

December 22, 2008

Technical Advisor – Mining
Nunavut Water Board
P.O. Box 119
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**Re: Oct 2008 –Monthly Monitoring Report for Boston Water License 2BE-BOS0712
under Part J – Items 2 – 8 and 11 - 14.**

Following is the monthly report for October 2008 as required under Water license 2BB-BOS0712.

1. PART J: ITEM 2

No discharges occurred at station BOS-2 during the month of October.

2. PART J: ITEM 3

During the month of October 2008, water samples were collected three times at monitoring station BOS-3 and twice at monitoring station BOS-4. The additional samples are being voluntarily collected by HBML for due diligence purposes associated with on going steps to improve Sewage Treatment Plant (STP) performance. Under the current Boston Water Licence 2BB-BOS0712, HBML is only obligated to report on a single sample collected once per month when Boston is operational. This additional information is being voluntarily supplied to the NWB and INAC so that government has the same data set being used by the company to tune the plant. Table 1 provides the values and laboratory report references. Station BOS-4 froze at the end of October, therefore sampling will resume there in 2009 once the thaw has taken place.

Table 1: SNP Water Sampling Summary, Stations BOS-3 and BOS-4, October 2008

Parameter	BOS-3	BOS-4	Boston: 2BB-BOS0712
ALS Lab Reference #	L691854/693940	L691854/693940	Compliance Values
Field Sample Details	BOS-3	BOS-4	Part D: Item 10
Sample Date	Oct 6/08	Oct 6/08	Part J: Item 2
Biochemical Oxygen Demand (BOD ₅)	193	<2	80 mg/L
Total Suspended Solids (mg/L)	108	<3	100 mg/L
Fecal Coliform	74,000,000	<1	10, 000 CFU/100 mL
pH (pH unit)	7.7	6.8	Between 6 and 9.5
Oil & Grease (Visibility)	*	*	No visible sheen (NVS)
Oil & Grease (mg/L)	48	<1	-
ALS Lab Reference #	L696153/697246	L696153/697246	Compliance Values
Field Sample Details	BOS-3	BOS-4	Part D: Item 10
Sample Date/	Oct 15/08	Oct 15/08	Part J: Item 2
Biochemical Oxygen Demand (BOD ₅)	183	<2	80 mg/L
Total Suspended Solids (mg/L)	104	5	100 mg/L
Fecal Coliform	5,000,000	<1	10, 000 CFU/100 mL
pH (pH unit)	7.5	6.9	Between 6 and 9.5
Oil & Grease (Visibility)	*	*	No visible sheen (NVS)
Oil & Grease (mg/L)	57	<1	-

Table 1 cont.: SNP Water Sampling Summary, Stations BOS-3 and BOS-4, October 2008

Parameter	BOS-3	BOS-4	Boston: 2BB-BOS0712
ALS Lab Reference #	L701418/702415	-	Compliance Values
Field Sample Details	BOS-3	-	Part D: Item 10
Sample Date/	Oct 27/08	-	Part J: Item 2
Biochemical Oxygen Demand (BOD ₅)	391	-	80 mg/L
Total Suspended Solids (mg/L)	186	-	100 mg/L
Fecal Coliform	18,000,000	-	10, 000 CFU/100 mL
pH (pH unit)	7.4	-	Between 6 and 9.5
Oil & Grease (Visibility)	*	-	No visible sheen (NVS)
Oil & Grease (mg/L)	58	-	-

Monitoring station BOS-3 was non-compliant for all parameters – BOD, TSS and faecal coliforms in the period due to on-going issues with the STP. These on-going issues with the effluent being discharged from the end of pipe at BOS-3 are not reflected in the results of monitoring at station BOS-4 where the effluent enters Spyder Lake, as a result of the land treatment on the tundra. The water entering Spyder Lake complies with the water licence. After the October 15th sample there was no longer any active flow at BOS-4 due to the onset of winter.

