

March 29, 2011

Technical Advisor – Mining
Nunavut Water Board
P.O. Box 119
Gjoa Haven, NU X0B 1J0

Re: February 2011 – Monthly Monitoring Report for Water License 2BE-HOP0712 under Part J – Items 2 – 8.

Following is the monthly report for February 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 February 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 February 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 February. The dewatering at this location was completed in August 2010. Any accumulation of water at the facility was frozen.

No samples were taken from monitoring station HOP-6 (Bulk Fuel Storage Facility – Patch Lake) in February 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 February 2/11 on Patch Lake, and February 8/11 on Wolverine Lake, prior to the winter drilling program re-commencement at these locations. Water quality sampling results are provided in Table 1 and Table 2.

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

Field Sample Details	Units	HOPPL1-2FEB11	HOPPL2-2FEB11	HOPPL3-2FEB11	HOPPL4-2FEB11
ALS Lab Reference		L976206-1	L976206-2	L976206-3	L976206-4
Date/Time		2/2/2011 11:09:00 AM	2/2/2011 11:09:00 AM	2/2/2011 11:09:00 AM	2/2/2011 11:09:00 AM
Location		Patch Lake	Patch Lake	Patch Lake	Patch Lake
Geographical Coordinates		68° 01' 30" 106° 32' 36"	68° 01' 49" 106° 32' 38"	68° 02' 02" 106° 32' 47"	68° 02' 13" 106° 32' 53"
Parameter		Water	Water	Water	Water
Total Suspended Solids	mg/L	<3.0	<3.0	<3.0	<3.0
Alkalinity, Total (as CaCO ₃)	mg/L	46.2	44.6	44.9	44.3
Bicarbonate (HCO ₃)	mg/L	56.3	54.4	54.8	54
Carbonate (CO ₃)	mg/L	<5.0	<5.0	<5.0	<5.0
Chloride (Cl)	mg/L	96.5	93.5	94.2	93.5
Conductivity (EC)	uS/cm	406	396	401	391
Fluoride (F)	mg/L	0.056	0.054	0.058	0.057
Hardness (as CaCO ₃)	mg/L	75.6	74	74.1	73.1
Hydroxide (OH)	mg/L	<5.0	<5.0	<5.0	<5.0
Ion Balance	%	92.2	93.7	93.8	93.2
Nitrate and Nitrite as N	mg/L	<0.071	<0.071	<0.071	<0.071
Nitrate (as N)	mg/L	<0.050	<0.050	<0.050	<0.050
Nitrite (as N)	mg/L	<0.050	<0.050	<0.050	<0.050
pH	pH	7.83	7.82	7.81	7.81
TDS (Calculated)	mg/L	196	191	193	191
Sulfate (SO ₄)	mg/L	2.95	2.85	2.83	2.85
Aluminum (Al)-Total	mg/L	0.039	0.035	0.028	0.033
Antimony (Sb)-Total	mg/L	<0.00040	<0.00040	<0.00040	<0.00040
Arsenic (As)-Total	mg/L	0.00044	0.00049	0.00043	0.00045
Barium (Ba)-Total	mg/L	0.0043	0.0039	0.004	0.0038
Beryllium (Be)-Total	mg/L	<0.0010	<0.0010	<0.0010	<0.0010
Boron (B)-Total	mg/L	<0.050	<0.050	<0.050	<0.050
Cadmium (Cd)-Total	mg/L	<0.000050	<0.000050	<0.000050	<0.000050
Calcium (Ca)-Total	mg/L	13.9	13.1	13.2	13.1
Chromium (Cr)-Total	mg/L	<0.0050	<0.0050	<0.0050	<0.0050
Cobalt (Co)-Total	mg/L	<0.0020	<0.0020	<0.0020	<0.0020
Copper (Cu)-Total	mg/L	0.0097	0.0014	0.0014	0.0013
Iron (Fe)-Total	mg/L	0.016	0.013	<0.010	<0.010
Lead (Pb)-Total	mg/L	<0.00010	<0.00010	<0.00010	<0.00010
Lithium (Li)-Total	mg/L	<0.010	<0.010	<0.010	<0.010
Magnesium (Mg)-Total	mg/L	10.1	9.35	9.41	9.2
Manganese (Mn)-Total	mg/L	<0.0020	<0.0020	<0.0020	<0.0020
Mercury (Hg)-Total	mg/L	<0.00010	<0.00010	<0.00010	<0.00010
Molybdenum (Mo)-Total	mg/L	<0.0050	<0.0050	<0.0050	<0.0050
Nickel (Ni)-Total	mg/L	<0.0020	<0.0020	<0.0020	<0.0020
Potassium (K)-Total	mg/L	3.21	3	2.92	2.95
Selenium (Se)-Total	mg/L	<0.0020 *	<0.0020 *	<0.0020 *	<0.0020 *
Silver (Ag)-Total	mg/L	<0.00010	<0.00010	<0.00010	<0.00010
Sodium (Na)-Total	mg/L	43.3	40.1	40.4	39.9
Thallium (Tl)-Total	mg/L	<0.00010	<0.00010	<0.00010	<0.00010
Tin (Sn)-Total	mg/L	<0.050	<0.050	<0.050	<0.050
Titanium (Ti)-Total	mg/L	<0.0010	0.0016	<0.0010	<0.0010
Uranium (U)-Total	mg/L	<0.00010	<0.00010	<0.00010	<0.00010
Vanadium (V)-Total	mg/L	<0.0010	<0.0010	<0.0010	<0.0010
Zinc (Zn)-Total	mg/L	0.0439	<0.0040	<0.0040	<0.0040
Calcium (Ca)-Dissolved	mg/L	13.9	13.6	13.6	13.4
Magnesium (Mg)-Dissolved	mg/L	9.92	9.73	9.75	9.62
Potassium (K)-Dissolved	mg/L	3.22	3.12	3.15	3.14
Sodium (Na)-Dissolved	mg/L	42	41.5	42.1	41.4

