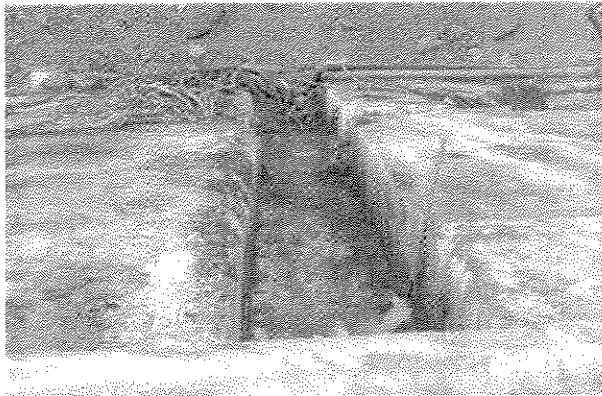


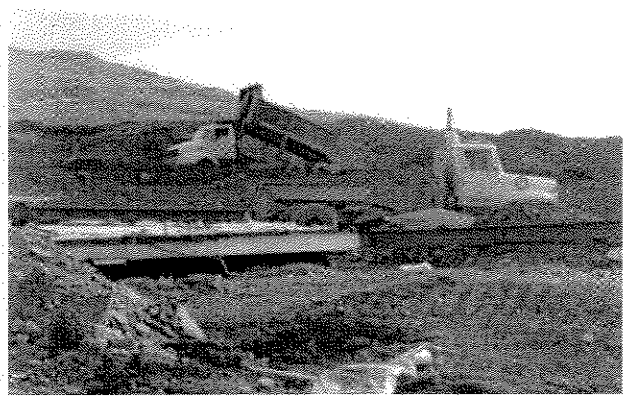
Industrial Complex Area

Mill Foundation

The cable trenches and sumps in the former powerhouse were cleaned out and inspected by our environmental consultant (Gartner Lee Ltd) prior to backfilling the foundation. Metal contaminated soil from the con shed area was placed on top of the foundation. A thermal cover consisting of 1.95 metres of shale and 0.25 metres of sand and gravel armour will eventually be placed over the area.



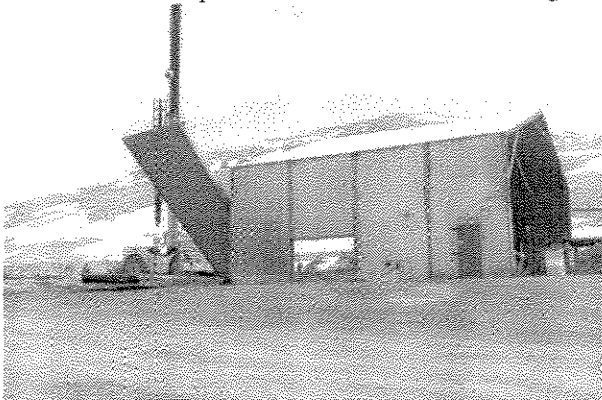
Cable Trench



Truck dumping metal soil on mill foundation

Warm storage Building

The concrete floor was removed and hauled underground. The building itself is a portable structure and was taken apart for use at Wolfden's High Lake project.



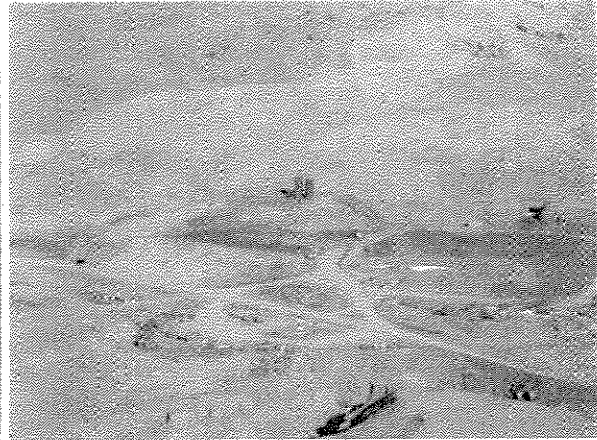
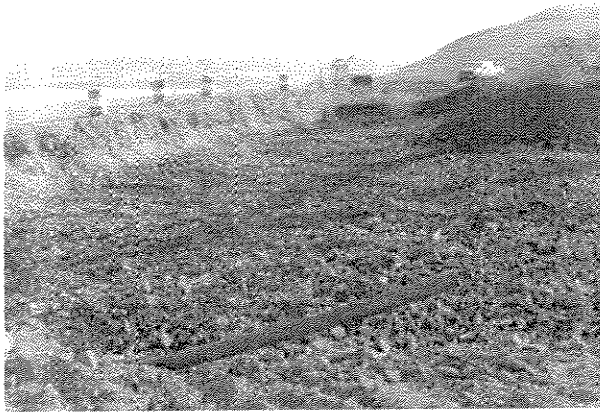
Dismantling the Warm Storage Building

