

November 2, 2011

Phyllis Beaulieu, Manager of Licensing
Nunavut Water Board
P.O. Box 119
Gjoa Haven, NU X0B 1J0

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

Following is the monthly report for September 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.

This monthly report provides information on Part J (Conditions Applying to the Monitoring Program) Items 2 through 9 inclusive.

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 September. Samples were collected on September 03, 2011 and results were compliant with discharge criteria (Table 1). During the period of September 20 to 21, 2011, a volume of 40 m³ was discharged to the tundra upslope of the berm.

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

Parameters	HOP-5 (Pre Treatment) (mg/L)	HOP-5 (Post Treatment) (mg/L)	License # 2BE-HOP0712 Part D: Item 17
ALS Lab Reference #	L1055134-1	L1055134-2	Max average or any grab
Sample Date/Time	03 Sep 11 @13:30	03 Sep 11 @ 14:30	
Benzene	<0.00050	<0.00050	0.37 mg/L
Toluene	<0.00050	0.00051	0.002 mg/L
Ethylbenzene	<0.00050	<0.00050	0.090 mg/L
Total Lead	<0.00020	0.00022	0.001 mg/L
Oil and Grease	<1.0	<1.0	15.0 mg/L; no visible sheen

The land farm at Windy Camp has been removed therefore HOP-4 is no longer applicable.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 September.

3. PART J: ITEM 5

During September, no under-ice pre- or post-drilling samples were collected.

4. PART J: ITEM 6

None of the water permitted for domestic or dust suppression use under Water License 2BE-HOP0712 was used in September 2011. Patch, Windy, Doris and Wolverine lakes were used as drill water sources in September 2011. Geographical locations of water extraction are retained on file per Part J: Item 9 of the licence. During

September, 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. Drill water usage is provided in Table 1.

Table 1: Drill Water, Ice Road Construction and Other Usage in cubic meters (m³), September 2011

Date (September)	Drilling (80 m ³ Daily)					Ice Road and/or Domestic Use Total (63 m ³ Daily)	Dust Suppression Total (200 m ³ Daily May - Sep)	Cumulative Daily Total (343 m ³ Daily)
	Geo 1	Geo 2	Geo 3	Orbit 22	Drilling Total			
1	2.9	0.0	3.2	0.1	6.2	0	0	6.2
2	2.7	4.1	4.8	0.0	11.6	0	0	11.6
3	2.7	2.6	3.4	0.0	8.7	0	0	8.7
4	3.1	2.4	1.1	0.0	6.6	0	0	6.6
5	0.0	2.2	2.6	4.3	9.1	0	0	9.1
6	17.8	2.6	3.2	0.6	24.2	0	0	24.2
7	5.2	3.9	0.9	10.8	20.8	0	0	20.8
8	2.4	0.2	5.7	2.0	10.3	0	0	10.3
9	2.6	3.5	3.8	2.6	12.5	0	0	12.5
10	1.4	8.1	3.2	1.3	14.0	0	0	14.0
11	2.4	0.9	3.1	3.1	9.5	0	0	9.5
12	8.8	3.2	3.3	5.9	21.2	0	0	21.2
13	8.0	2.8	2.5	5.9	19.2	0	0	19.2
14	17.1	4.3	3.3	3.4	28.1	0	0	28.1
15	3.7	6.1	2.3	6.3	18.4	0	0	18.4
16	11.7	2.7	2.5	6.3	23.2	0	0	23.2
17	2.7	2.5	3.1	8.6	16.9	0	0	16.9
18	3.6	0.8	4.2	7.9	16.5	0	0	16.5
19	3.8	4.4	6.8	0.8	15.8	0	0	15.8
20	3.8	3.9	2.9	1.9	12.5	0	0	12.5
21	8.6	1.9	2.0	0.2	12.7	0	0	12.7
22	5.0*	1.8	3.1	3.7	13.6	0	0	13.6
23	5.0*	2.8	3.1	4.4	15.3	0	0	15.3
24	5.0*	2.1	3.9	1.9	12.9	0	0	12.9
25	5.0*	1.9	2.2	1.0	10.1	0	0	10.1
26	1.4	2.7	2.6	-	6.7	0	0	6.7
27	2.9	3.1	-	-	6.0	0	0	6.0
28	2.5	2.6	-	-	5.1	0	0	5.1
29	3.1	1.4	-	-	4.5	0	0	4.5
30	4.1	2.2	-	-	6.3	0	0	6.3
						0	0	
Monthly Total	149.0	83.7	82.8	83.0	398.5	0	0	398.5
Monthly Average	5.0	2.8	3.2	3.3	13.3	0	0	13.3
Monthly Min	0.0	0.0	0.9	0.0	4.5	0	0	4.5
Monthly Max	17.8	8.1	6.8	10.8	28.1	0	0	28.1
Previous Month Cumulative Total	-	-	-	-	3978.5	1870.0	0	5848.5
Annual Cumulative Total	-	-	-	-	4377.0	1870.0	0	6247.0

** Water meter malfunction. An average was used for the days indicated.

INCIDENT REPORTING

There were 2 incidents that pertained to the license during the period:

- September 18, 2011: Water from drill cuttings escaped from the containment sump at a diamond drill set-up (67° 53' 16"N; 112° 33' 25"W), and lay in depressions in close proximity to the drill set-up. Upon detection, the discolored water was pumped back to the containment sump and the cuttings were picked up. None of the turbid water entered a water body.

- September 22, 2011: A diamond drill (68° 3' 54"N; 112° 36' 14"W) had a hydraulic system failure resulting in approximately 0.5 litres of hydraulic oil being spilled on the floor inside the drill. No oil contacted the ground. The system was repaired and placed back in service.

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

Yours sincerely,

for

Chris Hanks

VP Environmental Affairs
Hope Bay Mining Limited