

December 24, 2008

Technical Advisor – Mining
Nunavut Water Board
P.O. Box 119
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**Re: Oct 2008 –Monthly Monitoring Report for Water License 2BE-HOP0712
under Part J – Items 2 – 8 to Camp Closure on Oct 23/08.**

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

1. PART J: ITEM 2

During the month of October 2008, water samples were voluntarily collected by Hope Bay Mining Ltd. (HBML) twice at monitoring stations HOP-2 and HOP-3 for due diligence purposes associated with the improvement of the Sewage Treatment Plant (STP) performance. Under the current Nunavut Water Board (NWB) Water Use Permit 2BE-HOP0712, HBML is obligated to only collect samples once per month when Windy is operational and is voluntarily providing this information to the NWB and Indian and Northern Affairs Canada (INAC) so that they have access to the same data set being used by HBML to help improve camp performance. The camp closed operations effective Oct 23, 2008. These reports will resume when the camp reopens in 2009

Table 1: SNP Water Sampling Summary, Stations HOP-2 and HOP-3, October 2008

Parameter	HOP-2	HOP-3	Hope Bay: 2BE-HOP0712
ALS Lab Reference #	L691854/693940	L691854/693940	Compliance Values
Field Sample Details	HOP-2	HOP-3	Part D: Item 10
Sample Date	Oct 6/08	Oct 6/08	Part J: Item 2
Biochemical Oxygen Demand (BOD ₅)	67	<1	80 mg/L
Total Suspended Solids (mg/L)	98	<3	100 mg/L
Fecal Coliform	200,000	<1	10 x 10 ⁴ CFU/100 mL (100,000 mL)
pH (pH unit)	7.9	7.6	Between 6 and 9
Oil & Grease (Visibility)	*	*	No visible sheen (NVS)
Oil & Grease (mg/L)	3	<1	-
ALS Lab Reference #	L696153/L697246	L696153/L697246	Compliance Values
Field Sample Details	HOP-2	HOP-3	Part D: Item 10
Sample Date/	Oct 15/08	Oct 15/08	Part J: Item 2
Biochemical Oxygen Demand (BOD ₅)	35	<2	80 mg/L
Total Suspended Solids (mg/L)	37	<3	100 mg/L
Fecal Coliform	100,000	<1	10 x 10 ⁴ CFU/100 mL (100,000 mL)
pH (pH unit)	7.8	7.8	Between 6 and 9
Oil & Grease (Visibility)	*	*	No visible sheen (NVS)
Oil & Grease (mg/L)	2	<1	-

Monitoring Station HOP-2 was compliant for BOS and TSS for the period, but exceeded Fecal Coliform values at the Oct 6, 2008 sampling. Problems with the design and operation of this plant caused repeated

non-compliance with licence parameters despite many adjustments and improvements to the plant, and water reduction and conservation measures implemented to minimize effluent volumes for treatment.

*Oil and Grease values were reported by the laboratory as mg/L but not as visible sheen. The laboratory has been requested to provide the visible sheen observation. The values as reported in mg/L by the laboratory are included in the table above for reference. This omission was followed up with the laboratory and the values are now being reported.

2. PART J: ITEM 3

Annual sampling to demonstrate non-toxicity (Acute Lethality to Rainbow Trout) of the effluent discharged from the STP at monitoring station HOP-3 was conducted Oct 6/08 and submitted for analysis to ALS Laboratories. Results are not yet available.

Results of annual testing for acute lethality to the crustacean *Daphnia magna*, was reported in September 2008.

3. PART J: ITEM 4

Water removal from HOP-5 (Effluent from Bulk Fuel Storage – Windy Camp) and HOP-6 (Effluent from Bulk Fuel Storage – Patch Lake) did not occur during the period.

Soil quality samples were obtained from the Windy Landfarm Treatment facility Oct. 31/08. The values for the five representative samples are in the following table.

