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Phyllis Beaulieu
Nunavut Water Board
P.O. Box 119
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Re: Water License 2BB-BOS0712 September 2008 SNP Report INAC Review

Dear Ms. Beaulieu,

On Dec. 19, 2008, INAC prepared a technical memorandum with regards to the Sept. 2008 monthly monitoring report for license 2BB-BOS0712 that Hope Bay Mining Ltd. submitted to the NWB on Oct. 23, 2008. HBML has not yet addressed INAC's concerns in writing. Please find attached with this letter, HBML's response to the comments and recommendations made in INAC's technical memorandum.

Please contact me at Chris.Hanks@newmont.com if you have additional questions or require any further information relating to the contents of this letter.

Sincerely,

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

2BB-BOS0712

Review	INAC Recommendation	HBML Response
<p>Miramar Hope Bay Ltd. indicated in their report that several actions will be undertaken in order resolve these exceedences, including;</p> <p>(i) reducing camp loading to the RBC Unit to 45 individuals (ii) implementing an improved preventive maintenance plan including more regular pumping of sludge, (iii) treatment of the sludge in the Doris North STP and (iv) operational changes to the system to help improve the quality of the treated grey water effluent to the natural environment.</p>	<p>Recommendation 1: INAC recommends that Miramar Hope Bay Ltd. (i.e., HBML) include in the next Monthly Monitoring Report whether the identified action plans for mitigating license parameter exceedence levels was successful.</p>	<p>Despite the reduction in camp loading, increased aeration and improved sludge management the plant continues to be non-compliant with the water licence at BOS-3 where the effluent is discharged from the plant on to the tundra. Further, a new wastewater treatment system contractor was brought on site to review and update operational procedure. This step yielded some improvement in effluent quality but the plant continued to function erratically. The current facility is 14 years old and its capacity was cut in half by the previous owners. It needs to be replaced. In discussions between HBML and the INAC Inspector, it was concluded that HBML would continue to run the existing plant until a new plant which is scheduled for construction in 2009 is operational. SNP monitoring to date at BOS-4 indicates that water entering Spyder Lake meets the criteria of the water licence. Land treatment on the tundra between BOS-3 and BOS-4 is effectively polishing the effluent.</p>
<p>INAC states in Comment 2 of its Dec. 19, 2008 technical memorandum that: "Miramar Hope Bay Ltd reported that the sewage effluent flow meter was installed in early October therefore no effluent sewage flow volumes were reported for September, 2008</p>	<p>Recommendation 2: The volume of the effluent discharged for Boston Camp (BOS-3) should be included in the next Monthly Monitoring report.</p>	<p>The effluent meter was installed on the discharge line and discharge volumes were measured until Boston Camp closure in December 2008.</p>

(required by Part J Item 13)."		
INAC states in Comment 3 of its Dec. 19, 2008 technical memorandum that: "During the month of September, 20 barrels of sludge were removed from the Boston STP and transferred to the Doris membrane plant for treatment."	Recommendation 3: Miramar Hope Bay Ltd should record the quantities in cubic meters of sludge removed from the Sewage Disposal Facility. (Part J Item #14).	A standard calculation into cubic meters has been developed to report sludge movement using the volume of barrels. The barrels, with a 205L capacity, are never completely filled. Rather, they are filled to approximately 75% of their maximum volume. Each 205L drum therefore is filled to a volume of approximately 153.75L. This value is then multiplied by the number of drums of sludge removed. The total volume in litres is then converted to cubic meters to provide the reporting value. The 2008 Annual Report has each monthly figure and the totals calculated in this manner. (Sept. 2008 = 3.08m ³).
INAC states in Comment 4 of its Dec. 19, 2008 technical memorandum that: "Monthly monitoring results from Monitoring Program Stations BOS-2 (Part J item#2), BOS-5 and BOS-6 (Part J Item # 5) were not provided in the report."	Recommendation 4: INAC recommends that the Licensee clearly indicate why monitoring results were not reported for monitoring stations BOS-2, BOS-5, BOS-6.	The wording of 2BB-BOS0712 indicates that the monitoring of BOS-2, BOS-5, and BOS-6 will take place <i>"monthly during removal of water from the facilities."</i> No water was discharged to the environment from these stations in 2008, and so no sampling was undertaken. Water was pumped from BOS-5 to BOS-2, which is the containment pond, in 2008 to clear the fuel berm of precipitation and several other small fuel storage berms were emptied into BOS-2.