

June 16 2006

via e-mail only:

Mr. David Hohnstein
Technical Advisor Mining
Nunavut Water Board,
P.O. Box 119
Gjoa Haven, NU, X0E 1J0

Dear Mr. Hohnstein,

Subject: May 2006 Monthly Report for Water License: 2BE-HOP0207

Environmental activities along the Hope Bay Belt during the month of May focused on activities related to the 2006 expanded Madrid Exploration Project. Windy Lake Camp is the base camp for all activities carried out under Nunavut Water Board License Number 2BE-HOP0207. The 2BE-HOP0207 license covers activities along Madrid Region that includes: Windy Lake Camp operations, Patch Lake Major Shop activities, Doris Lake, and Roberts Bay Barge landing area.

Sediment runoff control and separation of non-combustible solid wastes management were the two main projects focused on during May. Work on these projects will continue into June.

ENVIRONMENTAL INCIDENCE:

There were no reportable spills for the period reported as shown in Table 1.

Table 1: MHBL Spill Statistics for NWB License # 2BE-HOP0207, 2006 Exploration Program

Spill Statistics for Madrid Project 2006				
MHBL	Spill	Years		Month
Work Areas/Camps	Category	2005	2006	May
Madrid Region	Level 1	6	0	0
	Level 2	2	0	0
	Level 3	0	0	0
Doris Lake	Level 1	0	0	0
	Level 2	0	0	0
	Level 3	0	0	0
Roberts Bay	Level 1	1	0	0
	Level 2	0	0	0
	Level 3	0	0	0
Sub-Totals				
Totals	Minor (L1)	7	0	0
	Moderate (L2)	2	0	0
	Major (L3)	0	0	0
External Reportable		2	0	0
Grand Totals	All Levels	9	0	0

WATER SAMPLING

Domestic Water Source (Part C Item 1)

Data on raw lake water drawn from Windy Lake are presented in the Table 2. The recorded volume of raw water drawn in May was 390 cubic meters. The daily volume ranged from 9-17 m³ averaging 12.5 per day. The decrease in water usage compared with that recorded for April (411 m³) was due to less number of people remaining at Windy Camp during the later part of May.

Table 2: Windy Lake potable water uptake rate, May 2006

Potable Water Source	May 2006	May	YTD Vol 2006
Windy Lake (Compliance: 50 m ³ daily)	Average Daily (m ³)	Used Volume (m ³)	@ May 31 (m ³)
	12.5	390	1111

Lake Water Samples (Part D Item # 6)

As reported in April's month end, before drilling and post drilling data showed elevated concentrations for some metals at Doris Lake, Patch Lake and Wolverine Lake. Another set of water samples were taken from these respective sites and sent to another external laboratory for determination. The results will be compared with the data reported in April and compared with the *Canadian Council of Ministers of the Environment's (CCME) Canadian Water Quality Guidelines, Chapter 3 – Canadian Water Quality Guidelines for the Protection of Aquatic Life*. The data will be reported when they become available.

Camp Grey Water Analytical Results (Part E Item 4)

No grey water samples were collected during May at Windy Lake Camp. Samples will be collected during water open season.

Table 3 provides results of water quality samples collected during the report period as requirements of this license. *(No results to report)*.

Table 3: Open water Season Monthly Water Quality – May 2006

Parameters	Grey Water - Discharge	Lake meets Discharge	Water Intake
Sample Date			
Physical Parameters			
Hydrogen ion - field pH			
Total Suspended Solids (mg/L)			
Field Sample Temperature (°C)			
Bacteriological Tests			
Coliforms - Faecal (CFU/100mL)			
Extractable			
Oil and Grease (No Visible Sheen)			
Organic Parameters			
BOD ₅ (mg/L)			
Nutrients			
Orthophosphate as P (mg/L)			

Phosphate, Total (mg/L)
 Subcontracted Nutrients
 Kjeldahl Nitrogen, Total
 Nitrate+Nitrite as N (mg/L)

PERMITS/LICENSE APPLICATION STATUS

No application submitted during the month.

