March 27, 2007

Mr. Joe Murdock
Technical Director
Nunavut Water Board
Gjoa Haven, Nunavut
X0B 1J0

Dear : Mr. Murdock

**Re: 070319 2BE-IZO - NWB Review of Application Materials**

In response to your letter of March 19, 2007 we have the following comments. I have organized our comments in the same order as those in your letter for reference.

**Water License Application Form**

**1. Section 7 and 8 Quantity of Water Involved and Waste** - The water consumption figures provided have a built in contingency to ensure that Wolfden does not exceed the maximum allowed use. Camp use is project to be on average closer to 1 cubic metre per day and drill use is also estimated to be less than the 25 cubic meters stipulated on average. To account for day to day variations in water use and to provide flexibility in our exploration operations we have applied for a maximum of 100 cubic metres per day consumption. The calculations made on a drill-by-drill basis are provided to verify that we use less than the permitted 100 cubic meters. By applying for an allowable use of 100 cubic metres per day, we allow for a possible expansion of the program, if warranted to 4 drills without exceeding our allowable use. The applied for figure of 100 cubic metres per day is therefore an upper limit of consumption. The camp and drill use calculations are provided to substantiate that the consumption will remain below this figure.

**2. Section 8 Waste, Sludges** – Wolfden is aware of the status of CaCl and the drilling contractor's operations are controlled to ensure that CaCl is used responsibly and is not discharged to the environment in an uncontrolled manner. We follow standard industry practice in the use of this additive and CaCl is only used at specific points in the drilling process in land based holes that are deeper than 150m (average), and on some holes that are shallower where significant sulphide mineralization is encountered in the hole. CaCl may also be used in geotechnical applications, where intact ice-rich permafrost recovery is desired (chilled brine drilling).

Salt brine stabilizes the hole and prevents freezing of drill steel in the hole when the drill is not circulating fresh water (i.e. during times of mechanical repair, pulling the drill string to change bit, etc.). CaCl is not generally used for times when the drill is turning the rods at normal operating speeds such as routine drilling and core recovery. The use of CaCl is therefore kept to the minimum required for the safe operation of the drilling equipment. Salt brine is stored beside the drill setup in either one or two 250 gallon tanks (depending on hole depth) and is recovered to these tanks after its use in the drill hole.

Where multiple holes are drilled in the same area, the brine is pumped from one drill setup to the next to allow it's re-use. When a drill rig is finished at one target location, the brine is pumped down the drill hole to allow for the final retrieval of the steel drill rods. This brine is not recovered from the drill hole. Anytime brine is pumped down a drill hole, there is some overfilling, with brine returning to the surface through the drill casing, this is collected with the drill cuttings in the standard manor and pumped to a sump location.

**401-1113 Jade Court • Thunder Bay, ON P7B 6M7 • Tel: 807-346-1668 • Fax: 807-345-0284**
**E-mail: info@wolfdenresources.com • Web: www.wolfdenresources.com**

Natural sumps are primarily chosen, where a depression allows for the pumping of drill cuttings without chance of material entering any waterbody. These sumps will be located at a minimum distance of 30 m from the high water mark of waterbodies in the drilling area. This minimizes environmental impact, as construction of sumps produces a much greater environmental disturbance than the minor amount of cuttings returned from a drill hole. Where there are no natural sumps in a location suitable for disposal, cuttings and brine are collected through filters into megabags, which are then flown from the drill site to a suitable sump location. Salt brines are generally not used on holes drilled from lakes or under lakes, due to the formation of taliks (zones of unfrozen ground) in the areas below the lake. In this instance, the ground temperature is above freezing and brine is not required to prevent freezing of the rods in the hole. Salt brines may need to be used where significant sulfide mineralization is encountered under a lake due to high the high thermal conductivity of the rock and/or where drilling progresses below a closed talik area beneath the lake. In these instances, the same procedures as the land based holes are used. Drilling brine is thus circulated in a closed loop and not discharged to the surrounding environment.

**Camp Supplementary Questionnaire**

**1. Question 21 -** MSDS sheets for the three additional drill additives have been added to those contained in the revised Spill Contingency Plan, attached.

**2. Question 25**

**a)** Due logistical considerations, for the 2007 drilling programs, all liquid fuel will be stored in 205L drums within a mobile "Raymac" instaberm at a fuel cache located at the airstrip, and we do not intend to put the existing bulk fuel storage facility back in to commission this season. The site's previous owner commissioned the design and construction of the fuel storage facilities; therefore, we do not have the engineering plans, as-built drawings or hydrostatic test records immediately available for this facility. Due to the remote location of the site, it is not practical to have an inspection of the fuel storage facility carried out until the camp is up and running, which requires that a water license is issued and in force; therefore, we propose that these records will be sought out and an engineering inspection of the facility will be carried out during the 2007 drill program , before new fuel inventory is added to fuel storage facility, if and when it becomes necessary during the term of the license. Table 1 provides a revised inventory of the quantities of fuel that will be kept in storage at the camp. The fuel storage facility will be located adjacent to the runway.

