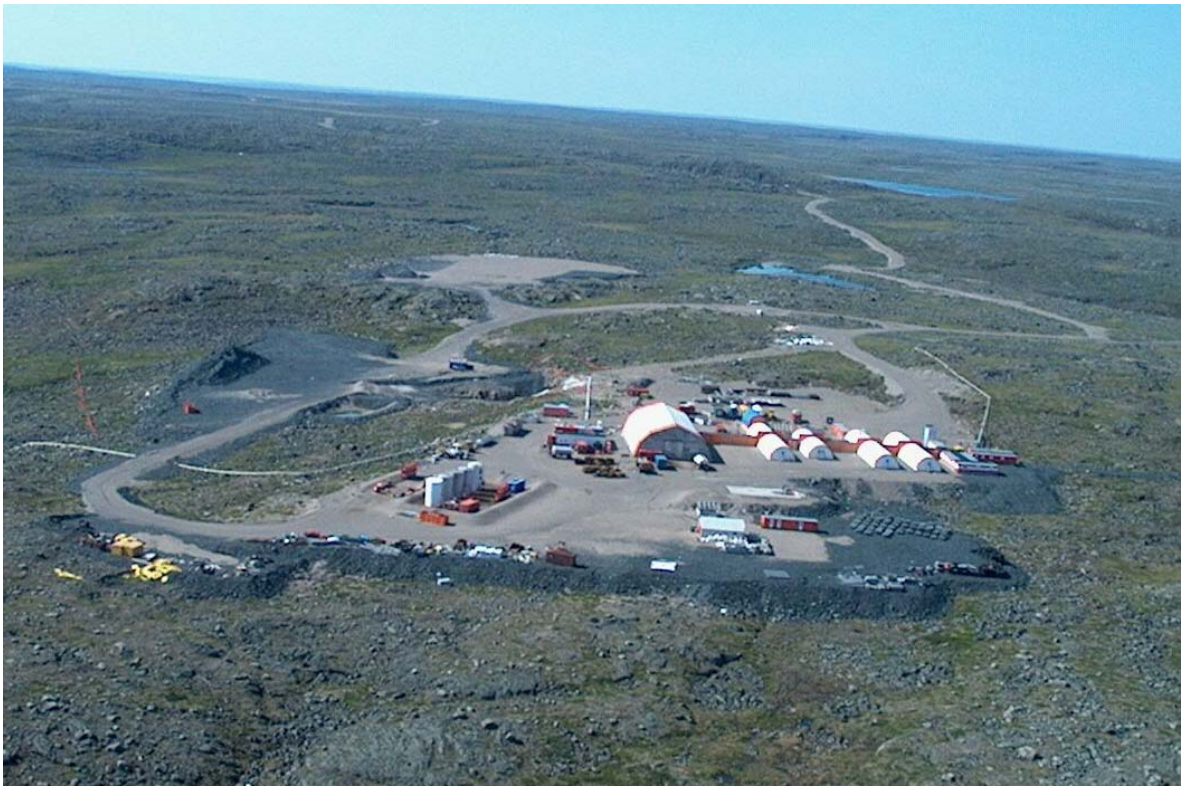
WOLFDEN RESOURCES INC.

2006 ANNUAL REPORT

ULU GOLD PROJECT, NUNAVUT

NTS 76L 14/15

WATER LICENSE NWB1ULU0008



EXECUTIVE SUMMARY

Wolfden Resources Inc. purchased a 100% interest in the Ulu gold project from Kinross Gold Corporation in December 2003 as part of its exploration strategy to acquire advanced stage properties in the vicinity of its recently discovered High Lake Cu-Zn deposit, and from which synergies may develop through the utilization of a common mill complex.

In 2004 Wolfden performed a 44 hole, 18,569 meter diamond drill program to further evaluate the economic potential of the Ulu gold deposit. Following the drill program Wolfden performed a resource calculation which confirmed the Ulu gold deposit hosts an inferred/indicated resource of 1,130,000 million tonnes grading 11.34 g/t gold, or the equivalent of 373,748 ounces of gold. Also in 2004 Wolfden extended the Ulu airstrip by 150m to 1300m and widened it by 5m to 30m. Gartner Lee Ltd., Wardrop Engineering and BGC Engineering, our environmental and engineering consultants, initiated several studies related to completion of an Environmental Impact Assessment for the High Lake/Ulu Project.

Wolfden re-opened the portal at Ulu in May 2005 and intended to carry out 395 meters of lateral development work to confirm the grade and continuity of the gold veins comprising the Ulu deposit. This work is required to confirm whether the deposit is economic to mine. Upon opening the portal it was immediately realized that 2-4 meters of ice had developed throughout the underground workings since Echo Bay suspended operations at Ulu in 1997. Wolfden proceeded to mine the ice until the end of June 2005 at which time the decision was made to postpone further underground work until 2006.

In May 2006 Wolfden re-entered the Ulu mine with the intent of mining out the ice and perform its proposed underground exploration program. The Ulu portal was re-opened during May 2006 and the mining contractor, Procon Mining & Tunnelling Ltd., proceeded to remove the ice from the ramp and selected cross-cuts. This work continued until early August when the Mines Inspector determined the concrete collar at the top of the vent raise was structurally unsafe and therefore not able to be used as a secondary means of egress. Under the Nunavut Mines Act every mine has to have a secondary means of egress in the event of an emergency situation underground. In this case, the vent raise at Ulu is the only secondary means of egress. The Mines Inspector would not allow Wolfden to conduct any further work underground until a secondary means of egress was re-established. Since the cost to repair the vent raise collar and establish a ladder/manway system in the vent raise was not budgeted for Wolfden decided to defer futher work at Ulu until High Lake or Lupin near production, as Ulu ore will be processed at one of these locations. Until then Ulu will be placed under care and maintenance.

During 2006 a total of 4 local Inuit were hired by Wolfden to work as heavy equipment operators, general labourers or as assistants to environmental/engineering consultants hired by Wolfden Resources Inc.

In addition, Wolfden hired 3 firms registered to conduct business in Nunavut to provide goods and services to the Ulu gold project during 2006. These firms accounted for approximately 10-15% of the monies spent at Ulu in 2006.

INTRODUCTION

This report is submitted to fulfill the requirements of Part B, Item 5 of the renewed Water License NWB1ULU0008 issued by the Nunavut Water Board on July 1, 2000.

This 2006 Annual Report contains information required for Part B, Items 5(a) through 5(q) of the Ulu water license.

Part B, Item 5(a) - The monthly and annual quantities (in cubic meters) of water pumped from West Lake for industrial and camp purposes.

Based on water meter readings Ulu consumed between 2.01 m^3 to 33.23 m^3 per day and averaged 12.33 m^3 per day of water from West Lake for domestic use in 2006. A total of 1479.05 m^3 was consumed from West Lake between April 19, 2006 and August 16, 2006. Ulu's water license allows for up to 100m^3 per day of water to be drawn from West Lake (Table 1).

No diamond drilling was conducted at Ulu in 2006 therefore no additional water was consumed from lakes or ponds in the area.

Part B, Item 5(b) - The monthly and annual quantities (in cubic meters) of minewater pumped from underground.

Between May 23, 2006 and August 16, 2006 approximately 4500 m^3 of water was pumped from the underground and placed in the mine sump located outside the portal (Figure 1) prior to its release to the environment. The sump measures approximately 30 meters in length by 20 meters in width and is 1.5-2.0 meters deep resulting in a total capacity of 900 m^3 therefore the sump was filled and flushed five to six times during 2006. The water was placed in the sump to allow the total suspended solids to settle to the bottom of the sump prior to final release to the environment. On July 2, 2006 Mr. Patrick Larocque, Water Resource Office, DIAND gave Wolfden approval to release waters from the mine sump at Wolfden's exclusive convenience.

Also during this period approximately 8960 m^3 (800m x 2.8m x 4.0m) of ice was removed from the underground workings and placed on the eastern edge of the waste pad located in front of the portal area (Figure 1). The melt water from this ice flowed into East Lake, our greywater depository. Ice and water samples from the underground were taken on a weekly basis according to the approved Interim Water Management Plan (Table 2, Figure 1). Except for two isolated pH values none of the water sample results exceeded the water quality requirements of the Ulu water license.

Part B, Item 5(c) – The monthly and annual quantities of solid waste removed from the Sewage Facilities for disposal.

It is estimated that less than 5.17 m^3 of gravity thickened sludge was removed from the primary settlement chamber in the RBC unit in 2006. The primary settlement chamber within the RBC unit has a total capacity of 6.09 m^3. The RBC was emptied and cleaned on July 10, 2006. At that time it was noted that approximately one half (3.05 m^3) of the

RBC unit contained gravity thickened sludge. Upon closure of the Ulu mine site in August 2006 it was observed approximately one quarter (2.12 m^3) of the primary settlement chamber of the RBC unit was filled with sludge. All sludge was deposited in an above ground sump on the up-hill side of the ore pad and covered with waste rock/sand, a distance of 420m from East Lake (Figure 1). A sign was posted to warn of the potential hazard. The sump is a natural depression consisting of irregular, barren outcrop located adjacent to the 1.0-1.5m high ore pad and is interpreted by Wolfden as being a suitable impermeable barrier to the migration of fluids.

