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December 27, 2006

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: Terms and Condition of Project Certificate

I am pleased to provide NIRB with an update on the progress Cumberland has made completing the 86 terms and conditions listed on the project certificate. Please contact me if you have any questions.

Yours truly,

CUMBERLAND RESOURCES LTD.

Craig Goodings, MSc.
Manager, Environmental and Regulatory Affairs

PROJECT SPECIFIC TERMS AND CONDITIONS UPDATE

The following commitments have been completed:

Regulatory Requirements (General)

3. Cumberland must obtain all required federal and territorial permits and other approvals, and shall comply with the requirements of such regulatory instruments.

Status: *Applications have been submitted for all required federal and territorial permits and other approvals.*

5. Cumberland shall meet with respective licensing authorities prior to the commencement of construction to discuss the posting of adequate performance bonding. Licensing authorities are encouraged to take every measure to require that sufficient security is posted before construction begins. This bonding should not duplicate other amounts of security required (e.g. the NWB).

Status: *Discussions have been initiated.*

Water Quality and Waste Management

General:

8. Cumberland shall, within 30 days of re-opening of the camp, re-sample existing groundwater monitoring wells and combining the sampling data with existing rounds of groundwater sampling data, re-evaluate the salinity, major ion concentrations, and dissolved metal load of groundwater flowing to the mine pits and incorporate the results into the water quality monitoring and treatment program. At the time samples are taken Cumberland shall also assess the condition of existing groundwater monitoring wells and replace any defective wells. Cumberland shall continue to undertake semi-annual groundwater samples and re-evaluate the groundwater quality after each sample collection. Cumberland shall report the results of each re-evaluation to NIRB's Monitoring Officer, INAC and EC, and incorporate the results of the additional data into the water license application to the NWB.

Status: **Completed.**

Monitoring:

21. Cumberland shall fund and install a weather station at the mine site to collect atmospheric data, including air temperature and precipitation.

Status: **Completed.** *A weather station to collect atmospheric data, including air temperature and precipitation has been operating continuously since 1998. Details can be found in the Project Description Report submitted to NIRB in March 2003 and the draft and final EIS submissions.*

25. Cumberland shall manage and control waste in a manner that reduces or eliminates the attraction to carnivores and/or raptors. Cumberland shall employ legal deterrents to carnivores and/or raptors at all landfill and waste storage areas. The deterrents are to be developed taking into consideration Traditional Knowledge and in consultation with the HTO, EC and INAC and incorporated into the final Waste Management Plan prior to filing the Plan with the NWB.

Status: **Completed** *in TEMP.*

Project Alternatives and Planned Changes

30. Cumberland shall meet with EC and the DFO to ensure that the information required for the application to add the northwest arm of Second Portage Lake as a tailings impoundment area under Schedule 2 of the Metal Mining Effluent Regulations, including the No Net Loss Plan to offset losses expected as a result of all other Project infrastructure, is complete and the application can be processed according to law.

Status: **Completed.** *Final NNL plan submitted to DFO.*

Marine Environment

36. Cumberland shall ensure the placement of local area marine mammal monitors onboard all vessels transporting fuel or materials for the Project through Chesterfield Inlet.

Status: *Discussions with Shippers initiated.*

Fish and fish-habitat

46. Cumberland shall apply for Fisheries Act approval for the freshwater intake pipe for the Project, and submit for DFO approval a detailed plan of the proposed intake, including siting, design of intake screens in accordance with the DFO Freshwater End-of-Pipe Fish Screen Guidelines, construction and operation considerations, fish and fish habitat impacts, and mitigation and monitoring plans.

Status: **Completed.** *Final NNL plan submitted to DFO.*

47. Cumberland shall develop an adaptive approach to managing the water flow from Third Portage Lake, including the consideration of alternatives to deepening the easternmost channel; submission of detailed design of the easternmost channel modifications; a monitoring program for channel erosion, verification of the maintenance of water levels in Third Portage Lake, and the success of fish habitat enhancements; and contingencies in the event of channel failure, for approval by the DFO.

Status: **Completed.** *Final NNL plan submitted to DFO.*

48. Cumberland shall demonstrate to the satisfaction of the DFO that the water management framework, including the embankment details and diversion ditch, will permit the maintenance of over-wintering fish habitat in Phaser Lake through the life of the Project.

Status: **Completed.** *Final NNL plan submitted to DFO.*

49. Cumberland shall develop, implement and report on the fish-out programs for the dewatering of Second Portage Lake, Third Portage Lake and Vault Lake. This must be done in consultation with the DFO, Elders and the HTOs, and in a manner that optimizes the acquisition of northern fisheries science and augments baseline fisheries data to support monitoring programs and the final design of fish habitat compensation for the Project.

Status: **Completed.** *Submitted in final EIS.*

53. Cumberland shall, in consultation with the HTOs and DFO, develop a Fish Habitat Monitoring Plan, including augmenting baseline fisheries data in the period prior to operation, with the clear objective of demonstrating the success of the No Net Loss Plan approved by the DFO.

Status: **Completed.** *Included in Aquatic Effects Monitoring Program and the Final NNL plan.*

Wildlife and Terrestrial

54. Cumberland shall provide an updated Terrestrial Ecosystem Management Plan.

Status: **Completed** in TEMP.

56. Cumberland shall plan, construct, and operate the mine in such a way that caribou migration paths through the Project, including in the narrows west of Helicopter Island, are protected. Maps of caribou migration corridors shall be developed in consultation with Elders and local HTOs, including Chesterfield Inlet and placed in site offices and upgraded as new information on corridors becomes available. Information on caribou migration corridors shall be reported to the GN, KivIA and NIRB's Monitoring Officer annually.