**Table 1 – Fuel Inventory for 2007 Field Season**

| Product | **Number of Containers** | **Size of Container** | **Total Volume on Site** |
|---|---|---|---|
| Diesel Fuel | 375 | 205 L | 76,875 L |
| Jet B Aviation Kerosene | 200 | 205 L | 41,000 L |
| Unleaded Gasoline | 25 | 205 L | 5,125 L |
| Propane | 20 | 30.5 kg | 610 kg |

**b)** Wolfden is not aware of any hydrostatic test records for the tanks. If required, this testing can be done during the 2007 drilling program. As indicated above, we do not intend to fill the tanks this season. Also, there likely is some residual fuel in the tanks; therefore, hydrostatic testing may not be immediately feasible for all tanks this year since filling them with water will generate fuel contaminated wastewater.

**c)** As indicated above, all liquid fuel will be flown to the camp and cached in 205 L drums, within a mobile Raymac Instaberm installation. Product literature for the Raymac product is attached. There is no secondary containment for propane, since it is a gaseous fuel. When not connected to gas using appliances in the camp are, propane cylinders will be stored at the fuel cache.

Camp water will come from Ham Lake. A submersible pump with a 1.5 inch diameter water line is used to provide water. The pump is covered with a screen with 1mm square openings to prevent the entrainment of fish. Drill water will come from lakes to be determined as the drilling progresses, maps of the property

outline are provided, which illustrate the limit of our potential drilling sites. Any of the lakes within the shaded area should be considered potential sources of water for drilling. Further details as to which lakes will be accessed can be provided once the drilling program is better defined.

**Project Summary**

A revised project summary reflecting the current 2007 drilling plans is attached. All hazardous waste is flown to Yellowknife and handled by our expediter, Discovery Mining Services. Waste will not be deposited in a municipality in Nunavut.

**Spill Contingency Plan**

1. The disposal of hazardous waste and contaminated materials from Wolfden's exploration camps is handled through our expediters in Yellowknife, Discovery Mining Services Ltd. Considering the comparatively small volume of such materials produced in our exploration operations. If a need for the disposal of a larger quantity of hazardous waste or contaminated materials arises the disposal methods will be assessed on a case-by-case basis. Regardless of the origin of the waste or contaminated materials, these substances will be disposed of off-site at a landfill or waste processing site appropriately licensed to receive the materials.

2. Wolfden is currently assessing the spill response training programs offered by several commercial agencies. This season, key personnel will attend formal spill response training offered by either commercial training providers or government agencies to update their spill response skills. All supervisory personnel are current in spill response techniques and regulations through self-study and self-directed efforts to become knowledgeable in the applicable regulations as part of their managerial and supervisory duties with the company. There has not been a significant spill or incident in Wolfden's past operations that has exceeded the knowledge of our staff to deal with the situation through this self directed approach.

3. The intent of this item was to instruct site personnel not to attempt to re-seal pressurized containers unless it was safe to do so. The line has been altered to read "Do not attempt to contain the propane release unless it is safe to do so".

4. Deliberate incineration will be avoided for motor oils and drill additives to the greatest extent possible. A "small amount" as referred to in the plan is less than 1 litre. The plan as been amended to stipulate that only up to 1 litre can be incinerated. This is to cover the small amount of incidental motor oil content that may be directed to the incinerator such as the film on the inside of containers or oily paper towels that may make their way in the waste stream to be incinerated.

5. All waste oils and hazardous waste is shipped off-site and expedited by Discovery Mining Services in Yellowknife. They take possession of the materials and direct them to the appropriate waste disposal sites or recycling facilities in the Northwest Territories and Alberta.

6. The Spill Contingency Plan has been reorganized to include an index of MSDS documents and to have the MSDS's follow the summary instructions in the plan document.

7. Supervisory and management employees will be provided with spill response and hazardous materials handling training to be delivered by a commercial training provider and/or governmental agencies such as WCB as part of their ongoing professional development training this field season. These staff members will in-turn instruct the support staff in these matters while they are in camp.

8. The Spill Contingency Plan has been amended to add the Nunavut 24 Hour Spill Report Line phone number and the INAC contact indicated in your letter.

**Abandonment and Restoration Plan**

An updated plan is attached. The reference in Section 5.11 to unnoticed spills refers to the effects of historical operations by others, which were beyond our control. There may have been spills from previous operations where the surficial evidence is not apparent and where disruption of the soil during decommissioning activities may reveal subsurface impacts. Thus this contingency is allowed for in the text of the plan.

**Closure**

I trust the above provides a satisfactory response to your inquiries. Please do not hesitate to contact me if you have any further questions.

Sincerely

**For: WOLFDEN RESOURCES INC.**

Andrew Mitchell, P.Geo.
Project Manager

AM/
Encl.

