entanglement in geophysical survey wire. A crew was deployed to attempt to free the animal, but did not arrive in time. Department of Environment Conservation Officer was notified and an incident investigation was prepared and submitted.
4. July 24/09 - Level 1 (Insignificant). Small tundra fire was started during bear deterrence training from a flare that was not fully extinguished before it landed on the ground. The weather had been extremely hot and dry. The fire truck was deployed and the fire was extinguished. A minor area of tundra was impacted.

Should there be any questions regarding the monthly report for July 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,

Director, Environment and Social Responsibility
Hope Bay Mining Limited