Status: **Completed** in TEMP.

57. Cumberland shall participate in a caribou collaring program as directed by the GN-DOE.

Status: *Program has been initiated with the GN.*

58. Cumberland shall, in consultation with Elders and the HTOs and subject to safety requirements, design the lighting and use of lights at the mine site to minimize the disturbance of lights on sensitive wildlife and birds.

Status: **Completed** in TEMP.

59. Cumberland shall, in consultation with Elders and the HTOs, design and implement means of deterring caribou from the tailing ponds, such as temporary ribbon placement or Inukshuks, with such designs not to include the use of fencing.

Status: **Completed** in TEMP.

60. Whenever practical, Cumberland shall implement a stop work policy when wildlife in the area may be endangered by the work being carried out.

Status: **Completed** in TEMP.

61. In consultation with EC, Cumberland shall incorporate into the Terrestrial Ecosystem Management Plan and the Air Traffic Management Plan a commitment for aircraft to maintain (whenever possible) a cruising altitude of at least 610 metres during point to point travel when in areas likely to have migratory birds, and 1000 metres vertical and 1500 metres horizontal distance from observed concentrations of migratory birds, and use flight corridors to avoid areas of significant wildlife importance.

Status: **Completed** in TEMP. The Air Traffic Management Plan is currently being updated.

62. Cumberland shall develop and implement a noise abatement plan to protect people and wildlife from significant mine activity noise, including blasting, drilling, equipment, vehicles and aircraft. The noise abatement plan will be developed in consultation with Elders, GN, HC and E.

Status: **Completed** in TEMP and Air Quality and Noise Management Plans.

Socio-economic

63. Within six (6) months of the issuance of a Project Certificate, the GN and INAC shall form a Meadowbank Gold Mine Socio-Economic Monitoring Committee ("Meadowbank SEMC") to monitor the socio-economic impacts of the Project and the effectiveness of the Project's mitigation strategies. The monitoring shall supplement, not duplicate, the monitoring required pursuant to the IIBA negotiated for the Project, and on the request of Government or PC, could assist in the coordination of data collection and tracking data trends in a comparable form to facilitate the analysis of cumulative effects. The terms of reference shall focus on the Project, include a plan for ongoing consultation with KivIA and affected local governments and a funding formula jointly submitted by GN, INAC and Cumberland. The terms of reference shall be submitted to NIRB for review and subsequent direction within six (6) months of the issuance of a Project Certificate. Cumberland is entitled to be included in the Meadowbank SEMC.

Status: Discussions have been initiated.

64. Cumberland shall work with the GN and INAC to develop the terms of reference for a socio-economic monitoring program for the Meadowbank Project, including the carrying out of monitoring and research activities in a manner which will provide project specific data which will be useful in cumulative effects monitoring (upon request of Government or NPC) and consulting and cooperating with agencies undertaking such programs. Cumberland shall submit draft terms of reference for the socio-economic monitoring program to the Meadowbank SEMC for review and comment within six (6) months of the issuance of a Project Certificate, with a copy to NIRB's Monitoring Officer.

Status: Discussions have been initiated.

67. Cumberland shall develop and implement a program to monitor contaminant levels in country foods in consultation with HC. A copy of the plan shall be submitted to NIRB's Monitoring Officer.

Status: **Completed** *in TEMP.*

Archaeology

69. Cumberland shall carry out the Project to minimize the impacts on archeological sites, including conducting proper archeological surveys of the Project area (including the all-weather road and all quarry sites). Cumberland shall provide to the GN an updated baseline report for archeological sites in the Project area.

Status: **Completed.**

Air Quality

71. Cumberland shall, in consultation with EC, install and fund an atmospheric monitoring station to focus on particulates of concern generated at the mine site. The results of air quality monitoring are to be reported annually to NIRB.

Status: **Completed.** *Included as part of the monitoring the Air Quality and Noise Management and Monitoring Plan submitted in Final EIS.*

Accidents and malfunctions

75. Cumberland shall provide a complete list of possible accidents and malfunctions for the Project. It must consider the all-weather road, shipping spills, cyanide and other hazardous material spills, and pitwall/dikes/dam failure, and include an assessment of the accident risk and mitigation developed in consultation with Elders and potentially affected communities.

Status: **Completed.** *Submitted for comment.*

76. Cumberland shall develop an “Early Warning Monitoring Program” along the east boundary of the Project’s local study area (mine and road) including the location where Third Portage Lake flows into Tehek Lake. The “Early Warning Monitoring Program” shall discuss how the communities of Baker Lake and Chesterfield Inlet will be actively involved and shall be submitted to NIRB’s Monitoring Officer for review prior to Project construction. If adverse effects from the project to any VEC are detected along this boundary, then Cumberland shall notify the NIRB’s Monitoring Officer for determination as to whether and to what extent additional monitoring is required.

Status: **Completed.** *Early Warning Monitoring plans were produced and included as part of the Management and Monitoring Plans submitted in the Final EIS. These plans do more than just monitor the east boundary; they also provide an early warning monitoring program for the equally important north, south and west boundaries. For a complete list please refer to the Final EIS.*

77. Cumberland shall as soon as possible, review and coordinate its Emergency Response Plan with the emergency response plans of the Hamlets of Baker Lake and Chesterfield Inlet.

Status: *Discussions have been initiated.*

85. Cumberland shall develop a detailed blasting program to minimize the effects of blasting on fish and fish habitat, water quality, and wildlife and terrestrial VECs. The Blasting Program shall be developed in consultation with the DFO and GN.

Status: **Completed.**