(Letter to J Murdock 032707.doc)

# FIGURES

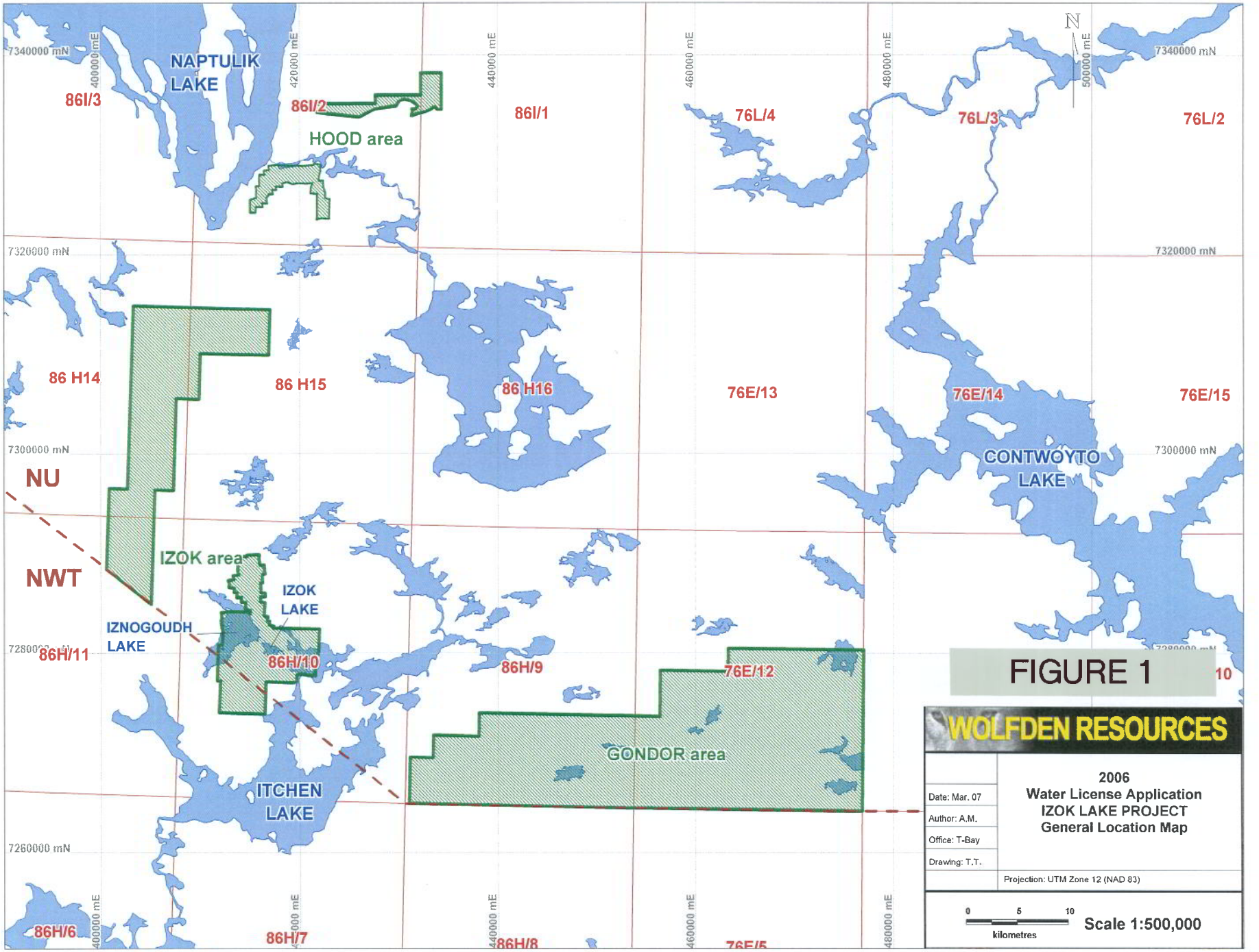



FIGURE 1

WOLFDEN RESOURCES

| | |
|---|---|
| | 2006<br>Water License Application<br>IZOK LAKE PROJECT<br>General Location Map |
| Date: Mar. 07 | |
| Author: A.M. | |
| Office: T-Bay | |
| Drawing: T.T. | |
| | Projection: UTM Zone 12 (NAD 83) |