Part B, Item 5(d) – Tabular summaries for all data and information generated under the "Surveillance Network Program".

Please refer to Table 2 for a summary of the water sample results from the 2006 Interim Water Management Plan/Surveillance Network Program performed at Ulu. Figure 2 illustrates the locations of these samples.

Part B, Item 5(e) – A summary of any construction work, modification and/or major maintenance work carried out on the Water Supply Facilities and Waste Disposal Facilities, including all associated structures.

No construction, modification or major maintenance of the Waste Disposal Facility at Ulu was required in 2006.

Part B, Item 5(f) – Results from acid generating potential samples collected on ore and waste rock as referred to in Part D, Item 10.

During May and June 2006, ore storage pad seepage was monitored by Gartner Lee Ltd. at Station WR1a as part of the broader baseline assessment for the High Lake project (Figure 3). The location of sample location WR1 is placed on the location map for reference only, to show where the ore storage pad sample was collected in 2005.

The seepage station (WR1a) is located down stream of the pad in an area where visible sedimentation from previous surface flow is present (Table 3). All parameters met the Water License effluent quality requirements.

Two samples, WR2 and WR3, collecting run off water from the waste rock pad, were also collected by Gartner Lee during May and June of 2006 (Figure 3). At the time of sampling a large amount of ice, mined from the underground, was present at the eastern end of the waste rock pile and therefore these samples measured the water quality from the melt waters from the ice. Although the analytical results for samples WR2 and WR3 meet the Water License effluent quality requirements, the results for WR2 are noticeably elevated compared to WR3, and exceed CCME guidelines. However, the analytical results of WR2 are in question as they do not correspond to those of WR3, or to those collected by Wolfden (SNP #200-3), in a similar location, during that same period (Table 2, Figure 2).

Please refer to Ulu's Interim Water Management Plan, dated March 2006, for a summary on how Wolfden proposes to manage and monitor minewater and runoff at Ulu over the term of the Water License, or until production is initiated.

Part B, Item 5(g) – A list of unauthorized discharges and summary of follow-up actions taken.

No unauthorized discharges occurred at Ulu in 2006.

Part B, Item 5(h) – A progress report on any studies requested by the Board that relate to waste management, water use, and restoration, as well as a brief description of any future studies planned by the Licensee.

Wolfden has yet to receive formal approval from the NWB for the following reports which were sent to the NWB on March 24, 2005:

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
6) Revised SNP Quality Assurance/Quality Control Requirements for Surface Water Samples Plan

To date, the Terms of Reference for Hydrological Assessment of West Lake and Interim Water Management Plan are the only reports that have been formally approved by the NWB.

Part B, Item 5(i) – Any revisions or updates to the approved Contingency Plan, Abandonment and Restoration Plan, and Operation/Maintenance Plan.

A revised copy of the Spill Contingency Plan was included with the 2005 Annual Report.

A revised copy of the Sewage Treatment and Solid Waste Disposal Facilities Operation and Maintenance Plan was sent to the NWB on January 31, 2006. The NWB acknowledged receipt of this document and placed it on the NWB website for review by interested parties on February 17, 2006. These reports have not been formally approved by the NWB.

To date, Wolfden has not received an approval, nor a request for more information, for the Interim Abandonment and Restoration Plan.

Part B, Item 5(j) – An executive summary, in terms understandable to the general public translated into Inuinaqtun, of all plans, reports or studies conducted under the license.

The Inuinaqtun translation of the Executive Summary for the 2006 Annual Report is indicated below.

ATANIUYUNUT NAINAQHIMAYUT

Wolfden Risuasis Nanminilgit niuviqtat tamna 100 pusuayumik piyumaniat tapkuat Ulu guulinut havangat tapkunangat Kinross Guulit Kuapurisan talvani Tisaipa 2003 ilagiplugu tapkununga havikhaqhiuqtut havakhainut pinahuaqniinut hivunmukhimaniqpaanut atuqtauliqniinik hannaviuyuq tahamani tatya nalvaqtauhimayumi High Tahiq Cu-Zn piqaqniani, tapkuatlu ilagikniiinut pilaqtut pivaliatitaunii tahapkununga atuqtauniinik ayyikkiktunik havikhaliuqvikmun igluqpakyuakhainut.

Talvani 2004-mi Wolfden-kut havakhimayut tapkuninga 44 putunik, 18, 569 miitanik qiplagiktunut ikuutaqniqnik havagutainik pinahuaqpaliqhutik naunaiyaqnii tapkuat maniliugutaunikhainut pilaqniinik taphuma Ulu guulinut piqaqnia. Kinguagut tapkuat ikuutaqniqmut havagutit Wolfden-kut havakhimayut piqaqniinik kititiniqmik tapkuat naunaigutauyut tamna Ulu guulinut piqaqnia pihimayuq ihumagiyaunia/naunaiqhimania piqaqnianik 1,130,000 milian tansinik nakuunia 11.34 guramsit/tansimi guulinik, tamnaluniit ayyikkutapyanik 373,748 aunsinik guulinik. Tamnaluttauq 2004-mi Wolfden-kut attaqtuhivaliqtat tamna Ulu mittaqvia 150 miitamik talvunga 1300 miitanguqhugu tamnalu hanimuktuhivaliqhugu 5 miitamik 30 miitanguqhugu. Gartner Lee Nanminilgit, Wardrop Qauyimayiuyut tapkuatlu BGC Qauyimayiuyut, avatiligiyivut tapkuatlu qauyimayiuyut ikayuqtivut, pigiaqtihimayat qaphit naunaiyaqniit tugangayut tapkuat iniqtiqniinik tapkuat Avatiliginiqmut Aktuaniinut Naunaiyaqnii taphumunga High Tahiq/Ulu Havanga.

Wolfden-kut angmatqiktat tamna nunap iluanuktaqvik talvani Ulumi Mai 2005-mi piniaqhimaplutik atuqniinik 395 miitat anmut pivaliatitnii havaknii naunaigahuaqhugit tapkuat nakuunii tapkuatlu piqaitnaqniiguulit atatyutai pihimanii talvani Ulumi piqaqniani. Una havaq piyalik naunaiyaqniinik piqaqnii maniliugutaulagiakhainik uyagakhiugiami. Tamna angmaqmat nunap iluanuktaqvik naunaiqtaunginaqtuq tapkuat 2-4 miitat hikunikhimayuq tahamuuna nunap iluani havaktauhimayuni taimangat Echo Bay nutqaqtitmatyuk aulataunia talvani Ulumi 1997-min. Wolfden-kut pigiaqtat uyagakhiuqnianik tamna hiku nunguttiqlugu Juni 2005 talvuuna tapkuat ihumaliuqniaqmata kinguvaqtitauniagiakhanik hulivalliq nunap iluani havaknikha tikittiqlugu 2006.

Ovani May 2006 Wolfden angmaktiffaktat ona Ulu oyagakhiokvikhak nalvaakvik manikakninik ovalo nunap ataanot oyakikiomayut algaklotik manikakninik. Ona Ulu etigiaktokviak nunap ataanot angmaktat ovani May 2006 oalo okoak algaktit kantolaktit, Procon Mining & Tunnelling Ltd., nuna ettigiaktokvia hikkoiyaktat etigiaktokvikhak ovalo nunap atanoktikvik. Hamna havaktakak aolalihaliktok ovani Agasim9 okoa Oyagakhioktit ehivgioktit ehomayut ona oyakkioklogo angmaomavia etigiaktokvikhak paanga angmaktokhak hivoganaiyakhogo etiakatakvikhak ovalo atoktaolimaitok aipakha etigiaktokvikhak. Ovani Nunavutmi Oyagakhioktit Maligaitni oyagakhiokviit tamaita aipaanik etigiaktokvikhakaktokhat ema anilgikhak aipaa anilvikhak himmikpakluniit. Hamani emaitpat, tamhna anniakatakvikhak hilamot nunap ataanit ona Ulu aipaanginanik anniakatakvikaktok. Ataniop pitkoya aipaanik anniakatakvikhanik elitkoiyuk aipaa anniakatakvik himmikpak. Ona akia manikhanik havaotikhanik eliogakhimaitmat ovalo eliogakoya ataniop mayugaotaniklogo/anniakatalioklogo ema

hilamit manikhanik havaotmik elihimaitmat okoa Wolfden hamna havaakhak kakogoktat okoa Ulu-kot ovani High Lake naliak Lupin oyakikilikata algaktot, ema Ulu manikaknimik algalikata oyagaknik tahamani oyagakhiokvikmi. Ona Ulu havalimaitat angmaklogo kakogo angmalikat havayavaat.

Talvani 2006 kaffit tamaita 4 tahamaniotat Inuit havaktitaoliktot okonanit Wolfden havakliktot aghaluhikilikhotik Inuinait, havaktitlo, naliak ekayuktot nunalikionot/oyagakhioktinot ekayuktot havaktiliktait okoat Wolfden Resources Inc.

Elaitlo hamani, Wolfden havaktiniktot 3 havakviknik titigakhimayut ehoakhaiyikhat Nunavutmi tamayalikiokha ovalo honalikiokhat ovani Ulu gold-nik oyagagakhiokvikmi ovani okiok 2006-mi. Tabkoa havakviit kaffioyut havaktikaktot 10-15% manikhait atoktot maniknik ovani Ulu-mi ovani 2006-mi.

