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September 6, 2011

Phyllis Beaulieu, Manager of Licensing
Nunavut Water Board
P.O. Box 119
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Re: July 2011 – Monthly Monitoring Report for Water License 2BE-HOP0712 under Part J – Items 2 – 8 - Revised

Following is the monthly report for July 2011 as required under Water License 2BE-HOP0712. The license was issued on May 20, 2007 and will expire on June 30, 2012. This Type B water license is specific to exploration activities. The quantity of water usage shall not exceed 80 cubic metres (m^3) daily for drilling purposes and 63 m^3 daily for domestic use, plus an additional 200 m^3 per day between May and September for dust suppression, for a total of 82,795 m^3 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, 3, 7, AND 8

Windy Camp was closed for operations October 23, 2008; therefore the licence requirements relating to the WWTF are not applicable at this time. The new Windy Camp is expected to be constructed in 2012.

2. PART J: ITEM 4 AND 7

Water was discharged from HOP-5 (Bulk Fuel Storage – Windy Camp) during the month of July. Samples were collected on July 5, 2011 and results were compliant with discharge criteria (Table 1). During the period of July 10 to 12, 2011, a volume of 274 m^3 was discharged to the tundra upslope of the berm.

Table 1: Sampling Results in mg/L for Monitoring Station HOP-5, July 2011

Parameters	HOP-5	License # 2BE-HOP0712 Part D: Item 17
ALS Lab Reference #	L1027725-1	Max average or any grab
Sample Date/Time	05-JUL-11 14:30	
Benzene	<0.00050	0.37 mg/L
Toluene	<0.00050	0.002 mg/L
Ethylbenzene	<0.00050	0.090 mg/L
Total Lead	<0.00010	0.001 mg/L
Oil and Grease	2.1; not reported*	15.0 mg/L; no visible sheen

**a reporting error occurred at the lab for the July 5th sample event which omitted the visibility analysis for oil and grease, though sampling of HOP-5 on June 13/11 indicated the effluent had no visible sheen – lab report L1017091-1.*

The landfarm at Windy Camp has been removed, therefore, HOP-4 is no longer applicable. No discharge occurred from HOP-6 (Bulk Fuel Storage Facility – Patch Lake) during July. In June, samples taken from HOP-6 were found to be compliant for discharge, but evaporation over the period reduced the available effluent to only minor volumes in the facility eliminating the need for discharge.

3. PART J: ITEM 5

During July, the under-ice post-drilling samples were collected from open water due to unsafe ice conditions at the end of the drilling season in June. Samples were collected from Doris Lake, Patch Lake and Wolverine Lake. Results for sampling are provided in Tables 2, 3 and 4.

Table 2: Sampling Results in mg/L for Under-Ice Post-Drilling Sampling Doris Lake, July 2011

