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October 18, 2010

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

Following is the monthly report for September 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 September 2010, Doris Camp was in operation for the entire month with water extraction occurring from Doris Lake pump house via SNP Station ST-7, or by direct extraction by water truck from Doris Lake for other domestic uses, and, dust suppression on the road system. 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, and Other Uses* in m^3, September 2010

Parameters	Doris Camp Domestic and Other Uses	2AM-DOH0713
Water Source	Doris Lake	Compliance Values
Geographical Coordinates	On file	Part E: Item 1
Annual Cumulative*	21,858.88**	480,000 m^3 Annually
Monthly Cumulative	907.41	40,000 m^3 monthly
Volume Average (Daily)	30.25	1,333 m^3 daily
Maximum	41.07	1,333 m^3 daily
Minimum	20.70	1,333 m^3 daily

** Other uses include core cutting saws, fire truck filling, wash car facilities, 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 September 04/10. 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 September monitoring are provided in Table 2.

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

Parameter/SNP Sites	ST-7	Doris: 2AM-DOH0713
ALS Lab Reference #	L-928247-1	Maximum Average Concentration (mg/L)
Field Sample Details	ST-7	Part G: Item 3
Sample Date/Time	Sept 04/10@0700 hrs	No Requirement Specified
BOD	<2.0	-
Fecal Coliforms	<1	-
Total Oil and Grease	<1.0	-
pH	7.71	-
TSS	10.0	-
Ammonia-N	<0.050	-
Nitrate-N	<0.050	-
Nitrite-N	<0.050	-
Orthophosphate-P	<0.010	-
Total Phosphate (as P)	<0.020	-
Total Aluminium	0.033	-
Total Arsenic	0.00044	-
Total Cadmium	<0.000050	-
Total Copper	0.0019	-
Total Chromium	<0.0050	-
Total Iron	0.110	-
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	<0.00010	-
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 September are provided in Table 3. Additionally;

samples collected from the Doris camp potable water system have shown the presence of blue/green algae within the camp distribution system. Three (3) shock treatments of the camp water distribution system and one (1) shock treatment of the main water line between the pump house at Doris Lake, and the Doris camp site using 12% Sodium Hypochlorite, has been undertaken between August 13th and 31st, 2010. An external consultant with expertise in this field has been retained to advice on a course of action that will reduce the risks associated with the presence of Blue/Green Algae. Currently; bottled water is being supplied to camp site residents until the issue is resolved.

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

Parameter/SNP Site	ST-7
ALS Lab Reference #	L928247-1
Field Sample Details	ST-7
Sample Date/Time	Sept 04/10 @ 0700 hrs
Blue-green Algae	126,000 cells/mL

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

During the month of September 2010, water samples were collected at monitoring station ST-8.

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. Analytical results are provided in Table 4.

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 2010. Designs will be prepared by a certified engineer and supplied prior to construction.

To enable critical maintenance be performed on the Doris camp sewage treatment plant; an additional MBR (Sanitherm Sanibrane 180) (as is the original plant) was put into service August 17, 2010. From August 17th to August 31st, 2010, this second plant underwent commissioning and received partial flows for the remainder of the month. This second plant was installed in such a manner, that the flow to the original plant could be by-passed and directed to it. Additionally; with the installation of the second plant, the influent can be distributed between the two, and thereby reduce hydraulic loading during periods of peak flows. The effluent discharge from the second plant is tied in to the effluent line from the original plant.

Table 4: Water Quality Data Summary for Monitoring Station ST-8A, September 2010

Parameter/SNP Sites	ST-8A	Doris: 2AM-DOH0713
ALS Lab Reference #	L928247-2	Maximum Average Concentration (mg/L)
Field Sample Details	ST-8	Part G: Item 3
Sample Date/Time	Sep 04/10 @ 0700 hrs	(b)
BOD_5	3.9	80 mg/L
TSS (mg/L)	<3.0	100 mg/L
Fecal Coliform	<1	10,000 CFU/100mL
pH (pH unit)	8.00	Between 6-9
Oil & Grease (Visibility)	No visible sheen	No Visible Sheen
Oil & Grease (mg/L)	<1.0	5

Station ST-9 was sampled during the month of September and the results are shown in Table 5.

Table 5: Water Quality Data Summary for Monitoring Station ST-9, September 2010

Parameter/SNP Sites	ST-9	Doris: 2AM-DOH0713
ALS Lab Reference #	L928247-3	Maximum Average Concentration (mg/L)
Field Sample Details	ST-9	Part G: Item 3
Sample Date/Time	Sep 04/10 @ 0700 hrs	(b)
BOD_5	<2.0	80 mg/L
TSS (mg/L)	5.0	100 mg/L
Fecal Coliform	<1	10,000 CFU/100mL
pH (pH unit)	7.62	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 September 2010, no discharge of water occurred at monitoring station ST-6 in the Robert's Bay Fuel Storage and Containment Area, as all accumulated water was removed in July. 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 6 shows treated effluent released from the Doris Membrane Plant at SNP ST-8.

Table 6: Treated Sewage Effluent released in cubic meters (m^3) through Doris Membrane Plant (ST-8), September 2010

Parameters	Doris Membrane Plant ST-8
Annual Cumulative	6,126 m^3
Monthly Cumulative	796 m^3
Volume Average (Daily)	26.53 m^3
Maximum	68 m^3
Minimum	18 m^3

During the month of September, sludge was pressed 7 times from the membrane plant resulting in the removal of approx. 0.8 m^3 of sludge from the plant. Sludge pressed was sent for incineration.

5. Environmental Incident Reporting

A total of 6 environmental incidents were reported during the month of September. A summary of these incidents is provided below:

- Sept 02/10: Approximately 40 litres of hydraulic oil spilled from a Cat 773 rock truck working at the Upper Reagent pad as a result of a crack in the hydraulic pump housing. The contaminated gravel was removed and placed in containers pending proper disposal.
- Sept 11/10: Approximately 20 litres of Jet fuel spilled within the 5 million tank farm berm as a result of a seacan being accidently dropped while placing it in this area. The contaminated gravel was removed pending proper disposal.
- Sept 17/10: Approximately 150 litres of sewage effluent were spilled at the STP at Doris camp as a result of an issue with the float level switch. The majority of the liquid was removed with the vacuum truck, and corncob was applied to the area to assist with soaking up the remainder. The issue with

the switch was resolved and the vacuumed liquid was ran back through the STP. The contaminated corncob was removed and incinerated.

- Sept 23/10: Approximately 200 kg of ammonium nitrate spilled from a seacan containing this product at the Upper Reagent pad during a move. The cause was determined to be a torn bag inside. The spilled product was shovelled up and used during routine blasting operations.
- Sept 28/10: Approximately 2 – 3 litres of diesel oil spilled at the Doris tank farm as a result of a hose transfer. The contaminated gravel was shovelled up pending proper disposal.
- Sept 29/10: Approximately 2 – 3 litres of diesel oil spilled at the Rob Bay fuel module as a result of overtopping during truck re-fuelling. The contaminated gravel was shovelled up pending proper disposal.

Should there be any questions regarding the monthly report for September 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

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