Warehouse Yard

Cleanup in the warehouse yard continued throughout the quarter. Much of the inventory was transferred to the Zinifex (formerly Wolfden Resources). They have been crating and prepping infrastructure, spare parts and supplies to ship to their new project near Bathurst Inlet (High Lake). Other materials designated as scrap was hauled underground.

North Yard

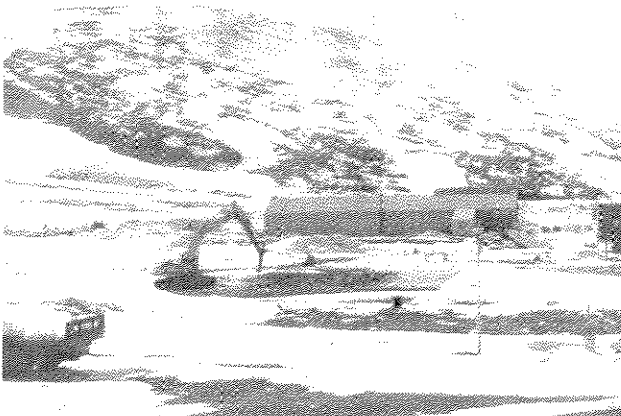
Excavation of metal and hydrocarbon-contaminated soil continued during the 2nd quarter. This was the largest area identified for remediation in the environmental site assessment due to the multiple sources of contamination, including the day tanks, fuel dispensing station, mechanical shops, equipment parking areas and powerhouse. The North yard extends out from the former industrial complex approximately 200 metres.



Townsite

Government Complex (Town Center)

The infrastructure for this complex had been removed during the first quarter. The concrete floors and below ground crawl spaces were remediated during the 2nd quarter. A pneumatic hammer attachment was installed on our excavator and was utilized to break up the concrete and let it fall into the void below. Shale was then hauled and placed over the entire area.



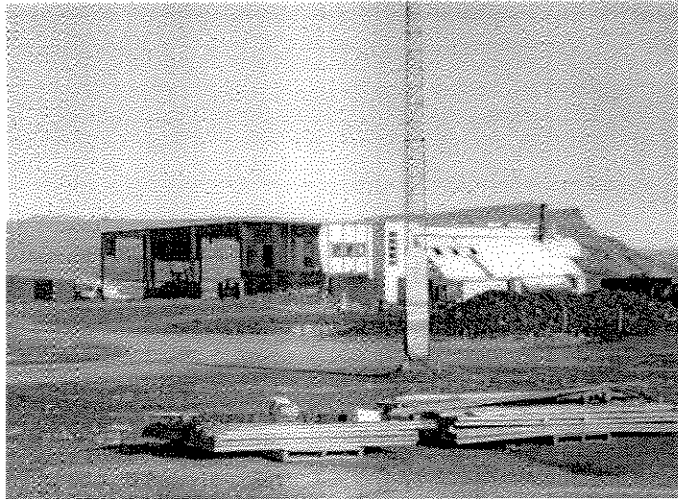
Excavator with hammer attachment



Backfilling basement and broken concrete

Rec Center

Work began on the dismantling of the gym near the end of the quarter. It was being utilized as the camp kitchen up until the 2nd week of June. One of the Domar houses has now been converted to a kitchen and dining area



Rec Center Dismantling

Church

The Nanisivik church was originally a joint venture of the Anglican and Roman Catholic churches. The mine was approached early in the Spring to explore the possibility of moving the unit to Arctic Bay. This was accomplished by welding a steel frame and skid underneath the main section of the church and towing it to the Nanisivik Port and then along a makeshift ice road into the community of Arctic Bay.