0 5 10
kilometres

Scale 1:500,000

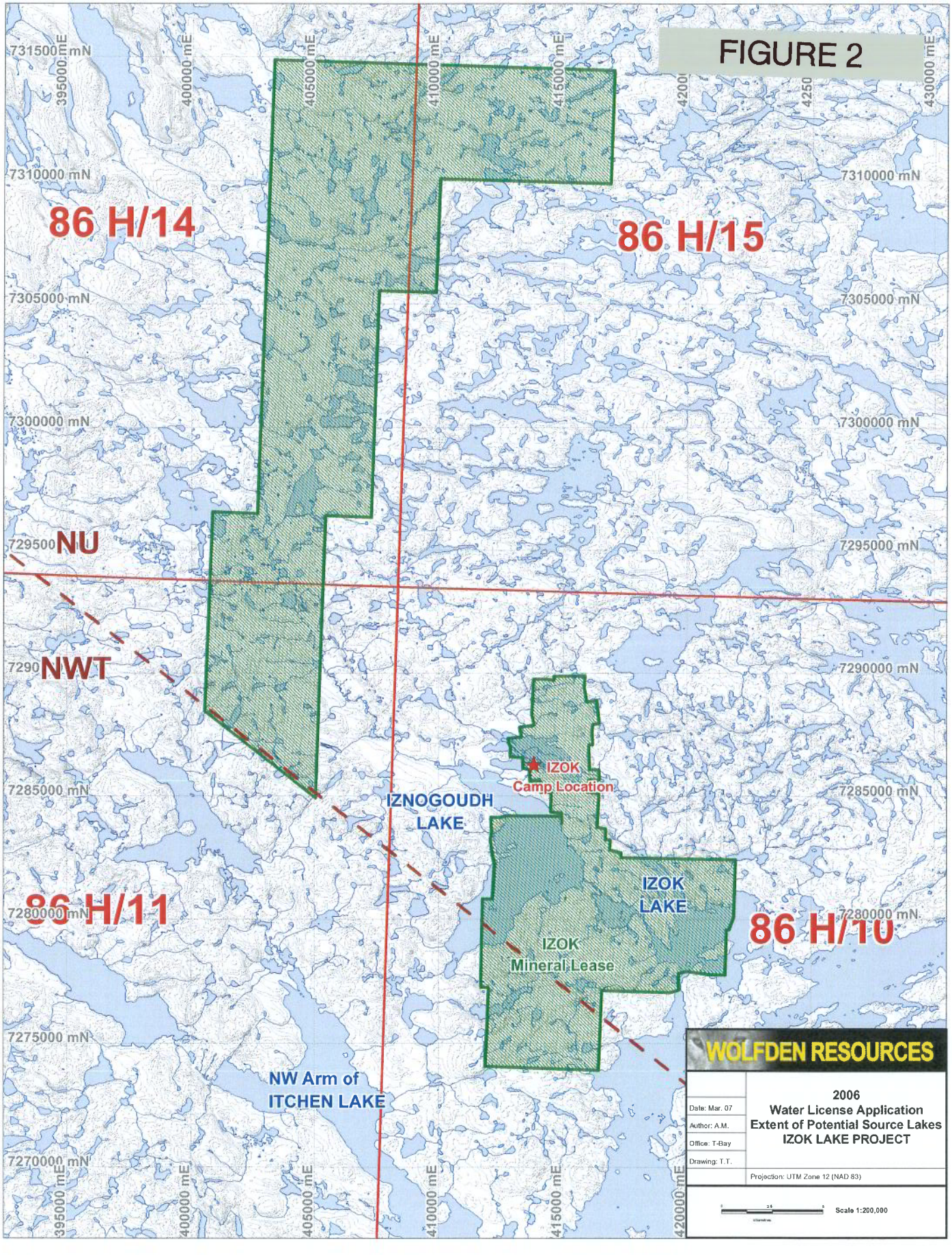