Part B, Item 5(k) – An updated estimate of the current mine restoration liability based upon the results of the mine restoration research, the mine development monitoring and any modifications to the mine plan.

Please see attached Table 4, summarizing the estimated current 2007 mine restoration liability for Ulu. The amount of the mine restoration is estimated to be lower for 2007 than for 2006 as there is significantly less diesel fuel (50,000 liters) to move to High Lake, in the event the Ulu was going to be reclaimed, as compared to 2006 (250,000 liters). This reflects in lower costs for the Buffalo to transport the fuel to High Lake and also less aviation fuel cost for the Buffalo.

There was no change to the mine plan in 2006 and none is anticipated in 2007.

Part B, Item 5(l) – Any approved revisions to the approved Abandonment and Restoration Plan.

The NWB has not approved nor requested any revisions to the Interim Abandonment and Restoration Plan. This plan was submitted to the NWB on March 24, 2005.

Part B, Item 5(m) – A summary of any abandonment and restoration work undertaken during the year and an outline of any work anticipated for the next year.

There was no abandonment or restoration work undertaken at Ulu in 2006 and none is contemplated for 2007.

Part B, Item 5(n) – An updated estimate of the current camp restoration liability based on the results of the camp restoration research, the camp development monitoring, and any modifications to the camp plan.

Please see attached Table 4, summarizing the estimated current 2006 mine restoration liability for Ulu.

There was no change to the camp plan in 2006 and none is anticipated in 2007.

Part B, Item 5(o) – Public consultation/participation report describing consultation with local organizations and the residents of the nearby communities.

Please see Tables 5, 6 and 7 for a list of community representative contacted by Wolfden in 2006 in regard to the High Lake project.

Part B, Item 5(p) – Provide brief summary of work done to address concerns or deficiencies listed in the inspection reports and/or compliance reports.

INAC/NWB did not conduct an inspection of Ulu in 2006.

Part B, Item 5(q) – Any other details on water use or waste disposal requested by the Board by November 1st of the year being reported.

The NWB did not request any other details on water use or waste disposal at Ulu during 2006.

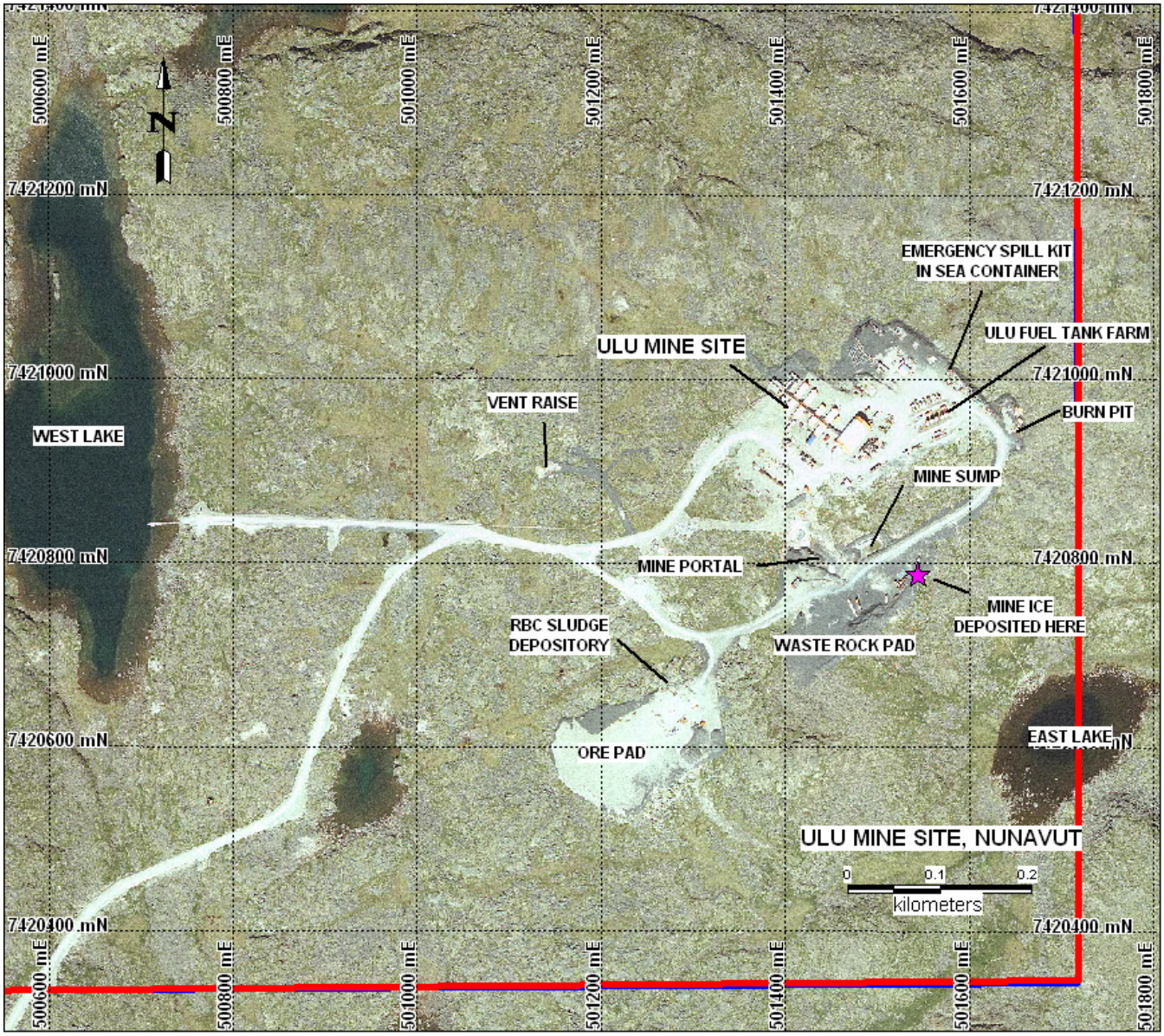


Figure 1. Ulu Mine Site Layout

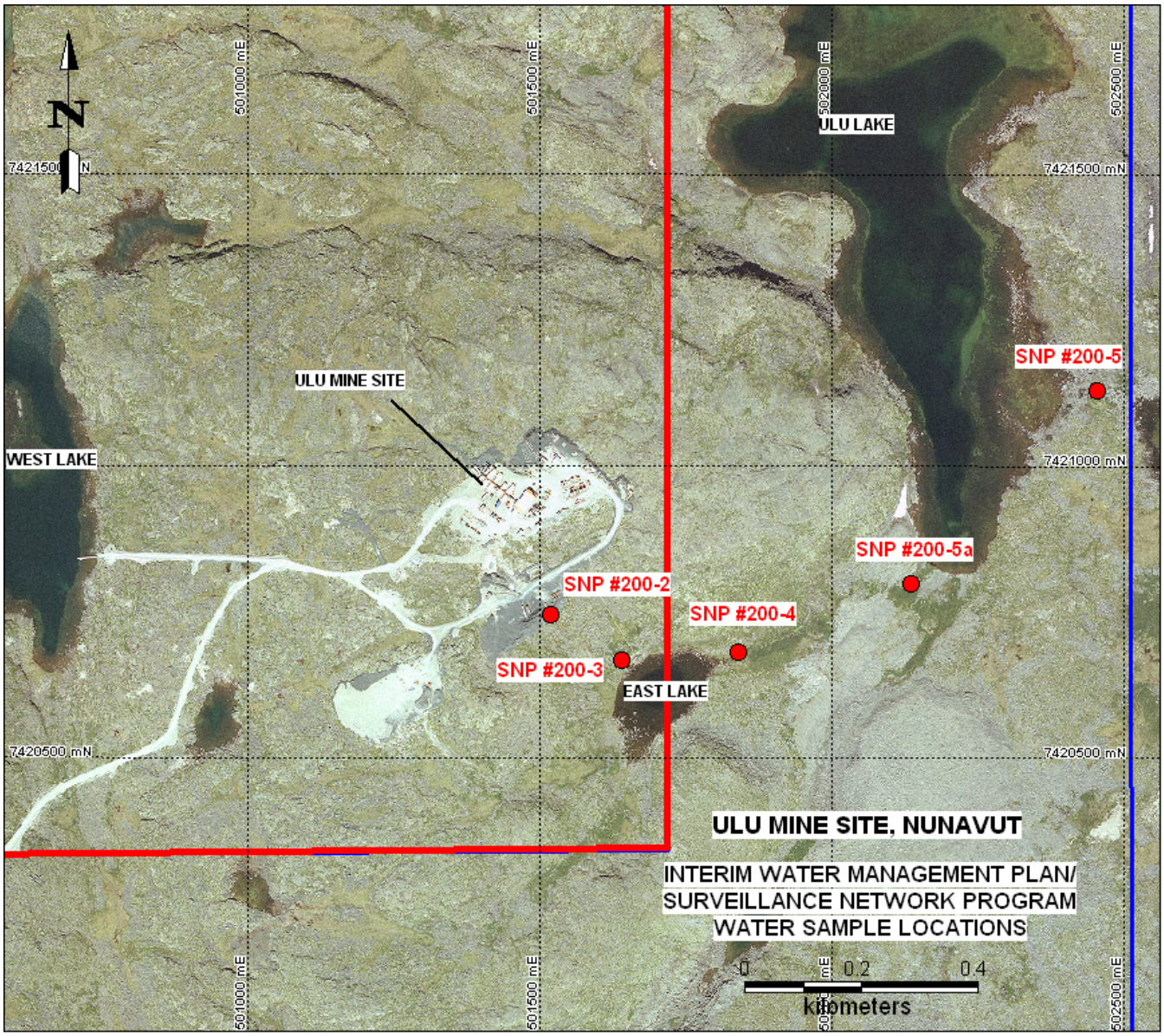


Figure 2. Ulu Interim Water Management Plan/Surveillance Network Program Water Sample Locations

