

April 26, 2011

Technical Advisor – Mining
Nunavut Water Board
P.O. Box 119
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**Re: March 2011 – Monthly Monitoring Report for Water License 2BE-HOP0712 under Part J –
Items 2 – 8.**

Following is the monthly report for March 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 63 cubic metres daily for domestic use, plus an additional 200 cubic meters per day between May and September for dust suppression, for a total of 82,795 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 March 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 March 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 March. 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 March 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, 2011 on Patch Lake, and February 8, 2011 on Wolverine Lake, prior to the winter drilling program re-commencement at these locations.

5. PART J: ITEM 6

Water for domestic use was not utilized from Windy Lake during March 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 March, 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 five days in March. This water was primarily used for building ice roads across the Patch portage, the Patch-Wolverine Portage, and ice road construction to Windy Lake. Drill water usage and water used for construction of ice roads to support exploration drilling is provided in Table 1.

Table 1. Drill Water Usage and Ice Road Construction Usage in cubic meters (m³), March 2011

2BE-HOP0712	Part J: Item 6 Compliance Values				80 m ³ daily	63 m ³ daily	143 m ³ daily or 343 m ³ daily in May-Sep
	Drills						
Date	Orbit 21	Geo 1	Geo 2	Geo 3	Total	Ice Road/ Domestic Use	Daily Totals
1	-	14.2	0	3.6	17.8	-	17.8
2	-	14.7	16.5	2.7	33.9	-	33.9
3	-	9.2	15.2	2.2	26.6	-	26.6
4	-	7.5	18	7.6	33.1	-	33.1
5	-	7.4	17.9	1.2	26.5	-	26.5
6	-	5.8	13	3.5	22.3	-	22.3
7	-	15.9	13.7	8.6	38.2	-	38.2
8	-	8.5	10.5	2.3	21.3	-	21.3
9	-	12.6	15.9	3.1	31.6	-	31.6
10	-	15.6	16.1	3.7	35.4	-	35.4
11	-	12.8	27.1	5.7	45.6	-	45.6
12	-	14.4	21.1	0.9	36.4	8.0 ^c	44.4
13	-	19.1	23.5	1.4	44.0	108.0 ^b	152.0
14	-	17.8	25.6	3.8	47.2	-	47.2
15	-	14.3	15.2	1.5	31.0	-	31.0
16	-	13.9	18.1	5.4	37.4	132.0 ^b	169.4
17	-	12.3	9.4	1.8	23.5	36.0 ^b	59.5
18	-	9	9.8	2.1	20.9	108.0 ^b	128.9
19	-	9	3.5	3.5	16.0	-	16.0
20	-	13.5	4.1	3.3	20.9	-	20.9
21	6.4	6.2	4.5	3.2	20.3	-	20.3
22	5.2	5.5	3.8	3.2	17.7	-	17.7
23	4.8	5	7.5	2	19.3	-	19.3
24	5.9	16.9	9	1.2	33.0	-	33.0
25	5.5	18.9	3.2	1.8	29.4	-	29.4
26	6.0	15	2.7	1.4	25.1	-	25.1
27	8.5	18	3.7	11	41.2	-	41.2
28	14.0	7	2.5	5.4	28.9	-	28.9
29	20.0	7.4	15.4	9.1	51.9	208.0 ^c	259.9
30	24.3	7.3	9.7	3.8	45.1	-	45.1
31	22.4	5.6	15.2	7.8	51.0	-	51.0
Monthly Total	123.0	360.3	371.4	117.8	972.5	600.0	1552.9
Monthly Average	4.0	11.6	12.0	3.8	31.4	19.4	50.1

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

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 March 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 March 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,

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Chris Hanks

Director, Environment and Social Responsibility
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