

September 29, 2011

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Nunavut Water Board
P.O. Box 119
Gjoa Haven, NU X0B 1J0

**Re: August 2011 – Monthly Monitoring Report for Water License 2BB-BOS0712 under Part J
– Items 2 – 8 and 11 – 14 and Part D – Item 8**

Following is the monthly report for August 2011 as required under Water License 2BB-BOS0712. The license was issued on July 6, 2007 and will expire on July 31, 2012. The Advanced Exploration Mining and Milling – Type B licence indicates that the quantity of water usage shall not exceed 100 cubic metres (m³) daily, or 365,000 m³ annually.

This report contains the information required in Part J (Conditions Applying to the Monitoring Program) Items 2-8 and 11-14. Other conditions stipulated in the license refer specifically to mining and milling processes and are not applicable at this time because no mining or milling activities are occurring.

Upgrades to the Boston Camp facilities are being completed in 2011. The upgrades include renovations to the existing Medic and the recreation facilities.

1. PART D: ITEM 8

During August, water was not discharged from monitoring station BOS-2 (Containment Pond). Results are presented in Table 1.

Table 1: Sampling Results in mg/L for Monitoring Station BOS-2, August 2011

Parameters	Units	BOS-2 (pre-treatment)	BOS-2 (post-treatment)	Maximum Average Concentration (mg/L)	Maximum Concentration of Any Grab Sample (mg/L)
ALS Lab Reference #		L1039840-1	L1039840-2		
Sample Date/Time		Aug 02/11 @ 8:28	Aug 02/11 @ 13:30		
Total Arsenic	mg/L	0.143	0.0812	0.50	1.00
Total Copper	mg/L	0.0075	<0.0010	0.30	0.60
Total Lead	mg/L	0.00229	0.00114	0.20	0.40
Total Nickel	mg/L	0.0617	0.0102	0.50	1.00
Total Zinc	mg/L	0.0049	0.0102	0.50	1.00
Total Suspended Solids	mg/L	<3.0	<3.0	25.0	50.0
Oil and Grease (vis)		NVS	NVS	No visible sheen	No visible sheen
Oil and Grease	mg/L	<1.0	<1.0	25.0	50.0

Table 2: Sampling Results in mg/L for Boston Portal, August 2011

Parameters		BOSP (Portal)	
ALS Lab Reference #		L1049720-1	L1049728-1
Sample Date/Time		Aug 17/11 @ 16:30	Aug 22/11 @ 16:00
pH	pH	7.58	7.54
Aluminum (Al)-Total	mg/L	0.023	0.047
Antimony (Sb)-Total	mg/L	0.00183	0.00327
Arsenic (As)-Total	mg/L	0.0756	0.222
Barium (Ba)-Total	mg/L	0.0054	0.0952
Beryllium (Be)-Total	mg/L	<0.0010	<0.0010
Boron (B)-Total	mg/L	<0.050	0.222
Cadmium (Cd)-Total	mg/L	<0.000050	0.00100
Calcium (Ca)-Total	mg/L	51.2	1070
Chromium (Cr)-Total	mg/L	<0.0050	<0.0050
Cobalt (Co)-Total	mg/L	0.0187	0.476
Copper (Cu)-Total	mg/L	0.0025	0.0323
Iron (Fe)-Total	mg/L	0.221	0.348
Lead (Pb)-Total	mg/L	0.00023	0.00013
Lithium (Li)-Total	mg/L	<0.010	0.239
Magnesium (Mg)-Total	mg/L	10.9	119
Manganese (Mn)-Total	mg/L	0.0454	1.54
Molybdenum (Mo)-Total	mg/L	<0.0050	<0.0050
Nickel (Ni)-Total	mg/L	0.0633	1.40
Potassium (K)-Total	mg/L	2.49	47.5
Selenium (Se)-Total	mg/L	0.00048	0.00304
Silver (Ag)-Total	mg/L	<0.00010	<0.00010
Sodium (Na)-Total	mg/L	22.2	593
Thallium (Tl)-Total	mg/L	<0.00010	<0.00010
Tin (Sn)-Total	mg/L	<0.50	<0.050
Titanium (Ti)-Total	mg/L	<0.0010	0.0014
Uranium (U)-Total	mg/L	0.00045	0.0181
Vanadium (V)-Total	mg/L	<0.0010	<0.0010
Zinc (Zn)-Total	mg/L	<0.0103	0.0432
Total Suspended Solids	mg/L	<3.0	4.0
Oil and Grease (vis)		NVS	NVS
Oil and Grease	mg/L	<1.0	<1.0

A total of 207.36 m³ of water was discharged from the Boston Portal during August. The water was discharged onto the tundra to the west of the portal at GPS coordinates: N 7505312; E 0441358.

