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Technical Advisor – Mining
Nunavut Water Board
P.O. Box 119
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Re: April 2010 –Monthly Monitoring Report for Water License 2AM-DOH0713

Following is the monthly report for April 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 HBML’s intent to start the construction associated with the Doris North mining and milling facilities on October 29, 2009. As construction activities begin, the required monitoring programs will be implemented.

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 April 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 from Doris and Patch Lakes, to build ice road infrastructure to other locations within the project area. Water usage was in compliance with the licence for the month of April. Total water usage is detailed in Table 1.

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

| Parameters | Doris Camp Domestic and Other Use | 2AM-DOH0713 |
|--------------------------|---|---------------------------------|
| Water Source | Doris Lake/Patch Lake | Compliance Values |
| Geographical Coordinates | On file | Part E: Item 1 |
| Annual Cumulative | 12,922.71 | 480,000 m ³ Annually |
| Monthly Cumulative | 2,422.31 | 40,000 m ³ monthly |
| Volume Average (Daily) | 80.74 | 1,333 m ³ daily |
| Maximum | 233.79 | 1,333 m ³ daily |
| Minimum | 22.22 | 1,333 m ³ daily |

* Other uses include core cutting saws, fire truck filling, and Ice Road construction

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 April 2/10. 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 April monitoring are provided in Table 3.

Table 3. Monthly Compliance Sample Results for SNP Monitoring Station ST-7, April 2010

| Parameter/SNP Sites | ST-7 | Doris: 2AM-DOH0713 |
|------------------------|-------------------|---|
| ALS Lab Reference # | L874413-1 | Maximum Average Concentration (mg/L) |
| Field Sample Details | ST-7 | Part G: Item 3 |
| Sample Date/Time | Apr 2/10 @ 7:00am | No Requirement Specified |
| BOD | <2.0 | - |
| Fecal Coliforms | <1 | - |
| Total Oil and Grease | <1 | - |
| pH | 7.54 | - |
| TSS | 8.0 | - |
| Ammonia-N | <0.050 | - |
| Nitrate-N | <0.050 | - |
| Nitrite-N | <0.050 | - |
| Orthophosphate-P | <0.010 | - |
| Total Phosphate (as P) | 0.022 | - |
| Total Aluminium | 0.011 | - |
| Total Arsenic | 0.00104 | - |
| Total Cadmium | <0.000050 | - |
| Total Copper | 0.0025 | - |
| Total Chromium | <0.0050 | - |
| Total Iron | 0.026 | - |
| Total Mercury | <0.00010 | - |
| Total Molybdenum | <0.0050 | - |
| Total Nickel | <0.0020 | - |
| Total Lead | 0.00013 | - |
| Total Selenium | <0.00040 | - |
| 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 April are provided in Table 4.

Table 4. Sampling Results for Blue-green Algae, April 2010

| Parameter/SNP Site | ST-7 |
|----------------------|-------------------|
| ALS Lab Reference # | L874413-1 |
| Field Sample Details | PWQ-DC # 1 |
| Sample Date/Time | Apr 2/10 @ 7:00am |
| Blue-green Algae | 66, 100 cells/mL |

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

During the month of April 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 April 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.

Table 5: Water Quality Data Summary for Monitoring Station ST-8A and ST-9, April 2010

| Parameter/SNP Sites | ST-8A | ST-9 | Doris: 2AM-DOH0713 |
|---------------------------|--------------------|------|--------------------------------------|
| ALS Lab Reference # | L874413-2 | | Maximum Average Concentration (mg/L) |
| Field Sample Details | ST-8A | ST-9 | Part G: Item 3 |
| Sample Date/Time | Apr 2/10 @ 07:00am | - | (b) |
| BOD ₅ | <2.0 | - | 80 mg/L |
| TSS (mg/L) | <3.0 | - | 100 mg/L |
| Fecal Coliform | 120 | - | 10,000 CFU/100mL |
| pH (pH unit) | n/a | - | Between 6-9 |
| Oil & Grease (Visibility) | No visible sheen | - | No Visible Sheen |
| Oil & Grease (mg/L) | <1.0 | - | 5 |

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

During the month of April 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), April 2010

| Parameters | Doris Membrane Plant ST-8 |
|------------------------|---------------------------|
| Annual Cumulative | 2,164 m ³ |
| Monthly Cumulative | 701 m ³ |
| Volume Average (Daily) | 23.37 m ³ |
| Maximum | 26 m ³ |
| Minimum | 20 m ³ |

During the month of April, sludge was pressed 9 times from the membrane plant resulting in the removal of approx. 1.01 m³ of sludge from the plant. Sludge pressed was sent for incineration.

5. Environmental Incident Reporting

A total of 7 environmental incidents were reported during the month of April. A summary of these incidents is provided below:

- Apr 08/10: Level 1 (Insignificant) - Approximately 2 – 3 litres of motor oil spilled at the Orbit lay down area at Robert's Bay as a result of a drill with a crack in a motor. The oil contaminated gravel was removed and placed in a 45 gal drum pending proper disposal.
- Apr 19/10: Level 1 (Insignificant) - <1.0 litre of diesel oil spilled from a leaky gasket on a flange on the overflow system at the 5 million litre tank. No oil contacted the ground. The gasket was replaced and the oil was wiped clean.
- Apr 19/10: Level 1 (Insignificant) - <1.0 litre of diesel oil leaked through a pinhole in the fuel line of a drill working in the vicinity of culvert crossing # 2 on the Windy all weather road. The contaminated gravel was removed and placed in a 45 gal drum pending proper disposal.
- Apr 20/10: Level 1 (Insignificant) – Approximately 1.0 litre of diesel oil spilled outside the Doris Camp Gensets as a result of expansion in the fuel tank due to an increase in temperature and the tank being filled to maximum capacity. The oil drained into a catchment pan. Absorbents were used to soak up the oil and contractor advised fuelling staff that the maximum fuel level should not be greater than 95%.
- Apr 27/10: Level 1 (Insignificant) – Approximately 40 litres of hydraulic oil spilled from a D-250 rock truck as a result of worn hydraulic hose. This spill occurred on the Windy all weather road south of culvert crossing # 2. The contaminated snow and gravel was removed and contained pending proper disposal.
- Apr 28/10: Level 1 (Insignificant) – Approximately 45 litres of hydraulic oil spilled from a drill working in Quarry "B" as a result of a hydraulic hose failure. The contaminated gravel was removed and contained pending proper disposal.
- Apr 29/10: Level 1 (Insignificant) – Deposition of sediment into the intermittent stream channel immediately downstream of culvert crossing #1 on the Windy all weather road occurred during grouting operations for the foundations. This stream channel does not have any water flow at present. The deposited sediment was removed by manual means and a slit fence erected across channel to prevent ant further occurrence.

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

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