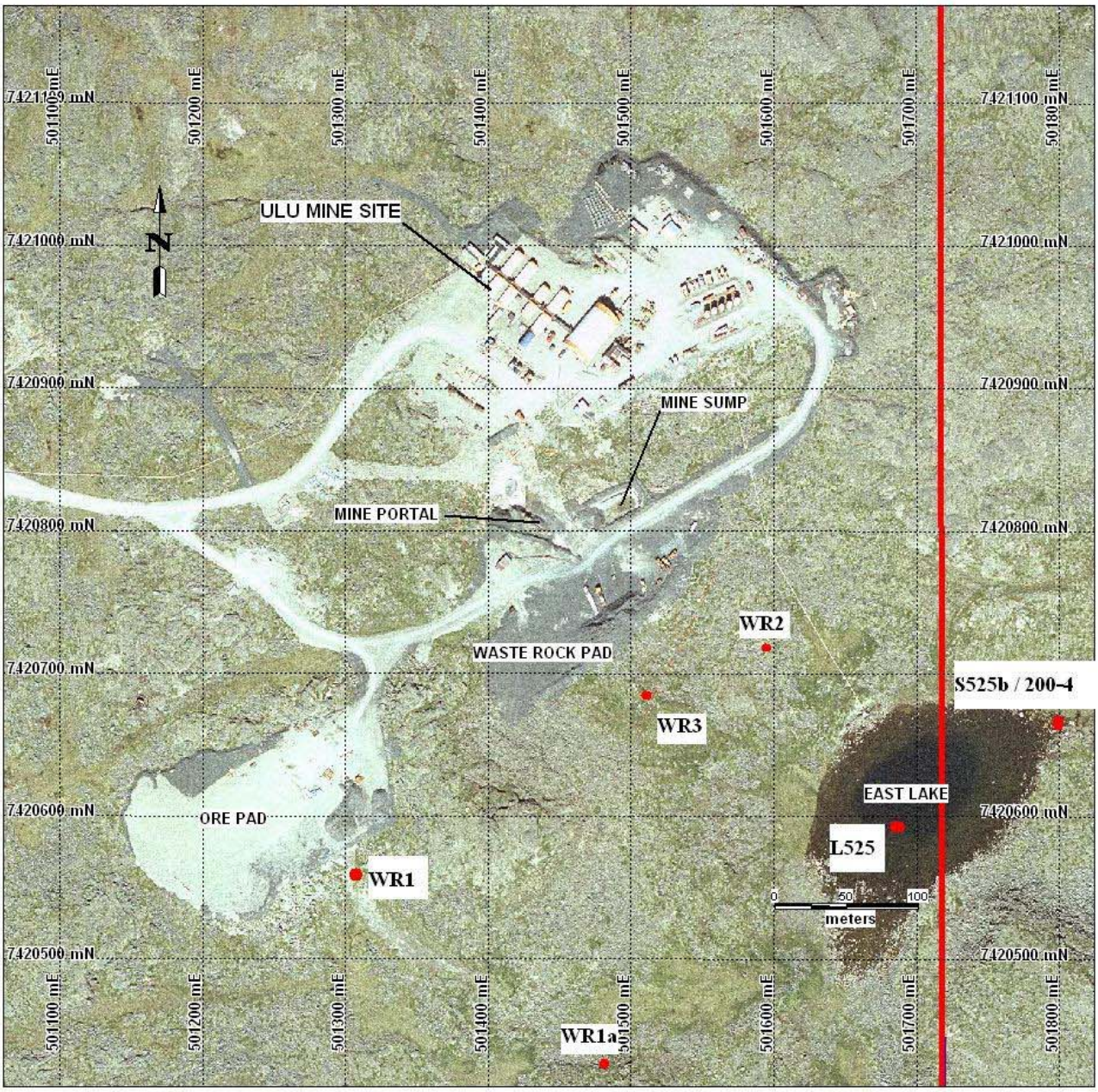


Figure 3: Ulu Mine Site Area - Location of Waste Rock Storage Area Sample Locations

Table 1. Ulu Mine Site – 2006 Water Consumption Record

Total Days	Date	Meter Reading	Daily Usage	Daily Usage	Condition	Comments
		US Gallons	US Gallons	cubic meters		
1	13-Apr-06					waiting for batteries for water meter
2	14-Apr-06					waiting for batteries for water meter
3	15-Apr-06					waiting for batteries for water meter
4	16-Apr-06					waiting for batteries for water meter
5	17-Apr-06					waiting for batteries for water meter
6	18-Apr-06					received batteries for water meter
7	19-Apr-06	530	530	2.01	OK	filter change
8	20-Apr-06	2252	1722	6.52	OK	
9	21-Apr-06	3996	1744	6.60	OK	
10	22-Apr-06	5368	1372	5.19	OK	
11	23-Apr-06	7542	2174	8.23	OK	
12	24-Apr-06	8613	1071	4.05	OK	
13	25-Apr-06	10332	1719	6.51	OK	
14	26-Apr-06	11692	1360	5.15	OK	
15	27-Apr-06	13108	1416	5.36	OK	
16	28-Apr-06	14086	978	3.70	OK	
17	29-Apr-06	14806	720	2.73	OK	
18	30-Apr-06	15914	1108	4.19	OK	
19	1-May-06	17216	1302	4.93	OK	
20	2-May-06	18404	1188	4.50	OK	
21	3-May-06	19600	1196	4.53	OK	
22	4-May-06	21682	2082	7.88	OK	
23	5-May-06	22880	1198	4.53	OK	
24	6-May-06	23986	1106	4.19	OK	
25	7-May-06	25200	1214	4.59	OK	
26	8-May-06	26257	1057	4.00	OK	
27	9-May-06	27498	1241	4.70	OK	
28	10-May-06	29440	1942	7.35	OK	
29	11-May-06	31083	1643	6.22	OK	
30	12-May-06	32128	1045	3.96	OK	
31	13-May-06	33253	1125	4.26	OK	
32	14-May-06	35138	1885	7.13	OK	
33	15-May-06	37049	1911	7.23	OK	
34	16-May-06	38216	1167	4.42	OK	
35	17-May-06	39604	1388	5.25	OK	
36	18-May-06	41063	1459	5.52	OK	
37	19-May-06	43093	2030	7.68	OK	
38	20-May-06	44396	1303	4.93	OK	
39	21-May-06	45692	1296	4.91	OK	
40	22-May-06	51102	5410	20.48	OK	
41	23-May-06	55616	4514	17.09	OK	
42	24-May-06	59903	4287	16.23	OK	

43	25-May-06	64111	4208	15.93	OK	
Total Days	**Date**	**Meter Reading**	**Daily Usage**	**Daily Usage**	**Condition**	**Comments**
		US Gallons	**US Gallons**	**cubic meters**		
44	26-May-06	67414	3303	12.50	OK	
45	27-May-06	70300	2886	10.92	OK	
46	28-May-06	73336	3036	11.49	OK	
47	29-May-06	75706	2370	8.97	OK	filter change
48	30-May-06	79867	4161	15.75	OK	
49	31-May-06	85124	5257	19.90	OK	
50	1-Jun-06	87517	2393	9.06	OK	
51	2-Jun-06	89898	2381	9.01	OK	
52	3-Jun-06	93200	3302	12.50	OK	
53	4-Jun-06	95003	1803	6.82	OK	filter change
54	5-Jun-06	99235	4232	16.02	OK	
55	6-Jun-06	102279	3044	11.52	OK	
56	7-Jun-06	105989	3710	14.04	OK	
57	8-Jun-06	109800	3811	14.42	OK	
58	9-Jun-06	111907	2107	7.97	OK	filter change
59	10-Jun-06	115265	3358	12.71	OK	
60	11-Jun-06	119731	4466	16.90	OK	
61	12-Jun-06	124159	4428	16.76	OK	
62	13-Jun-06	127317	3158	11.95	OK	
63	14-Jun-06	130769	3452	13.07	OK	
64	15-Jun-06	133538	2769	10.48	OK	
65	16-Jun-06	136336	2798	10.59	OK	
66	17-Jun-06	141666	5330	20.17	OK	
67	18-Jun-06	144071	2405	9.10	OK	
68	19-Jun-06	149606	5535	20.95	OK	
69	20-Jun-06	151956	2350	8.89	OK	
70	21-Jun-06	158751	6795	25.72	OK	
71	22-Jun-06	162487	3736	14.14	OK	
72	23-Jun-06	165858	3371	12.76	OK	
73	24-Jun-06	169921	4063	15.38	OK	
74	25-Jun-06	175053	5132	19.42	OK	
75	26-Jun-06	178556	3503	13.26	OK	
76	27-Jun-06	182573	4017	15.20	OK	
77	28-Jun-06	188576	6003	22.72	OK	
78	29-Jun-06	192065	3489	13.21	OK	
79	30-Jun-06	196207	4142	15.68	OK	
80	1-Jul-06	201337	5130	19.42	OK	
81	2-Jul-06	204740	3403	12.88	OK	
82	3-Jul-06	208209	3469	13.13	OK	
83	4-Jul-06	213568	5359	20.28	OK	
84	5-Jul-06	219303	5735	21.71	OK	
85	6-Jul-06	223142	3839	14.53	OK	
86	7-Jul-06	226782	3640	13.78	OK	
87	8-Jul-06	229455	2673	10.12	OK	

