

February 16, 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 2BE-HOP0712 under Part J – Items 2 – 8.

Following is the monthly report for January 2011 as required under Water License 2BE-HOP0712. The license was issued on May 20, 2007 and will expire on June 30, 2012. The water license is specific for Exploration Activities – Type B; the quantity of water usages shall not exceed 80 cubic metres daily for drilling purposes and 20 cubic metres daily for domestic use, for a total of 365,000 cubic metres total for 2011.

This monthly report provides information on Part J (Conditions Applying to the Monitoring Program) Items 2 through 9 inclusive. Windy Camp closed for operation in 2008.

1. PART J: ITEM 2

During the month of January 2011, no water quality sampling was done at SNP stations HOP-2 and HOP-3 located at Windy Lake. Windy Camp was closed for operations October 23, 2008 and the WWTF is not operational.

2. PART J: ITEM 3

No sampling was conducted for Non-acute Toxicity at HOP-3 during the month of January 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

No samples were collected from HOP-5 (Bulk Fuel Storage – Windy Camp) in January. The dewatering at this location was completed in August 2010.

No samples were taken from monitoring station HOP-6 (Bulk Fuel Storage Facility – Patch Lake) in January as minimal water accumulation in this facility was frozen.

4. PART J: ITEM 5

Samples were collected under Part F: Item 7 - Drilling through Lake Ice January 8/11 prior to the winter drilling program re-commencement on Doris Lake. Water quality sampling results are provided in Table 1.

Table 1. Pre-drilling water quality data (in mg/L) Doris Lake, January 2011.

ALS Lab #	L968531-1	L968531-2	L968531-3	L968531-4	L968531-5
Sample Date	Jan 8/11	Jan 8/11	Jan 8/11	Jan 8/11	Jan 8/11
Location	Doris Lake	Doris Lake	Doris Lake	Doris Lake	Doris Lake
Sample ID #	DLHOP1-08Jan11	DLHOP2-08Jan11	DLHOP3-08Jan11	DLHOP4-08Jan11	DLHOP5-08Jan11
Mercury (Hg) Total	<0.00010	<0.00010	<0.00010	<0.00010	<0.00010
Aluminum (Al) Total	0.054	0.032	0.020	0.021	0.022
Antimony (Sb) Total	<0.00040	<0.00040	<0.00040	<0.00040	<0.00040
Arsenic (As) Total	<0.00040	<0.00040	<0.00040	<0.00040	<0.00040
Barium (BA) Total	0.0036	0.0038	0.0045	<0.0030	<0.0030
Beryllium (BE) Total	<0.0010	<0.0010	<0.0010	<0.0010	<0.0010
Boron (B) Total	<0.050	<0.050	<0.050	<0.050	<0.050
Cadmium (Cd) Total	<0.000050	<0.000050	<0.000050	<0.000050	<0.000050
Chromium (Cr) Total	<0.0050	<0.0050	<0.0050	<0.0050	<0.0050
Cobalt (Co) Total	<0.0020	<0.0020	<0.0020	<0.0020	<0.0020
Copper (Cu) Total	0.0020	0.0022	0.0023	0.0019	0.0019
Lead (Pb) Total	0.00014	0.00011	0.00013	<0.00010	<0.00010
Lithium (Li) Total	<0.010	<0.010	<0.010	<0.010	<0.010
Molybdenum (Mo) Total	<0.0050	<0.0050	<0.0050	<0.0050	<0.0050
Nickel (Ni) Total	<0.0020	<0.0020	<0.0020	<0.0020	<0.0020
Selenium (Se) Total	<<0.00040	<0.00040	<0.00040	<0.00040	<0.00040
Silver (Ag) Total	<0.00010	<0.00010	<0.00010	<0.00010	<0.00010
Thallium (Ti) Total	<0.00010	<0.00010	<0.00010	<0.00010	<0.00010
Tin (Sn) Total	<0.050	<0.050	<0.050	<0.050	<0.050
Titanium (Ti) Total	0.0018	<0.0010	<0.0010	<0.0010	<0.0010
Uranium (U) Total	<0.00010	<0.00010	<0.00010	<0.00010	<0.00010
Vanadium (V) Total	<0.0010	<0.0010	<0.0010	<0.0010	<0.0010
Zinc (Zn) Total	0.0498	0.0520	0.0209	0.0041	<0.0040
Calcium (Ca) Total	10.3	9.38	8.86	9.11	8.73
Iron (Fe) Total	0.101	0.060	0.059	0.061	0.056
Magnesium (Mg) Total	8.08	7.44	7.14	7.32	6.92
Manganese (Mn) Total	0.0045	0.0037	0.0039	0.0038	0.0037
Potassium (K) Total	2.76	2.40	2.37	2.29	2.23
Sodium (Na) Total	39.6	36.8	34.4	34.7	33.8
Total Suspended Solids	6.4	4.4	9.6	6.1	5.5
Chloride (Cl)	79.9	76.2	74.0	73.5	73.3
Calcium (Ca) Dissolved	10.4	10.2	9.22	9.69	9.73
Magnesium (Mg) Dissolved	8.14	7.45	7.18	7.74	7.86
Potassium (K) Dissolved	2.56	2.62	2.34	2.40	2.39
Sodium (Na) Dissolved	38.1	36.7	33.4	35.7	36.0
Fluoride (F)	0.072	0.060	0.080	0.072	0.052
TDS (Calculated)	164	157	149	152	153
Hardness (as CaCO ₃)	59.5	56.1	52.6	56.1	56.7
Nitrate (as N)	<0.050	<0.050	<0.050	<0.050	<0.050
Nitrate + Nitrite (as N)	<0.071	<0.071	<0.071	<0.071	<0.071
Nitrite (as N)	<0.050	<0.050	<0.050	<0.050	<0.050
Sulfate (SO ₄)	3.46	3.14	2.92	2.84	2.84
pH	7.64	7.65	7.66	7.67	7.68
Conductivity (EC)	333	321	315	318	315
Bicarbonate (HCO ₃)	44.1	42.1	40.5	41.3	41.6
Carbonate (CO ₃)	<5.0	<5.0	<5.0	<5.0	<5.0
Hydroxide (OH)	<5.0	<5.0	<5.0	<5.0	<5.0
Alkalinity, Total (as CaCO ₃)	36.1	34.5	33.2	33.8	34.1

