Kitikmeot Region P.O Box 278 Kugluktuk, NU X0B 0E0

January 20, 2011

Hornby Bay Mineral Exploration Ltd. 275 Richmond Street West, 2<sup>nd</sup> Floor Toronto, ON M5V – 1Z1

## RE: Land Use Permit N2006C0001 Mouse Lake Camp

On July 23, 2010, I conducted a Field Inspection at the above mentioned location. A copy of the Inspection report is attached, the same copy of which I gave to Mr. Steve Ward during my site visit.

I apologize for the delay in forwarding this report to you.

## Issues Identified during the inspection:

When I arrived the camp was active, there were 14 people staying at the camp and they were about 20% done their planned Field Season.

I found the Camp to be very clean and well organized. I was particularly pleased with the Secondary Containment, very well done. I have no issues at this time.

I would like to thank Mr. Ward for his co-operation and assistance during my Inspection.

Please do not hesitate to contact me should you have any questions or comments.

Koana.

Baba Pedersen

Resource Management Officer

Kitikmeot Region

Phone 867-982-4306

Fax 867-982-4307

Email: baba.pedersen@inac.gc.ca

cc: Land Administrator, INAC

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Nunavut Water Board

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