88	9-Jul-06	233250	3795	14.36	OK	
Total Days	**Date**	**Meter Reading**	**Daily Usage**	**Daily Usage**	**Condition**	**Comments**
		US Gallons	**US Gallons**	**cubic meters**		
89	10-Jul-06	236643	3393	12.84	OK	
90	11-Jul-06	240375	3732	14.13	OK	
91	12-Jul-06	244963	4588	17.37	OK	
92	13-Jul-06	248999	4036	15.28	OK	
93	14-Jul-06	252462	3463	13.11	OK	
94	15-Jul-06	256391	3929	14.87	OK	
95	16-Jul-06	260670	4279	16.20	OK	
96	17-Jul-06	263880	3210	12.15	OK	
97	18-Jul-06	267853	3973	15.04	OK	
98	19-Jul-06	271182	3329	12.60	OK	
99	20-Jul-06	275023	3841	14.54	OK	
100	21-Jul-06	278610	3587	13.58	OK	
101	22-Jul-06	282609	3999	15.14	OK	
102	23-Jul-06	286266	3657	13.84	OK	
103	24-Jul-06	290678	4412	16.70	OK	
104	25-Jul-06	294978	4300	16.28	OK	
105	26-Jul-06	300286	5308	20.09	OK	
106	27-Jul-06	304236	3950	14.95	OK	
107	28-Jul-06	308350	4114	15.57	OK	
108	29-Jul-06	312050	3700	14.00	OK	
109	30-Jul-06	315772	3722	14.09	OK	
110	31-Jul-06	320332	4560	17.26	OK	
111	1-Aug-06	324445	4113	15.57	OK	
112	2-Aug-06	328862	4417	16.72	OK	
113	3-Aug-06	334160	5298	20.05	OK	
114	4-Aug-06	338455	4295	16.26	OK	
115	5-Aug-06	342937	4482	16.96	OK	
116	6-Aug-06	347505	4568	17.29	OK	
117	7-Aug-06	351822	4317	16.34	OK	
118	8-Aug-06	357543	5721	21.65	OK	
119	9-Aug-06	362280	4737	17.93	OK	
120	10-Aug-06	371059	8779	33.23	OK	
121	11-Aug-06	376148	5089	19.26	OK	
122	12-Aug-06	381512	5364	20.30	OK	
123	13-Aug-06	383294	1782	6.74	OK	
124	14-Aug-06	385817	2523	9.55	OK	
125	15-Aug-06	388047	2230	8.44	OK	
126	16-Aug-06	390765	2718	10.29	OK	Camp shut down Aug 16, 2006
		Total Usage:	**390765**	**1479.05**		
		Ave. Daily Usage:	**3256**	**12.33**		

Table 2. Ulu Mine Site – 2006 Surveillance Network Program Results

Mine Ice (SNP #200-2) - Ulu Waste Rock, Mine Ice and Ore Storage Monitoring.

Routine Parameters	**CCME**	**Licence Limit**	200-2	200-2	200-2	200-2	200-2	200-2	200-2	200-2	200-2	200-2	200-2	200-2
Date			24-May-06	31-May-06	7-Jun-06	14-Jun-06	21-Jun-06	28-Jun-06	5-Jul-06	12-Jul-06	19-Jul-06	26-Jul-06	2-Aug-06	16-Aug-06
pH	6.5 – 9.0	6.5 - 9.0	6.88	8.29	6.7	7.3	7	6.8	7.2	7	6.8	6.7	7.5	no ice
Nitrate	13		1.31	0.229	0.7	1.4	0.7	0.3	0.3	0.5	2.4	0.5	<0.1	no ice
Nitrite	0.06		*0.0635*	0.0165	<0.05	<0.05	*0.09*	<0.05	*0.08*	<0.05	*0.39*	*0.13*	<0.05	no ice
Ammonia (as N)	12.24		0.186	0.19	0.19	1.53	0.52	0.16	0.37	0.9	2.37	0.45	<0.05	no ice
Total Suspended Solids	25	50	9.1	5.8	4	<3	13	9	3	18	9	3	17	no ice
Sulphate			5.6	4.96	10.8	26.6	14.6	3.9	6.8	0.6	252	2.7	0.7	no ice
Chloride			8.96	3.51	8	35	17	3	6	16	27	5	2	no ice
Metals (Total)														
Total Aluminum	0.1		*0.443*	*0.248*	*0.44*	*0.2*	*0.38*	*0.16*	*0.95*	*0.55*	*0.51*	0.08	*1.14*	no ice
Total Arsenic	0.005	1	0.00314	0.00113	0.0012	0.0021	0.0018	0.0006	0.0026	0.0039	0.0031	0.0007	0.0031	no ice
Total Cadmium	0.000017		*0.000355*	*0.000613*	*0.0003*	<0.0002	<0.0002	*0.0002*	<0.0002	<0.0002	*0.0002*	*0.0005*	<0.0002	no ice
Total Chromium	0.001		<0.001	<0.001	<0.005	<0.005	<0.005	<0.005	<0.005	<0.005	<0.005	<0.005	<0.005	no ice
Total Copper	0.002 – 0.004	0.6	*0.0049*	*0.0031*	*0.003*	*0.004*	*0.008*	*0.008*	*0.006*	*0.007*	*0.016*	*0.003*	*0.003*	no ice
Total Lead	0.001 – 0.007	0.4	*0.00655*	*0.00158*	0.001	0.0007	*0.0039*	*0.0015*	*0.0024*	*0.0015*	*0.003*	0.0009	*0.0021*	no ice
Total Nickel	0.025-0.15	1	0.0018	0.0013	<0.002	<0.002	<0.002	<0.002	<0.002	<0.002	<0.002	<0.002	<0.002	no ice
Total Zinc	0.03	1	*0.0791*	0.0166	0.014	0.008	0.026	0.024	*0.063*	0.017	*0.046*	0.027	0.016	no ice

results exceed Licence Limits

italics *results exceed CCME Aquatic Life Guidelines*

Toe of Ice (SNP #200-3) - Ulu Waste Rock, Mine Ice and Ore Storage Monitoring.

Routine Parameters	**CCME**	**Licence Limit**	200-3	200-3	200-3	200-3	200-3	200-3	200-3	200-3	200-3	200-3	200-3	200-3
Date			24-May-06	31-May-06	7-Jun-06	14-Jun-06	21-Jun-06	28-Jun-06	5-Jul-06	12-Jul-06	19-Jul-06	26-Jul-06	2-Aug-06	16-Aug-06
pH	6.5 - 9.0	6.5 - 9.0	7.64	7.59	*1.7*	7.8	7.6	7.7	7.7	7.8	7.6	7.8	7.7	7.8
Nitrate	13		0.412	0.946	*17.7*	*34.2*	*21.6*	*17.6*	*37*	*20.8*	*43.2*	*35.6*	*31.9*	*15.5*
Nitrite	0.06		0.0245	*9.95*	*0.48*	*2.36*	*1.49*	*2.07*	*3.65*	*0.96*	*2.81*	*1.78*	*0.81*	<0.05
Ammonia (as N)	12.24		0.055	2.99	6.1	*80.3*	7.17	9.17	*22.6*	10.3	*40.9*	*18.6*	*14.8*	6.85
Total Suspended Solids	25	50	7.1	6.5	<3	<3	4	<3	<3	4	<3	<3	6	4
Sulphate			33.9	55.5	1660	117	79.5	68.6	136	106	6.9	94.5	105	141
Chloride			33.9	105	267	666	322	291	1910	545	796	560	593	360
Metals (Total)														
Total Aluminum	0.1		*0.298*	*0.317*	*0.1*	0.08	0.04	0.013	*0.18*	0.09	0.08	*0.15*	*0.1*	*0.12*
Total Arsenic	0.005	1	<0.00482	0.00199	0.0018	0.0014	0.0006	0.0018	0.0014	0.0024	0.0018	0.0016	0.0019	0.0014
Total Cadmium	0.000017		*0.0000520*	*0.000149*	<0.0002	*0.0004*	<0.0002	*0.0010*	*0.0017*	*0.0005*	*0.0008*	*0.0006*	*0.0010*	*0.0006*
Total Chromium	0.001		*0.0016*	<0.0010	<0.005	<0.005	<0.005	<0.005	<0.005	<0.005	<0.005	<0.005	<0.005	<0.005
Total Copper	0.002 - 0.004	0.6	*0.0048*	*0.0035*	*0.003*	*0.004*	*0.002*	*0.003*	*0.004*	*0.004*	*0.006*	*0.004*	*0.005*	*0.004*
Total Lead	0.001 - 0.007	0.4	0.00063	0.00084	0.0002	0.0002	<0.0001	0.0003	0.0003	0.0005	0.0003	0.0004	0.0006	0.0002
Total Nickel	0.025-0.15	1	0.0016	0.0052	0.004	0.006	0.002	0.011	0.015	0.008	0.008	0.009	0.018	0.015
Total Zinc	0.03	1	<0.005	0.0099	0.01	*0.039*	0.005	*0.061*	0.026	0.011	0.016	0.012	0.018	0.017

results exceed Licence Limits

italics *results exceed CCME Aquatic Life Guidelines*

Outlet of East Lake (SNP #200-4) - Ulu Waste Rock, Mine Ice and Ore Storage Monitoring.