		HOPDL1-22JULY11	HOPDL2-22JULY11	HOPDL3-22JULY11	HOPDL4-22JULY11	HOPDL5-22JULY11
ALS Lab Reference #		L1035856-1	L1035856-2	L1035856-3	L1035856-4	L1035856-5
Sample Date/Time		7/22/2011 15:21	7/22/2011 15:26:00	7/22/2011 15:31:00	7/22/2011 15:38:00	7/22/2011 15:45:00
Parameters	**Units**	Water	Water	Water	Water	Water
Total Suspended Solids	mg/L	3	<3.0	<3.0	-	<3.0
Alkalinity, Total (as CaCO3)	mg/L	27.5	27	27.8	-	28
Bicarbonate (HCO3)	mg/L	33.5	32.9	33.9	-	34.1
Carbonate (CO3)	mg/L	<5.0	<5.0	<5.0	-	<5.0
Chloride (Cl)	mg/L	56.4	56.4	56.5	-	56.2
Conductivity (EC)	uS/cm	253	253	254	-	255
Hardness (as CaCO3)	mg/L	41.3	42	42	-	41.1
Hydroxide (OH)	mg/L	<5.0	<5.0	<5.0	-	<5.0
Ion Balance	%	91.5	93.4	91.5	-	89.9
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	7.84	7.85	7.85	-	7.85
TDS (Calculated)	mg/L	116	116	116	-	115
Sulfate (SO4)	mg/L	2.27	2.27	2.28	-	2.25
Aluminum (Al)-Total	mg/L	0.055	0.054	0.053	0.045	0.045
Antimony (Sb)-Total	mg/L	<0.00040	<0.00040	<0.00040	<0.00040	<0.00040
Arsenic (As)-Total	mg/L	<0.00040	<0.00040	<0.00040	<0.00040	<0.00040
Barium (Ba)-Total	mg/L	0.0034	0.0033	0.0032	<0.0030	0.0032
Beryllium (Be)-Total	mg/L	<0.0010	<0.0010	<0.0010	<0.0010	<0.0010
Boron (B)-Total	mg/L	<0.050	<0.050	<0.050	<0.050	<0.050
Cadmium (Cd)-Total	mg/L	<0.000050	<0.000050	<0.000050	<0.000050	<0.000050
Calcium (Ca)-Total	mg/L	7.58	7.38	7.03	7.24	7.32
Chromium (Cr)-Total	mg/L	<0.0050	<0.0050	<0.0050	<0.0050	<0.0050
Cobalt (Co)-Total	mg/L	<0.0020	<0.0020	<0.0020	<0.0020	<0.0020
Copper (Cu)-Total	mg/L	0.0018	0.0016	0.0016	0.0015	0.0015
Iron (Fe)-Total	mg/L	0.11	0.104	0.102	0.098	0.099
Lead (Pb)-Total	mg/L	<0.00010	<0.00010	<0.00010	<0.00010	<0.00010
Lithium (Li)-Total	mg/L	<0.010	<0.010	<0.010	<0.010	<0.010
Magnesium (Mg)-Total	mg/L	5.48	5.35	5.08	5.11	5.37
Manganese (Mn)-Total	mg/L	0.0076	0.0069	0.0064	0.0063	0.0063
Mercury (Hg)-Total	mg/L	<0.00010	<0.00010	<0.00010	<0.00010	<0.00010
Molybdenum (Mo)-Total	mg/L	<0.0050	<0.0050	<0.0050	<0.0050	<0.0050
Nickel (Ni)-Total	mg/L	<0.0020	<0.0020	<0.0020	<0.0020	<0.0020
Potassium (K)-Total	mg/L	1.79	1.76	1.57	1.62	1.78
Selenium (Se)-Total	mg/L	<0.00040	<0.00040	<0.00040	<0.00040	<0.00040
Silver (Ag)-Total	mg/L	<0.00010	<0.00010	<0.00010	<0.00010	<0.00010
Sodium (Na)-Total	mg/L	24	24	22.6	22.8	24.1
Thallium (Tl)-Total	mg/L	<0.00010	<0.00010	<0.00010	<0.00010	<0.00010

		HOPDL1-22JULY11	HOPDL2-22JULY11	HOPDL3-22JULY11	HOPDL4-22JULY11	HOPDL5-22JULY11
ALS Lab Reference #		L1035856-1	L1035856-2	L1035856-3	L1035856-4	L1035856-5
Sample Date/Time		7/22/2011 15:21	7/22/2011 15:26:00	7/22/2011 15:31:00	7/22/2011 15:38:00	7/22/2011 15:45:00
Parameters	**Units**	Water	Water	Water	Water	Water
Tin (Sn)-Total	mg/L	<0.050	<0.050	<0.050	<0.050	<0.050
Titanium (Ti)-Total	mg/L	0.0026	0.0012	0.0015	0.0012	0.0012
Uranium (U)-Total	mg/L	<0.00010	<0.00010	<0.00010	<0.00010	<0.00010
Vanadium (V)-Total	mg/L	<0.0010	<0.0010	<0.0010	<0.0010	<0.0010
Zinc (Zn)-Total	mg/L	<0.0040	<0.0040	<0.0040	<0.0040	<0.0040
Calcium (Ca)-Dissolved	mg/L	7.65	7.68	7.68	-	7.62
Magnesium (Mg)-Dissolved	mg/L	5.4	5.54	5.54	-	5.36
Potassium (K)-Dissolved	mg/L	1.87	1.94	1.86	-	1.9
Sodium (Na)-Dissolved	mg/L	25.9	26.3	25.8	-	25.3