5. PART J: ITEM 6

Water for domestic use was not utilized from Windy Lake during January as the camp at Windy Lake is closed. Drilling recommenced for 2011 pertaining to regional exploration licence 2BE-HOP0712 on January 14/11. Drill water usage is provided in Table 2.

Table 2. Domestic and Drill Water Usage in cubic meters (m³), January 2011

Parameters	Water Source	Geographical Coordinates	Drilling days	Volume			
				Monthly Cumulative	Average (Daily)	Maximum	Minimum
ORB 21	Doris Lake	On file	14	84.9	6.06	9.3	3
ORB 22	Doris Lake	On file	14	183.5	13.11	29	3.8
GEO 2	Doris Lake	On file	18	226.9	12.61	32	1
GEO 3	Doris Lake	On file	18	43.5	2.42	7	1
Ice Roads	Doris Lake	ST-7	2*	94.5	47.3	51	43.5
Ice Roads	Windy Lake	-	2*	54.0	27.0	51	3
Ice Roads	Patch Lake	-	1*	18.0	18.0	18.0	0
Total Usage m³	All Water Sources	-	-	705.3	-	-	-
2BE-HOP0712	Compliance Values	Part J: Item 9	Part J: Item 6	2,480 m ³ monthly	80* m ³ daily	80 m ³ daily	80 m ³ daily

*Number of days in the month where water was withdrawn for construction of ice roads

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 Patch Lake Bulk Fuel Storage during the month.

7. Part J: ITEM 8

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

INCIDENT REPORTING

There were three incidents which occurred during the month pertaining to this licence:

- Jan 6/11 - Challenger working on winter road in the vicinity of the intersection of Patch and Windy roads broke a hydraulic hose spilling approx 45 litres of hydraulic oil onto the snow. The Challenger was repaired, the contaminated snow shovelled up and placed in 45 gal drums and brought to waste management.
- Jan 29/11 - Spontaneous flow of water from the drill casing reported at Drill Hole 11TDD753 on Doris Lake. Water quality samples were taken and the event reported to the NWB Inspector.
- Jan 31/11 – Operators working at Drill Hole 11TDD754 on Doris Lake dropped 100ft. of steel drill casing through the ice. No recovery of the steel was possible.

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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