



WOLFDEN RESOURCES INC.

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April 25, 2005

Mr. Jack Kaniak
KIA Lands Manager
Lands Division
P.O. Box 360
Kugluktuk, Nunavut
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Dear Jack:

Re: IOL License KTL304C007 Amendment - Wolfden Resources Inc. – Mining Exploration and Development, Ulu Project

Pursuant to your letter dated April 19, 2005 find the following responses to the KIA-NIRB queries under the Terms and Conditions of the amended license:

PART A: GENERAL CONDITIONS

Item 2. The Proponent shall submit to the NIRB, thirty (30) days prior to the commencement of activities, a list of all reports pending approval, and all reports being developed related to this project.

If not already done so, on March 24, 2005 Wolfden submitted to the KIA, NWB and NIRB the following reports related to the Ulu project for their review and approval:

- 1) Spill Contingency Plan
- 2) Interim Abandonment and Restoration Plan
- 3) Waste Rock and Ore Storage Plan
- 4) Sewage Treatment and Solid Waste Disposal Facilities Operation and Maintenance Plan
- 5) Terms of Reference for a Hydrological Assessment of West Lake
- 6) Revised SNP Quality Assurance/Quality Control Requirements for Surface Water Samples Plan

Item 3. Upon completion, the Proponent shall submit to the NIRB all non-confidential information of any Inuit Impact Benefit Agreement negotiated with a Designated Inuit Organization.

Wolfden management intends to begin re-negotiating the existing Inuit Impact Benefits

Agreement for Ulu in the near future.

Item 4. The Proponent shall submit to the NIRB all plans and reports approved and required by the NWB.

Except for berm construction diagrams, Wolfden has submitted all the plans and reports required by the NWB. Wolfden will submit the berm construction diagrams to the NIRB, KIA and NWB for approval upon completion.

Item 5. The Proponent shall notify the NIRB and all regulators of its intention to begin work a minimum of 10 days before the commencement of on-site activities or as directed by other authorizing agencies.

The NIRB, KIA and NWB were notified on April 25, 2005 that Ulu will be re-opened on, or about, May 4, 2005.

Item 6. The Proponent shall provide the NIRB with a map which includes water bodies, camp, airstrip, quarries, stockpiles, waste rock areas, water management facilities, waste management facilities, roads, portal area, fuel storage, explosives storage, etc. The site map shall be updated whenever changes and/or upgrades to the site are made.

A paper and digital map and photograph illustrating the location for all the above is attached.

PART C: CONDITIONS APPLYING TO UNDERGROUND WORKINGS

Item 1. The proponent shall notify the NIRB and NWB of all details related to the portal pump and methods for dealing with groundwater when encountered.

Echo Bay has informed Wolfden that between 1996 and 1997 they did not encounter any groundwater seeping into the underground workings at Ulu. The reason for this is because all of the underground workings are well within the +300m thick permafrost layer, and the workings are not near a surface water body.

However, as a precaution in the event of encountering ground water, Echo Bay constructed 4.0m wide by 3.4m deep by 13m long sumps on every level. These sumps are the lowest point on each level and are constructed in such a way so that any groundwater will flow down the ramp into each of these sumps. A two inch discharge pipe line was also installed along the side of the ramp from the surface to the bottom of the mine (-155m level). Wolfden intends to have electric, submersible Flygt pumps situated at levels where work is being conducted. The Flygt pumps will pump any excess groundwater encountered through the two inch discharge line to the lined sump located outside the portal at surface. This surface sump measures 45m long by 30m wide by 2m deep capable of holding 2700 cubic meters of water. In the event water from the underground is required to be pumped to the surface sump and subsequently discharged to East Lake, it will meet the effluent quality requirements as outlined in Ulu's water license NWB1ULU0008.

Item 2. The Proponent shall submit to the board, prior to the commencement of underground activities, an updated and approved Occupational Health and Safety Plan developed in accordance with the GNWT Mine Health and Safety Act.

Attached is a paper and digital copy of the Occupational Health and Safety Plan submitted and

approved by the Mines Safety Department of the Workmen's Compensation Board in Yellowknife. The approval letter from Sylvester Wong, Chief Inspector of Mines, dated February 22, 2005, is also enclosed. Once Wolfden has finalized its Operation Plan for Ulu required under Section 15.02 of the Mine Health and Safety Regulations Wolfden shall submit this Plan, including any correspondence and approvals, to the NIRB, KIA and NWB.

Item 3. The Proponent shall submit to the Board, prior to commencement of underground activities, an approved Emergency Response/Mine Rescue Plan.

Attached is a paper and digital copy of the Ulu Emergency Procedures Manual dated April 2005.

PART E: CONDITIONS APPLYING TO FUEL AND CHEMICAL STORAGE

Item 10. The proponent shall ensure that the Spill Plan is up to date reflecting the changes in operation in accordance with advanced exploration activities. A copy of the Updated Spill Plan shall be submitted to the NIRB and NWB prior to commencing operations.

Wolfden submitted its Spill Contingency Plan to the NIRB, NWB and KIA on March 24, 2005.

PART F: CONDITIONS APPLYING TO WASTE

Item 8. The Proponent shall submit to the Board, within sixty (60) days of commencing underground activities, a report detailing (types, quantities, location) any waste that was previously placed underground.

Echo Bay Mines Ltd. has assured Wolfden no waste was placed underground at Ulu upon closure of the mine in 1997. However, Wolfden will comply with the request once the underground workings are accessible.

PART G: CONDITIONS APPLYING TO THE BIOLOGICAL ENVIRONMENT

Item 1. The Proponent shall revise, and submit to the NIRB within six (6) months commencing on-site activities, the "environmental assessment documentation submitted by Echo Bay in January 1997". The revisions shall consider on-site activities, changes to the Project undertaken since 1996 and new information acquired including scientific advances.

Wolfden shall comply with the request prior to November 2005.

PART I: CONDITIONS APPLYING TO THE SOCIO-ECONOMIC ENVIRONMENT

Item 2. The proponent shall provide cultural training to all non-local workers within thirty (30) days of commencing on-site activities. The Proponent shall submit a training report to the NIRB within sixty (60) days of commencing on-site activities.

Attached is a paper and digital copy of Ulu's cultural training report.

OTHER RECOMMENDATIONS

Item 1. The NIRB advises the Proponent to submit all outstanding plans and reports to the Nunavut Water Board (NWB) and requests that a copy of those reports be sent to the NIRB's Monitoring Officer in the Cambridge Bay Office.

On March 24, 2005 Wolfden sent a copy of all the plans and reports it had submitted to the NWB to the NIRB's Cambridge Office, to the attention of Ms Gladys Joudrey. Wolfden shall continue to send a copy of all plans, reports and correspondence it has with the NWB to the NIRB.

Item 2. The NIRB advises the Proponent to consult with local communities regarding its activities in the region and to keep communities informed on the project. The Proponent shall provide the NIRB with a meeting record and/or meeting minutes within thirty (30) days following the meeting.

Wolfden shall comply with the request.

If you have any additional comments or questions I can be reached at the address indicated in the above, by telephone at (807) 346-2762 or email at dave.stevenson@wolfdenresources.com.

Yours truly,

David B. Stevenson, M.Sc., P.Geo.
Project Manager, Ulu
Wolfden Resources Inc.

cc Gladys Joudrey, NIRB
Philippe di Pizzo, NWB

Encl.