

January 31, 2013

Amanda Hanson, Director, Technical Services Nunavut Impact Review Board PO Box 1360 Cambridge Bay, NU X0B 0C0

Resumption of operations at Hackett River Camp (Hackett River Project)

NWB License 2BE-HAK0915 INAC License N2010C0015 KIA License KTL304C010

And

Resumption of exploration at Wishbone Project KIA License KTL309C002

Dear Amanda.

This letter will serve to advise you that Xstrata Zinc Canada (Xstrata) will be resuming operations for the season on or about February 20, 2013 for Hackett camp (the "Hackett River project").

At Hackett camp, limited personnel (maximum of 10) will be on site for the first 2 weeks, with initial activity limited to camp opening tasks, such as snow clearing, warming up buildings, starting equipment, etc. It is anticipated that the drillers will be arriving on site mid-March, with the drilling program commencing on or about March 15, 2013. By April 10, there will be 6 diamond drills turning at Hackett River. For the 2013 program, Wishbone exploration, baseline environmental and BIPR study activities will be supported by the Hackett camp, and will be part of the same overall program.

Additional activities planned for the exploration season will include airborne geophysics and baseline environmental and engineering work in support of both Hackett River and BIPR.

The 2013 program also includes progressive reclamation activities and on-going camp improvements to support the 2013 and future programs that will build on our commitment to providing safe working conditions and minimizing impacts to the local environment.



As per the terms of various licenses, best management practices and monitoring are part of Xstrata's exploration program. These permits are listed in the table below and posted in the camp office; copies available upon request:

Permit No.	Permit Name	Expiry	Description
N2010C0015	Exploration activities on Crown Land	2013-10-31	Exploration activities on Crown Land at Hackett Project
KTL304C010		2013-03-13	Staking and prospecting, exploration, drilling, fuel storage, camp on Inuit Owned Lands
076F16001	Hackett River Camp	2017-03-31	exploration camp
2BE-HAK0915	Hackett River Camp	2015-12-31	Water use and waste disposal
KTL309C002	Wishbone exploration	2013-03-16	Staking/prospecting, exploration (ground/air geophysics), drilling,
KTL111C009	Wishbone exploration	2013-05-04	Staking/prospecting, exploration (ground/air geophysics), drilling,

We currently anticipate closing Hackett camp in early October, and will advise you of the date as we complete our exploration program for 2013. We are looking forward to a safe, successful season in our endeavours in the Kitikmeot Region again this year, and we look forward to continuing to work with all of you.

Should you have any questions or concerns, please do not hesitate to contact me by email at sburgess@xstratazinc.ca or by telephone at 807-251-3335, or 778-372-3293, once camp is open.

Best regards,

Scott Burgess Site Manager, Hackett River Project

CC: Wynter Kuliktana, Kitikmeot Inuit Association
Tracey McCaie, Aboriginal and Northern Development Canada
Phyllis Beaulieu, Nunavut Water Board
Sylvester Wong and Peter Bengts, Workers' Compensation Board