

November 5, 2009

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

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

Following is the monthly report for September 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.

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

a. Water Usage

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

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

| Parameters | Doris Camp Domestic and Other Use | 2AM-DOH0713 |
|--------------------------|-----------------------------------|---------------------------------|
| Water Source | Doris Lake | Compliance Values |
| Geographical Coordinates | On file | Part E: Item 1 |
| Annual Cumulative | 4,888.83 | 480,000 m ³ Annually |
| Monthly Cumulative | 654.74 | 40,000 m ³ monthly |
| Volume Average (Daily) | 21.82 | 1,333 m ³ daily |
| Maximum | 46.1 | 1,333 m ³ daily |
| Minimum | 10.73 | 1,333 m ³ daily |

* Other uses include 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 September 14/09. 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 September monitoring are provided in Table 2.

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

| Parameter/SNP Sites | ST-7 | Doris: 2AM-DOH0713 |
|------------------------|-------------------|--------------------------------------|
| ALS Lab Reference # | L817821-2 | Maximum Average Concentration (mg/L) |
| Field Sample Details | ST-7 | Part G: Item 3 |
| Sample Date/Time | Sept 14/09 7:00am | No Requirement Specified |
| BOD | <2.0 | - |
| Fecal Coliforms | <1 | - |
| Total Oil and Grease | <1.0 | - |
| pH | 7.73 | - |
| TSS | 4 | - |
| Ammonia-N | <0.050 | - |
| Nitrate-N | <0.050 | - |
| Nitrite-N | <0.050 | - |
| Orthophosphate-P | <0.010 | - |
| Total Phosphate (as P) | 0.02 | - |
| Total Aluminium | 0.054 | - |
| Total Arsenic | 0.00049 | - |
| Total Cadmium | <0.000050 | - |
| Total Copper | 0.0018 | - |
| Total Chromium | <0.0050 | - |
| Total Iron | 0.108 | - |
| Total Mercury | <0.00010 | - |
| Total Molybdenum | <0.0050 | - |
| Total Nickel | <0.0020 | - |
| Total Lead | <0.00010 | - |
| Total Selenium | <0.0020 | - |
| Total Silver | <0.00010 | - |
| Total Thallium | 0.0001 | - |
| 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 September are provided in Table 3.

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

| Parameter/SNP Site | ST-7 |
|----------------------|-------------------|
| ALS Lab Reference # | L817821-2 |
| Field Sample Details | ST-7 |
| Sample Date/Time | Sept 14/09 7:00am |
| Blue-green Algae | 55000 cells/mL |

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

During the month of September 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). The data reported for September at SNP ST-8A is within compliance values for all parameters, with the exception of visible sheen for oil and grease. This will be followed up in the next scheduled sampling and the issue is being discussed with the system operator to determine the probable cause and methods for rectifying the non-compliance.

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.

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.

Table 4: Water Quality Data Summary for Monitoring Station ST-8A and ST-9, September 2009

| Parameter/SNP Sites | ST-8A | ST-9 | Doris: 2AM-DOH0713 |
|---------------------------|------------------|-------------------|--------------------------------------|
| ALS Lab Reference # | L816274-1 | L817821-1 | Maximum Average Concentration (mg/L) |
| Field Sample Details | ST-8A | ST-9 | Part G: Item 3 |
| Sample Date/Time | Sept 9/09 7:15am | Sept 14/09 7:00am | (b) |
| BOD ₅ | 2.2 | <2.0 | 80 mg/L |
| TSS (mg/L) | <3.0 | <3.0 | 100 mg/L |
| Fecal Coliform | 1 | <1 | 10,000 CFU/100mL |
| pH (pH unit) | 7.83 | 7.79 | Between 6-9 |
| Oil & Grease (Visibility) | visible sheen | nvs* | No Visible Sheen |
| Oil & Grease (mg/L) | <1.0 | <1.0 | 5 |

*nvs = no visible sheen

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

During the month of September 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), September 2009

| Parameters | Doris Membrane Plant ST-8 |
|------------------------|----------------------------------|
| Annual Cumulative | 4462 m ³ |
| Monthly Cumulative | 499 m ³ |
| Volume Average (Daily) | 16.63 m ³ |
| Maximum | 19 m ³ |
| Minimum | 13 m ³ |

During the month of September, sludge was pressed 16 times from the membrane plant resulting in the removal of approx. 1.7 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 September. A summary of these incidents is provided below:

1. Sept 6/09 - (Near Miss). Empty rod grease buckets (bear attractants) were discovered in an inappropriate location for disposal. Buckets were removed for secure storage inside a sea-can. Drill contractors were re-advised of waste sorting and site storage requirements to protect against attracting wildlife.
2. Sept 17/09 – Level 1 (Insignificant). A drum containing waste Jet B fuel was punctured inside the containment berm at the 5M L Tank at Rob Bay. Approx 19 g. estimated to have leaked out into the gravel. Spill pads and sorbents were deployed and soiled gravel was contained in drums for proper disposal.
3. Sept 25/09 – Level 1 (Insignificant). The fuel truck had a small leak at the pump. The truck was removed from service and a catchment container placed to retain any residues until the truck was repaired.

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

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Environmental Compliance Manager

On Behalf of

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