*Detection Limit Adjustment for sample matrix effects

Table 2. Pre-drilling water quality data (in mg/L) Wolverine Lake, February 2011

Field Sample Details	Units	HOPWVL1-8FEB11	HOPWVL2-8FEB11	HOPWVL3-8FEB11
ALS Lab Reference		L977852-1	L977852-2	L977852-3
Date/Time		2/8/2011 2:05:00 PM	2/8/2011 2:25:00 PM	2/8/2011 2:15:00 PM
Location		Wolverine Lake	Wolverine Lake	Wolverine Lake
Geographical Coordinates		68° 01' 25" 106° 33' 41"	68° 01' 13" 106° 33' 25"	68° 09' 09" 106° 33' 17"
Parameter		Water	Water	Water
Total Suspended Solids	mg/L	<3.0	<3.0	<3.0
Alkalinity, Total (as CaCO ₃)	mg/L	63.8	65.8	64.6
Bicarbonate (HCO ₃)	mg/L	77.9	80.3	78.8
Carbonate (CO ₃)	mg/L	<5.0	<5.0	<5.0
Chloride (Cl)	mg/L	138	140	140
Conductivity (EC)	uS/cm	580	585	586
Fluoride (F)	mg/L	0.105	0.097	0.105
Hardness (as CaCO ₃)	mg/L	96.2	97.2	97.4
Hydroxide (OH)	mg/L	<5.0	<5.0	<5.0
Ion Balance	%	93.9	93.6	94
Nitrate and Nitrite as N	mg/L	0.079	<0.071	<0.071
Nitrate (as N)	mg/L	0.079	0.066	0.057
Nitrite (as N)	mg/L	<0.050	<0.050	<0.050
pH	pH	7.68	7.78	7.69
TDS (Calculated)	mg/L	275	280	279
Sulfate (SO ₄)	mg/L	0.55	0.55	0.57
Aluminum (Al)-Total	mg/L	0.016	0.011	0.013
Antimony (Sb)-Total	mg/L	<0.00040	<0.00040	<0.00040
Arsenic (As)-Total	mg/L	0.00076	0.00074	0.0008
Barium (Ba)-Total	mg/L	0.0089	0.0086	0.0085
Beryllium (Be)-Total	mg/L	<0.0010	<0.0010	<0.0010
Boron (B)-Total	mg/L	<0.050	<0.050	<0.050
Cadmium (Cd)-Total	mg/L	<0.000050	<0.000050	<0.000050
Calcium (Ca)-Total	mg/L	12.4	14.4	14.2
Chromium (Cr)-Total	mg/L	<0.0050	<0.0050	<0.0050
Cobalt (Co)-Total	mg/L	<0.0020	<0.0020	<0.0020
Copper (Cu)-Total	mg/L	0.0012	<0.0010	<0.0010
Iron (Fe)-Total	mg/L	0.204	0.23	0.185
Lead (Pb)-Total	mg/L	<0.00010	<0.00010	<0.00010
Lithium (Li)-Total	mg/L	<0.010	<0.010	<0.010
Magnesium (Mg)-Total	mg/L	12.6	14.6	14.4
Manganese (Mn)-Total	mg/L	0.104	0.103	0.099
Mercury (Hg)-Total	mg/L	<0.00010	<0.00010	<0.00010
Molybdenum (Mo)-Total	mg/L	<0.0050	<0.0050	<0.0050
Nickel (Ni)-Total	mg/L	<0.0020	<0.0020	<0.0020
Potassium (K)-Total	mg/L	2.85	3.18	3.21
Selenium (Se)-Total	mg/L	<0.0020 *	<0.0020 *	<0.0020 *
Silver (Ag)-Total	mg/L	<0.00010	<0.00010	<0.00010
Sodium (Na)-Total	mg/L	58.2	67.1	66.1
Thallium (Tl)-Total	mg/L	<0.00010	<0.00010	<0.00010
Tin (Sn)-Total	mg/L	<0.050	<0.050	<0.050
Titanium (Ti)-Total	mg/L	<0.0010	<0.0010	<0.0010
Uranium (U)-Total	mg/L	<0.00010	<0.00010	<0.00010
Vanadium (V)-Total	mg/L	<0.0010	<0.0010	<0.0010
Zinc (Zn)-Total	mg/L	0.0876	<0.0040	<0.0040
Calcium (Ca)-Dissolved	mg/L	14.3	14.5	14.6
Magnesium (Mg)-Dissolved	mg/L	14.7	14.8	14.8
Potassium (K)-Dissolved	mg/L	3.08	3.06	3.09
Sodium (Na)-Dissolved	mg/L	66	67.3	67.1

