Fisheries and Oceans Canada

and Oceans Pêches et Océans Canada

Eastern Arctic Area P.O. Box 358 Iqaluit, NU X0A 0H0 Secteur de l'Arctique de l'est Boîte postale 358 Igaluit, NU X0A 0H0

November 22, 2005

Your file Votre référence

NWB2MOU

Our file Notre référence

NU-05-0033

Mr. David Bent Project Manager Hornby Bay Exploration Limited Suite 700, 357 Bay Street Toronto, ON M5H 2T7

Via electronic mail to: dbent@hornbybay.com

Dear Mr. Bent:

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 referral from the Nunavut Water Board on July 14, 2005 concerning multi-year mineral exploration, drilling and camp operations in the Mouse Lake area within the Kitikmeot Region by Hornby Bay Exploration Ltd. To expedite future correspondence or inquiries, please refer to the following referral title and file number when you contact us:

Habitat File No.: **NU-05-0033**

Referral Title: Exploration, Mouse Lake Project, Kitikmeot Region

It is our understanding that the proposal consists of:

• A mineral exploration program between July 2005 and July 2007 contained within general latitudes 66°37' to 67°04' and longitudes 114°10' to 115°20' involving: mapping, geochemical sampling, airborne and ground geophysical surveys, surveying, diamond drilling and use of exploration camps.

as outlined in the following plans:

 A water license application dated July 6, 2005 and associated documents dated June 17, 2005 submitted to the Nunavut Water Board by Hornby Bay Exploration 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:

 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 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.

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. Small lakes and streams should not be used for water withdrawal.

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)
Jorgen Komak - Nunavut Impact Review Board (jkomak@nirb.nunavut.ca)
Keith Pelley - Fisheries and Oceans Canada – Conservation and Protection