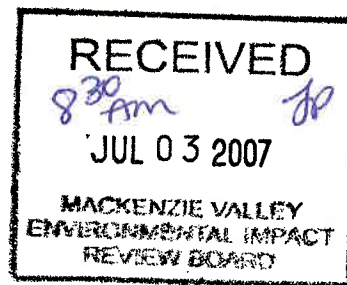




SAHTU Land & Water Board
P.O. Box 1
Fort Good Hope, NT X0E 0H0
Telephone: (867) 598-2413
Fax: (867) 598-2325
E-mail: sahtuexd@allstream.net



File: S07C-004

Facsimile Cover Sheet

To: MVEIRB **Fax Number:** (867) 766-7074
Attention: Vern Christensen, Executive Director
From: George Govier
Number of Pages (incl. cover): 67 **Date:** June 30, 2007
Subject: Land Use Permit Application - S07C- 004
Mineral Exploration – McTavish Arm, Great Bear Lake
Deline District, Sahtu Settlement Area

Reference: a) Your fax letter dated June 29, 2007
b) E-mail from Alan Ehrlich dated June 29, 2007

1. Please find attached Part 1 of 3 fax transmissions providing information requested at References.
2. Your thoughts and comments always welcome.

George Govier
Executive Director



SAHTU Land & Water Board
P.O. Box 1
Fort Good Hope, NT
X0E 0H0

April 17, 2007

Distribution List

COPY

Our File: S07C-004
Your File:

Dear Sir/Madam:

**Re: Mineral Exploration – McTavish Arm, Great Bear Lake
Deline District, Sahtu Settlement Area
Hunter Bay Resources
Referral List Letter**

Attached for your review and comment is the subject Land Use Permit Application. Your comments will be used in the evaluation and Preliminary Screening of this application.

Please submit your comments by May 11, 2007. If you require additional time to complete further studies or investigations, please contact us prior to this date.

If you have any questions regarding this application, please do not hesitate to contact our office.

Thank you for your time and effort on this matter.

Yours truly,
SAHTU Land & Water Board

Tyree Mullaney
Tyree Mullaney
Land Technician

Attached: 1

Distribution List

Land Use Permit Application - S07C- 004

Larry Tourangeau - Chairperson - Sahtu Secretariat Inc.
Judith Wright Bird – Chairperson - Sahtu Land Use Planning Board
Nicole Lights – Env. Assessment Specialist - Sahtu Renewable Resources Board

Wanda Anderson - Executive Director - Mackenzie Valley Land & Water Board
Vern Christensen - Executive Director - Mackenzie Valley Environmental Impact Review Board

Leroy, Andre – President – Deline Land Corporation
Paul, Modeste – President – Deline Renewable Resources Council
Christina, Gaudet – Charter Community of Deline

Tom Bradbury – Water Licence Inspector - Water Resources, DIAND, Norman Wells
Armin Johnson– Land Use Inspector - DIAND, Norman Wells
Carey Ogilvie - Head Assessment & Monitoring - Environment Canada
Ernie Watson - Area Habitat Biologist - Dept. of Fisheries & Oceans

Jason McNeill – EA, Environment and Natural Resources GNWT-ENR, Yellowknife
Keith Hickling – Superintendent, Env. & Nat. Resources GNWT-ENR, Norman Wells
Glen Mackay - Assessment Archaeologist - Prince of Wales Northern Heritage Centre
Chris Beveridge –Senior Env. Health Officer – Stanton Territorial Health Authority
Bruce Stebbing - Senior Plan Review Officer, Office of the Fire Marshall – GNWT-MACA
Greg Brady - A/Aboriginal Relations Specialist, Industry, Tourism and Investment, GNWT-ITI, Yellowknife

Sahtu Land & Water Board Members

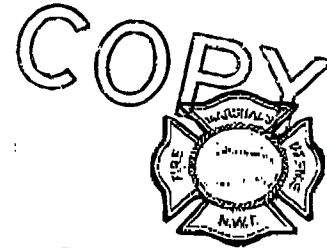
Larry Wallace, Chairperson
George Barnaby, Member
Walter Bayha, Member
Violet Doolittle, Member

1

507C-004



Office of the Fire Marshal
Municipal and Community Affairs
5th Floor, Northwest Tower
600, 5201 - 50th Avenue
Yellowknife, NT X1A 3S9



FAX Transmission Sheet

Date; May 2/07

Project: Hunter Bay Resources Ltd - Project Code Compliance Review

Contact; Sahtu Land and Water Board.

