



360 Portage Ave (22) • Winnipeg Manitoba Canada • R3C 0G8
Telephone / N° de téléphone : (204) 360-4655 • Fax / N° de télécopieur : (204) 360-6147
jmayor@hydro.mb.ca

2013 02 19

“WITHOUT PREJUDICE”

Adrenaline Outfitters Ltd.
7 Kimberly Bay
Steinbach, Manitoba
R5G 2G4

ATTENTION: Russ Mehling and Rod McGrath

Dear Sirs:

RE: POSSIBLE CLAIM FROM EFFECTS OF THE BIPOLE III PROJECT

Your letter dated December 31, 2012, to Mr. McGarry of Manitoba Hydro was recently referred to our office for handling. We wish to thank you for bringing your concerns to Manitoba Hydro's attention and would ask that all future correspondence in regard to possible claims be directed to the writer.

In reviewing your letter, your primary concerns appear to be with respect to the possible business interruption during bear hunting season caused by clearing and/or construction activities for the Bipole III Project.

As you may be aware, Manitoba Hydro is still before the Clean Environment Commission seeking their recommendation on an environmental license for the Project. Once the hearings are concluded and a recommendation put forward to the Minister of Conservation and Water Stewardship, it will take a further period of time before the Minister determines whether or not a licence will issue. Only at that time can the schedule for clearing and construction be finalized. It is premature at this stage for us to determine if such activities will take place in the vicinity of your business operations, or even at a time when hunting is legally allowed. Much, if not all, of such activities may take place outside of hunting season.

Manitoba Hydro does have existing compensation policies for registered landowners and registered trapline owners whose legal rights have been interfered with. However, in the case of a potential claim such as yours, Manitoba Hydro's policy is to review any alleged claim for business interruption or economic loss on a case by case basis, at the time when the loss has been incurred and when damages or losses can be proven.

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Should your organization determine in the future that such a loss has, in fact, occurred, you may forward that claim to the Law Department for review within the time prescribed by law. Please include both past and present accounting and business records to support your claim and to allow Manitoba Hydro to determine if a loss has arisen directly as result of the Bipole III Project.

Yours truly,

MANITOBA HYDRO LAW DEPARTMENT

Per:

A handwritten signature in cursive script that reads "J Mayor".

JANET MAYOR

Legal Counsel

cc. Pat McGarry