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FSC # 2005-0480-050

July 18, 2005

KIA Lands,
P.O. Box 360, Kugluktuk,
NU, X0B 0E0

Attention: Mr. Jack Kaniak

Dear Jack,

**Re: ULU MINE WASTE ROCK AND ORE STORAGE PLAN
 (Water License No. NWB1ULU0008)**

A review on “*Ulu Mine Waste Rock and Ore Storage Plan*” report, submitted by Wolfden Resources Inc. is completed below. The comments are based on the requirements for Waste Rock and Ore Storage Plan listed under the NWB Water License No. NWB1ULU0008 Part D, Item 11.

Site Layout Plan:

The water licence requires a site plan drawn to scale identifying Ore and waste rock storage areas, settling ponds and downstream Receiving areas.

- ◆ A map drawn to scale showing full details of the relative locations of the East Lake, waste rock pad, ore pad and the settling ponds is required.
- ◆ A map showing greater details of the downstream receiving water bodies is required.
- ◆ A preliminary map detailing the routes, settling ponds, berm locations and water sampling stations, as described in Section 6.4 *Water Quality Monitoring Protocol*, for water quality monitoring program proposed in the report will be beneficial.
- ◆ On site map there is no indication of non-hazardous waste or wastewater disposal sites/facilities.
- ◆ It is not mentioned or identified, on any maps or in the document, distances from the storage pads, either the current or proposed, to the sources of water in the surrounding area.

Ore and Waste Rock Pads and Material Generation:

- ◆ Future designs are only preliminary, should have a detailed design for the stockpiling of materials, construction and implementation of the two pads, especially to proposed new ore pad.
- ◆ How and what is needed to be completed for the remediation of the old ore pad?
- ◆ Is the draining pipe system depicted on page 19 already built, if not will it affect any surrounding water bodies (hydraulics)?
- ◆ What about projections for the year 2007/2008 under table XX for the production of ore and waste rock?
- ◆ No real remediation plan for the pads or storage of ore, waste rock or camp facilities in case of the scenario that the mine does not renew the water license and discontinues operations.
- ◆ There is no production schedule illustrating the yearly estimation for: scheduled stock piling, non-hazardous waste generation, rock type and estimated tonnage and coarse tailings.

Water and Soil Quality Monitoring:

- ◆ There is no information concerning the methods to be used when taking water samples, schedule of sampling, frequency of sampling and where the tests will be done.
- ◆ There is no mention of a soil quality-monitoring program in place for areas around the pad or surrounding areas of the site.
- ◆ There is no contingency plan for controlling the runoff incase the berms do not adhere to their design specifications.

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Acid Rock Drainage (ARD) and Metal Leaching:

The report showed low risk from ARD from the Ore and the Waste Rock and high risk from metals leaching from the Ore. The plan should include details of the following:

- ◆ Contingency plans in case of accidental discharges.
- ◆ Plan for intermittent ARD testing of waste rock used in construction (prior to the production stage) as required by the water licence, should be included.

Yours very truly,

FSC ARCHITECTS & ENGINEERS

A handwritten signature in black ink, appearing to be 'Ron Kent', written in a cursive style.

Ron Kent, P. Eng.
Manager, Environmental Engineering