2. **PART J: ITEM 3 AND 4**

Table 3 shows the results for samples collected from the sewage treatment plant effluent (BOS-3) in August. Samples were found to be compliant with the licence for all parameters.

Table 3: Sampling Results in mg/L for Monitoring Station BOS-3, August 2011

Parameters	Units	BOS-3	License # 2BB-BOS0712 Part D: Item 17
			Maximum Average Concentration
ALS Lab Reference #		L1039786-1	
Sample Date/Time		Aug 3/11 @ 06:00	
BOD ₅	mg/L	33.3	80.0
Total Suspended Solids	mg/L	54.0	100.0
Faecal Coliform	CFU/100mL	5000	10,000
Oil and Grease (visible sheen)		NVS	No visible sheen
Oil and Grease	mg/L	<1.0	
pH	pH unit	6.90	6.0 – 9.5

Samples were collected from BOS-4 during August, including the annual toxicity testing for acute lethality to Rainbow Trout and Daphnia magna (Table 4).

Table 4: Sampling Results in mg/L for Monitoring Station BOS-4, August 2011

Parameters	BOS-4
ALS Lab Reference #	L1039840-3
Sample Date/Time	Aug 2/11 11:20
BOD ₅	<2.0 mg/L
Total Suspended Solids	5.0 mg/L
Oil and Grease (visible sheen)	NVS
Oil and Grease	<1.0 mg/L
pH	7.31
Trout Bioassay LC50	No sublethal biological effects observed. No toxicity observed.
Daphnia magna LC50	No sublethal biological effects observed. No toxicity observed.

3. PART J: ITEM 11 AND 12

Water for drilling and domestic use during August is detailed in Table 5. Water from drilling was taken from Stickleback and Aimaokatalok (Spyder) Lake.

Table 5: Daily Drill Water and Domestic Usage in cubic metres (m³), August 2011

Date (August)	Drill	Domestic Use (m ³)	Daily Totals (m ³),
	Orbit 24	Boston Camp	
1	0	9.47	9.47
2	0	7.85	7.85
3	0	8.71	8.71
4	0	9.47	9.47
5	0	8.02	8.02
6	0	9.29	9.29
7	0	5.03	5.03
8	0	6.53	6.53
9	0	14.51	14.51
10	0	6.14	6.14
11	0	7.72	7.72
12	0	9.66	9.66
13	0	6.87	6.87
14	0	7.57	7.57
15	0	6.33	6.33
16	0	6.34	6.34
17	0	6.10	6.10
18	0	8.39	8.39
19	0	7.50	7.50
20	0	7.92	7.92
21	2.1	5.62	7.72
22	1.8	12.04	13.84
23	3.1	8.60	11.70

Date (August)	Drill	Domestic Use ³ (m ³)	Daily Totals ³ (m ³),
	Orbit 24	Boston Camp	
24	0.5	9.31	9.81
25	1.7	7.98	9.68
26	2.6	10.31	12.91
27	0	7.17	7.17
28	0	8.60	8.60
29	1.0	8.03	9.03
30	9.2	7.01	16.21
31	5.9	7.59	13.49
Monthly Total	27.9	251.68	279.58
Monthly Average	2.79	8.12	9.02
Monthly Minimum	0	5.03	5.03
Monthly Maximum	9.2	14.51	16.21
Previous Annual Cumulative	701.9	788.9	1490.8
Current Annual Cumulative	729.8	1040.6	1770.4

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

Under-ice water quality samples were not collected from Aimaokatalok (Spyder) Lake in August.

5. PART J: ITEM 12

No mine water was pumped from underground. See section 1 of this report (Part D Item 8) for information on the portal water that was pumped in August.

6. PART J: ITEM 13 AND 14

The volume of sewage effluent discharged from BOS-3 is shown in Table 6.

Table 6: Treated Sewage Effluent released in cubic metres (m³), August 2011

Parameters	Estimated Effluent BOS-3 (m ³)	Sludge Removed (m ³)
Annual Cumulative	1008.14	-
Monthly Cumulative	232.77	-

7. INCIDENT REPORTING

There were no incidents reported during the month pertaining to this licence.

Should there be any questions regarding the monthly report for August 2011, please contact Chris Hanks, VP Environmental Affairs at 720-917-4489 or Chris.Hanks@Newmont.com.

Yours sincerely,

for

Chris Hanks

VP Environmental Affairs
Hope Bay Mining Limited