*Detection Limit Adjustment for sample matrix effects

5. PART J: ITEM 6

Water for domestic use was not utilized from Windy Lake during February as the camp at Windy Lake is closed. On January 14, 2011 drilling pertaining to the regional exploration licence 2BE-HOP0712 resumed. Water sources for drilling and ice road construction were from Patch, Doris and Wolverine Lakes. Geographical locations of water extraction are retained on file per Part J: Item 9 of the licence. During February, drill water usage was in compliance with Part C: (amended) Item 1 stipulating the volume of water for drilling purposes shall not exceed 80 m³ per day. Water use for construction of ice roads however, exceeded the total daily volumes permitted for all uses for four days in February. This water was primarily used for building ice roads across the Patch portage and the Patch-Wolverine Portage. Drill water usage and water used for construction of ice roads to support exploration drilling is provided in Table 3.

Table 3. Drill Water Usage and Ice Road Construction Usage in cubic meters (m³), February 2011

2BE-HOP0712	Part J: Item 6 Compliance Values						Part J: Item 6		Part J: Item 6
	Drills						80* m ³ daily		100*m ³ daily
Date	Orbit 21	Orbit 22	Orbit 24	Geo 1	Geo 2	Geo 3	Total	Ice Road	Daily Totals
1	-	-	-	-	4.5	-	4.5	110 ^a	114.5
2	-	-	-	-	-	-	0	396 ^b	396.0
3	-	-	-	-	-	-	0	253 ^b	253.0
4	-	-	-	-	-	-	0	133 ^b	133.0
5	-	-	-	-	8.1	-	8.1	-	8.1
6	-	-	-	-	2.7	-	2.7	-	2.7
7	-	-	-	-	3.3	-	3.3	-	3.3
8	-	-	-	-	3.2	-	3.2	-	3.2
9	-	-	-	19.3	3.2	-	22.5	-	22.5
10	-	-	-	7.4	7.4	-	14.8	-	14.8
11	-	4.8	-	5.9	3.8	3.3	17.8	-	17.8
12	-	4.5	3.9	6.1	2.6	2.4	19.5	-	19.5
13	14.6	2.9	4.4	16.8	5.1	3.2	47.0	-	47.0
14	4.7	5.6	4.1	3.9	4.2	2.6	25.1	-	25.1
15	6.7	3.5	3.8	12	4.3	4.5	34.8	-	34.8
16	7.8	4.4	5.4	9.7	2.9	13.5	43.7	-	43.7
17	1.7	3.9	4.3	0	5.1	20.3	35.3	-	35.3
18	5.6	2.8	0.3	2.2	3.8	2.4	17.1	-	17.1
19	7	1.7	4.2	9.1	3.9	10.6	36.5	21	57.5
20	2	3.4	4.4	10.5	3.4	3.3	27.0	-	27.0
21	4	3.3	3.6	9.9	3.2	1.5	25.5	-	25.5
22	3	0.5	4.8	12.6	4.3	2.0	27.2	-	27.2
23	5	0.8	3.8	13.7	4.7	2.1	30.1	-	30.1
24	3	0.6	3.3	14.2	3.8	5.0	29.9	-	29.9
25	3	2.3	3.8	14.7	6.3	4.7	34.8	-	34.8
26	2	1.4	2.8	14.3	3.8	4.1	28.4	-	28.4
27	3	-	2.3	16.5	4.5	4.7	28.7	-	28.7
28	2	-	0.8	17.9	6.8	3.9	31.4	-	31.4
Monthly Total	75.1	46.4	57.7	216.7	108.9	94.1	598.9	913	1,511.9
Monthly Average	2.7	1.7	2.1	7.7	3.9	3.4	21.4	32.6	54.0

^a road from Windy all-weather road alignment to Patch Lake; ^b used on portages between Patch and Wolverine lakes

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 Land farm no longer exists at HOP-4, and no volumes were pumped at HOP-5 Bulk Fuel Storage – Windy Camp or HOP-6 Patch Lake Bulk Fuel Storage during the month. Any effluent in these locations was frozen.

7. Part J: ITEM 8

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

INCIDENT REPORTING

No incidents were reported during the month pertaining to this licence:

Should there be any questions regarding the monthly report for February 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

Director, Environment and Social Responsibility
Hope Bay Mining Limited