Fax: 1 - 867 - 598 - 2325

From: Office of the Fire Marshal - Senior Plan Review Officer

You should receive 3 pages including this cover sheet.

Re: Fire Prevention Project Review Comments & Fee Invoice

The review of the documents you submitted has been done.

	Time	Cost
Initial review	1 hr	\$85

1 The review indicates that deficiencies exist and your documents will need to be corrected and resubmitted, according to the project review comments attached.

Subsequent review

1 The review indicates that information is missing and will need to be supplied according to the project review comments attached.

Subsequent review

1 The review is complete and the amount owing is below.

Total Plan Review Fees

1 Your payment was received and this notice serves as your record of transaction.

Cheques shall be payable to The Government of the NWT, 600 - 5201 - 50 Ave. Yellowknife, N.T. X1A 3S9, or credit card payments can be made by calling 1- 867 - 873 -7622. All major credit cards or debit cards are accepted.

Bruce Stebbing

Senior Plan Review Officer - Office of the Fire Marshal, 1-867 -873 -7030.

TELEPHONE #: (867) 873-7469
YELLOWKNIFE ADDRESS: bethie_van_ughem@gov.nt.ca

FAX #: (867) 873-0260

THIS TRANSMISSION CONTAINS CONFIDENTIAL INFORMATION INTENDED FOR A SPECIFIC INDIVIDUAL AND PURPOSE. THE INFORMATION IS PRIVATE, AND IS LEGALLY PROTECTED BY LAW. IF YOU ARE NOT THE INTENDED RECIPIENT, YOU ARE HEREBY NOTIFIED THAT ANY DISCLOSURE, COPYING, DISTRIBUTION, OR THE TAKING OF ANY ACTION IN REFERENCE TO THE CONTENTS OF THIS TELECOPIED INFORMATION IS STRICTLY PROHIBITED. IF YOU HAVE RECEIVED THIS COMMUNICATION IN ERROR, PLEASE NOTIFY US IMMEDIATELY BY TELEPHONE AND RETURN THE ORIGINAL TO US BY REGULAR MAIL.



Office of the Fire Marshal
MUNICIPAL AND COMMUNITY AFFAIRS

Date: 2 May, 2007	Preliminary	Formal	File# 9115 - 20.12. Plan Review #: 029 - 07
-------------------	-------------	--------	--

Attn: George Grovier, & Tyree Mullaney, Sahtu Land & Water Board, Ft. Good Hope
Fax; 1 - 867 - 598 - 2325

Copy:

Hunter Bay Resources Ltd.

David Wilcox, Asstn. Fire Marshal, Norman Wells

Project Description: Sahtu - Deline District - Mineral Exploration - Camps & Fuel Facilities
Application for the Land Use Permit

Project Address: McTavish Arm Great Bear Lake near Deline, - camp and fuel facilities.

Documents submitted for review: Hunter Bay Resources Ltd, application, dated April 7, 2007, was received April 27/07.

This work shall comply with all the requirements of the 1995 National Building Code (NBC), Part 9, section 9.10.20, for fire protection in construction camps, and the B-139 and B-149 standards for the fuel facilities and related standards. Provide construction drawings and specs and details for these camps and the fuel facilities, complete with site plans as well.

Comments:

1. The exploration and construction camps shall comply with section 9.10.20, of the 1995 National Building Code, for fire protection in construction (seismic and exploration drilling) camps.
2. Arctic Circle Lodge will be used. Lodges shall comply with all the requirements for commercial accommodations as well. All camps with more than 10 people sleeping in the building require a complete fire alarm system. This lodge can accommodate 25 people. This project could have a maximum of 30 people, as the season progresses.
3. Confirm that all fire safety equipment, fire alarm systems, emergency lighting, fire extinguishers, fire separations, fire rated doors, exiting etc. are code compliant.
4. The size of the bedroom windows, opening area (0.35m²), shall comply with section 9.7.1.3. of the 1995 NBC.
5. Exit doors shall swing out in the direction of exit travel for the camps.
6. Comply with the requirements for the transportation and handling of dangerous goods in accordance with Parts 3 and 4 of the 1995 National Fire Code.
7. Post emergency evacuation plans in the camps, with the telephone numbers of the RCMP,

