Hope Bay Mining Ltd.
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889 Harbourside Drive
North Vancouver, BC
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Phone 604 985 - 2572
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January 25, 2010

Melissa Joy
Water Resource Officer Kitikmeot Region
Indian and Northern Affairs Canada
PO Box 278
Kugluktuk, NU X0B 0E0
joym@inac.gc.ca

Re: 2BE-HOP0713 Notice of Artesian Flow

Dear Ms. Joy,

Hope Bay Mining Ltd. (HBML) is reporting five instances of temporary artesian flow encountered during exploration drilling that occurred between January 21-23, 2010 in the area covered by water license 2BE-HOP0712. Please see the included incident report with information on the occurrences and the actions taken.

Should you have any questions or concerns regarding this notice, please do not hesitate to contact me at bill.patterson@newmont.com

Sincerely,

Bill Patterson

Digitally signed by Bill Patterson
DN: CN = Bill Patterson, C = US, O = Hope Bay Mining Limited, OU = Environmental Compliance Manager
Date: 2010.01.25 16:48:10 -07'00'

Bill Patterson
Environmental Compliance Manager
Hope Bay Mining Ltd.

cc. Phyllis Beaulieu, Nunavut Water Board

SECTION 1. ACCIDENT/INCIDENT REPORT

(This page to be completed within the same shift as the event occurrence)

Complete all shaded sections

REPORT NO.

Accident/Incident Category 1:	Environment	**Date of Incident:**	Jan 21/10	**Time of Incident:**	11:00am ☐ AM ☑ PM
Accident/Incident Category 2:					
Accident/Incident Type 1:	Other (Please specify)	**Reported To:**	J. Turk - ESR	**Reported By:**	M. Asselin
Accident/Incident Type 2:					
Location:	Doris Lake Orbit Drill # 24 Hole 10TDD690			**Employer**	HBML

Person(s) Involved	Badge #	Department	Supervisor's Name	Manager's Name
Michel Landry			Patrick Savard/Martin Dubois	
Eric Dufresne				

Witness(es)	Badge #	Department	Supervisor's Name	Manager's Name

Brief Description of Occurrence

At approx. 11:00am, near 316M depth under Doris Lake, the drill encountered spontaneous flow of water from the drill hole. Water flowed spontaneously out of the 3" casing, quickly at first, then tapering off in pressure. (Flow continued for close to an hour, estimated by the driller).The water was captured initally, but soon overwhelmed and overflowed the water circulation tank, and drained through the drill shack floor onto the ice under and surrounding the drill. The overflowed water contained some cuttings sediment. This spill will be cleaned-up by machine when the drill is moved.Location of intersect: 300 m downhole in 10TDD690: E 433582 N 7557960 Elevation -245.5 m *Further investigation revealed leaking was first noticed at 298m*

SEE ADDITIONAL INFORMATION ATTACHED

If Spill, indicate volume: Estimated 1000gal or 4m3

Immediate Action Taken

Drilling was halted. A snow berm was erected around the drill to contain the overflow near the drill. The occurrence was reported to site ESR. Site ESR notified HBML Manager of Compliance, who alerted the INAC Inspector via email. By approx. 4pm, no further flow was observed and drilling commenced in the presence of site ESR to monitor. Drilling was monitored for 1 hour, to an approx depth of 625m. No further flow was noted, but drilling had previously been consuming more water than usual according to the driller (M. Landry), and had possibly been consuming more water through the previous night shift (water use records to be verified).

If spill, estimate quantity in kg of contaminated soil removed:

Consequence Level:	Insignificant	Minor	Moderate	Major	Catastrophic			
	☑ Level 1	☐ Level 2	☐ Level 3	☐ Level 4	☐ Level 5			
Notifications Made:	☐ HSLP	☑ ENV	☐ EA/CR	☐ GM	☐ ERT	☐ Region	☐ Corporate	☑ Government

Insert Photos Here:

Spontaneous Water Flow at Drills – Jan 21 – 23, 2010

On Jan 21/10, at approx. 12:00pm Michel Asselin (HBML Drill Services Manager) and Patrick Savard (Supervisor Orbit Drilling) informed site ESR that a spontaneous flow of water had occurred at Orbit Drill #24 (Hole 10TDD690) at 298m causing a large volume of water to overflow the return water tanks and flood on to the ice surrounding the drill. Site staff built a snow berm around the drill to contain the flow. Site ESR (Jill Turk) informed offsite ESR Compliance Manager (Bill Patterson) of the occurrence, and the known information was conveyed to the INAC Inspector (Melissa Joy) by email at 1:53pm Jan 21/10. Drilling was halted for several hours, and the water slowed and eventually stopped by approx. 4pm. Drilling resumed and further flow did not occur**. No samples were obtained of this water. ESR attended the drill site for approx. an hour to observe the resumption of drilling.

On Jan 22, at approx. midnight, Orbit Drill # 21 (Hole 10TDD691) experienced a similar occurrence at 209m, though it was a smaller volume that did not flood the ice surrounding the drill. A sample of 1L of the water was obtained. Water eventually slowed after approx. ½ hour, and drilling resumed.

