

February 06, 2010

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

Re: January 2010 –Monthly Monitoring Report for Water License 2AM-DOH0713

Following is the monthly report for January 2010 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 January 2010, 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 pump house shoreline. The workforce was ramped back up to approximately 114 persons commencing the first week in January, after the planned slow down period late November and December. Water usage was in compliance with the licence for the month of January. Total water usage is detailed in Table 1.

Table 1. Water Usage for Domestic Camp Use, Dust Suppression and Other Uses* in m³, January 2010

| 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 | 428.4 | 480,000 m ³ Annually |
| Monthly Cumulative | 428.4 | 40,000 m ³ monthly |
| Volume Average (Daily) | 13.8 | 1,333 m ³ daily |
| Maximum | 21.9 | 1,333 m ³ daily |
| Minimum | 3.2 | 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 Jan 11/10. 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 January monitoring are provided in Table 2.

Table 2. Monthly Compliance Sample Results for SNP Monitoring Station ST-7, January 2010

| Parameter/SNP Sites | ST-7 | Doris: 2AM-DOH0713 |
|------------------------|--------------------|--------------------------------------|
| ALS Lab Reference # | L853586 | Maximum Average Concentration (mg/L) |
| Field Sample Details | ST-7 | Part G: Item 3 |
| Sample Date/Time | Jan 11/10 @ 8:00am | No Requirement Specified |
| BOD | <5.0 | - |
| Fecal Coliforms | <1 | - |
| Total Oil and Grease | <1.0 | - |
| pH | 7.61 | - |
| TSS | <3.0 | - |
| Ammonia-N | 0.060 | - |
| Nitrate-N | <0.050 | - |
| Nitrite-N | <0.050 | - |
| Orthophosphate-P | <0.010 | - |
| Total Phosphate (as P) | <0.020 | - |
| Total Aluminium | 0.011 | - |
| Total Arsenic | 0.00044 | - |
| Total Cadmium | <0.000050 | - |
| Total Copper | 0.0020 | - |
| Total Chromium | <0.0050 | - |
| Total Iron | 0.050 | - |
| Total Mercury | <0.00010 | - |
| Total Molybdenum | <0.0050 | - |
| Total Nickel | <0.0020 | - |
| Total Lead | 0.00022 | - |
| Total Selenium | 0.00057 | - |
| Total Silver | <0.00050 | - |
| 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 December are provided in Table 3.

Table 3. Sampling Results for Blue-green Algae, January 2010

| Parameter/SNP Site | ST-7 |
|----------------------|--------------------|
| ALS Lab Reference # | L853571 |
| Field Sample Details | ST-7 |
| Sample Date/Time | Jan 10/10 @ 8:00am |
| Blue-green Algae | 72,900 cells/mL |

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

During the month of January 2010, water samples were collected once at monitoring station ST-8. Station ST-9 could not be sampled due to frozen conditions.

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 January at SNP ST-8A is within compliance values for all parameters.

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.

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

During the month of January 2010, 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), January 2010

| Parameters | Doris Membrane Plant ST-8 |
|------------------------|---------------------------|
| Annual Cumulative | 377.0 m ³ |
| Monthly Cumulative | 377.0m ³ |
| Volume Average (Daily) | 12.0 m ³ |
| Maximum | 20.0m ³ |
| Minimum | 3.0 m ³ |

During the month of January, sludge was pressed 3 times from the membrane plant resulting in the removal of approx. 0.33 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 January. A summary of these incidents is provided below:

- January 08, 2010: A fuel spill occurred at the fuel module at Robert's Bay as a result of overtopping a truck being filled. Approximately 30 litres spilled onto the frozen ground within the containment berm. The operator immediately applied absorbents to the spilled product and then shovelled it into a 45 gal drum for proper disposal. The cause of this incident was operator error.
- January 26, 2010: A hydraulic hose failure occurred on a down hole drill working at Quarry 5 resulting in < 1 litre of hydraulic oil being sprayed onto the adjacent snow. The contaminated snow was shovelled into a 45 gal drum for proper disposal. The hose was replaced and the drill returned to service.
- January 30, 2010: A motor oil leak on a down hole drill working in Quarry 5 resulted in < 1 litre of oil being spilled onto the frozen ground. The contaminated snow was shovelled into a 45 gal drum for proper disposal. The oil leak was repaired and the drill returned to service.

Should there be any questions regarding the monthly report for January 2010, 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