



Eastern Arctic Area

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May 25, 2011

Your file *Votre référence*
NWB : 110414 2BE-KLG

Our file *Notre référence*
11-HCAA-CA7-00013

Phyllis Beaulieu
Nunavut Water Board
P. O. Box 119
Gjoa Haven, Nunavut
X0E1J0

Dear Ms. Beaulieu:

Subject: Water License Application for Prosperity Goldfields Corp.'s Kiyuk Lake Project

Fisheries and Oceans Canada - Fish Habitat Management Program (DFO) appreciates the opportunity to participate in the review of the application for a new water licence for the above mentioned project proposal received on April 14, 2011. To expedite future correspondence or inquiries, please refer to the referral title and file number below when you contact us:

DFO File No.: **11-HCAA-CA7-00013**
Title: **Mineral Exploration, Prosperity Goldfields Corp., Kiyuk Lake Project, Kivalliq Region**

The proposal has been reviewed to determine whether it is likely to result in impacts to fish and fish habitat which are prohibited by the habitat protection provisions of the *Fisheries Act* or those prohibitions of the *Species at Risk Act* that apply to aquatic species.*

We understand that the proposed project activities would include:

- Prospecting, geological mapping, sampling, aerial and ground geophysical surveys;
- Helicopter-assisted exploration drilling (reverse circulation and diamond core drilling);
- Temporary camp facilities;

DFO has produced an Operational Statement titled "Mineral Exploration Activities" which can be found at the following website:

<http://www.dfo-mpo.gc.ca/regions/central/habitat/os-eo/provinces-territoires-territoires/nu/os-eo24-eng.htm>

This operational statement covers activities associated with mineral exploration including:

*Those sections most relevant to the review of development proposals include 20, 22, 32 and 35 of the *Fisheries Act* and sections 32, 33 and 58 of the *Species at Risk Act*. For more information please visit www.dfo-mpo.gc.ca.

- Site reconnaissance,
- Temporary work camp operations,
- Small diameter/low density drilling,
- High density drilling and/or bulk sampling through large diameter drilling,
- Surface stripping, trenching and pitting
- Small diameter/low density drilling carried out on ice.

If the proponent can meet the conditions outlined in the Operational Statement, then DFO has no concerns regarding this project as it is unlikely to cause significant adverse effects to fish and fish habitat. If the proponent cannot meet the conditions in the Mineral Exploration Activities Operational Statement, they should submit an application to DFO for review.

I trust the information provided will be of assistance in the Nunavut Water Board's review of Prosperity Goldfields Corp.'s "Kiyuk Lake Project". If you or the proponent 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 work, contact the undersigned at (807) 468-6441 ext. 29, by fax at (807) 468-6973, or by email at lyndon.kivi@dfo-mpo.gc.ca.

Yours sincerely,



Lyndon Kivi
Fish Habitat Biologist

Copy: Derrick Moggy, DFO Iqaluit
Quinton Hennigh, Prosperity Goldfields Corp.