



May 31, 2012

Phyllis Beaulieu
Manager of Licensing
Nunavut Water Board
P.O. Box 119
Gjoa Haven, NU X0B 1J0

Re: NWB License No. 2BE-MSX0712

Dear Phyllis,

As discussed, I am enclosing an application for water license amendment in respect of our license. As you know, our license term expired May 31, 2012. We have not been involved in any exploration activities since 2008. The camp was dismantled and most items that could be found in the winter conditions were removed to Kugluktuk in the spring of 2011. An additional cache of fuel drums was identified in a summer 2011 inspection and these were removed and taken to Kugluktuk in April of this year.

I had previously submitted a remediation plan to Melissa Joy, Water Resources Officer at Aboriginal Affairs & Northern Development Canada, dated April 9, 2012 and attached hereto for your reference. The proposed plan seemed to be acceptable. Kikiak Contracting Ltd. Of Kugluktuk will be doing the site remediation work for us and at this time, they expect to be doing so in the second half of July.

The enclosed application for water license amendment is to provide a temporary extension of our license through the end of this year, while we complete the remediation. During this time, there will be no activity on site other than clean up and remediation work, so there will be no water usage.

Under Section 5 of the application, I have also identified the request to amend Part I Item 9 of our license. We had drilled 26 exploration holes and none have artesian conditions that should require capping. Accordingly, we request that this requirement be removed.

Most of the wood from site was removed when the camp was dismantled a year ago. However, there remains some miscellaneous wood. As part of the site remediation, we are also requesting permission for limited open burning of wood products, provided these are untreated wood.

Please let me know if I can provide any additional information.

Best regards,

Rein A. Lehari
Vice President Corporate Development

