

January 22, 2009

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

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

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

1. PART J: ITEM 2

No seepages/discharges occurred at station BOS-2 during the month of December. All surroundings are frozen and covered with snow.

2. PART J: ITEM 3

During the month of December 2008, water and effluent samples were collected at SNP BOS-1 and BOS-3 on December 3 2008. No other samples were collected during the month as Boston Camp ceased operation few days after sampling and will resume operation during spring/summer of 2009. Table 1 provides the analytical data and external 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-1 and BOS-3, December 2008

Parameter	BOS-1	BOS-3	Boston: 2BB-BOS0712
ALS Lab Reference #	L715546-1/L714862-1	L715546-2/L714862-2	Compliance Values
Field Sample Details	BOS-1	BOS-3	Part D: Item 10
Sample Date	December 03 2008	December 03 2008	Part J: Item 2
Biochemical Oxygen Demand (BOD ₅)	<2	218	80 mg/L
Total Suspended Solids (mg/L)	<3	103	100 mg/L
Fecal Coliform	<1	19,000,000	10, 000 CFU/100 mL
pH (pH unit)	6.9	7.6	Between 6 and 9.5
Oil & Grease (Visibility)	NVS	NVS	No visible sheen (NVS)
Oil & Grease (mg/L)	<1	<1	-

Monitoring of the effluent discharged at BOS-3 indicates it was not compliant with the parameters for BOD, TSS and faecal coliforms in the water licence due to on-going issues with the existing Sewage Treatment Facility. HBML is planning to install a new membrane STP modeled on the Doris North unit, at Boston Camp in the spring of 2009. It is anticipated to be in service by June 1, 2009.

3. **PART J: ITEM 4**

Annual toxicity sampling required under the water licence on the effects (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 external 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) and BOS-6 (Effluent from Landfarm Treatment Facility) during the period, and no flow was observed for opportunistic sampling at monitoring Station BOS-7(Landfill Leachate). All areas are frozen and 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 are frozen and 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.

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. No drilling was conducted during the month.

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

Parameters	BOS-1 Camp	Total Usage m³	2BB-BOS0712
Water Source	Spyder Lake	All Water Sources	Compliance Values
Monthly Cumulative	19.98	393.71	3,100 m ³ monthly
Volume Average (Daily)	3.33	-	100 m ³ daily
Median	3.35	-	100 m ³ daily
Maximum	3.78	-	100 m ³ daily
Minimum	2.80	-	100 m ³ daily

8. **PART J: ITEM 12**

No mine water runoff was pumped from underground during the period.

9. PART J: ITEM 13

Volumes of effluent discharged from station BOS-3 in cubic meters are listed in Table 3. The volume released is lower than in previous months as the Boston Camp was winding down its operation for the year. Only a skeleton of maintenance personnel were at the camp in early December to gradually shut down the camp for the season.

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

Parameters	BOS-3
Water Source	Spyder lake
Annual Cumulative Volume (cubic meters)	374.85
Monthly Volume	31.40
Volume Average (Daily)	5.23
Median	4.97
Maximum	7.01
Minimum	4.43

10. PART J: ITEM 14

During the month of December, 16 drums of black sewage sludge were removed from the Boston RBC Unit, labelled and placed in the lined land treatment area for storage over the winter until it can either be transported to Doris for final disposal or used in the start up of the new Boston STP.

11. INCIDENT REPORTING

1.) During the month of December, ongoing problems with the Sewage Treatment Plant lead to non-compliance with the water license effluent discharge criteria. This plant has recently been updated by the addition of a larger blending tank and increased aeration and further is being serviced by a new wastewater treatment operator. HBML will continue to address the existing plant's environmental performance challenges to maximize its operation until it is replaced in the spring of 2009.

Should there be any questions regarding the monthly report for December 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,

Chris Hanks

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