

November 11, 2008

Technical Advisor – Mining
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P.O. Box 119
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Re: Sept 2008 –Monthly Monitoring Report for Water License 2BE-HOP0712

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

1. MONITORING PROGRAM

During the month of September 2008, water samples were collected four times at monitoring stations HOP-1, HOP-2 and HOP-3 for due diligence purposes. Under the current NWB Water Use Permit 2BE-HOP0712, HBML is obligated to only collect samples once per month when Windy is operational. Hope Bay Mining Ltd. (HBML) is voluntarily providing the additional samples to the Nunavut Water Board (NWB) to promote transparency and so the NWB and INAC have the same information as the company on the performance of the Windy Sewage Treatment Plant (STP).

Annual toxicity testing samples (*Daphnia magna*) were collected at HOP-3 as required under Part J: Item 3 (ii) of the licence. Toxicity testing under Part J: Item 3 (i) on Rainbow Trout will be conducted in October. These results will be reported as when the laboratory reports are available. Apparently there was a problem at the laboratory? Newmont Mining Corporation is confirming this issue at the moment.

HOP-4 was not sampled as the Land Farm Treatment Facility is no longer operational. The soil samples taken from under the LFT once the liner was removed will be forwarded to the NWB and INAC once the laboratory results are received. HBML hopes that these results will be available in mid to late November 2008.

Samples were also collected at HOP-5 and HOP-6 (Aug. 31/08) to determine if direct discharge of precipitation accumulation from the containment berms could be permitted in September.

The analytical data for the month of September is presented in Tables 2, 3 and 4. Table 1 provides a summary of tracking information dates and the corresponding external laboratory Certificate of Analysis numbers (CoA).

HBML uses an external certified laboratory to carry out all the analyses for this report. Therefore, HBML uses the QAQC data produced by the ALS laboratory to determine the accuracy and precision of results in this report.

Table 1: SNP Water Sampling Summary, September 2008

Station Number	Sampling Date	ALS Lab Reference # (CoA)	Comment and Lat./ Long. coordinates
HOP-1	Sept 3/08, Sept 8/08, Sept 15/08, Sept 29/08	677902, 679441, 682590, 690926, 679191, 681523, 685305, 688977	Windy Lake Water Intake
HOP-2	Sept 3/08, Sept 8/08, Sept 15/08, Sept 29/08	677902, 679441, 682590, 690926, 679191, 681523, 685305, 688977	RBC surge Tank (Lift Station)

HOP-3	Sept 3/08, Sept 8/08, Sept 15/08, Sept 29/08	677902, 679441, 682590, 690926 679191, 681523, 685305, 688977	RBC effluent meets Windy Lake
HOP-4	No discharge	-	LTA effluent prior to release
HOP-5	Aug 31/08	676659	Effluent from Bulk fuel farm prior to release
HOP-6	Aug 31/08	676659	Patch Lake Fuel Farm Effluent

2. RESULTS

The summary for the water samples collected at sampling locations identified in the water use permit requirement for regional exploration is summarized in Tables 2, 3 and 4. Non-compliant values are in bold font.

HBML, for due diligence purposes, analyses for total coliforms, faecal coliforms and *E. coli* at all the sampling locations related to the domestic water usage cycle.

HBML was in compliance for the whole month at SNP # HOP-1 and HOP-3 for all parameters. The effluent released from HOP-2 under goes land treatment between the point of discharge and HOP-3 at Windy Lake. This extra polishing step has allowed the discharge to the lake to remain in compliance.

For HOP-1, HOP-2 and HOP-3, though requested, Oil and Grease visibility was not reported by the lab, but an Oil and Grease value was reported in mg/L.

At HOP-2, HBML was not in compliance for parameters BOD and TSS for two of the four sampling events, and was not in compliance for faecal coliforms for any of the sampling events. While the plant has been on a positive trend, an upset occurred that caused the effluent to again exceed the parameter requirements of the water licence. Sludge removal has been a critical component of bringing this plant into compliance and insufficient sludge removal during the period is likely the cause of the most recent non-compliance at the end of September. The sludge removal schedule and transfer to the new Doris Camp membrane plant has been authorized and we expect an accelerated schedule of sludge removal will bring this plant into back into compliance shortly.

The results for the annual toxicity testing on *Daphnia magna* from HOP-3 resulted a verbal confirmation from the laboratory of no sub-lethal effects being observed under reference method EPS1/RM/14.

At HOP-5 and HOP-6, though requested from the lab, results for Oil and Grease visibility were provided, but values in µg/L were not. This will be followed up with the external laboratory.

HOP-5 met all required discharge criteria with the exception of lead at a value of 2.0 µg/L; twice the requirement specified in the licence, and no volumes of discharge were recorded.

HOP-6 met the licence criteria for all parameters and the effluent was discharged, though no volumes were recorded.

