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**Re: Water Licence 2BB-BOS0712 - New Boston Sewage Treatment Plant (STP)**

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Dear Ms. Joy and Mr. Hohsteim,

As you are aware, Hope Bay Mining Ltd. (HBML) has since it acquired the Hope Bay Belt from Miramar Mining struggled to make the outdated sewage treatment plants at Boston meet regulatory compliance. While we continue to make operational changes to the existing Boston plant to try and improve it's short term performance those improvements are not the long term answer.

By this letter, HBML would like to advise the Nunavut Water Board (NWB) and INAC that a new STP will be installed at Boston Camp, in the Hope Bay Belt in mid-2009. This new STP will essentially be a duplicate of the approved STP located at the Doris North site, except that it will have shorter and wider membranes allowing it to fit into a seacan and then into a Hercules plane.

HBML is seeking direction from the NWB as to whether HBML needs to formally apply for a modification of 2BB-BOS0712 under Part G.1 with respect to this new STP. HBML does not think, but wants to make certain, that replacing the STP is a modification to

2BB-BOS0712 because it is an operational decision to replace the currently approved STP system under 2BB-BOS0712 with the approved, and improved, STP system of a type already permitted under 2AM-DOH0713 at Doris North. HBML has stayed with known technology, which can be installed at Boston in a manner consistent with the existing terms of 2BB-BOS0712.

The new STP will be delivered in February, and installed and operational before spring break-up in May or June. This timing will allow the existing STP at Boston to be shut down before the start of a new season, as requested by the INAC inspector.

It is HBML's plan in the near future to install a new incinerator at Boston Camp that meets the requirements of the Canada-Wide Standards for Dioxins and Furans, and the Canada-Wide Standards for Mercury emissions (as per 2AM-DOH0713 Part G.6). The sludge press in the new STP will remove excess water from the sludge, allowing the waste to be burned as cakes. Until this new incinerator is installed at Boston, cakes from Boston Camp's STP will be shipped to Doris North and burned in the incinerator there.

In considering the installation of this new STP, HBML will, in addition to selecting a plant that has already been assessed by NIRB and licensed by NWB, address the following sections of the Boston water license necessary to make sure that the new plant meets the criteria of the new license. These include:

B.7.iv HBML will record, in cubic meters, the volume of treated sewage effluent discharged at Monitoring Station BOS-3, and report on this in monthly and annual quantities in the Annual Report.

B.7.v HBML will record, in cubic meters, the volume of sludge removed from the STP, and report on this in monthly and annual quantities in the Annual Report.

D.1 HBML will locate the waste disposal area at least 30 meters from the ordinary high water mark of any body of water.

D.11 HBML will direct all sewage to the sewage disposal facility.

D.12 HBML does not believe this clause applies to the new STP because HBML plans to separate the sludge, dehydrate it, and compress into cakes that can be burned in an incinerator that meets the criteria described above.

D.13 HBML does not believe that this clause applies because no sludge will be disposed of on land.

D.16 HBML will provide the inspector with 10 days notice prior to start-up of the STP.

D.17 All sewage discharged from the STP will be monitored at BOS-3 and will not exceed the parameters specified in this clause of 2BB-BOS0712.

D.18 HBML will comply with this clause.

D.19 HBML will comply with this clause.

E.5 HBML will submit an *Operation and Maintenance Manual for the Waste Water Treatment Facility*. This document will largely be a revision of the document, by the same name, sent to Board in July 2008, which was in compliance with Part G.4 of the Doris North Water License 2AM-DOH0713. This is possible because the two plants will be nearly identical in operation. The Doris North plant is currently under review by the NWB.

Thank you, for your consideration

Sincerely yours,

Chris Hanks  
Director, Environment and Social Responsibility