

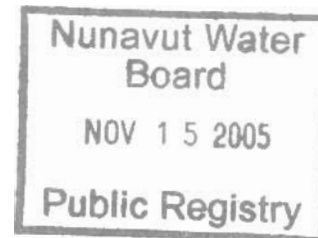


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Nunavut Water Board
P.O. Box 119
Gjoa Haven, NU
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Attention: Ms. Dionne Filiatrault, P.Eng.,
Manager of Technical Services

Dear Dionne:

**Ulu Gold Mine Project
Review of 2005 Annual Geotechnical Inspection –
Selected Structures**

At the request of the Nunavut Water Board (NWB), Acres International Limited (Acres) has reviewed the 2005 Annual Geotechnical Inspection Report for selected structures at the Ulu Gold Mine Project, Nunavut. The inspection report was prepared by BGC Engineering Inc. (BGC) for Wolfden Resources Inc. (Wolfden) in September 2005. The Ulu gold mine project is an advanced mining exploration project operated by Wolfden. Wolfden purchased the Ulu property from Echo Bay Mines Ltd. (Echo Bay) in December 2003. The NWB Water License No. NWB1ULU0008 (Water License) was subsequently transferred from Echo Bay to Wolfden, as per NWB letter dated March 23, 2004. The inspection report was prepared as partial fulfillment of Part D, Item 9 of the Water License.

Background

Mr. James Cassie, P.Eng. of BGC conducted the inspection on a selected number of structures at the site between August 24 and 25, 2005. The selected structures consist of three tank farm containment berms, a mine sump, an ore storage pad, and a portal laydown pad. The inspection report, titled "Wolfden Resources Inc. - 2005 Annual Geotechnical Inspection – Selected Structures" was issued on September 9, 2005.

The Ulu project site is located approximately 530 km north of Yellowknife, NT. The site, as briefly described in the inspection report, consists of three main components: Camp 3 site, airstrip, and the Ulu camp and portal area. The Camp 3 site, which contains a fuel tank farm and maintenance building, lies adjacent to borrow pits and explosive magazines located between an esker deposit and Reno Lake North. The Ulu camp and portal area is located to the north of Camp 3, in proximity of the ore body, and adjacent to Ulu Lake, West Lake, and East Lake. The approximately 1350 m long airstrip is located between the Camp 3 site and The Ulu camp and portal area.

All of the structures which were inspected are located within the Ulu camp and portal area, with the exception of the Camp 3 tank farm containment berm. Little activity was reported at the time of the inspection, as the portal had been previously closed with no active ramp development or surface diamond drilling programs.

Review and Comments on BGC Inspection Report

We generally concur with the findings and recommendations as indicated in BGC's inspection report. It would be helpful that the inspection information sheets mentioned typical or approximate slopes for the containment berms and lay-down/ore pads. Actual slopes of these structures are difficult to determine from photographs due to effects of distortion. General remarks regarding the surface topography and proximity of bedrock surface in the inspected structures' surrounding area would also be helpful in assessing the foundation conditions of these structures.

As indicated in the report, BGC's recommendations are essentially described as follows:

- Checking and confirming the secondary containment capacity provided by the three containment berms.
- Cover exposed geomembranes on the containment berms.
- Confirm existence of fuel in puddle located between tanks in Camp 3 tank farm containment berm.
- Remove fallen rockfill along the inside slope of the mine sump, inspect and repair torn geomembrane in this area, and cover geomembrane with esker sand.
- Repair silt curtain downstream of the portal laydown pad.
- Confirm seepage water quality and quantity from both the portal laydown and ore storage pads.

Wolfden's letter to NWB, dated September 13, 2005 mentioned that all of the recommendations have been complied with. However, no further detailed descriptions on the remedial work have been provided. It would also be helpful if photos are taken at the completion of the remedial work for proper documentation and reporting.

We trust that the above review and comments are suitable for your purpose. Should you have any further questions or concerns regarding the above, please do not hesitate to contact me.

Yours very truly,

A handwritten signature in black ink, appearing to read 'R. A. Halim', followed by a long horizontal line that ends in an arrow pointing to the right.

RAH:sep

R. A. Halim, P.Eng.
Senior Geotechnical Engineer