

October 6, 2009

Technical Advisor – Mining
Nunavut Water Board
P.O. Box 119
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Re: July 2009 –Monthly Monitoring Report for Water License 2BE-HOP0712 under Part J – Items 2 – 8.

Following is the monthly report for July 2009 as required under Water license 2BE-HOP0712. Note that Windy Camp closed for operation in 2008. For the exploration program in 2009, drilling support will be provided out of Doris Camp. Drilling water consumption will be reported under Part J: Item 6 of this report.

1. PART J: ITEM 2

During the month of July 2009, no water quality sampling was done at SNP stations HOP-2 and HOP-3 located at Windy Lake. The Windy Camp was closed for operation as of October 23, 2008.

2. PART J: ITEM 3

No sampling was conducted for Non-acute Toxicity at HOP-3 during the month of July as the WWTF facility was not operational and there is no effluent available for sampling at the point of entry into Windy Lake.

3. PART J: ITEM 4

Water quality samples were taken in July at HOP-5 (Bulk Fuel Storage – Windy Camp) from treated water from the berm via the oil/water separator. Effluent met the licence criteria for discharge on all parameters, and discharge commenced July 18/09 after notification to the Inspector. The location of discharge was a point on the adjacent hillside agreed on with the INAC inspector on site at the time as an alternative to pumping to the discharge point for HOP-2 (WWTF). Results of the water quality sampling for HOP-5 are provided in Table 1.

Table 1. Results of Monitoring Program Station Sampling for HOP-5, July 2009

Parameters	HOP-5	Hope Bay: 2BE-HOP0712
Water Source	Bulk Fuel Storage Windy Camp	Monitoring Program Station Description
ALS Lab Reference #	L790624-1	Compliance Values
Field Sample Details	HOP-5	Part D: Item 17
Sample Date/Time	July 8/09 11:30	Part J: Item 4
Oil & Grease	<1.0	15 mg/L or 30 mg/L
Oil and Grease No Visible Sheen	nvs	No visible sheen (nvs)
Benzene	< 0.00050	0.37 mg/L
Toluene	< 0.00050	0.002 mg/L
Ethylbenzene	< 0.00050	0.09 mg/L
Lead	<0.00010	0.001 mg/L

No samples were taken from HOP-6 (Bulk Fuel Storage – Patch Lake) during July as there was no accumulated water and no discharge occurred.

4. **PART J: ITEM 5**

Water quality samples under Part F: Item 7 - Drilling through Lake Ice were collected in May and June once drilling operations were complete on Patch and Doris Lakes. Results for this sampling have been provided in prior monthly reports. No samples were collected in July as the program is finished for the year.

5. **PART J: ITEM 6**

Water for domestic use was not utilized from Windy Lake during July as the camp at Windy Lake is closed. Drilling was conducted pertaining to regional exploration licence 2BE-HOP0712 and drill water usage numbers and water sources are detailed in Table 2.

Table 2. Domestic and Drill Water Usage in cubic meters (m³), July 2009

Parameters	GEO2	ORB22	ORB23	ORB24	Total Usage m ³	2BE- HOP0712
Water Source	Patch Lake/Bear Lake/Koignuk River/Hope Bay	Patch Lake	Doris Lake	Patch Lake/Gas Cache Lake	All Water Sources	Compliance Values
Geographical Coordinates	On file	On file	On file	On file		Part J: Item 9
Drilling days	31	20	30	23		
Monthly Cumulative	149	67	158	128	502	3,100 m ³ monthly
Volume Average (Daily)	4.8	3.7	5.6	5.6	19.7	100 m ³ daily
Maximum	11.2	9.4	22.39	12.6	-	100 m ³ daily
Minimum	1.1	0.5	0.9	0.6	-	100 m ³ daily

6. **PART J: ITEM 7**

No treated effluent was discharged from the WWTF at monitoring station HOP-2 due to the closure of Windy Lake Camp, and no volumes were measurable at HOP-3. The Landfarm no longer exists at HOP-4, and no volumes were pumped at HOP-6 during the month. At HOP-5, the total volume of berm discharge was calculated to be 34.8m³.

7. **PART J: ITEM 8**

No sludge was removed from the WWTF during the month of July as the facility is not operational.

INCIDENT REPORTING

A total of 5 incidents were recorded pertaining to the licence during the period.

1. July 8/09 – Level 2 (Minor). Hydrocarbon slick noted on Doris Lake on July 8/09 likely associated with improper clean-up of winter ice drilling holes. Spill was determined to be small (<5L). Attempts

made to clean-up effectively by boat were inhibited by ice break-up conditions. Review of post-drilling hole inspections will be undertaken.

2. July 11/09 - Level 1 (Insignificant). Nozzle at Patch Fuel Farm tank # 5 was observed to be dripping (<1L). Absorbent pads were placed under the nozzle and fuel line reel. Operators have been instructed to place nozzle into barrel receptacle to catch any drips from hose.
3. July 16/09 – Level 1 (Insignificant). Nozzle at Patch Lake Fuel farm kicked out of tank while fuelling inside the berm. Less than 5L was estimated spilled. Operators have been instructed to ensure that nozzles are secure when commencing fuelling, the nozzle is not left unattended during fuelling and all procedures for fuelling at this location will be reviewed.
4. July 23/09 – Level 3 (Moderate). Caribou fatality from entanglement in geophysical survey wire. A caribou was entangled about the neck during a geophysical survey. A crew was deployed to attempt to free the animal, but did not arrive in time. Department of Environment Conservation Office was notified and an incident investigation was prepared and submitted.
5. July 26/09 – Level 1 (Insignificant). A minor leak of Jet B fuel (< 0.25L) on to the tundra occurred from a helicopter on the ground near Orbit Drill # 24 due to a faulty seal in the booster pump. No sorbents were deployed as the leak was very minimal. The helicopter was removed from service and sent off site for repairs.

Should there be any questions regarding the monthly report for July 2009, 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,

Director, Environment and Social Responsibility
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