

Indian and Northern
Affairs CanadaAffaires indiennes
et du Nord Canada

Land Administration
P.O. Box 100
Iqaluit, NU X0A 0H0
Phone (867) 975-4275
Fax (867) 975-4286

Your file Votre référence

Our file Notre référence

January 24, 2006

Mr. George Bell, President
Hornby Bay Exploration Limited
Suite 700 - 357 Bay Street
Toronto, ON M5H 2T7

Dear Mr. Bell:

Re: Land Use Application #N2006C0001
Type of Operation: Mining (Exploration)
Location: Mouse Lake Area, Kitikmeot, Nunavut

Enclosed is General Receipt number F003178, for Land Use Fees submitted with your Land Use application dated January 4, 2006, received by this office January 23, 2006.

In all future Land Use correspondence on the project under application, would you please refer to file number N2006C0001.

Please be advised that I am invoking Section 25(1)(b) of the Territorial Land Use Regulations to allow further time to process your application.

As of July 9, 1996, all applications in the Nunavut Settlement Area (NSA) will be screened by the Nunavut Impact Review Board (NIRB), pursuant to Part 4 of Article 12 of the Nunavut Land Claims Agreement. The NIRB's primary objectives are to protect and promote the existing and future well-being of the residents and communities of the NSA, and to protect the ecosystemic integrity of the NSA. A copy of your application has been provided to NIRB in Cambridge Bay, NU, where they will conduct an environmental screening of your application. Although your application will be screened by NIRB, the acceptance of applications and permit issuance process remains under this Department's jurisdiction.

If you have any questions on the status or progress of your application, you can contact the Nunavut Impact Review Board at the following address:

Nunavut Impact Review Board
P. O. Box 1360
Cambridge Bay, NU X0B 0C0
Phone: (867) 983-4600 Fax: (867) 983-2594

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Your Operation may require a Water licence from the Nunavut Water Board, therefore, please contact them at the following address for any approvals that you may require for this operation:

Nunavut Water Board
P. O. Box 119
Gjoa Haven, NU X0E 1J0
Phone: (867) 360-6338 Fax: (867)360-6369

Yours truly,



Anthony Tucker
A/Land Administration Specialist
Land Administration

cc: Manager, Field Operations
RMO - Kitikmeot
NIRB