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David W. Abernethy
Water Resources Regional Coordinator
Operations Directorate, Nunavut Regional Office
Indian and Northern Affairs Canada
Iqaluit, Nunavut
X0A 0H0

Dear Mr. Abernethy,

Re: INAC Technical Review Memorandum of the June 2009 Monitoring Report for Water Licence 2BB-BOS0712 – Boston Advanced Exploration Project.

Thank you for your recent review, noted above. To assist in this and future reviews, HBML would like to take this opportunity to provide further information with respect to the project. In particular, this letter sets out further details with respect to water discharge and waste disposal at the site.

With respect to the recommendation at Point 3, HBML already has procedures in place which prevents any release of discharge with visible sheen. As required by Part D, Item 21 of the Water Licence, HBML does not discharge if a visible sheen is present. Water that does not meet discharge criteria is either treated or held for evaporation (as was the case in this instance). If water must be discharged that does not in the first instance meet hydrocarbon discharge criteria, a carbon filter oil water separator is set up, a sample is taken from the outflow of the filter for analysis by a third party laboratory for Benzene, Toluene, Ethylbenzene, Lead, and Oil and Grease. Once the results are obtained, if the filtered water meets discharge criteria the INAC Inspector is properly notified and the water is discharged. If the water does not meet discharge criteria then it is held either in its original location or in the lined pond at Boston until other arrangements can be made. In this case the water from the Land Farm that had the visible sheen was not discharged and has evaporated over the summer. This is the action suggested in the June report.n.

Under Point 5, HBML wishes to provide clarification to INAC that there is not now nor has there ever been a land fill at Boston. Since the Boston Water Licence describes BOS 7 as Landfill Leachate, HBML assumes that the previous owner of the property (Miramar) contemplated building a land farm. However, for various reasons, HBML has not pursued the option of permitting and building a land fill.

Functionally, as far as I know, BOS-7 has always been a seepage monitoring point down gradient from the lined settling pond. Sampling point BOS-7 is located downstream from the containment pond (BOS-2) at Boston Camp. HBML opportunistically samples this point to monitor any downstream impacts that could be associated with the area of runoff contributing to the drainage where BOS-7 is located. There is seldom any water present. While there are not discharge criteria for this point because it is monitored for seepage not discharge, any seepage that is sampled is compared to relevant CCMS and MMER standards. To be correct, the water license should be modified to label this point as “downstream monitoring” rather than “Landfill” as no landfill has ever been operated at the Boston Camp. HBML will apply to the NWB for such a change to the licence. The seepage is discussed more completely in the *Water, Ore and Waste Rock Management Plan*, which was recently sent to the NWB in compliance with the water licence.

Under Point 6, HBML has submitted the *Water, Ore and Waste Rock Management Plan* to the NWB earlier in August. On the 20th of August, NWB sent that document out for public review. According to the Water Licence, Miramar committed to submitting this document to the NWB in 2002, but it failed to do so. When HBML took over the property in 2008, one of the company’s first actions was to contract SRK to undertake a current geochemistry evaluation of the Boston property and to produce the plan. It has taken 14 months to re-analyse the Boston geochemistry and to prepare the plan.

Thank you, for your time and consideration of our response. If you should have any further questions please feel free to contact me at <chris.hanks@newmont.com>

Sincerely yours,

Chris Hanks
Director, Environment and Social Responsibility
Hope Bay Mining Ltd.