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January 31, 2011

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

Dear Melissa:

Re: 2BE-HOP0713 - Spontaneous Water Flow from Doris Lake Drill Rig Geotech # 2 Hole: 11TDD753

On January 29, 2011 at 8:45am, while pulling the rods from drill hole 11TDD753 on Doris Lake at coordinates 7559100N and 434070E (Figure 1), the drillers observed a spontaneous flow of water from the drill casing similar in nature to the flows experienced during the Doris Lake ice-drilling program in the winter of 2009/2010. A full report on these occurrences was provided to your office on February 8, 2010.

The flow occurred from a depth of approximately 383m and flowed at an estimated 20L/min for 2 hours before tapering off. As concluded by geologists in 2010, this water does not represent "artesian flow" as historical core samples do not support the existence of an underground aquifer.

Water quality samples were obtained for analysis and can be provided once results are received. Any further occurrences will be documented and reported.

If you require any further information or have any questions please feel free to contact the undersigned at angela.holzapfel@newmont.com .

Sincerely,

Angela Holzapfel Manager of Environmental Compliance Hope Bay Mining Ltd.

cc. Phyllis Beaulieu, Nunavut Water Board

Figure 1: Location of Drill Hole 11TDD753 on Doris Lake, NU

