WOLFDEN
RESOURCES INC.

June 28, 2005

Mr. David Hohnstein
Nunavut Water Board
P.O. Box 119
Gjoa Haven, NU X0B 1J0

Dear Mr. Hohnstein:

Re: 2005 Geotechnical Drill Program, Wolfden Resources Inc. High Lake Project

Further to our discussion earlier today, please find enclosed herein a letter describing the proposed 2005 geotechnical program. In essence this letter forms an addendum to our renewal application for Wolfden's existing exploration water licence NWB2HIG0305.

Wolfden is continuing its baseline studies between Ulu and Grays Bay in spring and summer 2005 in support of an eventual regulatory application package to secure the necessary approvals for mine development of the High Lake Project. As part of these studies, a geotechnical program to investigate the physical characteristics of rock and overburden material is required to determine their suitability for construction activities. The geotechnical program will be led by BGC Engineering Inc.

The 2005 geotechnical program at the High Lake site involves:

- Drilling approximately 30 holes in the vicinity of the proposed tailings containment facility (i.e., High Lake) and proposed water supply dam at Granite Lake;
- Drilling approximately 6 holes in the vicinity of the proposed plant/camp facility; and
- Installing thermistors in approximately seven (7) of the above-noted holes, to determine temperatures at depth.

Drilling will be carried out using the Boyles 17 heli-portable diamond drill rig already on-site at High Lake. It is expected that most of the holes will be less than 20 metres in length. Chilled brine drilling fluid will be used to obtain undisturbed samples of frozen ground. The drilling fluid will be recirculated during drilling. For those holes for which instrumentation (thermistors) will not be installed, the borehole

will be backfilled with a cement-bentonite grout mix upon completion. The brine fluid used during drilling, amounting to about 350 litres (+) per hole will require disposal, as directed by the Board.

Wolfden will comply with all terms and conditions of the water licence with respect to drilling, including those terms and conditions dealing with wastewater. Water usage for the geotechnical drill program is minimal and will remain within the water use licence limits.

The purpose of the drilling noted in the first bullet above 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 waterbodies. The 30 holes to be drilled in the vicinity of High Lake and Granite Lake will be within 30 m of a waterbody. We are aware that Part F, Item 2 of the existing water licence states that "*No land-based drilling is to be done within thirty (30) metres of the high water mark of any water body*."

As part of Wolfden's renewal application for the High Lake water licence, it is requested that Part F, Item 2 be amended to allow for the above noted geotechnical drill program, including the holes proposed to be drilled within 30 metres of a waterbody. It should be noted that the NWB previously approved an amendment to the existing water licence regarding two geotechnical boreholes drilled within 30 metres of High Lake in 2004 (Amendment 1 to NWB2HIG0305, September 30, 2004). However, now that the proposed mining development project is further refined, additional drilling is required to determine the geotechnical nature of the proposed development area.

We appreciate your time today in discussing this matter with us. Should you have any questions, please feel free to contact me at 604-759-0473.

Yours truly,

Ian Neill
Project Manager
Wolfden Resources

cc.

John Cook, Wolfden Resources Inc.
Dave Stevenson, Wolfden Resources Inc.
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