Routine Parameters	**CCME**	**Licence Limit**	200-4	200-4	200-4	200-4	200-4	200-4	200-4	200-4	200-4	200-4	200-4	200-4
Date			24-May-06	31-May-06	7-Jun-06	14-Jun-06	21-Jun-06	28-Jun-06	5-Jul-06	12-Jul-06	19-Jul-06	26-Jul-06	2-Aug-06	16-Aug-06
pH	6.5 - 9.0	6.5 - 9.0	7	7.82	6.9	7.2	7	7.1	6.9	7	6.9	7	6.9	6.9
Nitrate	13		0.175	0.193	1.2	1.6	2.1	2.7	3.4	4.3	4.4	2.5	5.3	7.9
Nitrite	0.06		0.0011	0.0018	<0.05	<0.05	<0.	<0.05	<0.05	<0.05	<0.05	<0.05	<0.05	<0.05
Ammonia (as N)	12.24		0.089	0.028	0.26	0.31	<0.05	0.47	0.71	0.94	0.75	0.11	0.22	0.79
Total Suspended Solids	25	50	<3	<3	3	<3	5	<3	<3	<3	<3	6	4	<3
Sulphate			12.7	10.9	19.7	17.8	18.6	20.4	24.2	2.8	54.4	28.7	34.8	47.8
Chloride			7.48	7.56	29	34	47	53	72	99	106	141	156	244
Metals (Total)														
Total Aluminum	0.1		0.082	0.0667	0.07	0.05	0.04	0.04	0.04	0.03	0.04	*0.1*	0.02	0.03
Total Arsenic	0.005	1	<0.0005	<0.0005	<0.0004	<0.0004	0.0005	0.0004	0.0007	<0.0004	<0.0004	0.0006	<0.0004	<0.0004
Total Cadmium	0.000017		*0.000051*	*0.000033*	*<0.0002*	*<0.0002*	*<0.0002*	*<0.0002*	*<0.0002*	*<0.0002*	*<0.0002*	*0.0005*	*<0.0002*	*0.0002*
Total Chromium	0.001		<0.001	<0.001	*<0.005*	*<0.005*	*<0.005*	*<0.005*	*<0.005*	*<0.005*	*<0.005*	*<0.005*	*<0.005*	*<0.005*
Total Copper	0.002 - 0.004	0.6	*0.0023*	*0.0022*	*0.002*	*0.002*	*0.002*	*0.002*	*0.011*	*0.002*	*0.002*	*0.002*	*0.002*	*0.002*
Total Lead	0.001 - 0.007	0.4	<0.0005	<0.0005	<0.0001	<0.0001	<0.0001	0.0001	<0.0001	<0.0001	<0.0001	0.0002	0.0001	0.0002
Total Nickel	0.025-0.15	1	0.0026	0.0022	0.002	<0.002	0.002	0.002	0.003	0.002	0.003	0.013	0.003	0.006
Total Zinc	0.03	1	0.0074	0.0054	0.006	0.007	0.007	0.005	0.012	0.01	0.013	*0.037*	0.015	*0.041*

results exceed Licence Limits

italics *results exceed CCME Aquatic Life Guidelines*

Outlet of Ulu Lake (SNP #200-5) - Ulu Waste Rock, Mine Ice and Ore Storage Monitoring.

Routine Parameters	**CCME**	**Licence Limit**	200-5	200-5	200-5	200-5	200-5	200-5	200-5	200-5	200-5	200-5	200-5	200-5
Date			24-May-06	31-May-06	7-Jun-06	14-Jun-06	21-Jun-06	28-Jun-06	5-Jul-06	12-Jul-06	19-Jul-06	26-Jul-06	2-Aug-06	16-Aug-06
pH	6.5 - 9.0	6.5 - 9.0	6.75	6.76	6.6	6.9	6.9	6.9	6.8	6.9	6.8	6.8	6.9	7
Nitrate	13		0.0251	0.013	<0.1	<0.1	<0.1	<0.1	<0.1	<0.1	<0.1	<0.1	<0.1	<0.1
Nitrite	0.06		<0.001	<0.001	<0.05	<0.05	<0.05	<0.05	<0.05	<0.05	<0.05	<0.05	<0.05	<0.05
Ammonia (as N)	12.24		<0.02	<0.02	<0.05	<0.05	<0.05	<0.05	<0.05	<0.05	<0.05	<0.05	<0.05	<0.05
Total Suspended Solids	25	50	<3	<3	<3	4	4	<3	<3	<3	<3	<3	3	<3
Sulphate			3.56	2.66	3.5	5.4	4.2	4.4	4.8	<0.5	50.2	4.9	5.1	5.7
Chloride			1.55	0.66	2	4	3	2	3	3	3	4	4	5
Metals (Total)														
Total Aluminum	0.1		0.0391	0.0534	0.05	0.04	0.04	0.03	0.02	0.02	0.03	0.03	0.02	0.03
Total Arsenic	0.005	1	<0.0005	<0.0005	<0.0004	<0.0004	<0.0004	<0.0004	<0.0004	<0.0004	<0.0004	<0.0004	<0.0004	<0.0004
Total Cadmium	0.000017		*0.000035*	*0.000022*	*<0.0002*	*<0.0002*	*<0.0002*	*<0.0002*	*<0.0002*	*<0.0002*	*<0.0002*	*<0.0002*	*<0.0002*	*<0.0002*
Total Chromium	0.001		<0.001	<0.001	*<0.005*	*<0.005*	*<0.005*	*<0.005*	*<0.005*	*<0.005*	*<0.005*	*<0.005*	*<0.005*	*<0.005*
Total Copper	0.002 - 0.004	0.6	0.0018	*0.0028*	*0.003*	*0.002*	*0.002*	*0.002*	*0.002*	*0.002*	*0.002*	*0.002*	*0.002*	*0.002*
Total Lead	0.001 - 0.007	0.4	<0.0005	<0.0005	<0.0001	0.0002	<0.0001	<0.0001	<0.0001	<0.0001	<0.0001	<0.0001	<0.0001	<0.0001
Total Nickel	0.025-0.15	1	0.0041	0.0031	<0.002	0.002	0.002	<0.002	<0.002	<0.002	<0.002	<0.002	<0.002	0.002
Total Zinc	0.03	1	0.0119	0.009	0.007	0.009	<0.004	0.012	<0.004	0.005	0.007	0.005	<.004	0.017

results exceed Licence Limits

italics *results exceed CCME Aquatic Life Guidelines*

Inflow to Ulu Lake (SNP #200-5a) - Ulu Waste Rock, Mine Ice and Ore Storage Monitoring.

Routine Parameters	**CCME**	**Licence Limit**	200-5A	200-5A	200-5A	200-5A	200-5A	200-5A	200-5A	200-5A	200-5A	200-5A	200-5A	200-5A
Date			24-May-06	31-May-06	7-Jun-06	14-Jun-06	21-Jun-06	28-Jun-06	5-Jul-06	12-Jul-06	19-Jul-06	26-Jul-06	2-Aug-06	16-Aug-06
pH	6.5 - 9.0	6.5 - 9.0	6.9	7.48	6.6	6.9	6.7	6.8	6.6	*6.5*	6.6	6.7	7.6	6.8
Nitrate	13		0.271	0.2	1.3	1.7	1.8	2.3	3.3	4.2	3.8	5	*32.9*	8.5
Nitrite	0.06		0.0011	<0.001	<0.05	<0.05	<0.05	<0.05	<0.05	<0.05	<0.05	<0.05	*0.55*	<0.05
Ammonia (as N)	12.24		<0.02	<0.02	<0.05	<0.05	<0.05	<0.05	<0.05	0.08	0.11	0.34	0.78	0.75
Total Suspended Solids	25	50	<3	<3	<3	<3	3	<3	<3	<3	<3	<3	<3	<3
Sulphate			12.9	10.8	19.6	18	16.7	18.6	21.7	2.5	50.1	31.5	105	42.6
Chloride			7.87	7.57	29	32	37	43	63	91	89	132	579	201
Metals (Total)														
Total Aluminum	0.1		0.0582	0.0656	0.07	0.06	*0.1*	*0.11*	*0.12*	*0.12*	*0.11*	*0.1*	*0.1*	*0.3*
Total Arsenic	0.005	1	<0.0005	<0.0005	<0.0004	<0.0004	<0.0004	<0.0004	<0.0004	<0.0004	<0.0004	<0.0004	<0.0004	<0.0004
Total Cadmium	0.000017		*0.000044*	*0.000027*	*<0.0002*	*<0.0002*	*<0.0002*	*0.0002*	*0.0002*	*0.0002*	*0.0003*	*0.0002*	*0.0003*	*0.0004*
Total Chromium	0.001		<0.001	<0.001	*<0.005*	*<0.005*	*<0.005*	*<0.005*	*<0.005*	*<0.005*	*<0.005*	*<0.005*	*<0.005*	*<0.005*
Total Copper	0.002 - 0.004	0.6	*0.002*	*0.0022*	*0.002*	*0.002*	*0.002*	*0.002*	*0.002*	0.001	*0.002*	0.001	*0.002*	*0.003*
Total Lead	0.001 - 0.007	0.4	<0.0005	<0.0005	0.0002	<0.0001	<0.0001	<0.0001	0.0002	<0.0001	<0.0001	0.0002	0.0001	0.0004
Total Nickel	0.025-0.15	1	0.0017	0.0017	0.002	0.002	0.003	0.003	0.004	0.004	0.004	0.004	0.005	0.006
Total Zinc	0.03	1	0.0054	0.0051	0.012	0.016	0.01	*0.043*	0.015	0.015	0.019	*0.047*	0.022	*0.033*