Reviewed

Resubmit

Bruce Stubbins

Plan Review Officer



Office of the Fire Marshal
MUNICIPAL AND COMMUNITY AFFAIRS

- RWED, the health centre, and the local airline and the helicopter firms telephone numbers for emergencies.
8. Commercial cooking equipment shall copy with NFPA 96.
 9. Seal penetrations in walls, floors and ceilings to maintain the fire and sound control ratings.
 10. All fire rate doors for the bedrooms, service rooms, laundry rooms and other areas required by code, shall have door closers installed.
 11. Fuel storage and handling shall comply with Parts 3 and 4 of the 1995 National Fire Code.
 12. Fuel fired equipment shall comply with CAN/CSA - B139 -04 the installation code for oil burning equipment.
 13. Confirm that fusible link valves are installed on all fuel fired equipment including furnaces, boilers, generators, water heaters, etc.
 14. All propane fired equipment shall comply with CAN/CSA - B149 -05, code for propane and gas installations.
 15. Fuel facilities shall be 100 meters from any water body. The sketch plan for the Arctic Circle Lodge shows a 100 meter buffer zone to the water.
 16. Comply with all the requirements of the Electrical & Mechanical Inspectors in Inuvik, and the Asstn. Fire Marshal in Norman Wells.
 17. Ensure all installations comply with the 1995 National Building Code, the 1995 National Fire Code and related standards.

These documents are reviewed for general compliance with the Fire Prevention Act and Fire Prevention regulations of the Northwest Territories. Review does not constitute approval or otherwise relieve the owner from complying with all requirements.

Bruce Stebbing, MAA, PQS.
Office of the Fire Marshal
600 -5201 - 50 Ave.
Yellowknife, N.T., X1A 3S9

Tel: 1 - 867 - 873 -7030, Fax: 1 -867 - 873 - 0260,
E mail: Bruce_Stebbing@gov.nt.ca

*2. G. Gierke & S. May 6/07.
For your info
Forward to file.*

81 May 2, 2007.

Reviewed

Resubmit

Bruce Stebbing
Plan Review Officer

①

LINE: SOTC-004



Education, Culture And Employment

COPY

To: Tyree Mullaney From: Glen Mackay

Company: SLWB Date: May 7, 2007

Fax Number: 867-598-2325 Total No. Of Pages Including Cover: 2

Phone Number: 867-598-2413

Re: SOTC-004
 URGENT FOR REVIEW PLEASE COMMENT PLEASE REPLY PLEASE RECYCLE

Notes/Comments: Hi Tyree,
Please confirm receipt.
Thanks,
Glen

Prince Of Wales Northern Heritage Centre
Education, Culture And Employment
Government Of The Northwest Territories
Box 1320
Yellowknife NT X1A 2L9
Phone: (867) 873-7551 Fax: (867) 873-0205

THE DOCUMENTS ACCOMPANYING THIS TRANSMISSION CONTAIN CONFIDENTIAL INFORMATION INTENDED FOR A SPECIFIC INDIVIDUAL AND PURPOSE. THE INFORMATION IS PRIVATE, AND IS LEGALLY PROTECTED BY LAW. IF YOU ARE NOT THE INTENDED RECIPIENT, YOU ARE HEREBY NOTIFIED THAT ANY DISCLOSURE, COPYING, DISTRIBUTION, OR TAKING OF ANY ACTION IN REFERENCE TO THE CONTENTS OF THIS TELECOPIED INFORMATION IS STRICTLY PROHIBITED. IF YOU HAVE RECEIVED THIS COMMUNICATION IN ERROR, PLEASE NOTIFY US IMMEDIATELY BY TELEPHONE AND RETURN THE ORIGINAL TO US BY REGULAR MAIL.

