

Email Communication with the Nunavut Water Board

From: Cory Zyla [cory.zyla@nwb-oen.ca]
Sent: Tuesday, January 07, 2014 3:25 PM
To: Bogdan Nitescu (bnitescu@hornbybay.com)
Cc: Phyllis Beaulieu
Subject: Re: Request for advice re. renewal of Licence 2BE-MOU0914

Mr. Nitescu,

My apologies for the delay in responding to your inquiry. I have provided answers to your questions below, which I hope will sufficiently address your concerns.

Section 6

In Nunavut, Inuit Owned Lands (IOL) may include surface and/or sub-surface lands. Accordingly, you may find large areas of lands in Nunavut where the surface rights are IOL, but the subsurface area is managed by the Crown. In these areas, you must have permission to access the land before you can go and stake a claim. As such, the NWB requires that applicants specify who has the right to surface and sub-surface lands separately. If both the surface and sub-surface mineral leases are from Aboriginal Affairs and Northern Development Canada (AANDC; formerly known as 'INAC'), the NWB requires that you specify it as such on both accounts, including each respective lease's expiration date.

Section 10

Applicants are required to provide a brief explanation of the alternative methods or locations that were considered in carrying out any new project, so that a range of scenarios may be assessed prior to the issuance of a licence. If your project and its associated activities (i.e. project boundaries and methods) will remain the same as the existing licence under the renewal application, then you may check the 'no' box under Section 10, as these alternatives have already been considered. If under the renewal application, the project boundaries will be changed or the methods used to carry out project activities will be changed, then you will be required to provide general details that demonstrate that more than one option has been explored.

Sections 21 and 22

We generally do not require security (Section 21) or associated financial information (Section 22) for small exploration projects. As such, this information was not provided under previous applications and will not be required unless the project is scaled up.

Section 23

The NWB requires that any Licensee applying for renewal provides details for all non-compliance issues or events that have arisen during the course of the existing licence (i.e. 2BE-MOU0914). For instance, exceeding your daily water use limit (i.e. 65 cubic metres) on any occasion or the AANDC Inspector identifying improper onsite practices would be examples of non-compliance issues. This also includes a self-assessment from an administrative perspective that is based on the licence's terms and conditions (e.g. document X was required on May 30, 2013, document was submitted late on June 15, 2013). This can be in the form of a simple report.

Section 24

While the NWB does require exploration projects to reclaim areas used for camp purposes, which could be considered 'project closure', it is not necessary to fill out the same dates for Construction, Operations, and Closure. You may specify under Operations the start and end of exploration activities by the month and year that you are proposing under this licence renewal application (e.g. May 2014 to October 2019). You should then also specify the seasons during which operations will occur under the next heading (e.g. spring, summer, and fall).

Section 25

An applicant may propose any duration for a licence term in their application. While the Board may issue a licence for up to 25 years, for the purposes of maintaining compliance and ensuring projects are properly updated as they progress, the Board typically uses its discretion to limit exploration projects to five year licence terms.

Translation Requirements

The NWB requires that all projects be translated into Inuktitut so that all Nunavummiut from across Nunavut may have the opportunity to review, comment, and participate in the projects that impact the region. Projects located in the most western portions of Nunavut also require translation into Inuinnaqtun (i.e. projects west of and including Cambridge Bay). As such, your project's Executive Summary should be translated into both Inuktitut and Inuinnaqtun.

I will coordinate with our licensing department to provide you with a list of translators.

Please feel free to contact me should you have any further questions or concerns.

Regards,

Cory Zyla
Technical Advisor
Nunavut Water Board

From: Phyllis Beaulieu [mailto:phyllis.beaulieu@nwb-oen.ca]
Sent: Wednesday, December 18, 2013 12:12 PM
To: Bogdan Nitescu (bnitescu@hornbybay.com)
Cc: Cory Zyla
Subject: Re: Request for advice re. renewal of Licence 2BE-MOU0914

Your query has been forwarded to one of our technical advisors for a response. Cory is currently on annual leave and will response upon his return.

Regards,

Phyllis Beaulieu
Manager of Licensing
Nunavut Water Board

From: Bogdan Nitescu [mailto:bnitescu@hornbybay.com]
Sent: Monday, December 16, 2013 1:47 PM
To: Phyllis Beaulieu
Cc: bevbrady@sympatico.ca; 'Rebecca Hudson'; 'Frank Jagodits'
Subject: Request for advice re. renewal of Licence 2BE-MOU0914

Dear Ms Beaulieu,

On April 30th, 2014, the water licence issued to Hornby Bay Mineral Exploration Ltd. by the Nunavut Water Board (NWB Licence 2BE-MOU0914) for the Mouse Lake Project will expire. The Company intends to apply for the renewal of the licence.

The previous application was an amendment & renewal application and it was prepared by our former VP Exploration, Mr. David Bent, who left the Company in April 2009. Since I did not contribute to the preparation of that application, I would like to clarify several issues related to the documents and information the Company has to submit for the renewal of the licence.

I have made a list of issues for which I am seeking your advice:

1. Section 6 on the (Renewal) Application Form - the Company has both mineral claims and mining leases issued by AAND and having different dates of expiry; I am a bit confused regarding the question on sub-surface, since it is formulated as if there is only one lease. What exactly should be specified there?
2. Section 10 on the Application form - I could not find this item in the previous application; since this is a mineral exploration project carried out from a camp I am not sure what this point refers to.
3. Sections 21 and 22 on the Application Form - I am not aware of what information (if any) was provided previously. Would you please let us know what specific documents the Company should submit?
4. Section 23 refers to a compliance assessment and status report. Could you please advise on what exactly we have to submit?
5. Section 24 - Since our project is an on-going exploration project that is in operation seasonally, we do not have a date of closure. Currently the limit on the project is imposed by the duration of the leases. Can we leave the construction and closure entries blank?
6. Section 25 - Would it be reasonable that we request a term of the licence until the latest expiration date of the mining leases (some of our leases are valid until 2028) or the Board would still advise on five year terms?
7. Regarding the translation of the Executive Summary - for the previous application only a translation into Inuinnaqtun was required, but Guide 4 specifies that the translation should be in both Inuktitut and Inuinnaqtun. Would you please specify if a translation in Inuktitut is required for our project as well?
8. Please provide a list of translators for the language(s) into which a translation is required.

I thank you in advance for your help.

Sincerely Yours,

Bogdan Nitescu, PhD, PGeo
Geologist and Geophysicist
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