



Mr. Andrew Applejohn
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Inuvik, NT CANADA
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Phone: (867) 777-3298
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November 28, 2008

Re: Water Licence 1817

Dear Mr. Applejohn,

This letter is to inform you that at a November 24th 2008 meeting of the Northwest Territories Water Board (NWTWB), the NWTWB evaluated an Aurora Research Institute water licence which is soon due to expire. Below is a summary of decisions made by the NWTWB concerning the licence.

Water Licence N7L1 - 1817

- Project summary – gas hydrates research; Expiry Date – November 30, 3008; Security Deposit - \$500,000
- Indian and Northern Affairs Canada – North Mackenzie District recommends the term of the licence be extended to include the monitoring requirements as stipulated in the licence.
- The NWTWB recommends most of the \$500,000 security deposit be returned. However, as there are some minor items identified by INAC – NMD it is suggested \$400,000 is returned to ARI.

The NWTWB evaluated comments received from Indian and Northern Affairs Canada – North Mackenzie District (INAC – NMD) and determined that the licence will be amended to reflect a new expiry date of **November 31, 2016**. The NWTWB recognizes that most of the reclamation requirements as stipulated in the licence have been met. However, INAC – NMD have identified some work which needs to be completed. As such, the NWTWB will return \$400,000 of the \$500,000 security deposit. The remaining \$100,000 will be returned when all reclamation activities have been completed to the satisfaction of an INAC – NMD inspector.

Please feel free to get in touch if you have any comments or questions.

Sincerely,



Mike Harlow

Executive Director - NWTWB

NORTHWEST TERRITORIES WATER BOARD

Pursuant to the *Northwest Territories Waters Act* and Regulations the Northwest Territories Water Board, hereinafter referred to as the Board, hereby grants to

AURORA RESEARCH INSTITUTE
(Licensee)
P.O. Box 1450
of _____ INUVIK, NORTHWEST TERRITORIES X0E 0T0
(Mailing Address)

hereinafter called the Licensee, the right to alter, divert or otherwise use water subject to the restrictions and conditions contained in the *Northwest Territories Waters Act* and Regulations made thereunder and subject to and in accordance with the conditions specified in this Licence.

Licence Number _____ N7L1-1817

Licence Type _____ "B"

Water Management Area _____ NORTHWEST TERRITORIES 07

Location _____ Latitude 69°27'38" North
and Longitude 134°39'42" West,
NORTHWEST TERRITORIES

Purpose _____ USE WATER AND DISPOSE OF WASTE FOR
MUNICIPAL AND INDUSTRIAL
UNDERTAKINGS IN THE MACKENZIE DELTA

Quantity of Water Not
To Be Exceeded _____ 500 CUBIC METRES DAILY

Effective Date of Licence _____ DECEMBER 1, 2006

Expiry Date of Licence _____ NOVEMBER 30, 2016

This Licence issued and recorded at Yellowknife includes and is subject to the annexed conditions.



Witness

NORTHWEST TERRITORIES WATER BOARD



Chairman