

Ministry of
the Environment

Environmental Approvals
Branch

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May 12, 2014

Mr. Mark Holmes
President
Xeneca Power Developments Inc.
mholmes@xeneca.com

Dear Mr. Holmes,

Thank you for your April 22, 2014 letter in which you raise concerns with the ministry's review of Part II Order requests received for Xeneca Power Developments Inc.'s proposed Wabagishik Rapids Waterpower Project (Project).

The ministry appreciates Xeneca's timely response to requests for information required to address the concerns raised in the Part II Order requests. As you are aware, these Part II Order requests have outlined numerous concerns with the potential impacts of the Project on the environment.

The ministry's Environmental Approvals Branch regularly solicits technical advice from the ministry's Northern Region and Ministry of Natural Resources (MNR) staff during the Part II Order request review process. In the case of this Project, many of the concerns raised by the Part II Order requesters were similarly raised by Northern Region and the MNR during the Class Environmental Assessment process.

Additionally, the comments submitted to Xeneca by the ministry's Northern Region and MNR on the Environmental Report identify Class Environmental Assessment process concerns with respect to aboriginal consultation and effects to the environment from the Project, which the ministry must consider in the review of the Part II Order requests.

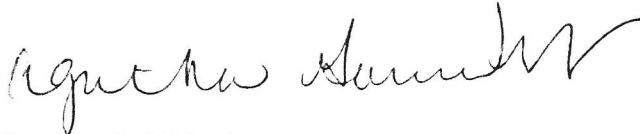
I am aware that Xeneca has extensively consulted with both ministries throughout the Class Environmental Assessment. At this time please note that your April 25, 2014 response to the MNR's comments on the Environmental Report has been received and we are expecting comments from MNR by the end of May 2014.

With respect to your comment that the Part II Order process has been delayed beyond normal or reasonable process; please be aware that with 19 Part II Order requests received and the considerable scope of concerns raised in these requests, sufficient time is required in order to conduct a thorough review of the Part II Order requests.

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In response to your request to meet with the ministry, I would be pleased to meet with Xeneca to discuss the progress of the Part II Order review. Once the ministry receives a response from the MNR on Xeneca's response to the MNR's comments on the Environmental Report, Dorothy Moszynski, Project Evaluator, will contact you to arrange a meeting date.

Yours sincerely,



Agatha Garcia-Wright
Director
Environmental Approvals Branch

c: Stephanie Hodsoll, Stakeholder Relations Officer, Xeneca Power Development Inc.
EA File No. EA 02-11