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December 23, 2011

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

Re: November 2011 - Monthly Monitoring Report for Water License 2BB-BOS0712

Following is the monthly report for November 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.

1. **PART D: ITEM 8**

Water was not discharged from monitoring stations BOS-2 (Containment Pond) and BOS-5 (Fuel Farm Berm) in November.

2. Part J: item 3 and 4

Table 1 shows the results for samples collected from the sewage treatment plant effluent (BOS-3) in November. Samples were compliant with the licence for all parameters. A laboratory error resulted in no oil and grease (visible sheen) results being reported.

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

Parameters	Units	BOS-3 (mg/L)	License # 2BB-BOS0712 Part D: Item 17 Maximum Average
ALS Lab Reference #		L1081429-1	Concentration
Sample Date/Time		Nov 03/11 @ 06:00	
BOD_5	mg/L	10.1	80.0
Total Suspended Solids	mg/L	31.0	100.0
Faecal Coliform	CFU/100mL	420	10,000
Oil and Grease (visible sheen)		nr	*nvs
Oil and Grease	mg/L	<1.0	**
рН	pH unit	6.35	6.0 – 9.5

 $[*]nvs = no \ visible \ sheen$

 $nr = not \ reported$

^{**} no maximum value identified in license

Samples were not collected from BOS-4 during November as the station, Aimaokatalok (Spyder) Lake, was frozen.

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

Under-ice water quality samples were not collected from Aimaokatalok (Spyder) Lake in November as the winter 2011/2012 drilling program has not commenced for the season.

4. <u>Part J: item 11 and 12</u>

Water use during November is detailed in Table 2.

Table 2: Daily drill and Domestic Usage in cubic metres (m³), November 2011

Date (November)	Drill Use (m ³)	Domestic Use (m³)	Daily Totals (m ³)
		Boston Camp	Daily Totals (III)
1	No Drilling	*5.88	*5.88
2	No Drilling	*5.88	*5.88
3	No Drilling	4.09	4.09
4	No Drilling	3.65	3.65
5	No Drilling	2.23	2.23
6	No Drilling	1.75	1.75
7	No Drilling	2.67	2.67
8	No Drilling	1.71	1.71
9	No Drilling	2.87	2.87
10	No Drilling	1.12	1.12
11	No Drilling	0.74	0.74
12	No Drilling	1.39	1.39
13	No Drilling	Camp Closed	Camp Closed
14	No Drilling	Camp Closed	Camp Closed
15	No Drilling	Camp Closed	Camp Closed
16	No Drilling	Camp Closed	Camp Closed
17	No Drilling	Camp Closed	Camp Closed
18	No Drilling	Camp Closed	Camp Closed
19	No Drilling	Camp Closed	Camp Closed
20	No Drilling	Camp Closed	Camp Closed
21	No Drilling	Camp Closed	Camp Closed
22	No Drilling	Camp Closed	Camp Closed
23	No Drilling	Camp Closed	Camp Closed
24	No Drilling	Camp Closed	Camp Closed
25	No Drilling	Camp Closed	Camp Closed
26	No Drilling	Camp Closed	Camp Closed
27	No Drilling	Camp Closed	Camp Closed
28	No Drilling	Camp Closed	Camp Closed
29	No Drilling	Camp Closed	Camp Closed
30	No Drilling	Camp Closed	Camp Closed
Monthly Total	0.00	33.98	33.98
Monthly Average	0.00	2.35	2.35
Monthly Minimum	0.00	0.74	0.74
Monthly Maximum	0.00	*5.88	*5.88
Previous Annual Cumulative	734.5	1199.39	1961.59
Current Annual Cumulative	734.5	1233.37	1995.57

^{*}Daily average for Nov 1st and 2nd

5. PART J: ITEM 12

Mine water was not pumped from underground during November.

6. <u>PART J: ITEM 13 AND 14</u>

The volume of sewage effluent discharged from BOS-3 is shown in Table 3. Sludge was not removed from the facility during November. In order to facilitate the shutting down of the camp for a few months, only water that was absolutely necessary to facilitate the shutdown crew was used, commencing November 06th, 2011. The STP continued with final treatment of influent held within the system until it was essentially empty on November 12th, 2011.

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

Parameters	Estimated Effluent BOS-3 (m ³)	Sludge Removed (m ³)
Monthly Cumulative	33.98	ı
Annual Cumulative	1373.71	-

7. Incident Reporting

There was one incident reported during the month pertaining to this licence:

November 14: A spill of approximately 2 litres of hydraulic oil occurred on the airstrip apron (67° 39' 16" N; 112° 22' 56" W) as a result of a ruptured hose fitting on a Cat 277 Skid-Steer. The oil contaminated snow was removed and placed in a container off-site disposal. The hose fitting was replaced and the skid-steer placed back in service.

Should there be any questions regarding the monthly report for November 2011, please contact Angela Holzapfel at 604-345-3122 or <u>Angela Holzapfel@Newmont.com</u> or Chris Hanks, VP Environmental Affairs at 720-917-4489 or <u>Chris Hanks@Newmont.com</u>.

Yours sincerely,

Angela Holzapfel

Manager of Environmental Compliance Hope Bay Mining Limited