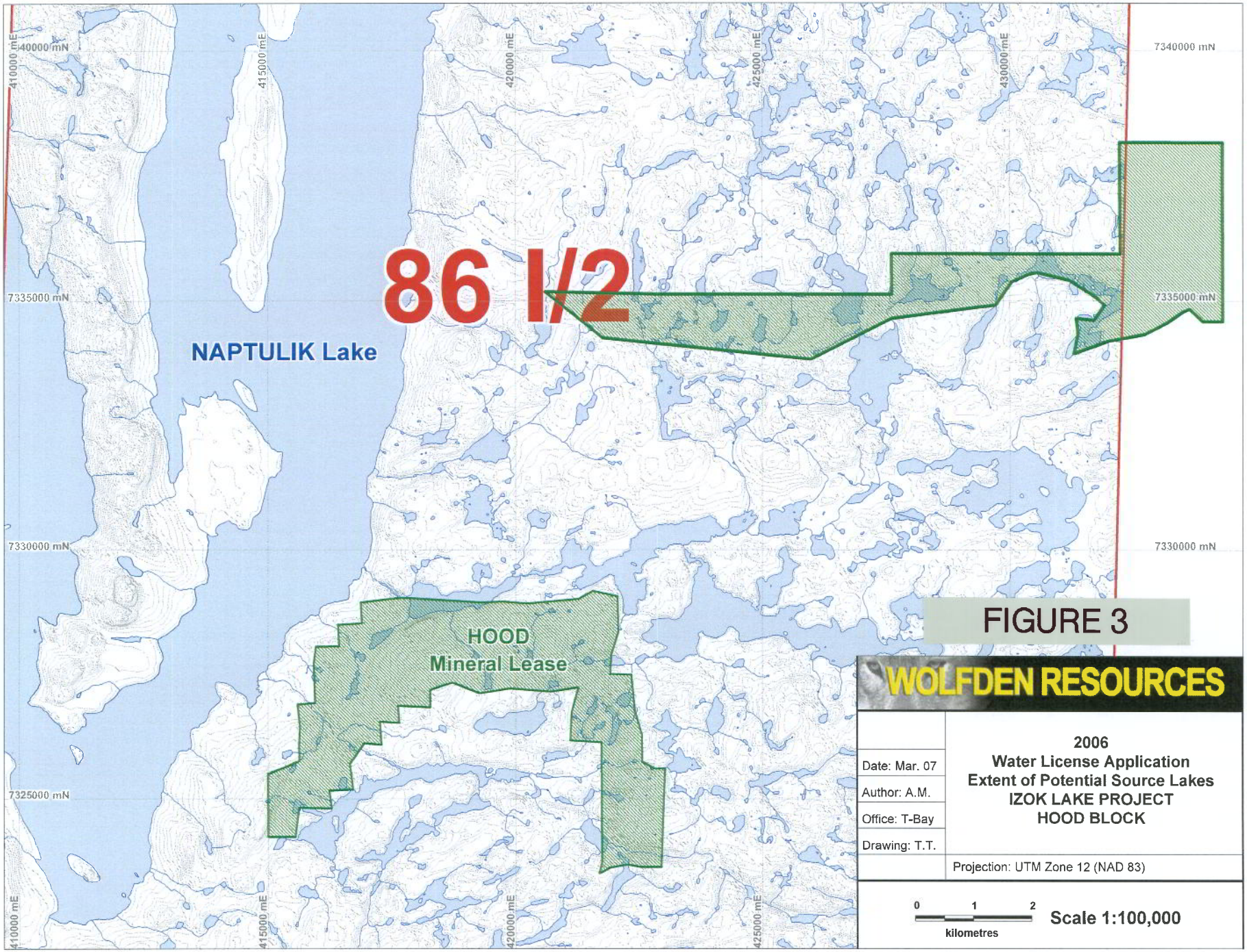
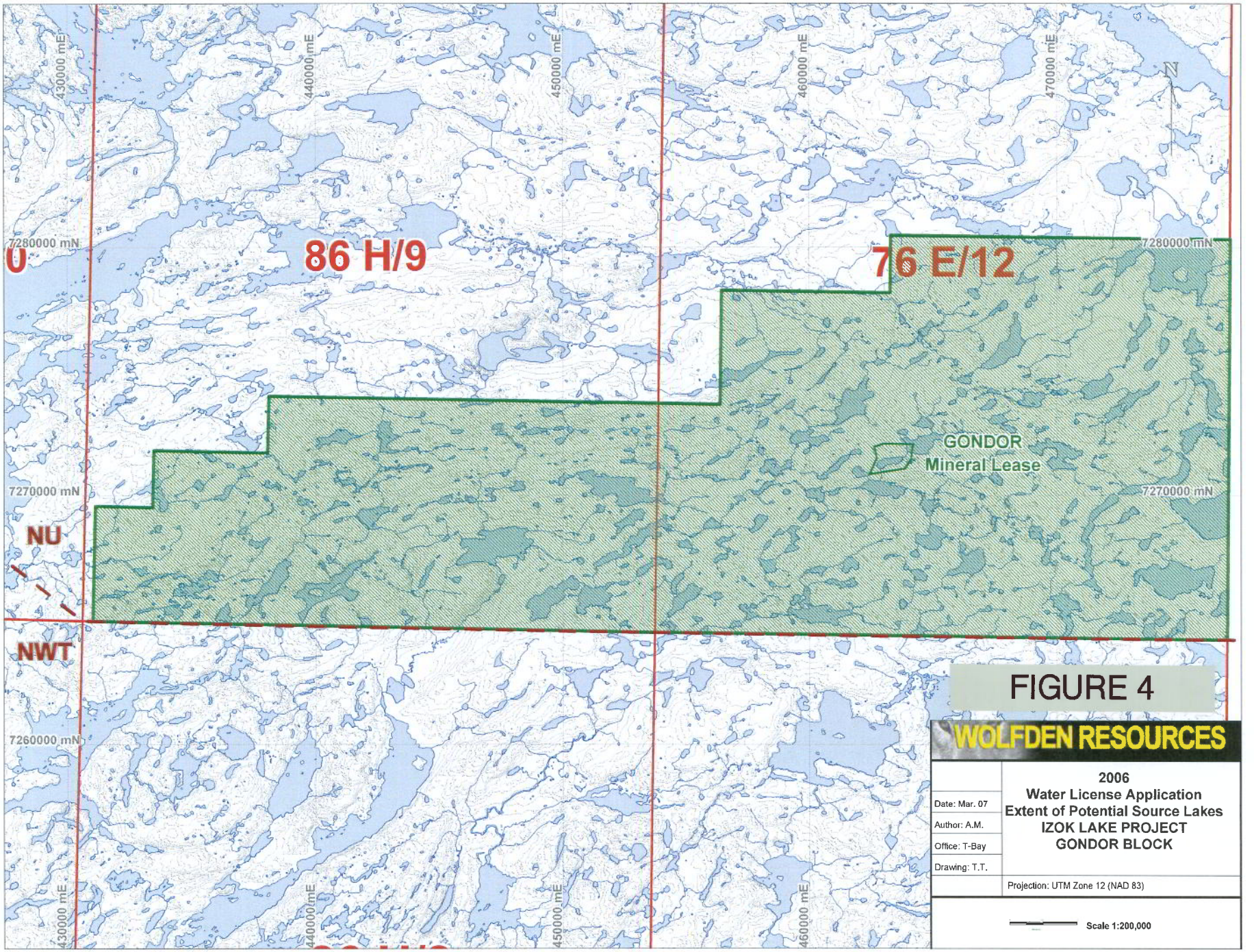