Table 2.Landfarm Treatment Soil Quality Results, October 2008

Landfarm Treatment Facility HOP-4							
Parameters	Sample Date	WLTA-S01	WLTA-S02	WLTA-S03	WLTA-S04	WLTA-S05	2BE-HOP0712 Compliance Values µg/g
Total Petroleum Hydrocarbons (TPH)	Oct 30/08	80000 µg/g	190000 µg/g	60000 µg/g	80000 µg/g	120000 µg/g	2500 µg/g
Benzene	Oct 30/08	5 µg/g	5 µg/g	5 µg/g	5 µg/g	5 µg/g	0.5 µg/g
Toluene	Oct 30/08	10 µg/g	10 µg/g	10 µg/g	10 µg/g	10 µg/g	0.8 µg/g
Ethylbenzene	Oct 30/08	10 µg/g	10 µg/g	10 µg/g	10 µg/g	10 µg/g	20 µg/g
Lead	Oct 30/08	<5000 µg/g	<5000 µg/g	<5000 µg/g	<5000 µg/g	<5000 µg/g	400 µg/g

During July, 75 tonnes of soil was removed from the lined land treatment area for disposal at an approved waste disposal site due to the high contaminant levels. Detailed records were maintained of the transfer of contaminated material including certificates from the waste treatment company that managed final disposal, and will be available to an inspector on request as per the water licence Part D: Item 6.

4. PART J: ITEM 5

Sampling under Part F: Item 7, drilling through lake ice, was not conducted as this activity did not occur during the period.

5. PART J: ITEM 6

Water usage from camp operations is detailed in the following table. Drills were not operational pertaining to Licence 2BE-HOP0712 in October.

Table 3. Camp Water Usage usage in cubic meters (m³), October 2008

Parameters	HOP-1	2BE-HOP0712
Water Source	Windy Lake	Compliance Values
Monthly Cumulative	246*	620 m ³ monthly
Volume Average (Daily)	7.6	20 m ³ daily
Median	9.2	20 m ³ daily
Maximum	14.4	20 m ³ daily
Minimum	0	20 m ³ daily

*During October, the intake water meter was found to be reading incorrectly for period of approximately 5 days, from Oct 17 – 21/08, resulting in a discrepancy between water used and effluent discharge. Water usage for this period was calculated using the maximum daily consumption figure for the month (14.4m³) for 5 days resulting in 72m³ of usage added to the actual metered value of 174m³. This is a potential overestimation, but aligns closely with the discharge values so we feel it is a realistic estimate. The adjusted water usage figure is still well below the compliance values for water usage under the licence.

Issues with the meters will be addressed before the camp is re-opened.

6. PART J: ITEM 7

Effluent was not discharged from monitoring stations HOP-4, HOP-5 or HOP-6 during the month of October. No measurable quantity of effluent occurred at monitoring station HOP-3 during the month. Quantities of effluent discharged from the STP at monitoring station HOP-2 in cubic meters is in Table 4. These values are not specifically requested to be reported in the licence, but in order to be consistent with reporting requirements under other licences, those values are provided in this report.

Table 4: Treated Sewage Effluent release in cubic meters (m³) for Windy Lake Camp WWTF (HOP-2), October 2008

Parameters	HOP-2
Water Source	Windy Lake
Monthly Cumulative	245.6
Volume Average (Daily)	10.7
Median	10.4
Maximum	20.8
Minimum	4.7

7. PART J: ITEM 8

Volumes of sludge in cubic meters removed from the STP in the month of October are as follows:

Table 5: Volumes of Sludge Removed in cubic meters from WWTF, October 2008

Date	Volume
Oct 5/08	3.1 m ³
Oct 6/08	1.0 m ³
Oct 8/08	3.3 m ³
Oct 26/08	2.9 m ³
Total	10.3 m ³

Sludge removed from the Windy Camp STP was transferred to the Doris Camp membrane plant for processing.

8. INCIDENT REPORTING

1.) Windy Camp WWTF exceeded water licence criteria for faecal coliforms at the Oct. 6/08 sampling. This camp and plant is now closed.

Should there be any questions regarding the monthly report for October 2008, please contact Chris Hanks, Director, Environment and Social Responsibility, Hope Bay Mining Limited on phone number: 720-917-4489 or email: Chris.Hanks@Newmont.com

Yours sincerely,

Chris Hanks

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