

March 30, 2006

Mr. Philippe di Pizzo
Executive Director,
Nunavut Water Board
P. O. Box 119
Gjoa Haven, Nunavut
X0B 1J0

Dear Mr. di Pizzo:

Re: NWB1CUL0207 Licence Amendment No. 1
Revisions to the Abandonment and Restoration Plan

Pursuant to paragraph 4 of NWB1CUL0207 Licence Amendment No.1, please find appended 2 paper copies of revisions to Section 4.4 of the approved Abandonment and Restoration Plan for Cullaton Lake. A third electronic copy has been e-mailed to you concurrent with this release.

If you have any questions or wish to discuss this matter further, please do not hesitate to contact me.

Sincerely,

[Original signed by]

Paul Brugger,
Site Manager, Cullaton Lake

Cc Bill Ferdinand, Director, Environment, Health and Safety, North America region
Spencer Dewar, Indian and Northern Affairs Canada

Cullaton Lake Gold Mines Ltd.

Final Abandonment and Restoration Plan

Revision No. 1 (Shear Lake Encapsulated Waste Rock)

The following revision to the Cullaton Lake Abandonment and Restoration Plan is submitted pursuant to the requirements of License Amendment No. 1:

Section 4.4 (Shear Zone):

The following section is added to the end of Section 4.4:

Section 4.4.1 Sear Lake Waste Rock Dump

Approximately 1,000 cubic metres of potentially acid generating waste rock located immediately east of the Shear Lake site will be consolidated and encapsulated as recommended by URS Norecol Dames and Moore Inc.¹ Specifically, the material will be:

1. Excavated and consolidated into a single pile.
2. Placed on a pad constructed of approximately 1m thick compacted fine grained till with a toe berm for collection of run-off.
3. Capped with a 1m thick layer of compacted fine grained till overlain by a 1m thick layer of coarser till.
4. The cap will be vegetated with a local seed mix to enhance erosion protection and minimize infiltration.

The physical condition of the constructed cover and the area surrounding the encapsulated waste rock will be monitored and reported annually to determine the effectiveness of the cover and the need for additional treatment should seepage be observed. Should seepage occur and mitigation measures are required due to water quality impacts, passive treatment utilizing limestone as outlined in the report by URS Norecol Dames and Moore will be implemented.

Should seepage water quantity increase or water quality deteriorate over the monitoring period, additional and more aggressive mitigation measures will be investigated and implemented.

End of Revision No. 1

¹ Assessment of Closure Options and Impacts, Shear Lake Zone Waste Rock Dump, Cullaton Lake Mine, Nunavut, March 2003, URS Norecol Dames and Moore Inc.