Table 3: Sampling Results in mg/L for Under-Ice Post-Drilling Sampling Wolverine Lake, July 2011

		HOPWVL1-22JULY11	HOPWVL2-22JULY11	HOPWVL3-22JULY11
ALS Lab Reference #		L1035856-6	L1035856-7	L1035856-8
Sample Date/Time		7/22/2011 14:35:00	7/22/2011 14:44:00	7/22/2011 14:47:00
Parameters	**Units**	Water	Water	Water
Total Suspended Solids	mg/L	<3.0	<3.0	<3.0
Alkalinity, Total (as CaCO3)	mg/L	36.3	36.3	36.2
Bicarbonate (HCO3)	mg/L	44.3	44.3	44.2
Carbonate (CO3)	mg/L	<5.0	<5.0	<5.0
Chloride (Cl)	mg/L	75.3	75.0	75.1
Conductivity (EC)	uS/cm	327	329	329
Hardness (as CaCO3)	mg/L	52.6	52.1	51.7
Hydroxide (OH)	mg/L	<5.0	<5.0	<5.0
Ion Balance	%	95	94.5	92.7
Nitrate and Nitrite (as N)	mg/L	<0.071	<0.071	<0.071
Nitrate (as N)	mg/L	<0.050	<0.050	<0.050
Nitrite (as N)	mg/L	<0.050	<0.050	<0.050
pH	pH	7.99	7.98	7.99
TDS (Calculated)	mg/L	152	151	150
Sulfate (SO4)	mg/L	<0.50	<0.50	<0.50
Aluminum (Al)-Total	mg/L	0.043	0.044	0.032
Antimony (Sb)-Total	mg/L	<0.00040	<0.00040	<0.00040
Arsenic (As)-Total	mg/L	<0.00040	<0.00040	<0.00040
Barium (Ba)-Total	mg/L	0.0043	0.0045	0.0042
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	7.47	7.32	7.25
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	<0.0010	0.0011	<0.0010
Iron (Fe)-Total	mg/L	0.082	0.087	0.074
Lead (Pb)-Total	mg/L	<0.00010	<0.00010	<0.00010
Lithium (Li)-Total	mg/L	<0.010	<0.010	<0.010

		HOPWVL1-22JULY11	HOPWVL2-22JULY11	HOPWVL3-22JULY11
ALS Lab Reference #		L1035856-6	L1035856-7	L1035856-8
Sample Date/Time		7/22/2011 14:35:00	7/22/2011 14:44:00	7/22/2011 14:47:00
Parameters	**Units**	Water	Water	Water
Magnesium (Mg)-Total	mg/L	7.5	7.31	7.28
Manganese (Mn)-Total	mg/L	0.0085	0.0084	0.0079
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	1.69	1.76	1.68
Selenium (Se)-Total	mg/L	<0.00040	<0.00040	<0.00040
Silver (Ag)-Total	mg/L	<0.00010	<0.00010	<0.00010
Sodium (Na)-Total	mg/L	32.1	32.1	31
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	0.0013	0.0012	<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	<0.0040	<0.0040	<0.0040
Calcium (Ca)-Dissolved	mg/L	7.84	7.84	7.84
Magnesium (Mg)-Dissolved	mg/L	8.01	7.9	7.81
Potassium (K)-Dissolved	mg/L	2	2.03	1.88
Sodium (Na)-Dissolved	mg/L	36.9	36.6	35.7

Table 4: Sampling Results in mg/L for Under-Ice Post-Drilling Sampling Patch Lake, July 2011