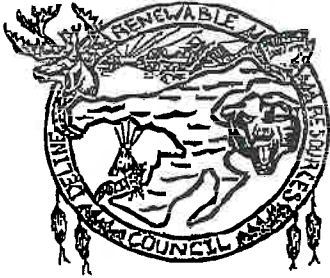
①

→ File: S07C-004

Deline Renewable Resources Council

P.O. Box # 163, Deline, N.T. X0E 0G0
Tel: (867) 589-8112 Fax: (867) 589-8101

COPY



May 8, 2007

SAHTU Land & Water Board
P.O. Box # 1
Fort Good Hope, N.T.
X0E 0H0

To Whom It May Concern,

RE: Hunter Bay Resources Land Use Permit Application your file # S07C-004

The Deline Renewable Resources Council feels that they have not been adequately consulted with regards to the proposed exploration program. The areas in which Hunter Bay Resources would like to work is a very important caribou migration route and should be researched in better detail than what is supplied in the land use application. The lands within this area are identified as selected lands and are under the control of the Deline Land Corporation. There is no letter from the Deline Land Corporation with regards to permission for access into this area.

Yours Truly

D. Turcho

Dolphus Turcho
President, DRRC

a. GEORGE ST. May 9/07

*For your info
Forward to file.*

[Signature] May 8, 2007



Northwest Territories Education, Culture and Employment

May 7, 2007

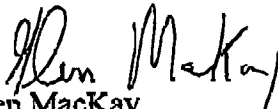
Tyree Mullaney
Land Technician
Sahtu Land and Water Board
PO Box 1
Fort Good Hope, NT
X0E 0H0



(By Fax: 867-598-2325)

Re: Land Use Permit Application S07C-004: Mineral Exploration – Hunter Bay Resources

We have reviewed the above captioned land use permit application, and are concerned that the proposed development of up to 150 drill set-ups will place unrecorded archaeological sites at risk of impact. We recommend that the proponent conduct a heritage resource impact assessment of their proposed development areas prior to commencing development activities.

Sincerely,


Glen MacKay
Assessment Archaeologist
Prince of Wales Northern Heritage Centre

2. GEORGE  May 7/07.
FOR YOUR REVIEW
FORWARD TO FILE
 MAY 7, 07



**Indian and Northern
Affairs Canada**
www.inac.gc.ca

North Mackenzie District
P.O. Box 2100
Inuvik, NT X0E 0T0

**Affaires Indiennes
et du Nord Canada**
www.aic.gc.ca

Telephone: (867) 777-2997
Fax: (867) 777-2090

COPY

May 9, 2007

Your file – Votre référence

→ *S07C-004*

Our File – Notre référence
S07C-004

Sent by mail/e-mail

Sahtu Land and Water Board
P.O. Box 1
Fort Good Hope, NT
Canada X0E 0H0

FAXED

Attention: George Govier, Executive Director

Dear Mr. Govier:

**RE: REFERRAL COMMENTS
HUNTER BAY RESOURCES
LAND USE PERMIT S07C-004**



Our office has reviewed the subject application submitted by Hunter Bay Resources describing the plans for mineral exploration at the McTavish Arm of Great Bear Lake. After carefully reviewing the application the following concerns were recorded:

- The lease (086K05001) for the fishing lodge has been expired since August 31, 2005.
- The purpose of the original lease was for a Fishing Lodge rather than mineral exploration.
- There still exists the issue of inadequate sewage waste treatment and storage facilities at the lodge which are situated in close proximity to the Ordinary High Water Mark.
- The identified fuel storage locations are questionable for 3 reasons:
 1. Why propose four different fuel sites in the application when it would be easier to maintain a single site in the event of a spill(s) and why not have fuel stored in natural containment areas to reduce impacts to the land?
 2. The topography of the proposed fuel storage sites may result in uncontrollable spills into adjacent waters.

3. There is a documented history of issues associated with fuel storage in the area proposed. Most prevalent is the accumulation of fuel drums in locations that pose considerable environmental risk.

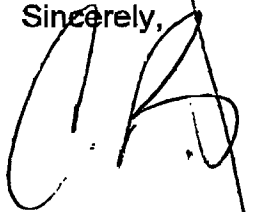
Pursuant to Part 22, Sub-part 2(b) of the Mackenzie Valley Land Use Regulations, the Sahtu Land and Water Board may:

"order, that a hearing be held or further studies or investigations be made respecting the lands proposed to be used in the land-use operation and notify the applicant in writing of the reasons therefore."

INAC strongly recommends the Sahtu Land and Water Board exercise this authority, ensuring INAC sufficient time for further assessment of this project. Our assessment will be in terms of evaluating the proposed fuel storage sites, and the new location Hunter Bay Resources will propose to establish their support camp. INAC will not authorise the use of the currently proposed site without the appropriate tenure documents being in effect and current.