results exceed Licence Limits

italics *results exceed CCME Aquatic Life Guidelines*

Table 3. 2006 Ulu Area Freshet Water Quality Sampling Results

Gartner Lee

			Frayed Knots River		East Lake / Ulu Lake Drainage				Waste Rock / Ore Storage Area		
Station	**Detection Limits**	**Water Quality Guidelines**	**U/S of Ulu Creek)**	**D/S of Ulu Creek)**	**East Lake Outflow (S525b / 500-4)**	**Ulu Creek (S500b)**	**Ulu Lake Outflow (S504b / 200-5)**	**Ulu Lake Inflow from West Lake (S505a)**	**WR1a**	**WR2**	**WR3**
Date		**CCME** [a]	6/2/2006	6/2/2006	5/31/2006	6/3/2006	6/3/2006	6/3/2006	5/31/2006	6/3/2006	6/3/2006
General Chemistry and Nutrients											
Total Dissolved Solids	10		7	9	30	7	6	7	10	1090	5
Hardness	0.5		8	8	16	7	6	7	8	552	4
Conductivity	2		19.2	20.5	63.8	18.3	17.2	18.1	22.9	1950	9.8
Total Alkalinity	1.0		<5	5	<5	<5	<5	<5	<5	33	<5
Chloride	0.50		2	2	8	2	2	2	2	405	1
Sulphate	1.0		1.9	1.6	10.1	2.7	2.3	2.7	3.8	140	2.0
Ammonia Nitrogen	0.0050		<0.005	<0.005	<0.005	<0.005	<0.005	<0.005	<0.005	18.5	<0.005
Total Kjeldahl Nitrogen	0.050		<0.2	0.2	<0.2	0.7	<0.2	0.3	0.2	15.9	<0.2
Nitrate Nitrogen	0.0050		<0.1	<0.1	0.2	<0.1	<0.1	<0.1	<0.1	34.8	<0.1
Nitrite Nitrogen	0.0050	13	<0.05	<0.05	<0.05	<0.05	<0.05	<0.05	<0.05	4.68	<0.05
Nitrate/Nitrite Nitrogen	0.0050	0.06	<0.1	<0.1	*0.2*	<0.1	<0.1	<0.1	<0.1	*39.5*	<0.1
Dissolved ortho-phosphate	0.0010		<0.01	<0.01	<0.01	<0.01	<0.01	<0.01	<0.01	<0.01	<0.01
Total Phosphate	0.0020		-	-	-	-	-	-	-	-	-
Total Organic Carbon	0.50		6	6	4	4	4	4	6	8	3
Total Metals											
Aluminum	0.001	0.005-0.1[b]	0.0740	0.0564	0.0627	0.0705	0.0663	0.0467	0.0612	*1.46*	*0.101*

Antimony	0.0001		0.00022	0.00019	0.00013	0.00010	0.00012	<0.00003	0.00013	0.0006	<0.00003
Arsenic	0.0001	0.005	0.00019	0.00016	0.00016	0.00014	0.00009	0.00007	0.00017	*0.0065*	0.00141
Barium	0.00005		0.00301	0.00306	0.00632	0.00286	0.00286	0.00266	0.00301	0.228	0.00175
Beryllium	0.0005		<0.0002	<0.0002	<0.0002	<0.0002	<0.0002	<0.0002	<0.0002	<0.001	<0.0002
Bismuth	0.0005		<0.00003	<0.00003	<0.00003	<0.00003	<0.00003	<0.00003	<0.00003	<0.0001	<0.00003
Boron	0.01		<0.001	<0.001	<0.001	<0.001	<0.001	<0.001	<0.001	0.06	<0.001
Cadmium	0.00005	0.000017	<0.00005	<0.00005	<0.00005	<0.00005	<0.00005	<0.00005	<0.00005	*0.0005*	<0.00005
Calcium	0.05		1.66	1.69	4.16	1.40	1.40	1.43	1.70	180	0.96
Chromium	0.0005	0.001	0.00035	0.00033	0.00013	0.00018	0.00018	0.00015	0.00016	*0.0024*	0.00069
Cobalt	0.0001		<0.0001	<0.0001	<0.0001	0.0001	0.0001	0.0002	<0.0001	0.0096	0.0007
Copper	0.0001	0.002-0.004[c]	*0.0020*	0.0015	*0.0020*	*0.0037*	*0.0026*	*0.0031*	0.0019	*0.018*	0.0018
Iron	0.03	0.3	0.119	0.115	0.027	0.070	0.028	0.024	0.029	<0.005	0.118
Lead	0.00005	0.001-0.007[d]	<0.00005	<0.00005	<0.00005	<0.00005	<0.00005	<0.00005	<0.00005	*0.0393*	0.00013
Lithium	0.005		<0.0001	<0.0001	<0.0001	<0.0001	<0.0001	<0.0001	<0.0001	0.056	<0.0001
Magnesium	0.1		0.897	0.892	1.09	0.721	0.609	0.728	0.626	13.7	0.215
Manganese	0.00005		0.0032	0.0056	0.0017	0.0037	0.0064	0.0060	0.0008	0.386	0.0026
Mercury	0.00005	0.000026	<0.00002	<0.00002	<0.00002	<0.00002	<0.00002	<0.00002	<0.00002	<0.00002	<0.00002
Molybdenum	0.00005	0.073	<0.00006	<0.00006	<0.00006	<0.00006	<0.00006	<0.00006	<0.00006	0.0048	<0.00006
Nickel	0.0005	0.025-0.15[e]	0.00091	0.00089	0.00147	0.00183	0.00225	0.00299	0.00116	0.0145	0.00263
Phosphorous	0.3		<0.02	<0.02	<0.02	<0.02	<0.02	<0.02	<0.02	0.06	<0.02
Potassium	2		0.43	0.56	0.68	0.31	0.33	0.35	0.41	15.4	0.23
Selenium	0.001	0.001	<0.0001	<0.0001	<0.0001	<0.0001	<0.0001	<0.0001	<0.0001	*0.0089*	<0.0001
Silicon	0.05		0.6	0.5	0.5	0.5	0.4	0.4	0.4	4.0	0.2
Silver	0.00001	0.0001	<0.0001	<0.0001	<0.0001	<0.0001	<0.0001	<0.0001	<0.0001	<0.0001	<0.0001
Sodium	2		0.633	0.678	4.91	0.581	0.645	0.492	1.14	122	0.142
Strontium	0.0001		0.0045	0.0048	0.0091	0.0041	0.0044	0.0058	0.0034	1.63	0.0015
Thallium	0.0001	0.0008	<0.00003	<0.00003	<0.00003	<0.00003	<0.00003	<0.00003	<0.00003	0.0006	<0.00003
Tin	0.0001		<0.0001	<0.0001	<0.0001	<0.0001	<0.0001	<0.0001	<0.0001	<0.0004	<0.0001
Titanium	0.01		0.0018	0.0017	0.0006	0.0014	0.0004	0.0002	0.0004	0.071	0.0036
Uranium	0.00001		0.00018	0.00011	0.00015	0.00022	0.00020	0.00006	0.00006	0.0011	0.00006
Vanadium	0.001		0.00018	0.00015	<0.00005	0.00009	<0.00005	<0.00005	<0.00005	0.0070	0.00023
Zinc	0.001	0.03	0.0034	0.0025	0.0038	0.0107	0.0079	0.0083	0.0035	*0.047*	0.0023