Table 2: Analytical Sampling Results for HOP-1 Raw Water Intake, HOP-2 WWTF, and HOP3 WWTF Point of Entry Windy Lake for Sept 2008

Parameter	HOP-1	HOP-2	HOP-3	Hope Bay: 2BE-HOP0712
ALS Lab Reference #	L677902-4/L679191-1	L667902-5/ L679191-2	L667902-6/ L679191-3	Compliance Values
Field Sample Details	HOP-1	HOP-2	HOP-3	Part D: Item 10
Sample Date/Time	Sept 3/08 07:00 am	Sept 3/08 07:00 am	Sept 3/08 07:30 am	Part J: Item 2
Biochemical Oxygen Demand (BOD ₅)	<2	52	<2	80 mg/L
Total Suspended Solids (mg/L)	<3	58	<3	100 mg/L
Fecal Coliform	<1	>200	<1	10 x 10 ⁴ CFU/100 mL (100,000 mL)
Total Coliform	2	>2,419.6	<1	-
<i>Escherichia coli</i> (<i>E. coli</i>)	<1	>2,419.6	<1	-
pH (pH unit)	8.0	7.9	8.0	Between 6 and 9
Oil & Grease (Visibility)	NVS	NVS	NVS	No visible sheen (NVS)
ALS Lab Reference #	L679441-1/L681523-21	L679441-2/L681523-22	L679441-3/L681523-23	Compliance Values
Field Sample Details	HOP-1	HOP-2	HOP-3	Part D: Item 10
Sample Date/Time	Sept 08/08 06:30 am	Sept 08/08 06:45 am	Sept 08/08 07:45 am	Part J: Item 2
Biochemical Oxygen Demand (BOD ₅)	5	65	2	80 mg/L
Total Suspended Solids (mg/L)	<3	72	3	100 mg/L
Fecal Coliform	<1	2,000,000	<1	10 x 10 ⁴ CFU/100 mL (100,000 mL)
Total Coliform	1	>2,419.6	4	-
<i>Escherichia coli</i> (<i>E. coli</i>)	<1	>2,419.6	<1	-
pH (pH unit)	8.0	7.9	8.0	Between 6 and 9
Oil & Grease (Visibility)	NVS	NVS	NVS	No visible sheen (NVS)
ALS Lab Reference #	L685305-1/L682590-4	L685305-2/L682590-5	L685305-3/L682590-6	Compliance Values
Field Sample Details	HOP-1	HOP-2	HOP-3	Part D: Item 10
Sample Date/Time	Sept 15/08 08:15 am	Sept 15/08 10:15 am	Sept 15/08 09:45 am	Part J: Item 2
Biochemical Oxygen Demand (BOD ₅)	<2	240	<2	80 mg/L
Total Suspended Solids (mg/L)	<3	286	3	100 mg/L
Fecal Coliform	<1	18,000,000	<1	10 x 10 ⁴ CFU/100 mL (100,000 mL)
Total Coliform	4	>2,419.6	<1	-
<i>Escherichia coli</i> (<i>E. coli</i>)	<1	>2,419.6	<1	-
pH (pH unit)	7.8	7.5	7.8	Between 6 and 9
Oil & Grease (Visibility)	<1	13	<1	(15 mg/L) & No visible sheen (NVS)

Table 2 continued: Analytical Sampling Results for HOP-1 Raw Water Intake, HOP-2 WWTF Effluent, and HOP3 WWTF Point of Entry Windy Lake for Sept 2008

Parameter	HOP-1	HOP-2	HOP-3	Hope Bay: 2BE-HOP0712
ALS Lab Reference #	L690926-17/L688977-4	L690926-18/ L688977-6	L690926-19/ L688977-6	Compliance Values
Field Sample Details	HOP-1	HOP-2	HOP-3	Part D: Item 10
Sample Date/Time	Sept 29/08 07:30 am	Sept 29/08 07:45 am	Sept 29/08 08:45 am	Part J: Item 2
Biochemical Oxygen Demand (BOD ₅)	<2	122	<2	80 mg/L
Total Suspended Solids (mg/L)	3	78	<3	100 mg/L
Fecal Coliform	<1	11,000,000	<1	10 x 10 ⁴ CFU/100 mL (100,000 mL)
Total Coliform	1	>2,419.6	<1	-
<i>Escherichia coli</i> (<i>E. coli</i>)	<1	>2,419.6	<1	-
pH (pH unit)	7.9	7.8	7.9	Between 6 and 9
Oil & Grease (Visibility)	<1	5	<1	15 mg/L ¹ & No visible sheen (NVS)

Table 3. Results for Annual Testing for Acute Toxicity of Effluent Discharged from Windy Camp WWTF at Point of Entry to Windy Lake HOP-3

Parameters	HOP-3	Hope Bay: 2BE-HOP0712
ALS Lab Reference #	L682590/File #29951b	Compliance Values
Field Sample Details	HOP-3	Part J: Item 3 (ii)
Sample Date/Time	Sept 15/08 09:45 am	Part J: Item 3 (ii)
Acute Lethality to Crustacean <i>Daphnia magna</i> (EPS/1/RM/14)	No sub-lethal biological effects observed	Non-Acute Toxicity of Effluent

