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NUNAVUT WATER BOARD
NUNAVUT IMALIRIYIN KATIMAYINGI

File No: NWB1ULU0008

March 23, 2004

Brian Penny
Vice President and Director
Echo Bay Mines Ltd.
9818 Edmonton International Airport
Edmonton, AB T5J 2T2

&

David Stevenson
Project Manager-Ulu Project
Wolfden Resources Inc.
309 court Street South
Thunder Bay, ON P7J 1H1

Re: Assignment of Licence NWB1ULU0008 (Type B)

Dear Mr. Penny and Mr. Stevenson:

We have reviewed your February 12, 2004 application to the Nunavut Water Board ("NWB" or "Board") to transfer Licence NWB1ULU0008 from Echo Bay Mines Limited ("EBM") to Wolfden Resources Inc. ("WRI"). This application was deemed to be an application for assignment pursuant to section 44 of the *Nunavut Waters and Nunavut Surface Rights Tribunal Act* ("Act").

The Board gave public notice of your application for assignment and invited interested parties to provide comments. The Department of Indian and Northern Affairs (DIAND) informed the Board that it did not have concerns with respect to the proposed assignment. No other submissions were made.

On balance, the Board is satisfied that the operation of the appurtenant undertaking by the prospective assignee will not be likely to result in a contravention of any condition of the licence or any provision of the Act or the regulations. Therefore, in accordance with section 44(2) of the Act, the Board hereby authorizes the assignment of water license NWB1ULU0008 from EBM to WRI, effective on the date of this letter, which will be placed in the NWB Public Registry.

The Board would like to take the opportunity to highlight the following matters that will require immediate action by WRI:

Financial Security (Licence NWB1ULU0008, Part B, Item 2)

Under the terms of Licence NWB1ULU0008 (Part B, Item 2), **the Licensee shall post and maintain a security in the amount of \$1,685,210 dollars** in the form and schedule as required by the Minister of Indian and Northern Affairs Canada. Please contact Ms. Elizabeth Sherlock, A/Manager, Water Resources, DIAND, at (867) 975-4550 regarding DIAND's requirements to meet this licence condition.

Annual Assessment of Current Mine Restoration Liability (Licence NWB1ULU0008, Part B, Item 3)

Under the terms of Licence NWB1ULU0008 (Part B, Item 3), the Licensee shall provide such further or other amounts as maybe required by the Board based on annual assessment of current mine restoration liability.

The Board hereby notifies WRI that it shall submit, in accordance with Part H, Item 3 and Part H, Item 4, an updated assessment of the current mine restoration liability using the current version of RECLAIM, its equivalent or some other method acceptable to the Board. The assessment shall be based on governmental costs to carry our reclamation. The assessment shall be submitted to the Board for review and approval within six (6) months of this letter.

Spill Contingency Plan (Licence NWB1ULU0008, Part E, Item 1)

Under Part E, Item 1, the Licensee is required to submit for approval a Spill Contingency Plan, which shall be modified annually as necessary to reflect changes in operations. As this assignment will likely involve changes in operations, personnel and site facilities, the current Spill Contingency Plan shall be reviewed and updated.

The Board hereby notifies WRI that it shall submit to the Board for approval, within one month of the effective date of this assignment, a revised Spill Contingency Plan.

Abandonment and Restoration Plan (Licence NWB1ULU0008, Part I, Item 4)

Part I, Item 4 of Licence NWB1ULU0008 requires the Licensee to submit a revised Abandonment and Restoration Plan as required. As this assignment may involve changes in operations and abandonment and reclamation activities, the current Abandonment and Restoration Plan shall be reviewed and updated.

The Board hereby notifies WRI that it shall submit to the Board for approval, within six months of the effective date of this assignment, a revised Abandonment and Restoration Plan.

Enforcement

Effective the date of this letter, **Licence NWB1ULU0008 is assigned to WRI, and all terms and conditions of this licence remain in effect.** Provisions for the enforcement of this water licence assigned by the NWB pursuant to the Act are found in sections 85 to 94 of the same Act, which gives the Minister of Indian and Northern Affairs Canada the power to designate inspectors and analysts responsible for inspection and compliance. We ask you to contact the Inspector at the DIAND District Office in Iqaluit to obtain a copy of any enforcement documents related to this license.

Please contact me at your convenience should you have questions about this assignment. You may also contact Dionne Filiatrault, NWB's Manager of Technical Services, regarding any technical matter pertaining to this licence.

Sincerely,

Original signed by:

Philippe di Pizzo
Executive Director

Attachment: Licence/Errata/Decision

cc. Distribution List