If you have any questions, or if additional information is required, please contact me at (867) 777-2997.

Sincerely,



Conrad Baetz
District Manager

cc. Resource Management Officers, Norman Wells
Annette Hopkins, Director, Operations Directorate, Yellowknife

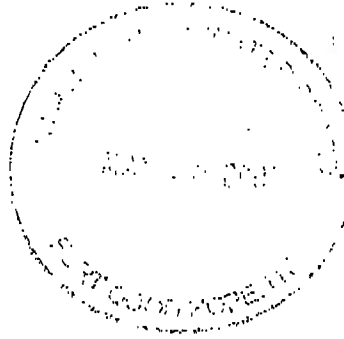
Canada

May 9, 2007
Page 2 of 2



Mackenzie Valley Land and Water Board
7th Floor - 4910 50th Avenue • P.O. Box 2130
YELLOWKNIFE, NT X1A 2P6
Phone (867) 669-0506 • FAX (867) 873-6610

May 11, 2007



File: S07C-004

COPY

Mr. George Govier
Executive Director
Sahtu Land and Water Board
P.O. Box 1
FORT GOOD HOPE NT X0E 0H0

Fax: 867-598-2325

Dear Mr. Govier:

**Hunter Bay Resources, McTavish Arm
MVLWB review for Transboundary Implications**

This acknowledges the receipt of the aforementioned Land Use Permit Application on April 26, 2007. The staff of the Mackenzie Valley Land and Water Board has reviewed the above noted application with regards to transboundary implications.

It is decided that this operation is not "likely to have an impact in more than one (1) settlement area, or in a settlement area and an area outside any settlement area", as per Part 4, Section 103(1)(a) of the *Mackenzie Valley Resource Management Act*.

Thank you for the opportunity to review this application. If you have any questions, contact me at (867) 669-0506 or email permits@mvlwb.com.

Yours sincerely,

Peter Lennie-Misgeld
Senior Regulatory Officer

Copied to: Conrad Baetz, North Mackenzie District, DIAND, Inuvik

Land Use Permit Application S07C-004 Mineral Exploration - McTav...

FILE: S07C-004

①

Subject: Land Use Permit Application S07C-004 Mineral Exploration - McTavish Arm, Great Bear Lake Deline District, Sahtu Settlement Area Hunter Bay Resources

From: "Christopher Beveridge" <Christopher_Beveridge@gov.nt.ca>

Date: Fri, 11 May 2007 09:21:01 -0600

To: "Christopher Beveridge" <Christopher_Beveridge@gov.nt.ca>, <sahtulan@allstream.net>

COPY

RE:

Land Use Permit Application S07C-004 Mineral Exploration - McTavish Arm, Great Bear Lake Deline District, Sahtu Settlement Area Hunter Bay Resources

Tyree:

Stanton Territorial Health Authority - Environmental Health Services, Inuvik Region has reviewed the above noted application and has the following concerns:

- A. Disposal Methods section 2.4 (b) Sewage: The disposal of sewage is not outlined in this section and has been identified as not applicable. However in *Appendix A* Sewage is to be piped 250m west of the main lodge. What level and capacity of on-site sewage treatment does the company plan for?
- B. To protect workers, occupants, and the public the proposed activities must comply with the NWT Public Health Act, specifically:
 - a. c.P-12 Consolidation of Camp Sanitation Regulations
 - b. c.P-14 Consolidation of Eating and Drinking Places Regulations
 - c. c.P-16 Consolidation of General Sanitation Regulations
 - d. c.P-22 Consolidation of Public Sewerage Systems Regulations
 - e. c.P-23 Consolidation of Public Water Supply Regulations

In addition, any intent on utilizing municipal services such as solid waste and sewerage waste disposal must be approved by the community and/or GNWT - MACA.

Thank you for the opportunity to comment on this application, I do apologise the tardiness of this correspondence. If you have any questions please do not hesitate to contact me.

