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NUNAVUT WATER BOARD
NUNAVUT IMALIRIYIN KATIMAYINGI

File: NWB2HIG0506/Amend/F2

February 24, 2006

By Email and Regular Mail

Mr. Ian Neill Project Manager
Wolfden Resources Ltd.
309 Court St. South
Thunder Bay, Ontario
P7B 2Y1

Email: ian.neill@wolfdenresources.com

Subject: 2006 Geotechnical Drill Program, High Lake Project; Water Licence NWB2HIG0506

Dear Mr. Neill;

The Nunavut Water Board ("NWB") would like to acknowledge the receipt of your letter, dated February 22, 2006, addressed to Mr. David Hohnstein with respect to the proposed 2006 geotechnical drill program and its potential non-compliance with Part F, Item 2 of Licence NWB2HIG0506.

Your February 22, 2006 letter specifically references the additional information submitted to the NWB by letter dated June 28, 2005 where the geotechnical requirements of the proposed drilling program were outlined and presented to the NWB for consideration upon renewal of the High Lake Project Licence. The outline of the geotechnical program presented in the letter requested a variance to the standard thirty (30) metre setback from any water body, for drilling in the *"...vicinity of the proposed tailings containment facility (i.e. High Lake) and proposed water supply dam at Granite Lake."* There were also to be six (6) holes drilled in the vicinity of the proposed plant/camp facility. Paragraph 3, on page 2 describes the purpose of the drilling *"is to examine foundation conditions below potential dam sites at High Lake and Granite Lake; as such, it will be necessary to drill in proximity to these water bodies and watercourses associated with these water bodies."*

In carrying out the initial review, the application and the above noted letter were distributed to interested persons for review and comment on July 6, 2005 with a comment deadline of August 7, 2005. The information presented in the application received comment in the form of specialist advice from Environment Canada and Nunavut Tunngavik Incorporated, both of whom requested that land based drilling not be allowed within thirty (30) metres of the high water mark of any water body.

The NWB, in taking this advice into consideration, determined that limited drilling as identified within the application could be approved. Part F, Items 2 and 3, were incorporated into the Licence to allow that portion of the proposed geotechnical program to proceed, given the need to acquire the information for assessment purposes.

Further review of the Application and the subsequent additional information has determined that no other drilling requests were made at that time and that the terms and conditions of Licence NWB2HIG0506 have adequately addressed the application. In the event that Wolfden Resources Incorporated has determined that the geotechnical program is in need of expansion, and that the terms and conditions of Licence NWB2HIG0506 do not sufficiently address these needs, an application for amendment will be required in order to properly assess, review and appropriately amend the Licence conditions where

applicable. The NWB understands the timeframe with which Wolfden Resources Inc. is working under in order to acquire the geotechnical information, however due process needs to be taken into consideration.

Should you have any questions or require further clarification, please feel free to contact me at (867) 766-3212 or Mr. David Hohnstein, Technical Advisor Mining at (780) 443-4406, at your earliest convenience.

Yours truly,

Original Signed By:

Philippe di Pizzo, MA, MSc, CCEP
Executive Director
Nunavut Water Board

/dh/pdp

CC: Kitikmeot Distribution List