FIGURE 2
731500 mN
395000 mE
400000 mE
405000 mE
410000 mE
415000 mE
4200
4250
430000 mE
7310000 mN
86 H/14
86 H/15
7305000 mN
7300000 mN
729500
NU
7295000 mN
7290
NWT
7290000 mN
IZOK
Camp Location
7285000 mN
IZNOGOUDH
LAKE
IZOK
LAKE
86 H/11
7280000 mN
86 H/10
IZOK
Mineral Lease
7275000 mN
NW Arm of
ITCHEN LAKE
7270000 mN
420000 mE
WOLFDEN RESOURCES
Date: Mar. 07
Author: A.M.
Office: T-Bay
Drawing: T.T.
2006
Water License Application
Extent of Potential Source Lakes
IZOK LAKE PROJECT
Projection: UTM Zone 12 (NAD 83)
Scale 1:200,000

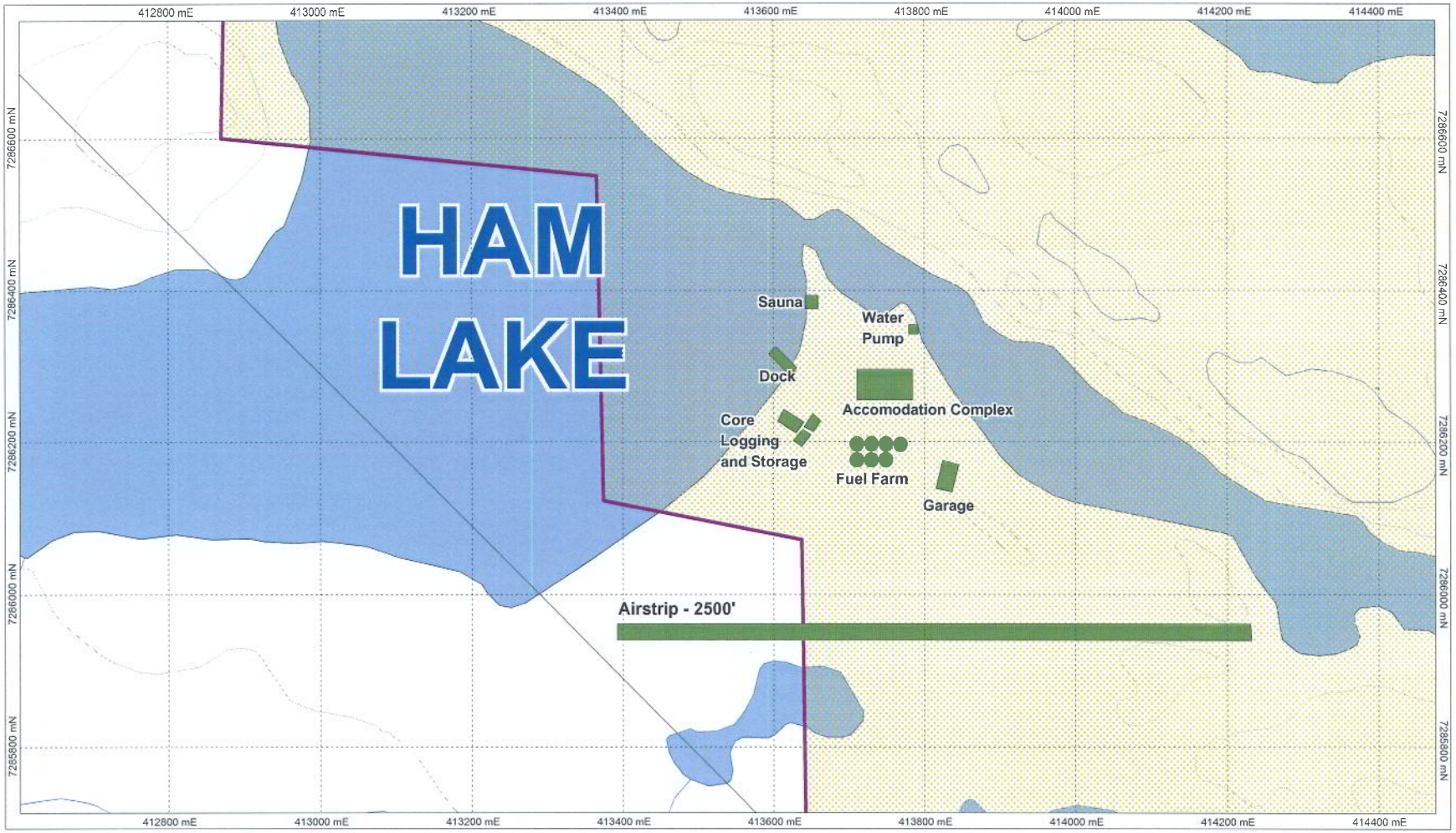

86 I/2
NAPTULIK Lake
HOOD
Mineral Lease
7340000 mN
7335000 mN
7330000 mN
7325000 mN
410000 mE
415000 mE
420000 mE
425000 mE
430000 mE
FIGURE 3
WOLFDEN RESOURCES
2006
Water License Application
Extent of Potential Source Lakes
IZOK LAKE PROJECT
HOOD BLOCK
Date: Mar. 07
Author: A.M.
Office: T-Bay
Drawing: T.T.
Projection: UTM Zone 12 (NAD 83)
0 1 2
kilometres
Scale 1:100,000




