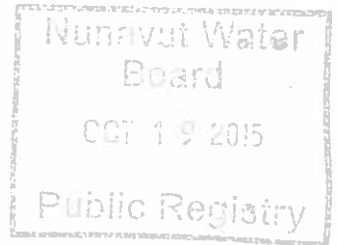


**NORTHWEST TERRITORIES WATER BOARD
REASONS FOR DECISIONS**



Issued Pursuant to Section 26 of
the Northwest Territories Waters Act, Chap. 39, R.S.C

LICENCE NUMBER: N6L1-1627 (TYPE "B")

This is the decision of the Northwest Territories Water Board with respect to an application for Licence dated March 15, 1994, made by:

Frobisher Developments Limited
10835 - 120 Street
Edmonton, Alberta T5H 3P9

for: Water use and disposal of waste for industrial use for hydrostatic testing and cleaning of new and used fuel storage tanks at Coral Harbour, Southhampton Island, Northwest Territories.

With respect to this application, notice was given in accordance with Section 23 of the Northwest Territories Waters Act. No Public Hearing was held in connection with this application.

DECISION

After having been satisfied that the project had been screened pursuant to the Environment Assessment and Review Process Guidelines Order (1984) and that any potentially adverse environmental effects were insignificant or mitigable with known technology and, as such, the application could proceed through the regulatory process and after reviewing the submission of the Applicant and after reviewing the written comments received by the Board; the Board, having due regard to the facts and circumstances, the merits of the submissions made to it and to the purpose, scope and intent of the Northwest Territories Waters Act and Regulations made thereunder determined that:

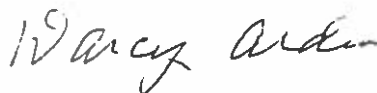
Licence Number N6L1-1627: be issued subject to the terms and conditions contained therein.

The Board's reasons for this decision are as follows:

1. There was no objection by any person to the issuance of the Licence.
2. Provided that the licensee operates in accordance with the terms and conditions imposed by the Licence, the quality of water in any water body within the licence area should not be impaired.

The Board realizes that Licence Number N6L1-1627 is a lengthy document containing many specific provisions which the Board feels necessary to ensure and monitor compliance with the Northwest Territories Waters Act and the Regulations made thereunder and to provide appropriate safeguards in respect of the applicant's use of the waters affected by the Licence. The Board will provide reasons for decision for any specific clause or clauses contained in the Licence if requested to do so in writing.

SIGNED this 27 day of June, 1994 on behalf of the Northwest Territories Water Board.



Vice-Chairman
Northwest Territories Water Board

NORTHWEST
TERRITORIES
WATER BOARD

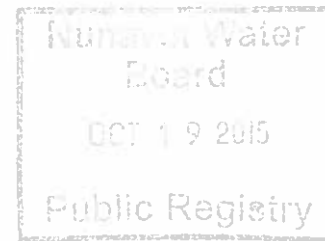


ALBERTA
N.W.T.

WATER REGISTER NO: N6L1-1627

May 30, 1994

Mr. Hans Wolf, P. Eng.
10835 - 120th Street
EDMONTON, AB T5H 3P9



Dear Mr. Wolf:

RE: ISSUANCE OF A "B" TYPE LICENCE - WATER REGISTER NO: N6L1-1627

Attached is a duplicate of Licence No. N6L1-1627 granted to Frobisher Developments Limited by the Northwest Territories Water Board in accordance with the Northwest Territories Waters Act. The other original of this Licence has been filed with the Department of Indian Affairs and Northern Development in Yellowknife, Northwest Territories.

Also attached are general procedures for the administration of licences in the Northwest Territories. I request that you review these and address any questions to the Board's office.

In conclusion, please be advised that this letter with attached procedures, all inspection reports, and correspondence related thereto are part of the public Water Register, and are intended to keep all interested parties informed of the manner in which the Licence requirements are being met. All Water Register material will be considered when the Licence comes up for renewal or amendment.

The full cooperation of Frobisher Developments Limited is anticipated.

Sincerely,

Darcy Arden
Vice-Chairman
N.W.T. Water Board

Attachments (2)

GENERAL PROCEDURES FOR THE ADMINISTRATION OF LICENCES
ISSUED UNDER THE NORTHWEST TERRITORIES WATERS ACT
IN THE NORTHWEST TERRITORIES

1. At the time of issuance, a copy of the Licence is placed on the Water Register in the Office of the Northwest Territories Water Board in Yellowknife, and is then available to the public.
2. To enforce the terms and conditions of the Licence, the Minister of Indian Affairs and Northern Development has appointed Inspectors in accordance with Section 35(1) of the Northwest Territories Waters Act. The Inspectors coordinate their activities with officials of the Water Resources Division of the Department of Indian Affairs and Northern Development. The Inspector responsible for Licence No. N6L1-1627 is located in the Nunavut District Office.
3. To keep the Water Board and members of the public informed of the Licensee's conformity to Licence conditions, the Inspectors prepare reports which detail observations on how each item in the Licence has been met. These reports are forwarded to the Licensee with a covering letter indicating what action, if any, should be taken. The inspection reports and covering letters are placed on the public Water Register, as are any responses received from the Licensee pertaining to the inspection reports. It is therefore of prime importance that you react in all areas of concern regarding all inspection reports so that these concerns may be clarified.
4. If, for some reason, Licence No. N6L1-1627 requires amendment, then a public hearing may be required. You are reminded that applications for amendments should be submitted as soon as possible to provide the Water Board with ample time to go through the amendment process. The process may take up to two (2) months or more depending on the scope of the amendment requested.
5. Specific clauses of your Licence make reference to the Board or Inspector. The contact person, address, phone and fax number of each is:

BOARD:

Executive Assistant
Northwest Territories Water Board
Box 1500
YELLOWKNIFE, NT X1A 2R3

Phone No: (403) 920-8191
Fax No: (403) 873-9572

INSPECTOR:

Inspector
Nunavut District Office
Northern Affairs Program
Department of Indian Affairs
and Northern Development
P.O. Box 100
IQUALUIT, NT X0A 0H0

Phone No: (819) 979-4405
Fax No: (819) 979-6445