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April 23, 2013

Christopher Hicks Project Geologist Vale Exploration Canada Inc. 2060 Flavelle Boulevard Mississauga, ON L5K 1Z9 Email: chris.hicks@vale.com

jason.rickard@vale.com

Subject: Licence No. 2BE-SIP1117 "Southhampton Island Project" Kivalliq Region,

Nunavut;

Submission of 2011, 2012 Annual Reports, Revised Spill Contingency and

Abandonment and Restoration Plans

Dear Mr. Hicks;

The Nunavut Water Board ("NWB" or "Board") has reviewed the 2011 and 2012 Annual Reports for the above mentioned project that were submitted on March 24, 2012 and February 19, 2013, respectively. The Reports included revised 2012 Spill Contingency and Closure and Reclamation Plans, dated February 26, 2012. Reports and attached submissions were distributed for information.

The Annual Reports are found to be complete and meeting the reporting requirements of licence 2BE-SIP1117. In addition, the NWB appreciates the inclusion of the photographs to help aid in the understanding of the activities that have taken place.

Should you have any questions, please feel free to contact the undersigned at (867) 360-6338 Ext. 30 or k.kharatyan@nunavutwaterboard.org, at your earliest convenience.

Yours truly,

Original Signed By:

Karén Kharatyan Technical Advisor

cc: Distribution List – Kivalliq