# FIGURE 4

**WOLFDEN RESOURCES**

| | |
|---|---|
| | 2006<br>Water License Application<br>Extent of Potential Source Lakes<br>IZOK LAKE PROJECT<br>GONDOR BLOCK |
| Date: Mar. 07 | |
| Author: A.M. | |
| Office: T-Bay | |
| Drawing: T.T. | |
| | Projection: UTM Zone 12 (NAD 83) |
| | Scale 1:200,000 |




0 200 400
metres

# FIGURE 5

**WOLFDEN RESOURCES INC.**

| | |
|---|---|
| | **IZOK/HOOD PROJECTS**<br>**Water Licence Application**<br>**Nunavut Water Board**<br>**Camp layout** |
| Date:25/5/2006 | |
| Author: S.Rickard | |
| Office: Thunder Bay | |
| Drawing: IN/SR | |
| Scale: 1:6,000 | Projection: UTM: NAD 83, Zone 12 |

# RAYMAC LITERATURE

WOLFDEN Resources Inc.

raymac
environmentalservicesinc.
train
prepare
prevent
respond

The Insta-Berm™ is used for spill containment of hazardous materials

# INSTA-BERM™

Secondary Containment

## Insta-Berm™

The Insta-Berm™, made of industrial-strength fabrics, is a durable and easy-to-use environmental safeguard. Insta-Berm™ is used for the secondary containment of toxic materials in many applications, to help industries meet today's strict guidelines on environmental protection.

## Features of the All-New L-Rod Design

> L-shaped rods hold up walls, yet fold down easily for vehicle entry and exit
> Fully collapsible for compact storage and easy transport
> Instant deployment without any tools
> Wide range of sizes available, plus custom-made sizes
> No gate required - fold-down design allows vehicles or mobile equipment to be driven in and out of the berm for storage or washdown
> Can be easily cleaned, folded, and stored for reuse
> Eyelet patches for staking down the berm
> Extremely cost-efficient compared to air-inflated models
> Simple and inexpensive to repair
> Appropriate for waste water, petroleum products, and various chemicals
> Optional Track Belting for driving vehicles into the Insta-Berm helps the liner last longer!

## Fabric Options

Chem: Chemical resistant fabric
Arctic: Chemical resistant fabric for temperatures to -50 Degrees F (-45.6 Degrees C)

## Applications for Berms

> Chemical transfer
> Tankers and oilers
> Industrial maintenance
> Paint factories
> Refineries
> Spill containment
> Oil spill clean-up
> Fuel oil distribution
> Vehicle & equipment washdown & decontamination
> Chemical treatment plants
> Hazardous waste disposal
> Sanitation
> Fuel drum storage
> Aircraft & equipment fueling
> Manufacturing plants
> Oil pumping sites
> Vehicle maintenance
> Battery recycling & disposal

See Reverse side for Insta-Berm™ Specifications

**The Insta-Berm™ helps companies meet stricter government regulations on environmental protection.**

raymac
environmentalservicesinc.
train
prepare
prevent
respond

Operate a complete fuel transfer system safely inside an Insta-Berm™

The benefits of the new design of the Insta-Berm™ include a more secure vertical wall.

# INSTA-BERM™
## SPECIFICATIONS

| Model | Maximum Capacity | | | Inside Dimensions (LxWxH) | | Weight (Ship) | |
|---|---|---|---|---|---|---|---|
| | US Gal. | Imp Gal. | Litres | Feet, In. | Meters | lbs | Kg |
| IBLR 101015 | 935 | 780 | 3512 | 10' x 10' x 15" | 3.3 x 3.3 x .4 | 86 | 39 |
| IBLR 101515 | 1400 | 1170 | 5260 | 10' x 15 x 15" | 3.3 x 5.0 x .4 | 102 | 46 |
| IBLR 102015 | 1870 | 1560 | 7025 | 10' x 20' x 15" | 3.3 x 6.6 x .4 | 140 | 64 |
| IBLR152015 | 2800 | 2340 | 10,520 | 15' x 20' x 15" | 5.0 x 6.6 x .4 | 172 | 78 |
| IBLR 202015 | 3740 | 3120 | 14,050 | 20' x 20' x 15" | 6.6 x 6.6 x .4 | 188 | 85 |
| IBLR 153015 | 4200 | 3500 | 15,780 | 15' x 30' x 15" | 5.0 x 10.0 x .4 | 225 | 102 |
| IBLR 154015 | 5600 | 4675 | 21,040 | 15' x 40' x 15" | 5.0 x 13.3 x .4 | 263 | 119 |
| IBLR 203015 | 5600 | 4675 | 21,040 | 20' x 30' x 15" | 6.6 x 10.0 x .4 | 260 | 118 |
| IBLR 204015 | 7500 | 6230 | 28,180 | 20' x 40' x 15" | 6.6 x 13.3 x .4 | 310 | 140 |
| IBLR 303015 | 8400 | 7000 | 31,560 | 30' x 30' x 15" | 10.0 x 10.0 x .4 | 343 | 156 |
| IBLR 205015 | 9300 | 7800 | 34,940 | 20' x 50' x 15" | 6.6 x 16.6 x .4 | 382 | 173 |
| IBLR 206015 | 11,200 | 9350 | 42,080 | 20' x 60' x 15" | 6.6 x 20.0 x .4 | 435 | 197 |
| IBLR 304015 | 11,300 | 9440 | 42,450 | 30' x 40' x 15" | 10.0 x 13.3 x .4 | 450 | 204 |
| IBLR 305015 | 14,000 | 11,700 | 52,600 | 30' x 50' x 15" | 10.0 x 16.6 x .4 | 535 | 243 |
| IBLR 404015 | 15,000 | 12,000 | 56,360 | 40' x 40' x 15" | 13.3 x 13.3 x .4 | 535 | 243 |
| IBLR 306015 | 16,800 | 14,000 | 63,120 | 30' x 60' x 15" | 10.0 x 20.0 x .4 | 610 | 277 |
| IBLR 405015 | 19,000 | 15,000 | 71,385 | 40' x 50' x 15" | 13.3 x 16.6 x .4 | 630 | 286 |
| IBLR 505015 | 23,500 | 19,000 | 88,290 | 50' x 50' x 15" | 16.6 x 16.6 x .4 | 745 | 338 |

