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NWB1ULU/Security

July 22, 2004

Dave Stevenson  
Wolfden Resources Inc.  
309 Court Street South  
Thunder Bay, Ontario  
P7B 2Y1

Via fax: 807 345-0284

**Re: WATER LICENCE NWB1ULU0008 AND SITE LIABILITY**

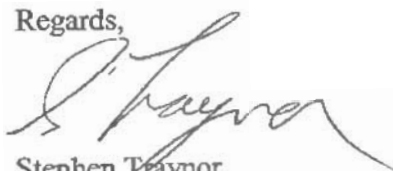
In March 2004 water licence NWB1ULU0008 was re-assigned from Echo Bay to Wolfden Resources. As per direction from NWB, Wolfden has worked toward meeting the terms and conditions of the licence. In particular, has posted with INAC, Regional Director General security in the amount of \$1,685,210.00, received May 10 2004.

Since the re-assignment of the licence INAC staff, with the NWB, have been reviewing the wording of NWB forms and documentation to assess how site liability has been affected. There has been some confusion over the wording and interpretation of the re-assignment documents and our sense is that everyone is assuming that with the transfer of the licence so goes the liability of the site.

This letter is to request written confirmation from Wolfden that Wolfden has, by acceptance of licence NWB1ULU0008, assumed all liability for the site from the time of licence issuance. We are in no way indicating that there is an existing situation that is known or unknown to the parties, however, we do seek clarification on your understanding of the responsibilities assumed by Wolfden with the accepting the licence.

If you have any further questions please contact me at (867) 975-4546 or traynors@inac.gc.ca, or Elizabeth Sherlock at (867)975-4550 or sherlocke@inac.gc.ca

Regards,



Stephen Traynor,  
Director, Operations

cc Elizabeth Sherlock, A/Manager Waters  
Philippe diPizzo, NWB

**Canada**