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February 6, 2002 Reference F90132

Mr. Vernon Betts
Homestake Canada Inc.
P.O. Box 11115
Suite 1100-1055 West Georgia St.
Vancouver, BC
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Dear Sirs;

2001 Tailings Dam Inspection
Cullaton Lake Gold Mine, Nunavut

Further to your authorization, we have carried out a visual inspection of the tailings impoundment facility at the above noted site. Reference should be made to the 1999 Tailings Dam Inspection Report, dated October 13, 1999, for background information.

The field inspection was carried out by Mr. Demetri Georgiou, P.Eng. on July 26, 2001, as was the previous one in 1999. Photos 1 and 2, attached, show oblique views of the site taken from the air on the date of the site inspection, July 26, 2001. The tailings area has been covered with local till as reported in Trow's previous reports. Vegetation on the till covered tailings is small and sparse.

Tailings Dam No. 1

Photos 3 and 4 show views of the dam. Typically, the embankment which is constructed principally with local cohesionless till, is irregular in section and surface grade. Average side slopes of the upstream and downstream sides were typically about 3H:1V and 6H:1V, respectively. The downstream side was estimated to be as steep as about 3H:1V in a few areas. The dam height ranges up to about 4 m but averages 2 m to 3 m in height. Some small erosion scars were observed on both the upstream and downstream sides. This is likely due to adjustment of the fill that was placed several years ago during the flattening of the side slopes.

The crest width varies but is in the order of 15 m. No seepages were observed on the day of inspection.

Based on our 2001 as well as previous inspections and involvement with the project, the dam is not in any distress and is considered to be stable.

Based on hand level surveying, the pond level was at an elevation of about 94.0 m, approximately at the spillway invert level and minor flow (a trickle) was occurring over the spillway, as can be seen in Photo 5. Photo 6 shows the weir and a trickle through the rockfill. This is approximately the same water level that was observed in the 1994 and 1996 examinations when the levels were at about 94.0 m, and slightly higher than the 93.7 m estimated in 1999. The water level conforms to the design elevation at closure, such that the tailings in the pond remain submerged. Within the tailings pond itself, no unsubmerged tailings were observed.

Tailings Dam No. 2

Photos 7 and 8 show views of the dam. As with the No. 1 dam, the principal construction material is local cohesionless till. The dam section and surface grade is irregular, although less so than the No. 1 dam. The crest width varies but is in the order of 15 m. No seepages were observed on the day of examination. Based on our 2001 as well as previous inspections and involvement with the project, the dam is not in any distress and is considered to be stable.

The equipment (excavator and bulldozer) seen in Photo 8 were being operated by the mine closure contractor (Ledcor). Dam No. 2 was being graded in the photo. The mine closure contractor has since permanently demobilized the equipment.

We trust that this information meets your current requirements. Should you have any questions or require additional information, please contact us.

Yours truly,

Trow Consulting Engineers Ltd.

