



HORNBY BAY
MINERAL EXPLORATION

**Suite 1010,
130 Adelaide St. West,
Toronto, Ontario, M5H 3P5**

NWB File No.: 2BE-MOU0914

July 11th, 2012

Ms. Phyllis Beaulieu
Nunavut Water Board,
P.O. Box 119
Gjoa Haven, NU
X0B 1J0

Dear Ms. Beaulieu,

On behalf of Hornby Bay Mineral Exploration Ltd., I would like to inform the Nunavut Water Board that due to the unforeseen difficulty of raising capital in the wake of the Fukushima nuclear plant disaster, we were not able to open our camp and conduct any exploration activity on our Mouse Lake project in 2011. Also, because of continuing difficulties in raising capital, we are not planning at this time to conduct any exploration activity on the Mouse Lake Project in 2012.

Since in 2011 there was no activity conducted on the Mouse Lake Project, we are not submitting to the Nunavut Water Board an Annual Report for that year.

Sincerely,

Bogdan Nitescu, PhD
Geologist and Geophysicist
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