

May 16th, 2005

Ms. Stephanie Briscoe
Executive Director
Nunavut Impact Review Board
P.O. Box 2379
Cambridge Bay, Nunavut
X0B 0C0

BY FAX and e-Mail

Dear Ms. Briscoe:

RE: Meadowbank Gold Project -- Assessment of Proposed All Weather Road

Cumberland Resources Ltd. (Cumberland) is in receipt of your letter of May 13th, 2005 to Mr. MacIsaac by copy of which you ask Cumberland to respond to the concerns raised about the above-captioned matter in Mr. MacIsaac's letter of the same date. Our response to your request and our comments on the concerns set out by Mr. MacIsaac are set out below.

The primary issue raised by Indian Affairs and Northern Development (INAC) through Mr. MacIsaac relates to the fact that the department has not yet received Cumberland's application for land tenure for the proposed all weather access road (the access road). INAC is concerned that "it is not procedurally appropriate to include the construction and operation of an *all season road* in the scope of the Meadowbank Gold Project's environmental assessment and review" unless land tenure issues related to the road are resolved. Mr. MacIsaac suggests that somehow, this means that NIRB will not be conducting "one environmental assessment for the entire Meadowbank project". The inference is that there may be some risk that "project splitting" will occur.

Mr. MacIsaac goes on to say that the access road is a significant component of the project and suggests that it is one which "significantly impacts the socio-economic environment of the Kivalliq region." Cumberland is in agreement with at least part of this statement. The only evidence before the Board to date about the socio-economic impacts of the road indicates that these "significant impacts" will be positive, for Baker Lake at least. How a road from Baker Lake to the mine site might have significant impacts on other communities or the region as a whole is less than clear.

* Practising law through the John Donihee Professional Corporation.

We have on several occasions explained to INAC Cumberland's intention to continue its business relationship with Peter's Expediting Ltd., a Baker Lake based Inuit firm. Cumberland has invited proposals for the continuance of this relationship once mine construction is initiated and continuing into the operational phase of the project. This business concept has included a plan for Peter's Expediting Ltd. to hold the land tenure for the access road (whether winter or all weather) and to have contractual responsibility for both road maintenance and transportation of goods and services to the site. The approach being considered is like that used in the NWT where a separate joint venture manages and holds the land tenure for the Lupin winter road and the mines which depend on the road for resupply contract with the joint venture for its use.

Cumberland corresponded with INAC explaining this concept as long ago as March 2004. We see this approach as is one more option for encouraging economic development in Baker Lake as a result of the Meadowbank project.

As for the suggestion that project splitting may be under way, we suggest that the issue of land tenure for the access road is not a relevant environmental Impact assessment (EIA) concern. Cumberland is not project splitting. The information provided in Mr. MacIsaac's own letter is evidence of that.

Cumberland included alternative access road options in its draft Environmental Impact Statement (DEIS). In February of this year Cumberland indicated that because of new feasibility work, it preferred the all weather access road option. The mine site access options set out in the DEIS have already been addressed from the EIA standpoint. But more information was needed for the all weather road option and Cumberland has acted to address that need.

Cumberland has already applied for the land tenure related to the access road which is necessary to conduct the additional environmental and engineering studies in the summer of 2005. This work will provide the detail which will be required for a thorough assessment of the all weather option in the final EIS (FEIS). The work to secure additional information and improve the impact assessment for the access road is already underway. We point out that NIRB exempted the applications for the summer 2005 access road land tenure from screening precisely because this activity will be reviewed as part of the FEIS.

NIRB conducts screenings and reviews on "project proposals", defined in the NLCA as a physical work or physical activity "that a proponent proposes to construct, operate, modify..." etc. With the greatest of respect to Mr. MacIsaac and INAC, there is no requirement in Article 12 of the NLCA that a permit application be in a regulator's hand before the NIRB process is engaged. Section 12.4.1 requires a project proposal and in this case there is one, described in detail in the DEIS and supporting documents which also address road options and include an assessment of the all weather access road option. All Cumberland is doing now is getting more information about its preferred option. The all weather road has always been one of the site access options included in the Meadowbank project proposal.

As for the securing of long term tenure of the access road, Mr. Thiele of Cumberland exchanged e-mails with Mr. McLean of INAC on May 2nd 2005 indicating that in light of INAC's concerns and the department's conversations with Mr. Curtis, referenced in Mr. MacIsaac's letter, Cumberland would proceed to apply for land tenure for the all weather access road. We anticipate that these land use applications will be submitted to INAC shortly. If Cumberland decides at a later date to proceed with the arrangements proposed with Peter's Transportation Ltd. we may seek to assign the land use permits.

Another issue addressed in Mr. MacIsaac's letter is the question of the all weather access road and conformity with the Nunavut Planning Commission (NPC) Keewatin Regional Land Use Plan. NIRB has already referred to NPC the question of whether Cumberland's shift to a focus on an all weather road raises conformity issues. Cumberland also followed up on this issue with NPC but to date the Planning Commission has not expressed its views on this point. It is Cumberland's view that NIRB has done all that it can to ensure that the concerns raised by the shift of focus to an all weather access road are addressed in a manner which is consistent with the NLCA. Cumberland will respond as required once NPC addresses the conformity question.

In closing, Cumberland is of the view that the conclusion drawn in the fourth point in Mr. MacIsaac's letter (see page three) is not correct. NIRB's authority to conduct a review is dependent on having a project proposal in front of the Board. Land tenure can be arranged later. What is important to avoid project splitting is that the whole project be set out and thoroughly assessed. That is exactly what is happening and we respectfully submit that NIRB's approach to date has been correct. INAC's conclusion does not accord with the case law on project splitting and it is not consistent with either the definition of a project proposal under the NLCA or the process set out in Article 12. It also ignores the steps taken by NIRB to ensure that all of the necessary information about the all weather road option is secured for the Board's consideration before a final recommendation is provided to the Minister of INAC.

Cumberland is preparing land tenure applications for the access road and they will be filed with INAC shortly. There is no reason to delay the Technical Meetings or the pre-hearing conference based on the concerns raised by Mr. MacIsaac. We hope that NIRB will agree.

Yours truly,

Original Signed By:

John Donihee
Counsel to Cumberland Resources Ltd.

cc. Mr. Craig Goodings Cumberland