

**ERDC**YUKON WATER BOARD
2007 JUN 28 PM 1:32APPL. NO. Q206-074

June 27, 2007

Yukon Water Board
Suite 106, 419 Range Road
Whitehorse, YT Y1A 3V1**Attention: Ms. Judi White, Manager**

Dear Sirs/Mesdames:

Re: Water Use Application QZ06-074, Elsa Reclamation and Development Company Ltd. (the "Application")

Thank you for providing us with a copy of your letter to the Government of Yukon (the "YG") dated June 22, 2007 and with a copy of the YG's letter to you dated June 19, 2007 of which we were not previously aware. We agree with your endorsement in the second to last paragraph of your June 22nd letter that the issue of whether a Type A or B licence is required for the care and maintenance activities proposed in the Application should be determined early. Ideally, we would like to see this issue resolved before public notice of the Application is given.

As the provision by ERDC of supplementary information to complete the adequacy of our application is imminent, and considering the potential prejudice to us of a delay in the determination of this issue, we respectfully request that you provide a very short and firm deadline for the YG to respond to your June 22nd letter and to confirm its position on this issue.

Should the YG continue to advance the position that a Type A licence is required, we will wish to offer a substantive response, and to obtain a final decision from the Board on this issue as early as possible. We are prepared to provide a quick response and would be grateful if the deadline for our response could also be set as early as fairness dictates upon receipt of confirmation from the YG as to its position.

In the meantime, it is our intention to proceed with submitting our supplemental information to make our application adequate and we trust that you will continue the process of providing public notice of our application in the normal course.

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