		HOPPL1-22JULY11	HOPPL2-22JULY11	HOPPL3-22JULY11	HOPPL4-22JULY11
ALS Lab Reference #		L1035854-1	L1035854-2	L1035854-3	L1035854-4
Sample Date/Time		7/22/2011 2:53:00 PM	7/22/2011 2:57:00 PM	7/22/2011 3:03:00 PM	7/22/2011 3:09:00 PM
Parameters	**Units**	Water	Water	Water	Water
Total Suspended Solids	mg/L	<3.0	<3.0	<3.0	<3.0
Alkalinity, Total (as CaCO3)	mg/L	33.5	33.7	34.1	34.3
Bicarbonate (HCO3)	mg/L	40.9	41.1	41.6	41.8
Carbonate (CO3)	mg/L	<5.0	<5.0	<5.0	<5.0
Chloride (Cl)	mg/L	68.4	68.4	68.3	68.4
Conductivity (EC)	uS/cm	303	306	305	305
Hardness (as CaCO3)	mg/L	52.9	53	52.3	53
Hydroxide (OH)	mg/L	<5.0	<5.0	<5.0	<5.0
Ion Balance	%	91.3	91.8	90.9	91.1
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	7.92	7.92	7.91	7.92
TDS (Calculated)	mg/L	139	140	140	140
Sulfate (SO4)	mg/L	2.1	2.1	2.17	2.1
Aluminum (Al)-Total	mg/L	0.101	0.136	0.095	0.094
Antimony (Sb)-Total	mg/L	<0.00040	<0.00040	<0.00040	<0.00040
Arsenic (As)-Total	mg/L	<0.00040	<0.00040	<0.00040	<0.00040
Barium (Ba)-Total	mg/L	0.0039	0.004	0.0036	0.0038

		HOPPL1-22JULY11	HOPPL2-22JULY11	HOPPL3-22JULY11	HOPPL4-22JULY11
ALS Lab Reference #		L1035854-1	L1035854-2	L1035854-3	L1035854-4
Sample Date/Time		7/22/2011 2:53:00 PM	7/22/2011 2:57:00 PM	7/22/2011 3:03:00 PM	7/22/2011 3:09:00 PM
Parameters	**Units**	Water	Water	Water	Water
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	9.15	9.84	9.35	9.43
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	0.0017	0.0013	0.0016	0.0014
Iron (Fe)-Total	mg/L	0.09	0.098	0.105	0.082
Lead (Pb)-Total	mg/L	0.00015	<0.00010	<0.00010	<0.00010
Lithium (Li)-Total	mg/L	<0.010	<0.010	<0.010	<0.010
Magnesium (Mg)-Total	mg/L	6.48	7.23	6.74	6.66
Manganese (Mn)-Total	mg/L	0.0035	0.004	0.0035	0.0038
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	2.09	2.32	2.08	2.21
Selenium (Se)-Total	mg/L	<0.00040	<0.00040	<0.00040	<0.00040
Silver (Ag)-Total	mg/L	<0.00010	<0.00010	<0.00010	<0.00010
Sodium (Na)-Total	mg/L	27	29.8	27.2	28
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	0.0034	0.0053	0.0034	0.0037
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	<0.0040	<0.0040	<0.0040	<0.0040
Calcium (Ca)-Dissolved	mg/L	9.76	9.85	9.68	9.88
Magnesium (Mg)-Dissolved	mg/L	6.94	6.89	6.83	6.87
Potassium (K)-Dissolved	mg/L	2.29	2.38	2.38	2.43
Sodium (Na)-Dissolved	mg/L	29.8	30.1	30	29.9

4. PART J: ITEM 6

None of the water permitted for domestic or dust suppression use under Water License 2BE-HOP0712 was used in July 2011. Patch, Windy and Wolverine lakes were used as drill water sources in July 2011. Geographical locations of water extraction are retained on file per Part J: Item 9 of the licence. During July, drill water usage was in compliance with Part C: (amended) Item 1 stipulating the volume of water for drilling purposes shall not exceed 80 m^3 per day. Drill water usage is provided in Table 5.

Table 5: Drill Water, Ice Road Construction and Other Usage in cubic meters (m^3), July 2011

