

January 19, 2012

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Nunavut Water Board
P.O. Box 119
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Re: December 2011 – Monthly Monitoring Report for Water Licence 2AM-DOH0713

Following is the monthly report for December 2011 as required under the Doris North Type A Water Licence No. 2AM-DOH0713. The licence was issued on September 19, 2007 and will expire on September 30, 2013.

This monthly report provides information on:

- Part D (Conditions Applying to Construction) Item 7 and 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);
- Part H (Conditions Applying to Modifications); and
- Part J (Conditions Applying to General and Aquatic Effects Monitoring) Items 12 and 14

The report is comprised of monitoring requirements as set out in Schedule J and additional requirements from AANDC.

Other monitoring requirements stipulated in the licence refer specifically to mining and milling processes for which the facilities have not yet been constructed. As these facilities are constructed and activities commence, the required monitoring programs will be implemented and reported on.

1. Part D: Conditions Applying to Construction

a. Item 7. Construction Monitoring

Construction monitoring is undertaken and documented. A summary of construction monitoring will be submitted with the annual Construction Monitoring report.

b. Item 19. Surface Runoff Effluent Quality Limits

Surface runoff from construction was sampled by SRK as part of the Waste Rock and Ore, and Quarry Monitoring Management Plans. Results will be included in the annual report.

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

a. Water Usage

Water used for domestic camp use, underground mining and drilling, portable wash cars, construction, and surface drilling is reported in Table 1.

Table 1: Water Usage for Doris North (m³), December 2011

Parameters	Water Use
Water Source	Doris Lake
Geographical Coordinates	On file
Monthly Cumulative	*747 m ³
Annual Cumulative	*29,383 m ³
2AM-DOH0713 Permitted Water Volume (Total Annual)	480,000m ³

**Estimated volume based on a combination of metered, and truck load counts*

b. Water Quality Monitoring: Schedule J

Monthly compliance samples, in accordance with Schedule J requirements of the licence, were taken from monitoring station ST-7 on December 12, 2011. Results are provided in Table 2.

Table 2: Monthly Compliance Sample Results for SNP Monitoring Station ST-7 in mg/L, December 2011

Parameter/SNP Sites	ST-7 (mg/L)
ALS Lab Reference #	L1094960-2
Sample Date/Time	Dec 12/11@ 08:02
BOD	3.2
Total Cyanide	<0.0050
Free Cyanide	<0.0050
Fecal Coliforms	<1 CFU/100mL
Total Oil and Grease	<1.0
pH (units)	7.37
TSS	<3.0
Ammonia-N	<0.050
Nitrate-N	<0.050
Nitrite-N	<0.050
Orthophosphate-P	<0.010
Total Phosphate (as Tot P)	0.044
Total Aluminum	0.055
Total Arsenic	<0.00040
Total Cadmium	<0.000050
Total Copper	0.0019
Total Chromium	<0.0050
Total Iron	0.056
Total Mercury	<0.00010
Total Molybdenum	<0.0050
Total Nickel	<0.0020
Total Lead	0.00014
Total Selenium	<0.00040
Total Silver	<0.00010
Total Thallium	<0.00010
Total Zinc	0.0064
Additional Parameters	
ALS Lab Reference #	L1094929-1
Sample Date/Time	Dec 12/11@ 07:51
Blue-green Algae	106,000 cells/mL

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

Sampling station ST-8 is located within the Doris Camp sewage treatment plant. Effluent samples were collected from ST-8A and were compliant for all parameters (Table 3). Sampling station ST-8B was taken out of service on November 05, 2011 due to insufficient flow and will be brought back on line when necessary.

Table 3: Water Quality Data Summary for Monitoring Station ST-8A, December 2011

Parameter/SNP Sites	ST-8A	Doris: 2AM-DOH0713 (Part G: Item 3 (b))	
		Maximum Average Concentration	Maximum Allowable Grab Sample Concentration
ALS Lab Reference #	L1094960-1		
Sample Date/Time	Dec 12/11 @ 07:42		
BOD ₅	2.8	80 mg/L	80 mg/L
TSS (mg/L)	<3.0	100 mg/L	100 mg/L
Fecal Coliform	<1	10,000 CFU/100mL	10,000 CFU/100mL
pH (pH unit)	6.20	6-9	9
Oil & Grease (Visible Sheen)	No Visible Sheen	No Visible Sheen	No Visible Sheen
Oil & Grease (mg/L)	<1.0	5	10

Station ST-9 was not sampled during the month of December as this sampling station is frozen.

4. Part G: Item 21 (a) Conditions Applying to Waste Management and Waste Management Plans.

The Sedimentation Pond, ST-1, was not discharged during December.

