

August 10, 2008

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

Re: July 2008 –Monthly Monitoring Report for Water License 2BE-HOP0712

Following is the monthly report for July 2008 as required under Water license 2BE-HOP0712.

1. MONITORING PROGRAM

During the month of July 2008, a set of grey water effluent samples were collected at monitoring station HOP-1, HOP-2 and HOP-3 as part of the monitoring program under water permit 2BE-HOP0712.

There was a controlled discharge from the Windy Camp Land Treatment Farm (HOP-4) to a containment vessel. The effluent was sampled (HOP-4a), then treated through an oil/water separator system, after which it was sampled again (HOP-4b). The resulting effluent exceeded the criteria for disposal to the Windy WWTP with a slightly elevated lead level. The oil/water separator process had successfully reduced the lead in the previous filtration by half using this technique, so this effluent will be re-treated and re-sampled to ensure it meets the stipulated criteria prior to release.

There was no discharge from Windy Camp Lined Fuel Farm (HOP-5) and Patch Lake Lined Fuel Farm (HOP-6) during the sampling period.

Hope Bay Mining Ltd. (HBML) uses an external certified laboratory to carryout all the analyses for this report. As part of that process HBML uses the QAQC data produced by the ALS laboratory to determine the accuracy and precision of results in this report.

A summary of the July monthly water sampling as stipulated in the Water Use License No. 2BE-HOP0712 license is provided in Tables 1 and 2. Note that the numbers in bold are values that are over the guideline limits. The non-compliance for BOD and coliforms at HOP-2 is a concern to HBML. Please note that the company is currently sampling on a weekly basis to better enable management of the plants. We are voluntarily providing this data to the NWB so that they are working off the same numbers as the company.

The company currently has the supplier of the sewage treatment systems on site as well as an independent contractor with extensive experience in Arctic sewage treatment trying to trouble shoot the cause of these exceedences. In the meantime, HBML has reduced it workforce at Windy Camp reduce loading to the STP with an objective to meet compliance at HOP-2. Further, a number of steps including the installation of urinals to replace some toilets, low flow facets, and low flow shower heads are being installed to reduce the volume of water being sent to the STP.

Table 1: SNP Water sampling summary, July 2008

Station Number	Sampling Date	ALS Lab Reference #	Comment and Lat./ Long. coordinates
HOP-1	July 10, 21, 28	L654189/ L660052-10/L658649-1	Windy Lake Water Intake
		L662102-1/L6624727-5	
HOP-2	July 10, 21, 28	L654189/ L660052-11/L658649-2	RBC surge Tank (Lift Station)
		L662102-2/ L6624727-6	
HOP-3	July 10, 21, 28	L654189/ L660052-12/L658649-3	RBC effluent meets Windy Lake
		L662102-3/ L6624727-7	
HOP-4a/4b	July 9/08	L654816	LTA effluent prior to release
HOP-5	No discharge	-	Effluent from Bulk fuel farm prior to release
HOP-6	No discharge	-	Patch Lake Fuel Farm Effluent

Table 2: Treated Grey water Effluent Discharge from the WWTF Lift Station (HOP-2), July 2008

Parameter	HOP-1	HOP-2	HOP-3	Hope Bay: 2BE-HOP0712
ALS Lab Reference #	L654189-1/L	L654189-2/L	L654189-3/L	Compliance Values
Field Sample Details	HOP-1	HOP-2	HOP-3	Part D: Item 10
Sample Date/Time	July 10/08 11:10 am	July 10/08 11:25 am	July 10/08 11:10 am	Part J: Item 2
Biochemical Oxygen Demand (BOD ₅)	<2	175	<2	80 mg/L
Total Suspended Solids (mg/L)	<3	65	3	100 mg/L
Fecal Coliform	-	-	-	10 x 10 ⁴ CFU/100 mL (100,000 mL)
Total Coliform	-	-	-	-
<i>Escherichia coli</i> (<i>E. coli</i>)	-	-	-	-
pH (pH unit)	7.5	7.6	7.2	Between 6 and 9
Oil & Grease (Visibility)	<1	10	<1	No visible sheen (NVS)
ALS Lab Reference #	L660052-10/L658649-1	L660052-11/L658649-2	L660052-12/L658649-3	Compliance Values
Field Sample Details	HOP-1	HOP-2	HOP-3	Part D: Item 10
Sample Date/Time	July 21 08 09:00 am	July 21 08 09:00 am	July 21 08 08:45 am	Part J: Item 2
Biochemical Oxygen Demand (BOD ₅)	<2	137	<2	80 mg/L
Total Suspended Solids (mg/L)	6	32	<3	100 mg/L
Fecal Coliform	<1	>2,000	<1	10 x 10 ⁴ CFU/100 mL (100,000 mL)
Total Coliform	12	>2,419	3	-
<i>Escherichia coli</i> (<i>E. coli</i>)	<1	<1	<1	-
pH (pH unit)	7.9	7.5	7.8	Between 6 and 9
Oil & Grease (Visibility)	<1	4	<1	No visible sheen (NVS)
ALS Lab Reference #	L662102-1/L6624727-5	L662102-2/ L6624727-6	L662102-3/ L6624727-7	Compliance Values
Field Sample Details	HOP-1	HOP-2	HOP-3	Part D: Item 10
Sample Date/Time	July 28 08 08:30 am	July 28 08 08:45 am	July 28 08 09:00 am	Part J: Item 2
Biochemical Oxygen Demand (BOD ₅)	<2	81	<2	80 mg/L
Total Suspended Solids (mg/L)	3	56	<3	100 mg/L
Fecal Coliform	<1	1,960,000	<1	10 x 10 ⁴ CFU/100 mL (100,000 mL)
Total Coliform	21	61,000,000	12	-
<i>Escherichia coli</i> (<i>E. coli</i>)	1	1,600,000	<1	-
pH (pH unit)	8	7.7	8	Between 6 and 9
Oil & Grease (Visibility)	NVS	NVS	NVS	No visible sheen (NVS)