Sincerely,

Chris Beveridge

2. GEORGIE J.S. May 25/07
For your info
Forward to file.
JRM MAY 22 2007

Christopher Beveridge, CD, BA, BAsc, CPHI(C)
Senior Environmental Health Officer
Stanton Territorial Health Authority ~ Inuvik Region
Bag Service No. 2
Inuvik Public Health Office
Semmler Building ~ Mackenzie Road
Inuvik, NT. X0E 0T0
T: 867-777-7250 F: 867-777-3255 E: christopher_beveridge@gov.nt.ca

nter Bay S07C-004

507C-004

①

COPY

Subject: Hunter Bay S07C-004
From: "Jepps, Shelley F" <JeppsS@dfo-mpo.gc.ca>
Date: Fri, 11 May 2007 11:58:52 -0600
To: <sahtulan@allstream.net>
CC: "Watson, Ernest" <WatsonE@dfo-mpo.gc.ca>, "Fillatre, Gerald" <FillatreG@dfo-mpo.gc.ca>, <johnsonam@inac.gc.ca>, <eas@srrb.nt.ca>, <wkushner@telus.net>, <carey.ogilvie@ec.gc.ca>

Please find attached DFO's comments regarding the above referral. If you have any questions please do not hesitate to call.

Thank you,
 Shelley Jepps
 Habitat Management Biologist
 Fisheries and Oceans Canada
 Western Arctic Area
 Ph: 867 669-4937
 Fax: 867 669-4940

LoA Hunter Bay Great Bear 2007 05 10.pdf	Content-Description: LoA Hunter Bay Great Bear 2007 05 10.pdf
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	Content-Encoding: base64

Water Withdrawal Protocol - Jan 05.pdf	Content-Description: Water Withdrawal Protocol - Jan 05.pdf
	Content-Type: application/octet-stream
	Content-Encoding: base64

intake.pdf	Content-Description: intake.pdf
	Content-Type: application/octet-stream
	Content-Encoding: base64

2. George Srs. May 31/07
 For your info
 Forward to file

SY MAY 25, 2005



Fisheries and Oceans
Canada

Pêches et Océans
Canada

Fish Habitat Management
Suite 101, 5204-50th Avenue
Yellowknife, Northwest Territories
X1A 1E2

Gestion de l'Habitat du Poisson
Suite 101 5204, 50e Avenue
Yellowknife (Territoires du Nord-Ouest)
X1A 1E2

Your file / Votre référence
S07C-004
Our file / Notre référence
YK070037

May 10, 2007

Ms. Tyree Mullaney
Land Technician
SAHTU Land & Water Board
P.O. Box 1
Fort Good Hope, NT X0E 0H0

**RE: Land Use Permit Application – S07C-004 - Mineral Exploration –
McTavish Arm, Great Bear Lake, Deline District, Sahtu Settlement Area by
Hunter Bay Resources**

Dear Ms. Mullaney:

As requested in correspondence dated 17 April, 2007, the Department of Fisheries and Oceans, Fish Habitat Management – Western Arctic Area (DFO) has reviewed the five year Land Use Permit application S07C-004 submitted by Hunter Bay Resources to conduct mineral exploration near the McTavish Arm of Great Bear Lake in the Sahtu Settlement area on claims F91914, F92300, F98733, F98681, F98682, and F98380. Under Sections 124 and 125 of the *Mackenzie Valley Resource Management Act (MVRMA)*, DFO is participating in a preliminary screening by providing specialist information and/or advice. Our review was limited to potential impacts of the project, as defined in SAHTU Land and Water Board Land Use Permit Application submitted by Hunter Bay Resources (dated March 14, 2007), on fish and fish habitat pursuant to the responsibilities of DFO under the habitat protection provisions of the *Fisheries Act*.

It is our understanding that the proposed project involves mineral exploration activities within the Deline District of the Sahtu Settlement Area, Northwest Territories, more specifically at six targets:

- on the north side of Hunter Bay (known as Sloan Drill Target),
- on Broadway Island (known as Broadway Drill Target),
- two on Stevens Island (known as Sahtu Main and Sahtu East Drill Targets),
- one east of Vance Peninsula (known as Mariner Drill Target) and
- one between the Southwest Arm of Great Bear Lake, Glen Lake, Mile Lake and Thompson Lake (known as Mile Lake Drill Project).

It is our understanding that the proposed project consists of the following components:

- Transportation of materials (including fuels) to site via a barge.
- No camp construction will be required as activities will be based out of the Arctic Circle Lodge.

