

May 1, 2012

Phyllis Beaulieu, Manager of Licensing
Nunavut Water Board
P.O. Box 119
Gjoa Haven, NU X0B 1J0

Re: March 2012 – Monthly Monitoring Report for Water Licence 2AM-DOH0713

Following is the monthly report for March 2012, which provides the required information on:

- Part D (Conditions Applying to Construction) Items 7 and 19;
- Part E (Conditions applying to Water Use) Item 1;
- Part G (Conditions Applying to Waste Management and Waste Management Plans) Items 3(e) and 3(b), Item 21 (a) and 22 (e);
- 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

Work on the Tail Lake north dam continued through March. Work consisted of removal of snow and the continued placement of frozen core material. Construction of the dam will be completed in May 2012. Construction of the water management diversion berm began in January and was on-going through March. Construction monitoring was 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 as part of the Waste Rock and Ore, and Quarry Monitoring Management Plans was not undertaken during March due to freezing conditions.

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), March 2012

Parameters	Water Use
Water Source	Doris Lake
Geographical Coordinates	On file
Monthly Cumulative	2807 m³
Annual Cumulative	9575 m³
2AM-DOH0713 Permitted Water Volume (Total Annual)	480,000m³

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 (Table 2).

Table 2: Monthly Compliance Sample Results for SNP Monitoring Station ST-7 in mg/L, March 2012

Parameter/SNP Sites	ST-7 (mg/L)
ALS Lab Reference #	L1120767-1
Sample Date/Time	Mar 05/12@ 8:01
BOD	<2.0
Total Cyanide	<0.0050
Free Cyanide	<0.0050
Fecal Coliforms	<1
Total Oil and Grease	<1.0
pH (units)	7.46
TSS	<3.0
Ammonia-N	<0.050
Nitrate-N	<0.050
Nitrite-N	<0.050
Orthophosphate-P	<0.0010
Total Phosphate (as Tot P)	<0.020
Total Aluminum	0.0196
Total Arsenic	<0.00040
Total Cadmium	<0.000010
Total Copper	0.0019
Total Chromium	<0.0010
Total Iron	<0.030
Total Mercury	<0.000020
Total Molybdenum	<0.0050
Total Nickel	<0.0020
Total Lead	0.00019
Total Selenium	<0.00040
Total Silver	<0.000020
Total Thallium	<0.00010
Total Zinc	0.0075
ALS Lab Reference #	L1123168-1
Sample Date/Time	Mar 12/12@7:30
Blue-green Algae	61,300 cells/ml
ALS Lab Reference #	L1120767-1

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). Sewage 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, March 2012

Parameter/SNP Sites	ST-8A	Doris: 2AM-DOH0713 (Part G: Item 3 (b))	
ALS Lab Reference #	L1120767-2	Maximum Average Concentration	Maximum Allowable Grab Sample Concentration
Sample Date/Time	Mar 05/12 @ 8:01		
BOD ₅	17.0	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)	6.34	6-9	9
Oil & Grease (Visible Sheen)	No Visible Sheen	No Visible Sheen	No Visible Sheen
Oil & Grease (mg/L)	2.6	5	10

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

4. Part G: Item 21 (a) and Item 22 (e) Conditions Applying to Waste Management and Waste Management Plans.

Sampling stations ST-1, ST-5, ST-6a and ST-6b, and ST-11 were not sampled in March. No water was discharged from these facilities.

5. 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	728	3.34
Annual Cumulative	1979	9.91

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

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

Underground mining is no longer occurring as the project is in care and maintenance. Waste rock has not been removed from the pile. The total volume of rock on the temporary waste rock pad is 182 716 tonnes, as per the December 2011 survey.

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

The ice thickness on Tail Lake on March 3, 2012 was 177 cm.

8. Environmental Incident Reporting

There were two environmental incidents in March:

- March 05, 2012: A single wolf was seen wandering into camp. It was deterred from the main camp area with the use of bear bangers.
- March 05, 2012: Motor Oil spill (approx.. 250 ml) from a Magnum Light plant when started up in the Frozen core plant. Contaminated material was cleaned and removed.

- March 08, 2012: A spill of <1 litre of hydraulic oil occurred at the Lower Reagent Pad as a result of a leak on a Reach Stacker due to cold conditions. Spill was cleaned up and contaminated material taken to waste management for disposal. The reach stacker was repaired and returned to service.
- March 15, 2012: A spill of <0.5 litres of gasoline occurred on the crushed gravel floor at the warehouse from a small portable generator due to fuel expansion in the fuel tank as a result of the generator being brought inside a heated area. Spill was cleaned up and contaminated material taken to waste management for disposal.
- March 17, 2012: Approx. 1 cubic meter of unsorted waste was abandoned at the Doris Burn Pan area. The uncontrolled waste contained materials inappropriate for burning (hard hats, work gloves, plastic materials) and contained wildlife attractants (food waste and food packaging: apple cores, banana peels, styrofoam, pop cans, candy product packaging). Waste Management was contacted to clean up and the materials were taken to the waste management facility for proper disposal. Locked gates were installed on the roads into the burn pan area in April 2012 to prevent unauthorized access.
- March 20, 2012: A spill of <1 litre of hydraulic oil occurred on the Tail Lake north dam ramp road as a result of leak on a vibratory packer. Spill was cleaned up and contaminated material taken to waste management for disposal. The packer was repaired and returned to service.
- March 20, 2012: During an AANDC inspection, it was noted that inappropriate substances were being burned in the Doris burn pan. This had been noted on other occasions as evidenced by the residues of metals. The burn pan was voluntarily shut down by Newmont pending a complete review of the burning procedures and implementation of mitigation measures. Locked gates were installed on the roads into the burn pan area in April 2012 to prevent unauthorized access.

Should there be any questions regarding the monthly report for March 2012, please contact Angela Holzapfel, Manager of Environmental Compliance for Hope Bay Mining Limited at (604) 345-3122 or Angela.Holzapfel@Newmont.com.

Yours sincerely,

Angela Holzapfel

Manager of Environmental Compliance

Hope Bay Mining Limited