

November 30, 2011

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

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

Following is the monthly report for October 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.

2. PART J: ITEM 4 AND 7

No water was discharged from HOP-5 (Bulk Fuel Storage – Windy Camp) during the month of October.

The land farm at Windy Camp has been removed therefore sampling at HOP-4 is no longer applicable. No discharge occurred from HOP-6 (Bulk Fuel Storage Facility – Patch Lake) during October.

3. PART J: ITEM 5

During October, no under-ice pre- or post-drilling samples were collected as the winter on-ice drilling program has not commenced for the 2011/2012 season.

4. PART J: ITEM 6

None of the water permitted for domestic or dust suppression use under Water License 2BE-HOP0712 was used in October 2011. Doris Lake was used as a drill water source in October 2011. Geographical locations of water extraction are retained on file per Part J: Item 9 of the licence. During October, 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. During October, water for drilling use was provided by truck from Doris Lake into holding tanks at the drills. The total water extracted and delivered over the period was divided over the number of drilling days to provide a daily water usage value. Drill water usage is provided in Table 1.

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

	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	Total Drilling			
October						
1	3.5	3.5	7	0	0	7
2	3.5	3.5	7	0	0	7
3	3.5	3.5	7	0	0	7
4	3.5	3.5	7	0	0	7
5	3.5	3.5	7	0	0	7
6	3.5	3.5	7	0	0	7
7	3.5	3.5	7	0	0	7
8	3.5	3.5	7	0	0	7
9	3.5	3.5	7	0	0	7
10	3.5	3.5	7	0	0	7
11	3.5	3.5	7	0	0	7
12	3.5	3.5	7	0	0	7
13	3.5	3.5	7	0	0	7
14	3.5	3.5	7	0	0	7
15	3.5	3.5	7	0	0	7
16	3.5	3.5	7	0	0	7
17	3.5	3.5	7	0	0	7
18	3.5	3.5	7	0	0	7
19	3.5	3.5	7	0	0	7
20	3.5	3.5	7	0	0	7
21	3.5	3.5	7	0	0	7
22	3.5	3.5	7	0	0	7
23	3.5	3.5	7	0	0	7
24	-	3.5	7	0	0	7
25	-	3.5	7	0	0	7
26	-	3.5	7	0	0	7
27	-	3.5	7	0	0	7
28	-	3.5	7	0	0	7
29	-	3.5	7	0	0	7
30	-	3.5	7	0	0	7
31	-	3.5	7	0	0	7
Monthly Total	80.5	108.5	217	0	0	217
Previous Month Cumulative Total	-	-	4377	1870	0	6247
Annual Cumulative Total	-	-	4594	1870	0	6464

INCIDENT REPORTING

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

- October 11, 2011: – A 4 litre hydraulic oil spill occurred in Quarry “D” (68° 4’ 39.51”N; 106° 36’ 51.23”W) as a result of a broken hose on a D-8 dozer working in the quarry. The contaminated gravel was removed and brought to waste management for proper disposal. The hose was repaired and the equipment returned to service.
- October 21, 2011: – Approximately 0.25 m³ of drill cuttings spilled on the tundra at drill hole # 11PMD709 (68° 4’ 4.88”N; 106° 36’ 24.88”W) as a result of the cuttings bin overflowing while workers were focused on removing rods which were frozen. The cuttings were immediately shoveled up, placed back into the containment bin and sent to the approved disposal area.
- October 23, 2011: – A spill of approximately 1 litre of hydraulic oil occurred at drill hole # 11PMD709 (68° 4’ 4.88”N; 106° 36’ 24.88”W) as a result of a broken hydraulic line on the drill. The contaminated soil was removed, placed in a container and brought to the waste management facility. The hydraulic line was repaired and the drill returned to service.

Should there be any questions regarding the monthly report for October 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