Canada

Page 1 of 4

- Timing of operations will be between May and October of each year.
- The drill will be moved between drill sites by helicopter.
- Crew will be moved between camp and drill sites by helicopter.
- 20-30 drill holes per year with 20-30 set ups.
- Maximum footprint per set up site is 250 square meters.
- 7200 cubic meters of water per year.
- **All drilling is to occur above the high water level of any waterbody.**
- Construction of sumps where necessary.
- Reclamation of disturbed areas.
- Summer and winter water withdrawal may be required for drill operation

Carrying out any project that could harmfully alter, disrupt or destroy fish habitat by chemical, physical or biological means may constitute an offence under the federal Fisheries Act. Great Bear Lake, associated lakes and rivers are fish habitat. The fish in these waters are utilized by Aboriginal peoples and by recreational fishers. Extreme care must be exercised when proponents are working near these waters or transporting fuels via these waters.

DFO's review of the above-noted proposal indicates that without mitigation it is likely the works will cause a harmful alteration, disruption or destruction of fish habitat (HADD). However, DFO concludes that the proposed project will not likely result in the HADD of fish habitat provided that Hunter Bay Resources implements the following mitigative measures, in addition to the mitigation measures proposed in the Land Use Permit Application. These additional measures are intended to prevent any potentially harmful impacts to fish and fish habitat, and may be used to assist the SAHTU Land and Water Board with their responsibilities under the *MVRMA*:

1. If clearing or shrubbing out is required for drill site preparation or for boat access to the drill sites, every effort should be made to retain riparian vegetation, as it is critical for the protection of littoral and riparian fish habitats as well as for providing cover and enhancing bank stability. Drill sites should be located 30 meters back from the high water mark of any water body.
2. The Freshwater Intake End-of-Pipe Fish Screen Guideline (DFO 1995) is applied to **all** water intakes (attached). To prevent the entrainment of fish, the mesh size should not exceed 2.54 mm. The intake should not disturb the substrate and the screen should be cleaned regularly.
3. If artesian flow is encountered, drill holes should be plugged and permanently sealed upon completion of the project.
4. If fording of creeks is required, DFO encourages a one time (across and back) access only. Effort must be made to minimize the disturbance to riparian

- vegetation and creek bank stability. A single crossing location for all machinery should be sought based on the type of fish habitat present and the stream morphology. **If fording of a fish bearing stream is a requirement of this project, specific DFO advice/review should be sought.**
5. Excessive water withdrawals can lead to the loss of fish and fish habitat. Please refer to the attached DFO Protocols for Winter Water Withdrawal in the Northwest Territories (January, 2005) for methods to evaluate available water capacity in lakes and for mitigation methods. When withdrawing water during the open water season please ensure that adequate water remains in the waterbody to allow for summer survival. Total water withdrawal for all activities should not exceed 10% of the instantaneous flow rate of a single watercourse at the time of withdrawal.
 6. Sediment and erosion control measures should be implemented and maintained prior to, during and after construction to prevent the entry of sediment into any water body. Control measures must be applied as required in order to achieve this at the work site. This includes the stabilization of disturbed slopes immediately after construction; this work should be completed prior to spring thaw.
 7. All wastes, sewage containments, sumps, camps and fuel caches should be located above the normal high water mark of any water body, and be sufficiently bermed or otherwise contained to ensure that these substances do not enter any water body.
 8. All drill cuttings should be disposed of on land and suitably contained/stabilized to prevent them from being a potential source of sediment for any water body.
 9. Equipment operating near any waterbody should be free of external fluid leaks, grease, oil and mud. All activities including maintenance procedures and vehicular refuelling should be controlled to prevent the entry of petroleum products, debris, slash, rubble or other deleterious substances into any water body.
 10. Please ensure that the proponent is made aware of Environment Canada's concerns and mitigation measures.
 11. Spills of oil, fuel or other deleterious material should be reported immediately, as per existing reporting protocols, to the NWT/Nunavut 24-hour Spill Report Line at (867) 920-8130, including all spills near or into a water body.

The above mitigation measures may be amended, or additional mitigation measures may be required, if there are changes to the project's scope or plans. Please note, any harmful alteration, disruption or destruction of fish habitat and/or the deposition of deleterious substances into fish bearing waters occurring as a result of a change in plans or failing to implement the necessary mitigation measures may result in contravention of the *Fisheries Act*.