Also on Jan 22/10, at noon, Geotech Drill # 2 (Hole 10TDD692) intersected a spontaneous flow at 319m. This flow occurred at an approximate rate of 1-2 gallons per minute (measured by 5 gal. bucket) for close to three hours, then tapered off to a trickle. Samples were obtained. Drilling resumed.

At 2pm Jan 22/10, Orbit Drill # 23 intersected flow at 258m. Flow was estimated at approx. 1-2gpm, duration of 1.5 hours before tapering off. Samples were obtained, drilling resumed.

A decision was made the morning of Jan 23/10 for Orbit 24, due to the water flow on the ice causing degradation, to cap the hole and temporarily abandon this location until the area refreezes.

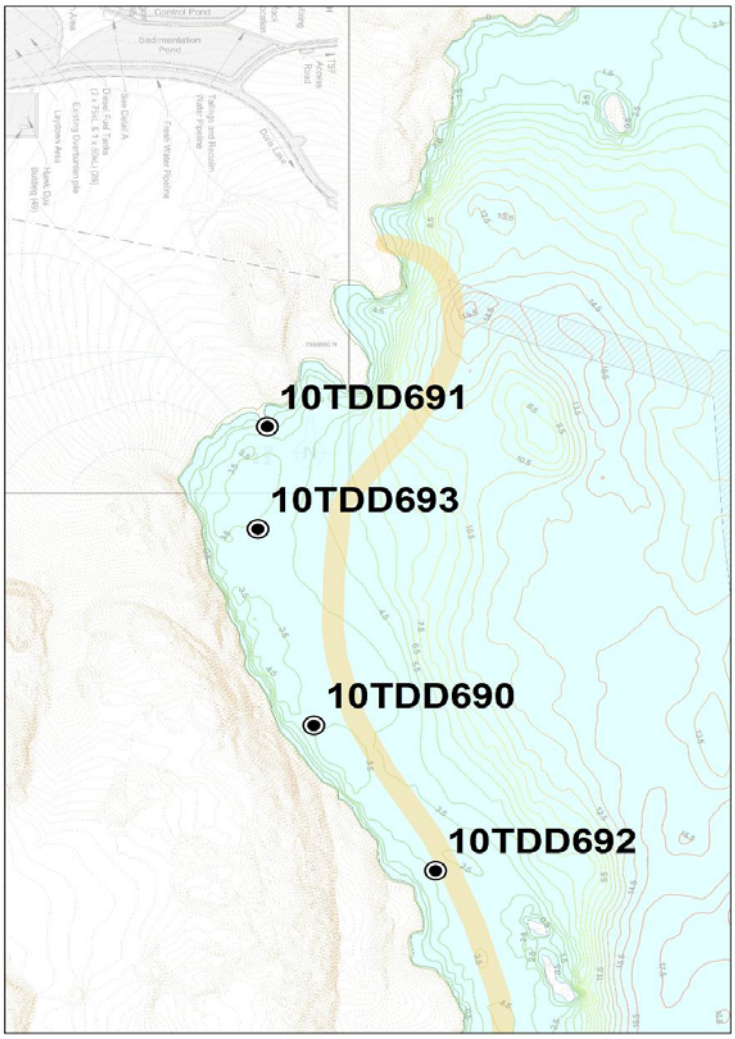
Drill Water Intersection Summary Table

Date	Drill	Depth of Encounter	Estimated Flow	Duration of Flow	Volume Estimate	Comments	Samples Obtained
Jan 21/10 12pm	Orbit 24 Hole # 10TDD690	316m	4-5gpm	4 hours	$4m^3$	Overflow of sedimented water on to ice	No
Jan 22/10 12am	Orbit # 21 Hole #10TDD691	209m	1-2gpm	0.5hours	$1m^3$	Water relatively clear	Yes - 1 L, partial parameters
Jan 22/10 12pm	Geo # 2 Hole 10TDD692	319m	1-2gpm	3 hours	$1.5m^3$	Tasted mildly saline (jt), opaque, grey	Yes – full water quality suite
Jan 22/10 2pm	Orbit # 23 Hole 10TDD693	258m	2gpm	1.5hours	$0.75\ m^3$	Did not taste saline (jt), light tea-coloured, some flow onto surrounding ice	Yes - full water quality suite
Jan 23/10 1:30am	Orbit # 24 Hole 10TDD690	412m	15gpm – then tapered when rods in hole	1.5hours	$5m^3$	Very dirty highly sedimented water, again overflowing onto ice	Yes – full water quality suite

Water samples collected to date are being shipped offsite Jan 23/10 for rush lab analysis, and core from these depths now available for examination.

Doris Lake Drill Holes

Water Intersection Depths	
10TDD691	209m
10TDD693	258m
10TDD690	298m
10TDD692	319m



Orbit 23 Hole 10TDD693 Jan 23/10