2. CAMP WATER USAGE – HOP-1

During the month of July 2008, Windy camp was in operation for the whole month. The water abstraction pump is located at Windy Lake (HOP-1). Table 3 provides the water volume usage as required under Part J, Item 6 of the water licenses (2BE-HOP0712).

Table 3: Water usage in cubic meters (m³) for Windy Lake Camp (HOP-1), July 2008

Parameters	HOP-1	Remarks	2BE-HOP0712
Water Source	Windy Lake	Part J: Item 6	Compliance Guidelines
Monthly Cumulative	642	620	1550 m ³ monthly
Volume Average (Daily)	20	20	50 m ³ daily
Median	22	20	50 m ³ daily
Maximum	26	20	50 m ³ daily
Minimum	17	20	50 m ³ daily

3. DRILLING ACTIVITIES WATER USAGE

Rig 1242 was operational at Rand for 3 days drawing it water for drilling from Patch Lake. Table 4 provides the recorded water volume (in cumes) as required under Part J, Item 6 for the Hope Bay water license number 2BE-HOP0712.

Table 4: Drill rigs water usage (in cumes) for July 2008

Parameters	Rig 1242	Daily Compliance	2BE-HOP0712
Water Source	Patch Lake	Part J: Item 6	Compliance Guidelines
Drilling Days	3	-	-
Monthly Cumulative	19.07	930	1550 m ³ monthly
Vol. Average (Daily)	6.36	30	50 m ³ daily
Median	6.59	30	50 m ³ daily
Maximum	6.64	30	50 m ³ daily
Minimum	5.84	30	50 m ³ daily

4. HAZARDOUS WASTE MANAGEMENT

A total of 60 bags (60 cubic meters) of hydrocarbon contaminated soil removed from Windy land treatment area were flown to a barge anchored at Roberts Bay for removal offsite during the barge season.

5. ENVIRONMENTAL INCIDENTS

There were four environmental incident reported in July 2008. The severity of the incidences at tabulated in Table 5.

Table 5: Number of and severity ratings for all environmental reported incidents for July 2008

Water Use Permit	Spill Category							Site	Month
Hope Bay Regional (2BE-HOP0712)	Compliance Issues	Near Miss	Level 1 (Insignificant)	Level 2 (Minor)	Level 3 (Moderate)	Level 4 (Major)	Level 5 (Catastrophic)	Sub Total	July 08
Patch Lake	-	0	0	0	0	0	0	0	0
Madrid/Naartok	-	0	1	1	0	0	0	0	0
Windy Camp	4	0	0	0	0	0	0	4	4
External Reportable	4	0	0	0	0	0	0	4	4
Grand Totals (All Levels)	4	0	0	0	0	0	0	4	4

Note: External Reportable Incidences:

1. Portable water consumption exceeded daily withdrawal limit at Windy Camp for 16 days in July. However, total water consumption for both drilling activities and camp usage were below the daily water usage for the license.

2. Elevated concentrations of BOD in the treated grey water effluent at HOP-2 collected on July 10 2008.
3. Elevated concentrations of BOD in the treated grey water effluent at HOP-2 collected on July 21 2008. Elevated number of faecal coliforms and total coliforms in treated grey water effluent collected at sampling station, HOP-2 on July 21 2008.
4. Elevated concentrations of BOD in the treated grey water effluent at HOP-2 collected on July 28 2008. Elevated number of faecal coliforms, total coliforms and *E. coli* in treated grey water effluent collected at sampling station, HOP-2 on July 28 2008.

Should there be any questions regarding the monthly report for July 2008, **please** contact Matt Kawei, Senior Environmental Coordinator, Hope Bay Mining Limited on phone number: 1-604-759-2292 or email: Matthew.Kawei@Newmont.com

Yours sincerely,



Matt Kawei

Environmental Coordinator
Hope Bay Mining Limited