

March 30, 2011

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

Re: January 2011 – Monthly Monitoring Report for Water License 2BB-BOS0712 under Part J – Items 2 – 8 and 11 - 14. Revised

Following is the monthly report for January 2011 as required under Water License 2BB-BOS0712. The license was issued on July 6, 2007 and will expire on July 31, 2012. The water license is specific for Advanced Exploration Mining and Milling – Type B; the quantity of water usages shall not exceed 100 cubic metres daily, or 365,000 cubic metres total for 2011.

This monthly report provides information on Part J (Conditions Applying to the Monitoring Program) Items 2 through 8 and 11 through 14 inclusive. Other conditions stipulated in the license refer specially to mining and milling processes. The underground bulk sample has been stockpiled and additional mining has not been continued at this time. After the Doris North mining and milling facilities are operational, the stockpiled ore from Boston will be transported for processing.

Boston Camp facilities have been under care and maintenance since June 15, 2010 with reduced staffing levels while upgrades to the facility were being completed.

1. PART J: ITEM 2

Sampling was not conducted during the month at monitoring station BOS-2 (Containment Pond), as no discharge occurred during the period.

2. PART J: ITEM 3

Samples were collected at the Sewage Treatment Plant station BOS-3 during January. Table 1 below shows the results for samples collected January 05/11. Effluent quality from the Sewage Treatment Facility was compliant for all parameters.

Table 1. Sampling Results in mg/L for Monitoring Station BOS-3, January 2011

Parametres	BOS-3	License # 2BB-BOS0712 Part D: Item 17
ALS Lab Reference #	L967812-1	
Field Sample Details	BOS-3	
Sample Date/Time	Jan 5/11	
BOD ₅	5.3	80.0 mg/l
Total Suspended Solids	7.0	100.0 mg/l
Faecal Coliform	4	10,000 CFU/100ml
Oil and Grease (visibility)	No visible sheen	No visible sheen
Oil and Grease	<1.0	-
pH	6.48	6.0 – 9.5 pH unit

Samples were not collected from BOS-4 as this station has insufficient effluent for sampling and the area is frozen.

3. **PART J: ITEM 4**

No Toxicity testing was conducted during January.

4. **PART J: ITEM 5**

No discharge from BOS-5 (Bulk Fuel Storage) occurred during this period.

No sampling was conducted at BOS-6 (Landfarm Treatment Facility) as there was negligible effluent accumulated in the berm and no discharge to the environment from this facility.

No samples were collected at sampling station BOS-7 during the month, as no water was observed at this location.

These facilities are all frozen for the winter season.

5. **PART J: ITEM 6 AND PART J: ITEM 7**

No sampling occurred at BOS-8 during the period for the parameters required under this part.

6. **PART J: ITEM 8 (REFERENCE TO PART F: ITEM 7)**

Under-ice drilling samples were not collected as no winter drilling was conducted pertaining to this licence during the period.

7. **PART J: ITEM 11**

No water usage for drilling occurred pertaining to this licence for the month of January. Domestic water used during January is detailed in Table 2. An error was detected in the conversion of the water volumes recorded into cubic meters. This error has been corrected in the recorded usage column in Table 2. After a comprehensive check of the validity of the water meter readings, it was determined that the raw water meter was out of calibration. The meter was determined to be reading 13.3% lower than the actual values. The estimated usage column reflects the calculated usage of water used based on the calibration results.

Table 2: Water Usage in cubic metres (m³), January 2011

Parameters	Domestic Usage BOS-1 (m³) (recorded)	Domestic Usage BOS-1 (m³) (estimated)	2BB-BOS0712
Water Source	Spyder Lake	Spyder Lake	Compliance Values
Annual Cumulative	12.28	13.9	
Monthly Cumulative	12.28	13.9	3,100 m ³ monthly
Volume Average (Daily)	0.40	0.45	100 m ³ daily
Maximum	0.72	0.82	100 m ³ daily
Minimum	0.03	0.03	100 m ³ daily

8. **PART J: ITEM 12**

No minewater was pumped from underground (Boston Portal) during the month.

9. PART J: ITEM 13

Sewage effluent discharge occurred at monitoring station BOS-3 in the month of January. The volume discharged is shown in Table 3. A check of the discharge meter at BOS-3 on March 28, 2011 has shown it is out of calibration, and does not appear to be holding the calibration. The meter function will be tested on March 30, 2011 and will be replaced if it cannot be repaired. Due to this error with the volume meter, we have provided an estimate of the likely discharge from the sewage treatment plant based on water usage in the facility.

Table 3: Treated Sewage Effluent released in cubic metres (m³), January 2011

Parametres	BOS-3 (m ³) (recorded)	BOS-3 (m ³) (estimated)	2BB-BOS0712
Annual Cumulative	23.33	13.9	-
Monthly Cumulative	23.33	13.9	-
Volume Average (Daily)	0.75	0.45	-
Maximum	6.92	0.82	-
Minimum	0.0	0.03	-

10. PART J: ITEM 14

No removal of sewage sludge occurred in January at the Sewage Disposal Facility.

11. INCIDENT REPORTING

No incidents occurred during the month pertaining to this licence.

Should there be any questions regarding the monthly report for January 2011, please contact Chris Hanks, Director, Environment and Social Responsibility, Hope Bay Mining Limited on phone number: 720-917-4489 or email: Chris.Hanks@Newmont.com

Yours sincerely,

Chris Hanks

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