

December 24, 2008

Technical Advisor – Mining
Nunavut Water Board
P.O. Box 119
Gjoa Haven, NU X0B 1J0

Re: November 2008 –Monthly Monitoring Report for Water License 2BE-BOS0712 under Part J – Items 2 – 8 and 11 - 14.

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

1. PART J: ITEM 2

No seepages/discharges occurred at station BOS-2 during the month of November.

2. PART J: ITEM 3

During the month of November 2008, water samples were collected weekly at SNP BOS-1 and BOS-3 by HBML for due diligence purposes associated with on going steps to improve STP performance. Under the current NWB Water Licence 2BB-BOS0712, HBML is obligated to only collect samples 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 summer 2009.

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

Parameter	BOS-1	BOS-3	Boston: 2BB-BOS0712
ALS Lab Reference #	L705813-14/L703639-1	L705813-15/L703639-2	Compliance Values
Field Sample Details	BOS-1	BOS-3	Part D: Item 10
Sample Date	November 03 2008	November 03 2008	Part J: Item 2
Biochemical Oxygen Demand (BOD ₅)	<2	277	80 mg/L
Total Suspended Solids (mg/L)	5	84	100 mg/L
Fecal Coliform	<1	7,000,000	10, 000 CFU/100 mL
pH (pH unit)	6.9	7.5	Between 6 and 9.5
Oil & Grease (Visibility)	NVS	NVS	No visible sheen (NVS)
Oil & Grease (mg/L)	<1	35	-
ALS Lab Reference #	L708040-14/L707368-3	L708040-15/L707368-4	Compliance Values
Field Sample Details	BOS-1	BOS-3	Part D: Item 10
Sample Date/	November 12 2008	November 12 2008	Part J: Item 2
Biochemical Oxygen Demand (BOD ₅)	<2	415	80 mg/L
Total Suspended Solids (mg/L)	<1	478	100 mg/L
Fecal Coliform	<1	14,000,000	10, 000 CFU/100 mL
pH (pH unit)	7.3	6.8	Between 6 and 9.5
Oil & Grease (Visibility)	NVS	NVS	No visible sheen (NVS)
Oil & Grease (mg/L)	<1	75	-

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

Parameter	BOS-1	BOS-3	Boston: 2BB-BOS0712
ALS Lab Reference #	L710713-10/L709433-1	L710713-11/L709433-2	Compliance Values
Field Sample Details	BOS-1	BOS-3	Part D: Item 10
Sample Date/	November 18 2008	November 18 2008	Part J: Item 2
Biochemical Oxygen Demand (BOD ₅)	<2	492	80 mg/L
Total Suspended Solids (mg/L)	<1	313	100 mg/L
Fecal Coliform	<1	33,000,000	10, 000 CFU/100 mL
pH (pH unit)	6.70	7.29	Between 6 and 9.5
Oil & Grease (Visibility)	NVS	NVS	No visible sheen (NVS)
Oil & Grease (mg/L)	1	376	-
ALS Lab Reference #	L112221-16/L711421-3	L112221-16/L711421-4	Compliance Values
Field Sample Details	BOS-1	BOS-3	Part D: Item 10
Sample Date/	November 24 2008	November 24 2008	Part J: Item 2
Biochemical Oxygen Demand (BOD ₅)	<2	305	80 mg/L
Total Suspended Solids (mg/L)	<1	nr ¹	100 mg/L
Fecal Coliform	<1	6,000,000	10, 000 CFU/100 mL
pH (pH unit)	6.72	7.46	Between 6 and 9.5
Oil & Grease (Visibility)	NVS	NVS	No visible sheen (NVS)
Oil & Grease (mg/L)	3	34	-

Monitoring station BOS-3 demonstrated non-compliance for the period for parameters - BOD, TSS and faecal coliforms due to on-going issues with the STP. HBML is planning to install a new STP at Boston Camp in 2009.

An increase in the concentrations of oil and grease was noted in the effluent from BOS-3. A spike occurred in the analysed for effluent samples collected on November 18 2008. Even though HBML is not required to report oil and grease-gravimetric data, gradually increasing concentrations of oil and grease in the treated effluent will impact the ability of the STP plant to provide sufficient oxygen for micro-organism activities within the system. Investigation revealed that a new grease trap was needed for the Boston kitchen. A purchased order has been issued to replace the trap. The trap will be in place at the beginning of the 2009 when the Boston Camp reopens. It is anticipated that this will solve the problem

3. PART J: ITEM 4

Annual sampling to demonstrate non-toxicity (Acute Lethality to Rainbow Trout) of the effluent discharged from the STP at monitoring station BOS-4 was conducted Oct 6/08 and submitted for analysis to ALS Laboratories. Results are not yet available. HBML is following up with the laboratory on the status of the report.

4. PART J: ITEM 5

No water was removed from BOS-5 (Effluent from Bulk Fuel Storage Facility) or at BOS-6 (Effluent from Landfarm Treatment Facility) during the period. No flow was observed for opportunistic sampling at monitoring Station BOS-7(Landfill Leachate). All areas covered with snow.

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. All areas covered with snow.

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.

¹ Not reported in the certificate of analyses by external laboratory

7. **PART J: ITEM 11**

Combined camp and drilling water usage was within the volumes allocated in Licence 2BB-BOS-0712. Water usage from camp and drilling operations is detailed in the Table 2.

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

Parameters	BOS-1 Camp	Rig 1480	Rig 1481	Total Usage m ³	2BB-BOS0712
Water Source	Spyder Lake	Spyder Lake	Spyder Lake	All Water Sources	Compliance Values
Monthly Cumulative	129.22	123.35	121.16	373.73	3,100 m ³ monthly
Volume Average (Daily)	4.31	4.11	4.03	-	100 m ³ daily
Median	3.87	4.16	4.10	-	100 m ³ daily
Maximum	11.60	8.54	5.39	-	100 m ³ daily
Minimum	0.33	0.38	2.96	-	100 m ³ daily

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. The volume of discharge is a lot higher than that of the water being extracted from Syder Lake. The increase in volume was the result of the use of a back up tank on November 7th 2008. Meter reading that day recorded only 0.33 m³ of water was extracted from the lake. All digester tanks at the STP were in full operation.

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

Parameters	BOS-3
Water Source	Spyder lake
Annual Cumulative Volume (cubic meters)	343.45
Monthly Volume	155.65
Volume Average (Daily)	5.19
Median	5.45
Maximum	7.37
Minimum	1.38

10. **PART J: ITEM 14**

During the month of November, no black sludge was removed from the RBC Unit. Black sludge was pumped into the newly installed digester tank.

11. **INCIDENT REPORTING**

1.) During the month of November, discharge from BOS-3 was not in compliance with the water license. The STP has been recently enhanced to supplement the existing operational capacity this season and in the spring of 2009. This is a transitional step until the new STP is installed in the spring of 2009. HBML has recently contracted a new company to provide wastewater treatment operators. They are taking operational steps to address the existing plant's environmental performance challenges until the new plant is installed.

Should there be any questions regarding the monthly report for November 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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