

NWB – ANNUAL REPORT
OF WATER USE

WOLF DEN RESOURCES INC.

HIGH LAKE PROJECT

WATER LICENSE NWB2HIG0305 / NWB2HIG0506

DATES OF WATER USAGE
February 2005 to December 2005

BATHURST INLET AREA

KITIKMEOT REGION

NTS 76M/2,7

Latitude 67°12'N to 67°19'N
Longitude 110°45'W to 111°05'W

Wolfden Resources Inc.
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Thunder Bay, Ontario.
P7B 2Y1

1.0 PROJECT SUMMARY:

The Wolfden Resources High Lake Project is a mineral exploration project focused on base metal exploration in the High Lake volcanic belt. The Project is located in the Kitikmeot region of Nunavut, approximately 550km north-northeast of Yellowknife, NWT. The closest population center is Kugluktuk, located 175km west-northwest of the property. The property is approximately 45km south of the Coronation Gulf.

The High Lake deposits were first discovered in the mid-1950's, and have been worked through the 1970's and 1990's by various companies. Wolfden Resources obtained the property in the year 2000 and began work in 2001. Through the 2001 - 2004 exploration seasons, Wolfden conducted ground and airborne geophysics, as well as diamond drilling. In total, Wolfden has drilled 137 diamond drill holes, for a total of 251 holes when historic exploration is included. Highlights of Wolfden's program include the discovery of the "West Zone" in 2003, located approximately 1.5km to the west of the High Lake camp. Diamond drilling by Wolfden and other's has indicated a resource of 14.3 million tonnes grading 2.34% Copper, 3.53% Zinc, 1.01 g/t Gold and 75.69 g/t Silver (copper equivalent of 4.70%). There is a further inferred resource of 1.3 million tonnes grading 1.17% Copper, 3.35% Zinc, 0.78 g/t Gold and 76.52 g/t Silver (copper equivalent of 3.29% Copper).

The 2005 program consisted of ground geophysical surveying including magnetic and electromagnetic surveys and diamond drilling. The project began February 22nd and concluded on December 4th. Exploration work was focused on the Sand Lake Zone, the North Zone, the Lake Zone, the West Zone, the South Zone and the Ced Lake area, with a few regional exploration holes as well. Two diamond drills were used during the exploration program, a Boyles 17A and a Boyles 37A.

The campsite, which is located on the southwest shore of High Lake, consists of 16 canvas tents, and 5 temporary plywood clad structures and is designed to accommodate 40 people. The camp is located on a government of Canada land lease which has been excluded from the IOL CO-29 land package. This site is convenient due to its proximity to the main High Lake deposit and its historic use as a camp location. Camp occupancy reached a maximum of 43 persons, with a seasonal average of 25 persons.

Wolfden has been pleased to employ locally wherever possible, and has hired employees from the nearby communities of Cambridge Bay, Bathurst Inlet and Kugluktuk. Direct employment of Wolfden staff consisted of 1834 man days on site during 2005. Of these, 689 man days (approximately 38%) were hires from the local communities. Wolfden hopes to continue this good relationship with the local communities and offer continued employment opportunities for field personnel in the future.

2.0 SUMMARY OF WATER USE:

Water use on the High Lake project is resultant from two activities, diamond drilling and camp operations. Diamond drilling was conducted in two phases, beginning March 23rd and concluding September 4th, with activities restarting on October 18th through until December 2nd, with two drills active for most of the period.

Water pumped to the drill is calculated by average pumping rates of supply pumps and is 25 m³ per drill per day. Of this, an estimated 30% is used by the drill for drilling operations, the remainder, which is clean unused water, is allowed to flow back to the water table.

Camp operations water use is pumped to the High Lake camp site where it is stored in 3 water storage containers each measuring 0.5 m³. Water is pumped primarily only once per day, meaning that camp consumption is less than 1.5 m³ per day. In some instances where camp is at maximum occupancy, water is pumped twice per day, giving a maximum consumption of less than 3 m³. Water use for camp operations began February 22nd and concluded on December 4th.

A summary of water source locations is provided below in table 2.1 with sump locations provided in table 2.2.

TABLE 2.1 – Water Source Locations:

LATITUDE	LONGITUDE	AREA	USE
67° 30' 22"	110° 49' 29"	Sand Lake	Drill Water Source
67° 24' 05"	110° 51' 16"	North Zone	Drill Water Source
67° 23' 04"	110° 52' 36"	Cairo	Drill Water Source
67° 23' 12"	110° 52' 59"	Cairo	Drill Water Source
67° 22' 42"	110° 50' 42"	Lake Zone	Drill Water Source
67° 22' 42"	110° 50' 48"	Gambler	Drill Water Source
67° 22' 33"	110° 51' 08"	H Zone	Drill Water Source
67° 22' 10"	110° 53' 03"	West Zone	Drill Water Source
67° 22' 03"	110° 53' 23"	West Zone	Drill Water Source
67° 21' 21"	110° 53' 13"	Chicane	Drill Water Source
67° 21' 15"	110° 52' 07"	South	Drill Water Source
67° 13' 57"	110° 56' 43"	Ced Lake	Drill Water Source
67° 14' 05"	110° 59' 04"	Ced Lake	Drill Water Source
67° 14' 38"	110° 54' 17"	Amagok	Drill Water Source
67° 22' 47"	110° 50' 26"	High Lake	Camp Water Supply

TABLE 2.2 – Water Sump Locations:

LATITUDE	LONGITUDE	AREA	USE
67° 30' 23"	110° 49' 34"	Sand Lake	Drill Cuttings
67° 24' 03"	110° 51' 02"	North Zone	Drill Cuttings
67° 22' 58"	110° 52' 24"	Cairo	Drill Cuttings
67° 22' 37"	110° 50' 34"	Gambler	Drill Cuttings
67° 22' 38"	110° 51' 06"	H Zone	Drill Cuttings
67° 22' 10"	110° 53' 29"	West Zone	Drill Cuttings
67° 21' 24"	110° 53' 28"	Chicane	Drill Cuttings
67° 21' 15"	110° 51' 49"	South	Drill Cuttings

67°14'19"	110°58'32"	Ced Lake	Drill Cuttings
67°13'48"	110°56'42"	Ced Lake	Drill Cuttings
67°14'07"	110°58'29"	Ced Lake	Drill Cuttings
67°13'53"	110°56'22"	Ced Lake	Drill Cuttings
67°14'42"	110°54'28"	Amagok	Drill Cuttings
67°22'35"	110°50'40"	High Lake	Camp Grey Water

3.0 UNAUTHORIZED DISCHARGES:

No spills or unauthorized discharges occurred during the exploration program and reporting period.

4.0 SPILL CONTINGENCY PLAN / ABANDONMENT AND RESTORATION PLAN:

No modifications were made to either the spill contingency plan or the abandonment and restoration plan.

5.0 RECLAMATION WORK:

Reclamation work occurs at each diamond drilling site on an ongoing basis during the exploration program. Each site is returned to its natural state with as little disturbance as possible at the conclusion of each drill hole. No reclamation work was carried out at the High Lake camp site during the reporting period.

6.0 OTHER DETAILS REQUESTED BY THE NWB:

No other details were requested by the Board during the exploration program and reporting period.