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

During the month of December, no water was discharged from monitoring station ST-5 (Doris Bulk Fuel Storage Facility) and ST-6a (Roberts Bay 5M Litre Fuel Storage Facility) or ST-6b (Roberts Bay Bulk Fuel Storage Facility).

6. 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 4 shows the volume of treated effluent released from the Doris Membrane Plant at SNP ST-8 and the volume of sludge removed and incinerated.

Table 4: Treated Sewage Effluent released in cubic meters (m³) through ST-8 and total sludge volume removed

Parameters	Effluent Released ST-8 (m ³)	Sludge Volume (m ³)
Monthly Cumulative	518	1.25
Annual Cumulative	9307	27.88

7. Tailing Impoundment Area Monitoring

a. Part G: Conditions applying to Waste Management and Waste Management Plans.

Item 26: TL-4 discharge criteria

Item 27: TL-1 and TL-4 toxicity testing (as per Part J, Item 8)

Item 28: TL-3 water quality criteria

Item 30: TL-4 discharge volume allowance

b. Part J: Conditions Applying to General and Aquatics Effects Monitoring

- Item 2: TL-2 continuous flow monitoring
 Item 8: TL-1 and TL-4 toxicity testing
 c. Schedule J: SNP Monitoring parameters and frequencies

Work on the Tail Lake north dam resumed in December. Work consisted of removal of snow in preparation for the continued placement of the frozen core material. Construction of the dam will be ongoing in winter 2012.

Part J: Conditions Applying to General and Aquatics Effects Monitoring

d. Part J: Item 12d Tonnages of Waste Rock Stored on the Temporary Waste Rock Pad

Tonnages of waste rock material removed from underground and placed on the Temporary Waste Rock Pad to date are detailed in Table 5.

Table 5: Volume (metric tons) of waste rock stored on the Temporary Waste Rock Pad, December 2011

Parameters	Waste Rock on Pad (tonnes)
Waste Stockpile Mass as of Month Prior	176,185
Mass Added this Month	*4,696
Mass Removed this Month	0
Total Tonnage	*180,881

** December quantity estimated*

a. Part J: Item 12g Tail Lake Ice Thickness

The ice thickness on Tail Lake on December 16, 2011 was 103 cm.

b. Part J: Item 14 Thermal Monitoring Program

Thermistor monitoring undertaken during the month of December is provided in Table 6.

Table 6: Temperature Readings from Thermistor Monitoring, December 2011

Drill Hole Number/ Station	Thermistor String Serial Number	Location	Date of Reading	CHANNEL (Degrees Celsius)							
				1	2	3	4	5	6	7	8
SRK-JT1-09	TS2667	Roberts Bay Jetty	Dec 12/11	-14.5	-15.5	-8.4	-1.0	-1.1	-1.8	-2.7	n/a
SRK-JT2-09	TS2668	Roberts Bay Jetty	Dec 12/11	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

Note: No reading was obtainable from Thermistor SRK-JT2-09. Repair investigations are in progress.

8. Environmental Incident Reporting

There were five environmental incidents in December:

- December 01, 2011: A spill of approximately 3 – 4 litres of hydraulic oil occurred on the snow on the surface of Doris Lake as a result of a leaking hydraulic hose on a snow blower being operated

there. The contaminated snow was removed for proper disposal. The leaky hose was replaced and the equipment returned to service.

- December 04, 2011: A spill of less than 1 litre of hydraulic oil was discovered on the floor inside the concrete batch plant. The contaminated gravel was shovelled up and sent to waste management for proper disposal.
- December 10, 2011: A spill of approximately 70 litres of antifreeze occurred on the upper reagent laydown area as a result of a leaking valve on a 1000 litre tote that was housed inside a seacan container. The spilled product was both inside the seacan and on the frozen ground immediately outside the seacan doors. The contaminated snow was removed, and the floor of the seacan cleaned. The remaining product was transferred to an empty container, and brought to the equipment service area for immediate usage.
- December 15, 2011: A fire broke out in the emergency response building at Doris Camp resulting in loss of the building, two vehicles, and a variety of emergency response equipment.
- December 30, 2011: A spill of approximately 2 litres of hydraulic oil was caused by a leaking hose fitting on a genie lift. The contaminated snow was removed and brought to waste management for proper disposal. The leaking fitting was repaired and the equipment returned to service.

Should there be any questions regarding the monthly report for December 2011, please contact me at (604) 345-3122 or Angela.Holzapfel@Newmont.com.

Yours sincerely,

Angela Holzapfel

Manager of Environmental Compliance

Hope Bay Mining Limited