All units mg/l unless otherwise noted
a) Canadian water quality guidelines for the protection of aquatic life, Council of Ministers of the Environment, 2003

b) 0.005mg/L at pH < 6.5, [Ca2+] < 4 mg/L, DOC < 2 mg/L: 0.1 mg/L at pH ≥ 6.5, [Ca2+] ≥ 4 mg/L, DOC ≥ 2 mg/L

c) 0.002 mg/L at [CaCO3] = 0 - 120 mg/L; 0.003 mg/L at [CaCO3] =120 - 180 mg/L; 0.004 mg/L at [CaCO3] >180mg/L

d) 0.001 mg/L at [CaCO3] = 0 - 60 mg/L; 0.002 mg/L at [CaCO3] =60 - 120 mg/L; 0.004 mg/L at [CaCO3] =120 -180mg/L; 0.007 mg/L at [CaCO3] > 180mg/L

e) 0.025 mg/L at [CaCO3] = 0 - 60 mg/L; 0.065 mg/L at [CaCO3] =60 - 120 mg/L; 0.110 mg/L at [CaCO3] =120 -180mg/L; 0.150 mg/L at [CaCO3] > 180mg/L

**Average of sample and replicate*

Italic	*results exceed CCME Aquatic Life Guidelines*

Table 4. Ulu Mine Site – 2006 Mine Restoration Liability Estimate

RECLAMATION COSTS ESTIMATE FOR ULU MINESITE (present condition) up dated February 9, 2007 *2007 Ulu Reclamation Costs.xls*

Activity	Quantity	units	No. men	Total hrs	Rate/ hr	Cost men	Equip.	hrs	Rate/ hr	Cost eqpt	Supplies	Cost	Total Cost
Cap vent raise	11.5	m^3	3	44	$36.80	$4,858	Zoom Boom	22	$28.96	$637	concrete	$12,850	$18,345
Dismantle 350,000 gal fuel tanks	2	ea	5	154		$100,000	Badger Crane	154	$225.00	$34,650			$134,650
			2	154	$36.80	$11,334	Zoom Boom	154	$28.96	$4,460			$15,794
Dismantle Weatherhaven camp			2	165	$54.55	$18,000	Badger Crane	11	$225.00	$2,475	Trav expens.	$2,000	$22,475
			10	165	$30.00	$49,500	Flat deck	165	$17.45	$2,879			$52,379
Dismantle Ulu trailers, etc.			12	330	$30.00	$118,800							$118,800
Remove fence - powder mags			2	10	$30.00	$600	CAT966	10	$39.00	$390			$990
Labor crew			10	165	$30.00	$49,500							$49,500
Catering			3	660	$37/m/d	$111,000	incl food						$111,000
Re-supply flights							Dornier	5 trips	$6,300/trip	$31,500			$31,500
Crew change flights							Dornier	3 trips	$6,300/trip	$18,900			$18,900
Fuel													
Fuel purchase cost (Jet-A)	21,700	liters					For Buffalo aircraft		$0.82/liter	$17,794			$17,794
Transportation cost to Ulu (Jet-A)	21,700	litres					Herules aircraft		$1.31	$28,400			$28,400

Fuel Handling - Ulu			2	8	$30.00	$480	Fuel truck	8	$25.00	$200			$680
Mob/Demob to/from Ulu							Buffalo aircraft	1 trip	$14,520/trip	$14,520			$14,520
Fly Ulu Fuel Inventory to High Lake	50,000						Buffalo aircraft	6 trips	$6,400/trip	$38,400			$38,400
Mob/Demob to/from Ulu							Buffalo aircraft	2 trips	$14,520/trip	$29,040			$29,040
Freight Haul - Ulu to High Lake													
(assume 1.0 million lbs)													
Ulu freight transfer crew			4	330	$30.00	$39,600	Forklift	56	$30.00	$1,680			$41,280
High Lake freight receiving crew			4	330	$30.00	$39,600	Forklift	56	$30.00	$1,680			$41,280
Freight flights - Ulu to High Lake							Buffalo aircraft	56 trips	$6,400/trip	$329,406			$329,406
Uncover portal													
dig	400	m^3	1	11	$36.80	$405	CAT966	11	$39.00	$429			$834
blast			1	11	$40.00	$440					explosives	$1,000	$1,440
Block portal with waste (final)	800	m^3	1	22	$36.80	$810	CAT966	22	$39.00	$858			$1,668
Remove ore from pad to portal	1222	m^3	1	18	$36.80	$662	CAT966	18	$39.00	$702			$1,364
	1222	m^3	1	18	$36.80	$662	CAT769	18	$48.50	$873			$1,535
Grade sides of ore pad to 30deg	800	m^3	1	11	$36.80	$405	D8N	11	$56.00	$616			$1,021
Grade sides of camp pad to 30deg	400	m^3	1	6	$36.80	$221	D8N	6	$56.00	$336			$557
Grade road edges to 30deg slope	12500	m^3	1	22	$36.80	$810	D8N	22	$56.00	$1,232			$2,042
Grade airstrip edges to 30deg slope	400	m^3	1	4	$36.80	$147	D8N	4	$56.00	$224			$371

Grade sides of portal pad to 30deg	400	m^3	1	4	$36.80	$147	D8N	4	$56.00	$224			$371
Tram ore underground	1222	m^3	1	22	$40.00	$880	ST-7.5	22	$70.23	$1,545			$2,425
Dig out Camp 3 tank farm	617	m^3	1	22	$36.80	$810	CAT966	22	$39.00	$858			$1,668
Haul to portal			1	22	$36.80	$810	CAT769	22	$48.50	$1,067			$1,877
Haul u/g			2	14	$40.00	$1,120	ST-7.5	14	$70.23	$983			$2,103
Dig out Ulu tank farm	457	m^3	1	5	$36.80	$184	CAT966	5	$39.00	$195			$379
Haul to portal			1	5	$36.80	$184	CAT769	5	$48.50	$243			$427
Haul u/g			2	10	$40.00	$800	ST-7.5	10	$70.23	$702			$1,502
Scarify													
Ulu Camp	26000	m^2	1	13	$36.80	$478	D8N	13	$56.00	$728			$1,206
Portal pad	8000	m^2	1	4	$36.80	$147	D8N	4	$56.00	$224			$371
Ore pad	19000	m^2	1	10	$36.80	$368	D8N	10	$56.00	$560			$928
Roads	140000	m^2	1	70	$36.80	$2,576	D8N	70	$56.00	$3,920			$6,496
Airstrip	23000	m^2	1	12	$36.80	$442	D8N	12	$56.00	$672			$1,114
Remove road culverts	6	ea	1	22	$36.80	$810	backhoe	22	$15.81	$348			$1,157
			1	22	$36.80	$810	D8N	22	$56.00	$1,232			$2,042
Subtotal													$1,150,031
Contingency (15%)													$172,505
TOTALS				**2895**		**$558,398**				**$575,782**		**$15,850**	**$1,322,535**

Table 5. Community Visits during 2006

Community	Organization and Contact	Date	Means	Telephone
Kugluktuk	Hamlet of Kugluktuk and Hunters and Trappers Organization and Regional Hunters and Trappers Association	March 30, 2006	Meeting	(867) 982-4471 (Hamlet) (867) 982-4908 (HTO)

Table 6. Meetings with Inuit Organizations, Governments and Institutions of Public Government during 2006

Organization	Location	Date	Means	Telephone
Kitikmeot Inuit Association	Toronto	March 07, 2006	Meeting at PDAC conference	(867)983-2458
Nunavut Tunngavik Incorporated	Cambridge Bay	March 31, 2006	Meeting prior to Nunavut Mining Symposium	(867)983-5600
Nunavut Impact Review Board	Edmonton	June 7, 2006	Meeting, general information and update meeting with regulators	(867)983-4600
Nunavut Water Board	Calgary	June 8, 2006	Meeting, general information and update meeting with regulators	(867)360-6338
GN, Department of Environment	Yellowknife	August 8, 2006	Meeting to present impact assessment and mitigation measures	(867)975-7700
Canadian Environmental Assessment Agency	Ottawa	May 12, 2006	Meeting to update on project and environmental assessment process	(613)957-0700
	Yellowknife	August 8, 2006	Meeting to present impact assessment and mitigation measures	(613)957-0700

Organization	Location	Date	Means	Telephone
Environment Canada	Yellowknife	August 8, 2006	Meeting to present impact assessment and mitigation measures	(819)997-2800
Fisheries and Oceans Canada	Ottawa	June 27, 2006	Meeting to provide with general information and updates	(613)993-0999
	Yellowknife	August 8, 2006	Meeting to present impact assessment and mitigation measures	613)993-0999
Indian and Northern Affairs Canada	Toronto	March 5-8, 2006	Meeting at PDAC Conference	(819)953-3760
	Yellowknife	August 8, 2006	Meeting to present impact assessment and mitigation measures	(819)953-3760
Natural Resources Canada	Yellowknife	August 8, 2006	Meeting to present impact assessment and mitigation measures	(613)995-0947

Table 7. Socio-Economic Program Meetings during 2006

Location	Organization and Contact	Date	Means	Telephone
Cambridge Bay	Hamlet of Cambridge Bay, Kugluktuk, Gjoa Haven, Taloyoak and Kugaaruk.	April 24-25 2006	Meeting	(867) 983-2337 (Cambridge Bay)
Iqaluit	GN, Department of Community and Government Services GN, Department of Economic Development and Transportation GN, Department of	May 16, 2006	Meeting	Various

	Education GN, Department of Executive and Intergovernmental Affairs GN, Department of Health and Social Services GN, Department of Justice Indian and Northern Affairs			