



Fisheries and Oceans
Canada

Eastern Arctic Area
P.O. Box 358
Iqaluit, NU X0A 0H0

Pêches et Océans
Canada

Secteur de l'Arctique de l'est
Boîte postale 358
Iqaluit, NU X0A 0H0

November 17, 2005

Ms. Pamela Strand
Shear Minerals Limited
#220, 9797-45th Ave.
Edmonton, AB T6E 5V8

Your file *Votre référence*
NWB2CHU

Our file *Notre référence*
NU-05-0076

Via electronic mail to:
pstrand@shearminerals.com

Dear Ms. Strand:

Subject: Proposed works or undertakings will not likely result in negative effects to fish and fish habitat if additional protection measures are implemented.

Fisheries and Oceans Canada (DFO) received a proposal from the Nunavut Water Board (NWB) concerning multi-year mineral exploration and camp operations for the Churchill Diamond Property within the Kivalliq Region by Shear Minerals Limited. To expedite future correspondence or inquiries, please refer to the following referral title and file number when you contact us:

Habitat File No.: **NU-05-0076**
Referral Title: **Exploration - Churchill Diamond Property, Kivalliq Region**

It is our understanding that the proposal consists of:

- *A mineral exploration program between February 2005 and November 2008 contained within the general latitude 66°00'N and general longitude 93°02'W involving: geological mapping, geophysical surveying, prospecting, till sampling, diamond drilling and exploration camp establishment and operation on Josephine Lake.*

as outlined in the following plans:

- *Water licence application c/w associated documents dated June 1, 2005 submitted to the NWB by Shear Minerals Limited.*

If the above plans have changed since the time of submission, the advice in this letter may no longer apply and you should consult with us to determine if further review is needed.

We have concluded that the proposed works and undertakings are adequate to protect fish and fish habitat provided that the work is carried out as described in your plans and the following additional measures are implemented:

- If artesian flow is encountered, drill holes should be plugged and permanently sealed upon completion of the project.

- All disturbed areas should be stabilized and reclaimed to pre-construction conditions upon completion of work. Work associated debris should be removed immediately after completion of construction.
- Suitable erosion and sediment suppression measures should be implemented on disturbed areas before, during and after construction until vegetation or other appropriate measures are established in order to prevent sediment from entering any waterbody.

By implementing these additional measures and those already outlined in your plans, it is our opinion that the proposed works and undertakings will not likely result in the harmful alteration, disruption or destruction (HADD) of fish habitat, which is prohibited unless authorized by DFO. These are recommendations to ensure that the proposed works will likely not result in a HADD of fish habitat. Therefore a subsection 35(2) Authorization is not necessary.

You could contravene subsection 35(1) of the *Fisheries Act* if a HADD of fish habitat results from any change in your proposed plan or from failure to properly implement these additional measures. Subsection 35(1) states, “*no person shall carry on any work or undertaking that results in the harmful alteration, disruption or destruction of fish habitat.*”

This letter of advice does not permit the deposit of a deleterious substance into waters frequented by fish which is prohibited under Subsection 36(3) of the *Fisheries Act*. As a result, the following additional mitigation measures should be implemented:

- The use of biodegradable, salt free drill additives is encouraged over non-biodegradable types.
- The cleaning, fuelling and servicing of equipment should be conducted away from any waterbody. Equipment operating near any watercourse should be free of external grease, oil, mud, or fluid leaks.
- All spills of oil, fuel, or other deleterious substances should be reported immediately to the 24-Hour Spill Line at (867) 920-8130.

The extraction of water via intake from any fish-bearing water body is prohibited under Section 30 of the *Fisheries Act* unless the intake is screened to prevent fish entrainment. As a result, the following additional mitigation measure should be implemented:

- The *Freshwater Intake End-of-Pipe Fish Screen Guideline* (DFO, 1995) which is available upon request or at the following internet address:www.dfo-mpo.gc.ca/Library/223669.pdf should be followed. Small lakes and streams should not be used for water withdrawal.

If works and or undertakings require water in sufficient volume that the source water body may be drawn down, details should be submitted (volume required, size of waterbody, fish species etc.) to DFO for review.

This letter of advice does not release you from the responsibility to obtain any other federal (for example, the *Navigable Waters Protection Act*), territorial or municipal approvals.

We request that we be notified us at least 10 working days before the start of work and that a copy of this letter be kept on site while work is in progress. If you have any questions concerning the above, or if my understanding of the proposal is either incorrect, incomplete, or if there are changes to the proposed works or undertakings, you should contact me directly by telephone at (867) 979-8016 or by fax at (867) 979-8039.

Yours sincerely,

Original Signed By:

Rob Smith
Habitat Biologist
Fisheries and Oceans Canada – Eastern Arctic Area

cc: Phyllis Beaulieu – Nunavut Water Board (licensing@nwb.nunavut.ca)
Sylvia Novoligak - Nunavut Impact Review Board (snovoligak@nirb.nunavut.ca)
Keith Pelley - Fisheries and Oceans Canada – Conservation and Protection