Prepared by,

Demetri N. Georgiou, MASc., P.Eng.
Branch Manager/Principal Engineer

Reviewed by,

Robert B. Dodds, Ph.D., P.Eng.
Consulting Engineer

Attachments: photos

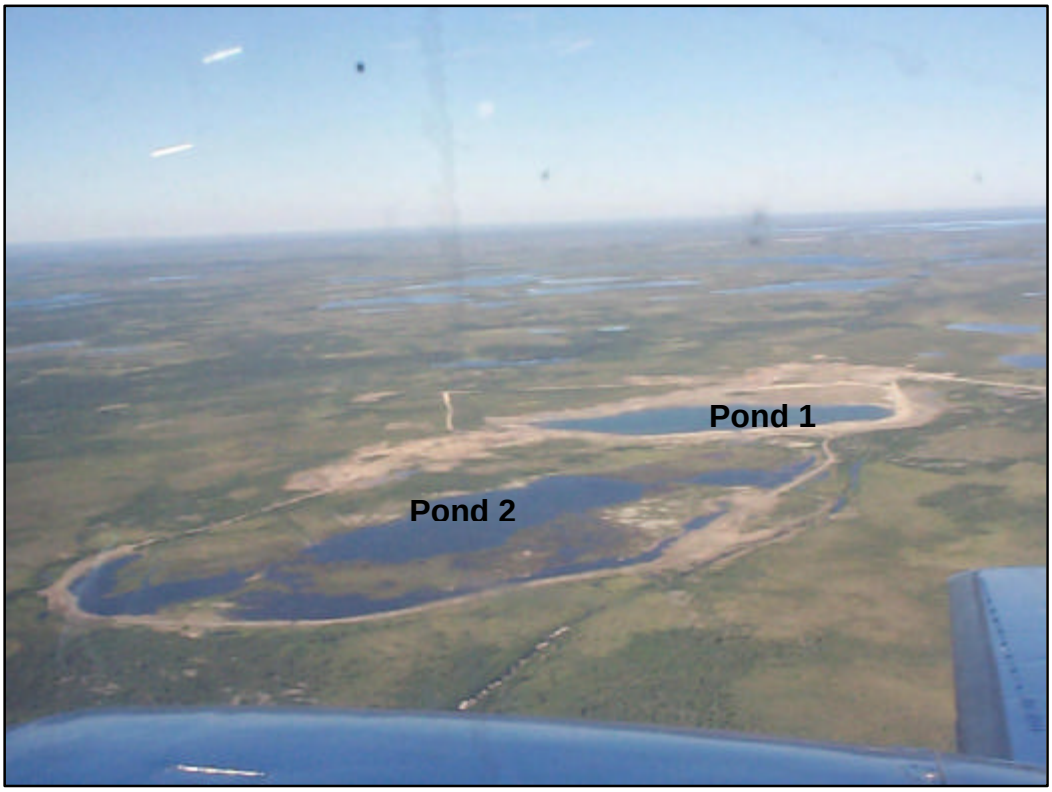

Photo 1: Cullaton Lake Tailings Facility – looking west

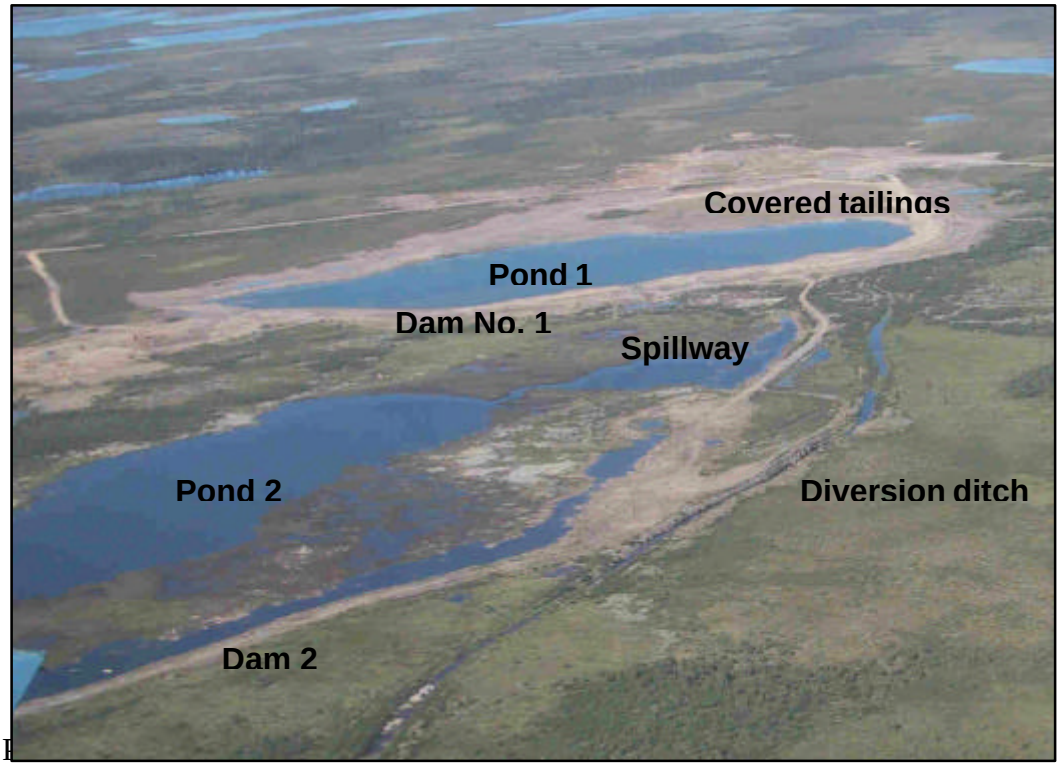

Photo 2: Cullaton Lake Tailings Facility – showing features

Photo 3: Dam No. 1 - looking along crest

Photo 4: Dam No. 1 – looking south on downstream side

Photo 5: Dam No. 1 spillway channel – looking downstream to Pond 2

Photo 6: Dam No. 1 spillway channel and weir - looking upstream

Photo 7: Dam No. 2 – looking north-northwest

Photo 8: Dam No. 2 – looking south-southeast