NON-COMBUSTIBLES SOLID AND HAZARDOUS WASTE MANAGEMENT

Windy Lake Camp

Non-combustible solid wastes stored at Windy Lake are steadily being removed from site. A significant portion of the wastes stored in barrels during 2004 and 2005 were removed as shown in Table 4.

During May, a backhaul load of 3,700 lbs consisting of five 12 volts batteries plus 12 drums of non-combustible solid wastes were backhauled to Yellowknife. Table 4 show backhauls data recorded for May. Year-to-date backhauls from Windy Camp is 94,066 lbs. Work is continuing in preparing shipment for the winter of 2007.

Table 4: Windy Lake Camp non-combustible solid waste backhaul, May 2006

Variable	May backhauls	YTD 2006
Empty Drums (Removal)	0 drums	737 drums
Scrap Metals (in drums - lbs)	3,700 lbs	94,066 lbs

SPRING RUNOFF – SEDIMENT CONTROL

Spring runoff was a challenge in May. This was due to the early thawing of the snow cover than anticipated. Triangular silk dikes lined with sediment control fibre were constructed at strategic areas to reduce energy flow from the runoff. This enabled suspended sediments to drop-off as the sediment ridden water passes over the dike and through the fibre before entering into the lake.

Eight rolls of coconut fibre mats were flown to site and spread over the impacted area as show in Appendices A and B. Once stabilized and dry, the mats will provide better cover material for revegetation work. The mats will take approximately three years to naturally breakdown.

NEW INFRASTRUCTURE

A new recreation facility is currently under construction at Windy Camp. Plans are underway to look for alternative ways to further improve grey water final effluent quality released to the tundra from Windy Camp. Alternatives includes but not limited to: (i) replacing the old RBC unit with a new unit; (ii) double treating the grey effluent after by installing the new RBC unit in parallel with the old unit; and (iii) separating grey water lines from the sewer water lines and discharging them into separate compartments within

the existing RBC unit. This will enable sewer water to have a longer lag phase within the primary RBC chamber before it being pumped into the final chamber then out via transfer box onto the tundra. A combination of the above options would also help improve the quality of the final effluent released under conditions stipulated in NWB Water Use Permit: 2BE-HOP0207.

VISITS AND REQUESTS FROM NWB AND KIA

No requests were received from either NWB or KIA relating to the above license during the reporting period.

If you have any questions related to this matter, please do not hesitate to contact the undersigned on the above numbers or by e-mail at mkawei@miramarmining.com.

Sincerely,

Miramar Hope Bay Limited



Matthew H Kawei,
Senior Environmental Coordinator - MHBL

CC: Scott Stringer, General Manager, Northern Operations - Miramar Mining Corporation
John Wakeford, Vice President, Exploration - Miramar Mining Corporation
Terri Maloof, Manager, Environmental Permits and Auditing – Miramar Mining Corporation
Darren Lindsay, Exploration Manager, MHBL
D. Fonseca, MHBL Vancouver – MHBL Librarian

Appendix A: showing sediment control mats spread along impacted areas at Windy Camp. Six rolls of mats were used to cover impacted areas along the Windy Lake beach front and contaminated soil land treatment area. The other impacted portion between the condo and the northern end of the LTA could not be covered as the area is currently being used as a lay down for camp material supplies and core boxes.



Appendix B: showing impacted areas between the muster station and Windy Lake beach front. Most of the lumber and plywood kept behind the muster station have been relocated for easy access for the camp maintenance personnel. The area now will be used for short-term core storage. Other photographs show managing sediment south of the LTA. Area behind the triangular silt dike (2nd picture) is covered with mats (2 rolls) up to about two meters from the three tents just close to the edge of the lake. The final photograph is showing the area looking on from the track leading to salt/core land lay down, Naartok west. This area and a portion south of the fuel farm need a bit more work to minimize sediment runoff.

