

April 12, 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 # 11-087 (400 liter brine spill) & 11-088 (400 liter brine spill) (2BB-BOS0712)

Dear Mr. Rumbolt,

We are writing to provide you with further information regarding two incidents reported to the NT-NU Spill Line on March 26, 2011 (see attachments).

- **Spill #11-087:** On March 21, 2011 a diamond drill on Aimaokatalok (Spyder) Lake operating under license no. 2BB-BOS0712 (Hope Bay Project) spilled approximately 400 liters of brine (salt water) onto the surface of the lake ice. It was discovered that the brine tank was incorrectly positioned under the water return line from the drill casing, resulting in the spill of returning water onto the ice.
- **Spill #11- 088:** On March 26, 2011 the over-pressure valve on the brine tank return line malfunctioned and 400 litres of brine was released to the ice surface of the lake. The pumping system associated with the brine operates at pressures up to 700 psi and is essentially a closed loop system. The cause of this spill is deemed to be mechanical in nature. The defective valve was replaced.

In each incident, the spilled brine was cleaned up immediately by applying snow to the affected areas and then removing the contaminated snow and placing it in containers pending proper disposal. After all the contaminated snow and free liquid was removed, the area was scraped to remove any residual brine.

Following these incidents, the crew was advised to complete a comprehensive inspection of all the associated components of this drill set up and to ensure all was working appropriately and in good condition before resuming operations. Additionally, the crews were refreshed on the operation of the drill and associated components.

Should you have any questions regarding this follow up report, please do not hesitate to contact me at angela.holzapfel@newmont.com

Sincerely,

Angela Holzapfel
Environmental Compliance Manager
Hope Bay Mining Ltd.

Cc: Phyllis Beaulieu, NWB; Stanley Anablak, KIA