

June 26, 2007

Mr. Ron Price
Wesdome Gold Mines Ltd.
PO Box 1529, 93 Mission Rd.
Wawa, ON
P0S 1K0

Dear Mr. Price,

*Eagle River Mine T1 Replacement
Notification of Conditional Approval of Connection Proposal
CAA ID Number: 2007-EX334*

Thank you for the detailed information regarding the replacement of the three phase transformer T1 at Eagle River Mine with a new three phase transformer.

Since the rating of the replacement unit is the same or higher than the original transformer, we have concluded that the proposed change will not result in a material adverse effect on the reliability of the IESO-controlled grid.

The IESO is therefore pleased to grant **conditional approval** for the modification detailed in the attached assessment report subject to your signed acknowledgment below. Any material changes to your proposal may require re-assessment by the IESO in accordance with Market Manual 2.10, and may nullify your conditional approval.

Final approval to connect the facility to the IESO-controlled grid will be granted upon successful completion of the IESO Facility Registration process including, without limitation, satisfactory completion of the requirements set out in the System Impact Assessment report. During this process you shall demonstrate the requirements have been fulfilled and the equipment installed has characteristics no worse than those in the proposal assessed by the IESO. Please contact market.entry@ieso.ca if you have not received a Facility Registration Summary package within the next 10 days.

For further information, please contact the undersigned.

Yours truly

Michael Falvo
Manager - Transmission Assessments & Performance
Telephone: (905) 855-6209
Fax: (905) 855-6372
E-mail: mike.falvo@ieso.ca
cc: IESO Records

Wesdome Gold Mines Ltd. acknowledges receipt of the System Impact Assessment Report setting out the IESO requirements for final approval, and commits to fulfill these requirements, and all other applicable Market Rules, before receiving final approval to connect to the IESO-controlled grid.

Dated: _____

Per: _____

Name: _____

Title: _____

ASSESSMENT SUMMARY

Wesdome Gold Mines Ltd.

1.0 GENERAL DESCRIPTION

Transformer T1 at Eagle River Mine was replaced due to failure in March 2007. This transformer is connected to the 115 kV Steephill line out of Magpie TS. The facility is currently undergoing a name change from River Gold Mine.

2.0 PROPOSED MODIFICATION

A comparison of the technical specifications between the failed and replacement transformer is given below.

Eagle River Mine		
	Failed T1	Replacement T1
Configuration	three phase	three phase
Transformation (kV)	115 / 4.16	115 / 4.36
Winding Configuration	Delta / wye	Delta / wye
Thermal Rating	12.0 ONAN	12.0 ONAN
Continuous Thermal Rating (summer 35°C)	Not available	Not available
15 Minute Thermal Rating (summer 35°C)	Not available	Not available
10 Day Thermal Rating (summer 35°C)	Not available	Not available
Positive Sequence Impedance (H-X)	X = 7.64%	X=7.94%
Impedance to Ground	Not available	100 Ω grounding resistor
Under-load tap-changer (ULTC)	Not available	Not available
Off-load tap-changer (OLTC)	\pm 5% - 5 steps (120.75 kV to 109.25 kV)	\pm 5% - 5 steps (120.75 kV to 109.25 kV)
In service off-load tap position	Tap 2	Tap 1
Manufacturer	GE, 1986	Maloney, 1968
Serial #	Not available	Not available

3.0 ASSESSMENT

The information provided by Wesdome Gold Mines Ltd. shows that the technical characteristics of the replacement transformer are equal to those of the failed transformer. The replacement unit will have the same configuration, similar transformation, identical OLTC arrangements and identical thermal ratings. The positive sequence impedance is slightly higher on the replacement transformer.

This replacement represents a like-for-like replacement of existing equipment and will have no material adverse effect on the IESO-controlled grid.

4.0 CONCLUSIONS

It can be concluded that the replacement transformer will not result in a material adverse effect on the reliability of the IESO-controlled grid because:

- While the positive sequence impedance of the replacement transformer is slightly higher than the failed transformer, the difference is not material; and
- The replacement transformer will be equipped with an OLTC that is identical to the failed transformer's OLTC.

5.0 REQUIREMENTS

Some recognized contingencies (e.g. load shedding, open line end) can cause a temporary voltage increase above the maximum continuous voltage of 115 kV. For these conditions, connection equipment may be exposed to voltages slightly above its maximum continuous rating for a short period of time. This re preparation period will be as short as possible, but it will not take longer than 30 minutes. Therefore, the IESO requires that the 115 kV connection equipment meet the following requirements:

- connection equipment must have a maximum continuous voltage rating of at least 132 kV in southern Ontario; and
- equipment must remain in service, and not automatically trip, for voltages up to 5% above the maximum continuous rating, for up to 30 minutes, to allow the system to be re-dispatched to return voltages within their normal range.

Wesdome Gold Mines Ltd. must notify the IESO as soon as it becomes aware of any changes to the assumptions made in the connection assessment. The IESO will determine whether these changes require a re-assessment.

Wesdome Gold Mines Ltd. is required to meet the load customer's requirements with respect to protection systems for the new transformer and coordination with the existing protection systems, as outlined in the Transmission System Code.

The IESO will not require on-line monitored quantities associated with the new transformer since this facility is under the 20 MVA load limit specified in Appendix 4.17.

6.0 NOTIFICATION OF CONDITIONAL APPROVAL

This expedited System Impact Assessment concludes that the installation of replacement transformer for the failed transformer T1 is not expected to have a material adverse effect on the IESO-controlled grid. It is therefore recommended that a Notification of Conditional Approval of the Connection Proposal be issued, subject to the requirements detailed above.

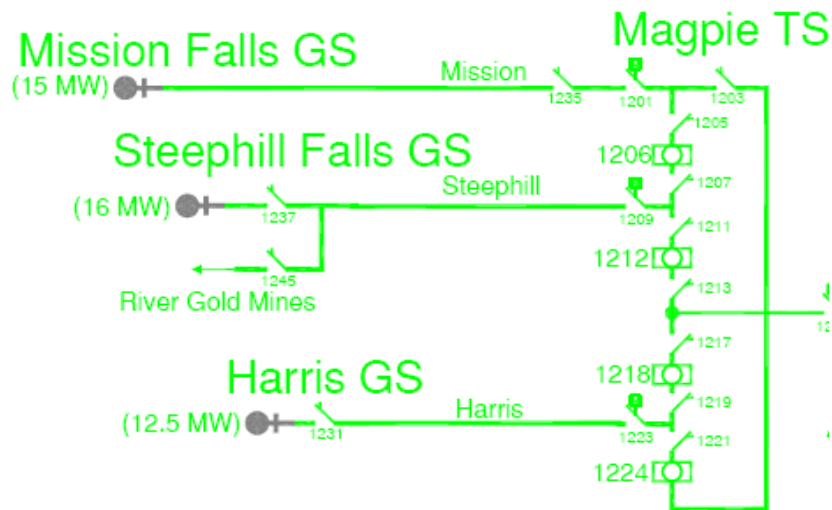


Figure 1: Eagle River Mine (previously known as River Gold Mine)