



Conservation

Environmental Operations
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March 10, 2011

Ms. Sheryl Rosenberg
Thompson Dorfman Sweatman LLP
2200-201 Portage Avenue,
Winnipeg, Manitoba, R3B 3L3

Dear Ms. Rosenberg:

Re Site Remediation Issues 2185 Logan Ave, former Northwest Smelting Site

The purpose of this correspondence is to follow up on discussions held on November 30, 2010 between you and Manitoba Conservation as well as a number of earlier discussions you had with various staff and Mr. Stewart Pierce, of Civil Legal Services, legal counsel to Manitoba Conservation with respect to the matter of the assessment and remediation of the site owned and formerly operated by Northwest Smelting and Refining Ltd. (the "Company") at 2185 Logan Ave. in the City of Winnipeg (the "Site").

During our meeting, we had productive discussions directed at coming up with a plan for the remediation of the Site. Specifically, you indicated that a sizable sum (a financial contribution yet to be determined) could be made available to the Company towards remediation of the Site, but that, in all likelihood, the amount would not be sufficient to undertake all activities that will be required to remediate the Site. However, a condition of such contribution would be written confirmation of the position of Manitoba Conservation with respect to who is "responsible for remediation" within the meaning of *The Contaminated Sites Remediation Act* (the "Act"). I write now to provide such confirmation.

I am the official who is responsible for the exercise of statutory powers granted to the Director with respect to the Site, including those powers set out in sections 9, 10, 11, 22, 28 and 29 of the Act. Based on the facts provided concerning the identity of the persons who managed operations at the Site, I confirm that it is the position of Manitoba Conservation that the "persons potentially responsible for remediation," as that term is used in the Act, are only the Company and Mr. William Holt.

I also confirm that, with the death of Mr. William Holt, Manitoba Conservation will treat the Company itself as the only person who should be held responsible for remediation.

In addition, I confirm Manitoba Conservation's position that any trustee, agent or representative of the Company (including any member of Mr. Holt's family) who have undertaken or will undertake financial contribution and/or good faith activities with respect to the Company's investigation, remediation and/or sale of the Site will not be considered "potentially responsible persons" as that term is used in the Act.

Manitoba Conservation looks forward to further discussions concerning the Site. Should you have any further questions or concerns regarding this correspondence, please contact me at 945-7005.

Sincerely,

A handwritten signature in blue ink, appearing to read "Don Labossiere", with a large, stylized initial "D".

Don Labossiere
Director, Environmental Operations