



Hope Bay Mining Ltd.
Suite 300
889 Harbourside Drive
North Vancouver, BC
V7P 3S1
Phone 604 985 - 2572
Facsimile 604 980 - 0731
www.newmont.com

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Melissa Joy
Water Resources Officer
INAC
Box 278
Kugluktuk, NU X0B 0E0
Canada
joym@inac.gc.ca

David Hohsteim
Director Technical Services
Nunavut Water Board
PO Box 119
Gjoa Haven, NU X0B 1J0
dts@nunavutwaterboard.org

Dear Melissa and David,

Re: Boston Water Licence 2BB-BOS0712 – August 2008 Monthly SNP Report

Please find enclosed the August report for Boston Camp and associated explorations drill sites provided by Hope Bay Mining Ltd. (HBML) for Water Licence 2BB-BOS0712.

As reported in the attached, the Sewage Treatment Facility at Boston is continuing to run out of compliance with the discharge requirements for BOD, TSS, Fecal Coliform, Total Coliform, and E. coli at Surveillance Network Station (SNP) BOS-3. Based on the advice of Sanitherm, the manufacturer of the plant, in August, HBML begin to more regularly pump sludge from the system. The strategy was to try and get the TSS to drop, which would have an affect BOD and allowed the UV final treatment to have more effectively controlled bacteria in the effluent. This did not obtain the desired result.

Going forward, HBML is proposing two actions to improve plant performance. First, in the interim plant operation will be improved by adding more aeration to drop BOD, an overflow tank for the RBC which is being done in response to a request by INAC to provide secondary containment, and a sludge dewatering tank to facilitate winter sludge management (see attached Hope Bay Mining – Boston Camp). This temporary operational fix will be in place until the current RBC - STP is replaced with a new membrane plant that will be sized appropriately to operational requirements. The new STP is expected to arrive in late February or early March 2009 when a Hercules capable ice strip is installed at Boston. Shortly, HBML will write to the NWB about potential water licence issues related to the replacement of the existing STP.

As a result of increased sludge pumping, about 80 drums of sludge/black-water was removed from the RBC Unit at Boston Camp and flown to Doris Camp to run through the new STP plant. The sludge/black-water was required at Doris as part of the STP start-up to increase the grey water density to 12,000-18,000 mg/L in the plant. This operational change to sludge management procedures was undertaken after notification of INAC and the NWB by letter on September 3, 2008 and subsequent phone calls on this operational decision with both agencies.

Thank you for your consideration of our August report and the plans to up-grade this facility. If you have any questions please contact Chris Hanks at 1-720-917-4489 or Chris.Hanks@Newmont.com

Sincerely yours,

Chris Hanks
Director, Environment and Social Responsibility
Hope Bay Mining Ltd. an affiliate of
Newmont Mining Corporation