

MIRAMAR HOPE BAY LTD.

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02 July 2004

Via e-mail only:

Mr. David Hohnstein Technical Advisor Mining Nunavut Water Board, P.O. Box 119 Gjoa Haven, NU, X0E 1J0

Dear Mr. Hohnstein,

Re: May / June 2004 Monthly Report for Water License: NWB1BOS0106

Activities at the Boston camp during the months of May and June focused on activities related to the Boston Deeps exploration program. The pumphouse was repositioned on Spyder (Aimaokatak) Lake and flows are recorded by the in-line flow-meter. The camp was fully operational for the report period and the camp population remained consistent at approximately 45 personnel. This number is expected to range within 40-50 throughout the 2004 program.

Water for all purposes is pumped from one pumping station, that being 1652-1a. The licence allows for water use of 150 cubic metres per day. There was no activity underground and hence nothing to report as per the attached table.

Intake Site	Particulars	May, 2004	June, 2004	Year-to-Date (YTD)
1652-1a	Camp & Domestic Use	285 m^3	259 m^3	961 m ³
1652-1a	Underground Operations – Inactive	0 m^3	0 m^3	0 m^3

Outflow Site	Particulars	Total Waste Discharged into Spyder (Aimaokatak) Lake
1652-2	Underground Operations - Inactive	0 m^3

The following table provides results of water quality samples collected during the report period as per the SNP requirements of this licence. Samples were taken at SNP 1652-3 in May and June and sent to the external laboratory for testing as required. Please note that SNP stations 1652-4 and 1652-5 are only require sampling during open water conditions and therefore were not done in May and June. Analyses results for the report period are provided in the following table:

	SNP #1652-3	SNP #1652-3	SNP#1652-4	SNP #1652-5
Parameters	Sewage-End	Sewage-End	Sewage effluent	Sewage effluent
Turumeters	of Pipe	of Pipe	point discharge into	point discharge into
			Spyder Lake	Spyder Lake
Sample Date	May 20, 2004	June 03, 2004	n/a-frozen	n/a-frozen

Physical Tests	Results	Results*		
Hydrogen ion – field pH	7.41	7.27		
Total Suspended Solids (mg/L)	95			
Field Sample Temperature (°C)	17			
Bacteriological Tests			<u>. </u>	
Coliforms – Faecal (CFU/100mL)	630,000	610,000		
Extractable			<u>. </u>	
Oil and Grease (No Visible Sheen)	No-Visible Sheen	No-Visible Sheen		
Organic Parameters				
BOD ₅ (mg/L)	143	460		
Nutrients				
Orthophosphate as P (mg/L)	6.0	10.1		
Phosphate, Total (mg/L)	10.1	18.7		
Subcontracted Nutrients				
Kjeldahl Nitrogen, Total	39			
Nitrate+Nitrite as N (mg/L)	<2	No reading**		
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No reading ** - Holding time exceeded before analysis due to login error by external laboratory; *Preliminary results

Preliminary results for June water samples have been received and reported as shown in the above table. Final results will be reported in July's report. All compliance monitoring will be completed and submitted as required by the Boston water licence.

There were no reportable spills at Boston for the period reported.

If you have any questions related to this matter, please do not hesitate to contact the undersigned on the above numbers or 1-780-975-2550, or you can contact me by e-mail at hugh_r_wilson@hotmail.com; or hwilson@miramarmining.com.

Sincerely, **Miramar Hope Bay Ltd.**

Original signed by :" H. R. Wilson"

Hugh R. Wilson, Manager, Environmental Affairs

CC: Tim Canam: Project Manager/Boston- MHBL

Matthew Kawei: Senior Environmental Coordinator - MHBL

D. Fonseca: MHBL Vancouver