MINERALS AND METALS GROUP

SUITE 200/1159 ALLOY DRIVE THUNDER BAY ON P7B 6M8 CANADA TELEPHONE 807 346 1668 FACSIMILE 807 345 0284 MMGROUPLTD.COM



3 December 2009

Ms. Phyllis Beaulieu Manager of Licensing Nunavut Water Board P.O. Box 119 Gjoa Haven, Nunavut XOB 1J0

Dear Phyllis

ANNUAL GEOTECHNICAL INSPECTION VARIOUS EARTH STRUCUTURES

ULU ADVANCED EXPLORATION SITE, WATER LICENSE # ULU-2BM-ULU0914

Please find enclosed a copy of the 2009 geotechnical inspection report for the Various Earth Structures at the Ulu advanced exploration site, Water Licence ULU-2BM-ULU0914, dated December 1, 2009. The recommendations in the report relate to minor repair and maintenance items for the secondary containment berms and liners at various fuel and lubricant storage and handling facilities at the site as well as repairs to the synthetic liner for the mine sump. The noted repairs to the secondary containment liners will be made while we are operating at our nearby High Lake camp in the summer of 2010. The repairs to the mine sump will be made prior to the resumption of underground work, at an undetermined time in the future, as this component of the site is not in commission unless water is pumped from underground.

We trust the above provides the information you require with respect to the geotechnical inspection for 2009 at the Ulu Advanced Exploration Site. If you have any questions, please do not hesitate to contact me.

Yours truly

Andrew Mitchell

Development Manager

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enc 2009 Geotechnical Inspection Report