Table 4: Results for Effluent Testing Prior to Removal from HOP-5 Bulk Fuel Storage Windy Camp and HOP-6 Bulk Fuel Storage Patch Lake

Parameters	HOP-5	HOP-6	Hope Bay: 2BE-HOP0712
Water Source	Bulk Fuel Storage Windy Camp	Bulk Fuel Storage Patch Lake	Monitoring Program Station Description
ALS Lab Reference #	L676659-1	L676659-2	Compliance Values
Field Sample Details	HOP-5	HOP-6	Part D: Item 17
Sample Date/Time	August 31/08 17:45 pm	August 31/08 11:20 am	Part J: Item 4
Oil & Grease	-	-	15000 µg/L
Oil and Grease No Visible Sheen	NVS	NVS	No visible sheen (NVS)
Benzene	<0.5	<0.5	370 µg/L
Toluene	<0.5	<0.5	2 µg/L
Ethylbenzene	<0.5	<0.5	90 µg/L
Lead	2.0	0.6	1 µg/L

¹ No requirement under Condition Part D Item 10 for reporting a numeric value. HBML chooses to apply Part D Item 17 as no visibility test was requested for this sample.

3. CAMP WATER USAGE – HOP-1 AND WWTP EFFLUENT HOP-2

During the month of September 2008, Windy camp was in operation for the whole month. The water extraction pump is located at Windy Lake (HOP-1). Table 5 provides the water volume usage as required under Part J, Item 6 of the water licenses (2BE-HOP0712). Daily usage and cumulative monthly usage was in compliance with the licence for the month. Table 6 provides the daily average and monthly cumulative effluent volumes discharged from the WWTF HOP-2.

Table 5: Water usage in cubic meters (m³) for Windy Lake Camp (HOP-1), September 2008

Parameters	HOP-1	2BE-HOP0712
Water Source	Windy Lake	Compliance Values
Monthly Cumulative	378	3,100 m ³ monthly
Volume Average (Daily)	12.6	100 m ³ daily
Median	12.8	100 m ³ daily
Maximum	14.8	100 m ³ daily
Minimum	10.0	100 m ³ daily

Table 6: Treated Sewage Effluent release in cubic meters (m³) for Windy Lake Camp WWTF (HOP-2), September 2008

Parameters	HOP-2
Water Source	Windy Lake
Monthly Cumulative	397.8
Volume Average (Daily)	13.3
Median	13.2
Maximum	20.2
Minimum	3.8

4. DRILLING ACTIVITIES WATER USAGE

Drills were operational throughout September for a total of 34 active days. Water was drawn from sources proximal to the drilling sites. Table 7 provides the recorded water volume as required under Part J, Item 6 for the Hope Bay water license number 2BE-HOP0712. Water usages at each rig were in compliance with the daily consumption rate.

Table 7: Regional Drill rigs water usage in cubic meters (m³) for September 2008

Parameters	Rig 1242	Rig 1480	Rig 1481	Rig 1482	Rig 1483	Consumption	2BE-HOP0712 Compliance Values
Drilling Days	3	11	9	1	10		Part J: Item 6
Monthly Cumulative	19.67	47	27.1	2.6	24.8	121	2400 m ³ monthly
Vol. Average (Daily)	6.4	4.3	3.0	2.6	2.5	17	80 m ³ daily
Median	6.6	4.3	2.2	2.6	1.0	29	80 m ³ daily
Maximum	6.6	6.5	5.7	2.6	7.2	29	80 m ³ daily
Minimum	5.8	1.8	1.7	2.6	0.6	13	80 m ³ daily

5. HAZARDOUS WASTE MANAGEMENT

The following Table 8 represents the dangerous goods moved off site under TDG Regulation.

Table 8: Dangerous Goods Removed from Site for Disposal

Date	UN #	Description
Sept 2/08	3363	2 Generator @ 99kg
Sept 2/08	3363	1 Generator @ 32 kg
Sept 2/08	3166	1 Box Flammable Liquid/Powdered @ 6kg
Sept 2/08	3166	1 Box Flammable Liquid/Powdered @ 9kg

A total of 79 drums of sludge were removed from the Windy Camp WWTF for transfer to the new membrane sewage facility at Doris Camp for treatment. This transfer was the subject of an August 11, 2008 letter to the NWB on Doris North STP start up issues.

Drum crushing took place during September resulting in over 1400 drums being crushed for removal and recycling.

6. ENVIRONMENTAL INCIDENTS

There were three environmental incidents reported in September 2008.

1. Elevated concentrations of TSS, faecal coliform and BOD₅ in the discharge effluent at HOP-2 during the month.
2. Effluent pumped from HOP-5 was not measured in compliance with Part J: Item 7 of the licence and did not meet the criteria for discharge for lead.
3. Effluent discharged from HOP-6 met criteria but was not measured in compliance with Part J: Item 7 of the licence.

Minor bear activity has been noted in the vicinity of the camp, but no incidents have been recorded.

Should there be any questions regarding the monthly report for September 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 or Jill Turk, Environmental Technician on phone number: 1-604-759-2292 or email: Jill.Turk@Newmont.com.

Yours sincerely,



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