Date	Drilling (80 m^3 Daily)				Ice Road and/or Domestic Use (63 m^3 Daily)	Dust Suppression (200 m^3 Daily May - Sep)	Cumulative (143 m^3 Daily Oct-April; 343 m^3 Daily May-Sept)
	Geo 1	Geo 2	Geo 3	Drills Total	Total	Total	Daily Total
1	5.8	1.4	4.2	11.4	0	0	11.4
2	3.2	3.7	5.1	12	0	0	12.0
3	2.5	2.8	5.0	10.3	0	0	10.3
4	1.1	2.4	2.8	6.3	0	0	6.3
5	3.3	2.3	0.8	6.4	0	0	6.4
6	2.6	1.0	2.8	6.4	0	0	6.4
7	1.4	2.4	2.8	6.6	0	0	6.6
8	0.9	2.8	2.0	5.7	0	0	5.7
9	2.6	3.4	1.0	7.0	0	0	7.0
10	0.4	3.7	2.2	6.3	0	0	6.3
11	9.9	4.9	1.9	16.7	0	0	16.7
12	4.0	2.7	8.2	14.9	0	0	14.9
13	2.8	3.9	3.2	9.9	0	0	9.9
14	2.8	2.0	5.4	10.2	0	0	10.2
15	0.7	2.5	4.4	7.6	0	0	7.6
16	0.9	2.2	0.7	3.8	0	0	3.8
17	1.5	1.1	3.3	5.9	0	0	5.9
18	0.6	3.7	2.9	7.2	0	0	7.2
19	0.6	4.2	3.2	8.0	0	0	8.0
20	1.1	3.1	0.6	4.8	0	0	4.8
21	6.0	2.6	7.1	15.7	0	0	15.7
22	2.3	4.4	4.9	11.6	0	0	11.6
23	5.3	1.9	5.1	12.3	0	0	12.3
24	5.0	2.1	4.9	12.0	0	0	12.0
25	9.5	1.8	4.4	15.7	0	0	15.7
26	10.2	3.2	2.8	16.2	0	0	16.2
27	2.2	1.7	1.8	5.7	0	0	5.7
28	1.6	1.7	5.2	8.5	0	0	8.5
29	0.4	2.6	1.9	4.9	0	0	4.9
30	0.2	1.9	1.2	3.3	0	0	3.3
31	7.7	3.1	0.8	11.6	0	0	11.6
Monthly Total	**99.1**	**83.2**	**102.6**	**284.9**	**0**	**0**	**284.9**
Monthly Average	3.2	2.7	3.3	9.2	0	0	9.2
Monthly Min	0.2	1.0	0.6	3.3	0	0	3.3
Monthly Max	10.2	4.9	8.2	16.7	0	0	16.7
Previous Month Cumulative				***3407.5***	***1870.0***		***5277.5****
Annual Cumulative				***3692.4***	***1870.0***		***5562.4***

*Previous monthly cumulative figure increased by 11.4m^3 from 5,266.1m^3 to 5,277.5m^3 due to error in calculations in June

INCIDENT REPORTING

There were three incidents that pertained to the licence during the period:

1) July 6/11 – Level 1 (Insignificant). A helicopter slinging a power pack for the RC drill from the Doris Camp to Boston dropped the load approximately 500 feet to the ground due to a chafed sling. The Powerpack was destroyed and a small quantity of hydraulic fluid and diesel fuel spilled (<1L). Sorbent pads were used to control leaking fluids until the equipment was removed.

2) July 14/11 – Level 3 (Moderate) A plastic water tank that was filled with approximately 2800 L of lead-contaminated water (0.04 mg/L lead) was found empty during a site inspection. The effluent had leaked

out of the tank through a hole in the bottom from a sharp rock. A spill report was filed with the Nunavut Spill Line (#11-222).

3) July 25/11 – Level 2 (Minor) During slinging of a blown engine out of a drill shack at hole 11PSD304, the oil drain hose snagged and a broken fitting released approximately 15 liters of oil on to the tundra before it could be set back down and plugged off. Area of impact approximately 20 sq. ft. Repeated applications of sorbent matting were used to absorb the fluid.

Should there be any questions regarding the monthly report for July 2011, please contact Chris Hanks, VP Environmental Affairs, Hope Bay Mining Limited on phone number: 720-917-4489 or email: Chris.Hanks@Newmont.com

Yours sincerely,

Angela Holzapfel

Digitally signed by Angela Holzapfel
DN: cn=Angela Holzapfel, o=Hope Bay Mining Ltd, ou=Manager of Environmental Compliance, email=angela.holzapfel@newmont.com, c=CA
Date: 2011.09.06 17:59:36 -06'00'

for

Chris Hanks

VP Environmental Affairs
Hope Bay Mining Limited