

National Defence

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June 22, 2010

Phyllis Beaulieu Manager of Licensing Nunavut Water Board P.O. Box 119 Gjoa Haven, NU XOB 1JO Phone: (867) 360-6338, Ext. 26

RE: Application for Water Licence

PIN-3 Reconstruction Project, Lady Franklin Point, NU. Application 1BC-FRK---

I wish to thank-you for your e-mail correspondence of May 25, 2010 addressed to Rodney Watson of the Department of National Defence (DND) concerning DND's application for a water licence. I would like to confirm that I have taken over as DND's project manager, responsible for the successful completion of this very important project. Accordingly, I would kindly request that future correspondence be directed to myself.

Further to our phone conversation of a few weeks ago regarding DND's application for a water licence for the referenced project, I wish to confirm that the application can be closed for the time being. We are currently working through the technical communications and system integration aspects of the project and we will soon be proceeding with procurement for consultant services for the design associated with the facility including power plant, accommodations and utilities wings (including water systems). At this time, I estimate that we may be in a position to provide some preliminary drawings and information pertaining to water systems, usage and waste early in 2011. At that time, I would request that our water licence application be started up again as we will be in a position to provide the required technical information including a spill contingency plan specific to the project, 90% complete (construction) drawings stamped and signed by the responsible engineer and for all construction related water use and waste disposal activities required for the construction phase.

I trust that you are in agreement with the contents of this letter. Should you have any questions or comments, please feel free to contact me directly at your convenience.

Sincerely,

Frank Caruso, P.Eng. (ONT) DND, Project Manager Phone: 613-995-6902

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c.c. Robert Belizzi, Defence Construction Canada (DCC)

Jan Brodeur, DCC

