

April 29, 2011

Technical Advisor – Mining
Nunavut Water Board
P.O. Box 119
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Re: March 2011 – Monthly Monitoring Report for Water License 2BB-BOS0712 under Part J – Items 2 – 8 and 11 - 14.

Following is the monthly report for March 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.

Upgrades to the Boston Camp facilities are being completed in 2011. The upgrades include renovations to the existing Medic and the recreation facilities. Exploration activities are expected to be supported out of the Boston Camp facilities from March 2011 until September 2011.

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. Any effluent in this facility was frozen.

2. PART J: ITEM 3

Samples were collected at the Sewage Treatment Plant station BOS-3 during February. Table 1 below shows the results for samples collected March 06/11. Effluent quality from the Sewage Treatment Facility was compliant for all parameters.

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

Parameters	BOS-3	License # 2BB-BOS0712 Part D: Item 17
ALS Lab Reference #	L983931-1	
Field Sample Details	BOS-3	
Sample Date/Time	Mar 6/11	
BOD ₅	2.1	80.0 mg/l
Total Suspended Solids	9.0	100.0 mg/l
Faecal Coliform	16	10,000 CFU/100ml
Oil and Grease (visible sheen)	None	No visible sheen
Oil and Grease	<1.0	-
pH	6.31	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 February as this station has insufficient effluent for sampling and the area was frozen.

4. PART J: ITEM 5

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

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

No samples were collected at sampling station BOS-7 during the month, as no flow 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 opportunistic 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)

No under-ice water quality samples were collected from Spyder Lake during March.

7. PART J: ITEM 11

Water usage for drilling as well as Domestic use during March is detailed in Table 3. Note that the domestic water volumes are estimated, as there had been errors experienced with the water meter. While the existing water meter had been recalibrated on March 28, 2011, a new replacement has been ordered and will be installed upon arrival.

Table 3: Daily Drill Water Usage in cubic metres (m³), March 2011

	Drills				100 m ³ daily
Date	Orbit 22	Orbit 24	Drills Total	Domestic Use (estimated)	Daily Total
1	-	-	0	0.7	0.7
2	-	-	0	1.0	1.0
3	-	-	0	1.2	1.2
4	-	-	0	1.1	1.1
5	-	-	0	1.0	1.0
6	-	-	0	1.4	1.4
7	-	-	0	1.4	1.4
8	1.5	-	1.5	1.3	2.8
9	1.9	-	1.9	1.3	3.2
10	0	-	0	1.8	1.8
11	0	-	0	1.8	1.8
12	1.2	-	1.2	2.3	3.5
13	0.9	-	0.9	1.9	2.8
14	0.7	-	0.7	2.4	3.1
15	0.6	-	0.6	2.4	3.0
16	0.5	-	0.5	2.4	2.9
17	0.5	-	0.5	2.0	2.5
18	0.3	4.2	4.5	2.0	6.5
19	0.5	4.1	4.6	2.0	6.6
20	0.3	3.6	3.9	2.1	6.0
21	0.3	4.6	4.9	2.8	7.7
22	0.3	3.3	3.6	2.0	5.6
23	0.5	0.3	0.8	3.2	4.0
24	1	0.3	1.3	2.3	3.6
25	0.4	2.1	2.5	1.0	3.5
26	0.4	0.5	0.9	1.6	2.5
27	0.4	0.1	0.5	2.7	3.2
28	0.5	0.2	0.7	1.8	2.5
29	0.5	0.03	0.5	1.8	2.4
30	0.5	0.2	0.7	1.8	2.5
31	0.5	0.2	0.7	1.8	2.5
Monthly Total	14.2	23.7	37.9	56.5	94.4
Monthly Average	0.5	0.8	1.2	1.8	3.0
Monthly Min			0	0.7	0.7
Monthly Max			4.9	3.2	7.7
Annual Cumulative			37.9	91.5	129.4

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 March. The volume discharged is shown in Table 4. 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 4: Treated Sewage Effluent released in cubic metres (m³), March 2011

Parameters	BOS-3 (m ³) (Estimated)	2BB-BOS0712
Annual Cumulative	91.5	-
Monthly Cumulative	56.5	-
Volume Average (Daily)	1.62	-
Maximum	3.2	-
Minimum	0.7	-

10. **PART J: ITEM 14**

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

11. **INCIDENT REPORTING**

Two (2) incidents occurred during the month pertaining to this licence.

- March 21, 2011: Level 1 (Insignificant) – A spill of approximately 400 liters of Brine (salt water) spilled onto the ice at Aimaoktatuk (Spyder) Lake as a result of an incorrectly positioned brine tank. The cause is therefore human error. The spilled brine was immediately cleaned up and contained. The surface of the ice was scraped to remove residual brine. The incident was reported to the NT-NU Spill Line (Spill # 11-087).
- March 26, 2011: Level 1 (Insignificant) – A spill of approximately 400 liters of Brine (salt water) spilled onto the ice at Aimaoktatuk (Spyder) Lake as a result of a malfunctioning over-pressure valve. The cause of this spill was deemed mechanical in nature. Because this was the second incident at this location, the drill crew were instructed to do a complete inspection on all components to ensure similar incidents did not occur. Additionally, the crew were refreshed on all procedures and operations at this drill by the supervisor. This spill was immediately cleaned up and contained, and the ice surface scraped over. When the drill rig moves, the area will once again undergo a final cleanup.

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

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Chris Hanks

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