



AANDC reference
CIDM# 787952

March 18, 2014

NWB reference
#2BE-MOU0914

Phyllis Beaulieu
Manager of Licencing
Nunavut Water Board
Gjoa Haven, NU, X0E 1J0

**Re: #2BE-MOU0914 – Mouse Lake Project – Hornby Bay Mineral Exploration
Ltd. – Kitikmeot Region – Water Licence Renewal Application**

Dear Ms. Beaulieu,

Thank you for your email on February 18, 2014, concerning the above mentioned water licence renewal application.

A memorandum is provided for the Nunavut Water Board's (Board or NWB) consideration. Comments have been provided pursuant to the Department's mandated responsibilities under the *Nunavut Waters and Nunavut Surface Rights Tribunal Act* and the *Department of Indian Affairs and Northern Development Act*.

Please do not hesitate to contact me by telephone at 867-975-4282 or email at ian.parsons@aandc-aadnc.gc.ca for further comments or any questions.

Sincerely,

Ian Parsons
Regional Coordinator
Aboriginal Affairs and Northern Development Canada
P.O. Box 100
Iqaluit, NU, X0A 0H0

c.c.: Murray Ball, Manager of Water Resources, AANDC
Erik Allain, Manager of Field Operations, AANDC



Memorandum

TO	Phyllis Beaulieu Manager of Licencing Nunavut Water Board	AANDC reference CIDM# 787952 NWB reference #2BE-MOU0914
FROM	Ian Parsons Regional Coordinator Aboriginal Affairs and Northern Development Canada	DATE March 18, 2013

Re: #2BE-MOU0914 – Mouse Lake Project – Hornby Bay Mineral Exploration Ltd. – Kitikmeot Region – Water Licence Renewal Application

A. BACKGROUND INFORMATION

On February 18, 2014 the Board provided notification to Aboriginal Affairs and Northern Development Canada (AANDC) that Hornby Bay Mineral Exploration Ltd. (Hornby Bay) had submitted a water license renewal application for their Mouse Lake Project.

The submitted information is as follows:

1. Signed Renewal Application Form
2. Cover Letters
3. Articles of Amendment (Certificate of Name Change)
4. Email communication with NWB
5. Email communication with NPC
6. Email communication with NIRB
7. Executive Summary – English
8. Executive Summary – Innuinaqtun
9. Executive Summary – Inuktitut
10. Maps
11. List of HBME Mineral Claims
12. List of HBME Mining Leases
13. Information pertaining to Block 23 of the Application Form
14. Spill Contingency Plan
15. Abandonment Restoration Plan
16. Uranium Exploration Plan
17. Cheque for Application Fee
18. Cheques for Water Use Fee's Deposit



The Mouse Lake Project site is located approximately 550 km north of Yellowknife, NWT and 80 km south of Kugluktuk, Nunavut.

The Mouse Lake camp is used seasonally and is comprised of wooden-frame tent structures that provide facilities for core logging, office work, storage, power generation, first aid, food preparation and sleeping for approximately 40 people. In addition, the camp is equipped with a refuse burner, helicopter pad, fuel storage and refueling facilities, a retractable dock, and a small boat.

During the last five years activities have taken place at Mouse Lake in 2009, 2010 and 2013 with no activities taking place in 2011 and 2012.

The water licence renewal application was submitted to the NWB in February 2014.

Interested parties were requested to review the information and provide comments by March 18, 2014.

B. RESULTS OF REVIEW

On behalf of AANDC, the following comments/ recommendations are submitted to the Nunavut Water Board for consideration:

1. Renewal Application

- AANDC notes that the proponent has indicated that they will be transporting some of the wastes to other approved facilities.

AANDC recommends that the proponent be required to provide the NWB with written authorization for use of the waste facility.

2. Spill Plan

- AANDC recommends storing all fuel in secondary containment to reduce the risk of a spill. AANDC recommends that the proponent provide the NWB with the intended locations, types and quantities of fuel to be stored.
- AANDC notes that when the proponent describes its refueling procedures under section 4 that personnel be aware of the location of spill kits, drip trays, absorbent pads, etc. AANDC recommends that before starting any refueling operation refueling personnel should place a drip tray or other tool (e.g absorbent pads) where it can catch any drips and/or minor spills from refueling operations.



- AANDC notes that the proponent has stated in their spill plan under section 4.6 "... and a third mobile unit for use at secondary caches." AANDC recommends using this mobile unit where ever it is needed (e.g refueling situations, etc).
- AANDC has noticed that the spill plan does not contain any company contact names or numbers. AANDC recommends revising the spill contingency plan to include the company contact names and numbers.
- AANDC recommends that the proponent keep a copy of the spill plan on site.

3. Abandonment and Restoration Plan

- AANDC recommends notifying the NWB of any abandonment or closure event.

Prepared by Ian Parsons