**NOTE:** Capacities do not allow for 10% safety. All dimensions are nominal and specifications subject to change.

## Why use an Insta-Berm™

The Insta-Berm™ helps companies avoid stiff penalties from non-compliance of EPA standards.
40CFR112.7
"Any bulk storage container (eg. Tanks, oil-water separators) must have secondary containment for the entire contents of the largest single container, with sufficient freeboard to allow for precipitation."

## Options

The Insta-Berm™ is available with an optional low-cost drain fitting installed. This fitting can be opened to let out accumulated rainwater, or connected to a hose to pump out spilled product.

An overfill protection system is also available. This system allows precipitation to be drained from the berm while containing spilled chemicals.

# PROJECT DESCRIPTION

# Project Description – Izok and Hood Properties - 2007 Exploration Programs

Wolfden Resources Inc. (Wolfden) is a Canadian exploration and mining development company that has acquired the mineral rights for the Izok property, and portions of the Hood property from Inmet Mining Corporation.

The Hood property contains copper and zinc deposits, and consists of two mineral leases surrounded by Inuit Owned land (surface and subsurface rights; CO-40: Sub-areas A, B, and Open).

The Izok property contains copper and zinc, and consists of three mineral leases and three claims (currently being processed). The leases are located on Crown and Inuit Owned Land (CO-05; surface rights). Wolfden is proposing a 2007 airborne geophysics and exploratory drilling program in the vicinity of Izok Lake and on the Hood and Gondor properties, located in Nunavut (Figures 1 to 4). These programs will begin in April 2007 and operate for about six to eight months. The scope of the drilling program will be finalized once the results of the geophysics have been analyzed.

In addition to mineral exploration activities, we anticipate that environmental baseline work and engineering studies will be carried out concurrent with the planned diamond drilling and prospecting. The planned activities are necessary to increase the technical understanding of the nature of the mineral deposits. The long-term objective of any mineral exploration program is to progress the project towards feasibility studies and eventual development of a producing mine. In addition to the mineral exploration work, environmental baseline studies will be undertaken to obtain the necessary background data and to improve the knowledge of the physical environment of the property. This is in preparation for a future submission of an Environmental Impact Statement in support of permit applications for mine development and operation.

## Summary of Operations

### Airborne Geophysical Survey

Wolfden proposes to conduct an airborne geophysical survey over our mineral land holdings in the Izok, Hood and Gondor property areas. The extent of these properties is shown on Figures 1 to 4. Flight operations will be based out of the Ham Camp or out of Lupin. If land based activities are planned for the Gondor property, a separate camp will be established and a separate water license application will be submitted for that activity.

### Hood Property

The Hood property is Inuit-owned land (CO-40; surface and subsurface rights). The proposed drill areas on the Hood Property are shown on Figure 2. A Land Use License has been obtained from the Kitikmeot Inuit Association (KIA) for this activity.

### Izok Property

Figure 3 shows the Izok Property area and the mineral leases owned by Wolfden. The drill locations on the North-East side of the outlet from Izok lake to Itchen Lake are located on IOL land (CO-05; surface rights) and the drill locations on the South-West side are on Crown land.

We propose to drill up to approximately 30,000 m on the Izok, Hood and Gondor properties in 2007. Final drill hole locations for 2007 have not been determined and will depend on budgetary factors and the results of the airborne geophysical survey. The majority of the drilling is planned for Inuit Owned Land areas; however the borehole locations have not been finalized and it will be necessary to access crown land for drilling setups. For the purposes of this application, general locations of drilling activities have been provided. Land use permits were obtained in 2006 for access to 17.3 hectares of Inuit Owned Land and 3.5 hectares of Land owned by the Crown at Izok. A small field-prospecting program is also planned on all properties.