



Indian and Northern
Affairs Canada
www.inac.gc.ca

Affaires indiennes
et du Nord Canada
www.sinc.gc.ca

Land Administration
P.O. Box 100
IQALUIT, NU, X0A 0H0
Phone: 867-975-4275
FAX: 867-975-4286

January 20, 2006

Craig Goodings
Manager of Environment and Regulatory Affairs
Cumberland Resources Ltd.
#950-505 Burrard Street
Box 72, One Bentall Centre
Vancouver, BC V7X 1M4

Dear Mr. Goodings:

Re: Long Term Options for the Meadowbank Gold Project Access Road

In response to your letter dated December 14, 2005, regarding long term options for the Meadowbank Gold Project Access Road, Indian and Northern Affairs Canada (INAC) would like to take this opportunity to summarize its role in the development of the Meadowbank Gold Project Access Road.

INAC and the Government of Nunavut (GN) agree that under the Nunavut Act administration and control of roads within Nunavut is the responsibility of the GN.

The Nunavut Act states:

49. (1) The following lands are and remain vested in Her Majesty in right of Canada:

(e) all roads, streets, lanes and trails on public land;

(2) The right to the beneficial use or to the proceeds of the lands referred to in subsection (1) is appropriated to the Commissioner, and the lands may be held by and in the name of the Commissioner for the beneficial use of the Government of Nunavut.

However, INAC will remain involved in tenuring road construction under the *Territorial Land Use Regulations* and *Territorial Quarrying Regulations* which will require the issuance of a Land Use Permit and quarry permits for the portion of road on Crown land.

Canada

Regarding the three questions in your December 14, 2005 letter:

1) Given that Cumberland will construct and operate the road as a private facility, do you see any role for your organization in traffic control, public safety or regulation of the road?

INAC will work closely with the GN and other stakeholders to ensure that proper standards and criteria are maintained during the construction of the road. As mentioned above, INAC will consider the issuance of a Land Use Permit in accordance with the Territorial Land Use Regulations and Quarry Permits in accordance with the Territorial Quarry Regulations as requested via application.

2) After Cumberland completes its abandonment and decommissioning of the Meadowbank site do you envision any role for your organization in operating and managing the road?

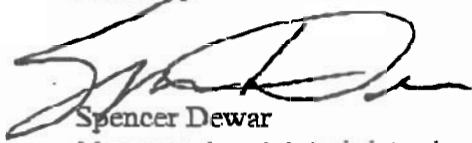
INAC does not foresee a role in the operation or management of the road beyond the Land Use and Quarry permits that may be required for construction. INAC may however have a regulatory role as determined through the environmental assessment and water licensing processes.

3) If you see a role for your organization in operating the road after the Meadowbank project is finished are you willing to accept the operational costs and liability which will go along with that role?

INAC does not intend to be involved in the operation of the Meadowbank access road during or upon closure of the Meadowbank project. INAC will perform its regulatory functions to ensure that the terms and conditions attached to any approved regulatory instruments are met.

I trust this letter will provide Cumberland Resources Ltd. with the necessary clarity to move forward through the environmental assessment and regulatory process. Please contact me at (867) 975-4280 if you require further clarification.

Sincerely,



Spencer Dewar
Manager, Land Administration

cc. Executive Director-NIRB, Mayor of Baker Lake, Director, Capital Planning - CG&S
Director of Operations-INAC, Director of Lands-KIA, Senior Transportation Planner-ED&T