

August 9, 2011

Ian Rumbolt  
Water Resource Officer, Kitikmeot Region  
Indian and Northern Affairs Canada  
P.O. Box 100  
Iqaluit, NU X0A 0H0  
(867) 975-4548

**Re: Follow up Report – Spill #11-294 Sedimentation Pond Leak (2AM-DOH0713)**

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Dear Mr. Rumbolt,

The July 21, 2011 Spill Report referred to release of 945 m<sup>3</sup> of water temporarily held in the sedimentation pond after treatment by reverse osmosis (RO) and transfer from the pollution control pond. Following the release (which resulted from leakage in the liner of the sediment control pond), we commenced a review and assessment of the operations of the liners in each of the pollution control pond and the sediment control pond. Our preliminary investigations indicate concerns with the integrity of the liners in each of the ponds resulting in leakage of both treated and untreated water. We will provide a further update once we have confirmation of the quantities of the losses. Any further leakage has been prevented by ensuring that all water is being stored in a temporary holding pond and no water will be placed in either the pollution control pond or the sediment control pond until the liners have been repaired, or replaced.

Should you have any questions or concerns regarding this follow up report, please do not hesitate to contact me at [angela.holzapfel@newmont.com](mailto:angela.holzapfel@newmont.com)

Sincerely,

Angela Holzapfel  
Environmental Compliance Manager  
Hope Bay Mining Ltd.

Cc: Phyllis Beaulieu, NWB; Stanley Anablak, KIA; Li Wan, NIRB