Oil and Grease values were reported as mg/L but not as visible sheen as required by the licence. The laboratory has been requested to provide the visual indicator required by the licence. The values as reported in mg/L by the laboratory are included in the table above for reference. This has since been rectified and the laboratory will provide the correct reporting for the parameters in the future.

3. PART J: ITEM 4

Annual sampling to demonstrate non-toxicity (Acute Lethality to Rainbow Trout) of the effluent discharged from the STF at monitoring station BOS-4 was conducted Oct 6/08 and submitted for analysis to ALS Laboratories. Results are not yet available.

Results of annual testing for acute lethality to the crustacean, *Daphnia magna*, were reported in September 2008.

4. PART J: ITEM 5

Water was not discharged from BOS-5 (Effluent from Bulk Fuel Storage Facility) and BOS-6 (Effluent from Land Farm Treatment Facility) during the period. No flow was observed for opportunistic sampling at monitoring Station BOS-7 (Landfill Leachate as there is no land fill).

5. PART J: ITEM 6 AND PART J: ITEM 7

No seepage or runoff was observed for opportunistic sampling at monitoring Station BOS-8 (Waste Rock/Ore Storage) during the period.

6. PART J: ITEM 8

Sampling under Part F: Item 7, drilling through Lake Ice, was not conducted as this activity did not occur during the period.

7. PART J: ITEM 11

Water usage from camp operations and drilling is detailed in the Table 2.

Table 2.Camp and Drill Water Usage in cubic meters (m³), October 2008

Parameters	BOS-1 Camp	Rig 1480	Rig 1481	Total Usage m ³	2BB-BOS0712
Water Source	Spyder Lake	Spyder Lake	Spyder Lake		Compliance Values
Monthly Cumulative	143.36*	131.2	94.78	369.26	3,100 m ³ monthly
Volume Average (Daily)	4.62	8.2	5.9	18.72	100 m ³ daily
Median	4.25	4.4	2.8	-	100 m ³ daily
Maximum	13.17	9.4	4.2	-	100 m ³ daily
Minimum	0.99	0.5	1.8	-	100 m ³ daily

* An investigation of the discrepancy between metered waste discharge and metered waster usage resulted in the discovery that an un-metered emergency water tank on-site (capacity 16m³) was utilized 3 times during October due to generator and fresh water pump mechanical issues. Normally this water would not enter the system, so this water usage was not previously detectable. This is being rectified with the installation of a meter on the emergency tank so that all water usage will be accounted for at Boston Camp.

Combined camp and drilling water usage was within the volumes allocated in Licence 2BB-BOS-0712

8. PART J: ITEM 12

No mine water was pumped from underground during the period.

9. PART J: ITEM 13

Quantities of effluent discharged from monitoring station BOS-3 in cubic meters are in Table 3.

Table 3: Treated Sewage Effluent released in cubic meters (m³) for Boston Camp STF (BOS-3), October 2008

Parameters	BOS-3
Water Source	Spyder lake
Monthly Cumulative	192.8
Volume Average (Daily)	6.4
Median	6.4
Maximum	17.0
Minimum	0.9

During the month, the addition of a digester tank has alleviated the immediate need for sludge removal and sludge is being re-circulated through the treatment process in an attempt to provide the necessary biological activation to reduce the faecal coliform counts.

10. PART J: ITEM 14

During the month of October, 25 drums of sludge were removed from the sewage treatment facility totaling approx. 5 cubic meters. This material will be treated in the Doris North STP, which is equipped to process sewage sludge. The approval for this was previous outlined in the September 2008 report.

11. INCIDENT REPORTING

1.) During the month of October, ongoing problems with the Boston STP lead to non-compliance issues with three parameter of the water licence discussed above. This plant is currently under modification and transition to be serviced by a new wastewater treatment operator to address the performance issues. The existing plant will be replaced in the March to May period of 2009

Should there be any questions regarding the monthly report for October 2008, please contact Chris Hanks, Director, Environment and Social Responsibility, Hope Bay Mining Limited on phone number: 720-917-4489 or email: Chris.Hanks@Newmont.com

Yours sincerely,

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