FACSIMILE MESSAGE

→ File: S07C-004

①



Environment Environnement
Canada Canada



COPY

Environmental Protection Operations
5204 - 50th Avenue, Suite 301
Yellowknife, NT X1A 1E2

DATE: 11 May 2007

TO: Tyree Mullaney
Land Technician
SAHTU Land & Water Board

FROM: Ron Bujold
Environmental Assessment Technician

PHONE: _____

PHONE: (867) 669 - 4744

FAX: (867) 598-2325

FAX: (867) 873 - 8185

Number of pages including cover: 4

Subject: **S07C-004 - Land Use Permit Application - Mineral Exploration - McTavish Arm - Great Bear Lake -
Deline District - Sahtu Settlement Area - Hunter Bay Resources.**

MESSAGE:

Ron

② Tyree ~~88~~ MAY 15/07
For your info & use in Prelim Screen Report.
Forward to File.
Lit. May 11/07.

MAY. 11. 2007 11:40AM ENVIROMENT CANADA

NO. 583 P. 2



Environment Environnement
Canada Canada

Environmental Protection Operations
5204 - 50th Avenue, Suite 301
Yellowknife, NT X1A 1E2

11 May 2007

Our File: 4706 001 011

Sahtu Land & Water Board
P.O. Box 1
Fort Good Hope, NT X0E 0H0

Fax: (867) 598-2325

Attention: Tyree Mullaney

Re: **S07C-004 - Land Use Permit Application - Mineral Exploration - McTavish Arm - Great Bear Lake - Deline District - Sahtu Settlement Area - Hunter Bay Resources.**

BPO's contribution to your request for specialist advice is based on our mandated responsibilities for the enforcement of Section 36(3) of the *Fisheries Act*, the *Canadian Environmental Protection Act* (CEPA), the *Migratory Birds Convention Act* (MBCA) and the *Species at Risk Act* (SARA). On the basis of the information provided, EC believes that the above noted project has the potential to affect fish pursuant to the *Fisheries Act*, migratory birds pursuant to the *Migratory Birds Convention Act* and wildlife pursuant to the *Species at Risk Act*.

Hunter Bay Resources is proposing to diamond drill an estimated, six thousand (6,000) metres of core per year on their MacTavish Arm, Great Bear Lake mineral claims. The proponent is exploring for mineral deposits consisting of: copper, gold, silver, bismuth, cobalt, nickel, and/or uranium. The proponent will be operating during the summer months, between May and October for the duration of the proposed land use permit. Drill core will be moved from each drill site to the core facility, which will consist of a temporary tent near Plummer's Arctic Lodges, Arctic Circle camp. Hunter Bay Resources staff will be accommodated at Plummer's Arctic Star camp for the duration of their proposed land use permit.

Comments and Recommendations

- The proponent shall insure that any chemicals, fuel or wastes associated with the proposed project do not enter waters frequented by fish. It is a requirement of Section 36(3) of the *Fisheries Act* that all effluent discharged into water frequented by fish, be non-deleterious
- The proponent should ensure that combustible waste is burned in a device that promotes efficient combustion and reduction of emissions and is capable of meeting the emissions limits established under the Canada-wide Standards (CWS) for Dioxins and Furans and the CWS for Mercury Emissions. Both the Government of Canada and the Government of Nunavut are signatories to these standards and are required to implement them according to their respective jurisdictional responsibility
- The proponent should be aware that any spill of fuel or hazardous materials, adjacent to or into a water body, regardless of quantity, shall be reported immediately to the NWT 24-hour Spill Line, (867) 920-8130
- The Environment Canada phone number under the proponents Spill Response Plan, Contacts, should be changed to the Environment Canada 24 hour pager number: (867) 920-5131
- Provide a list and the location of equipment, both on and off site to be used in the event of a spill
- Operational practices for the handling of fuels and hazardous fluids should be posted and made available to all personnel required to work on site and should outline a clear path of response
- A dedicated area should be used for refuelling equipment with measures taken to ensure capture and containment of drips and spills. Drip pans should be used when refuelling any equipment on site. An appropriate spill kit with absorbent material should be located at all fuel transfer sites and drill sites

MAY. 11. 2007 11:40AM ENVIROMENT CANADA

NO. 583 P. 3

- Spill contingency plans should also include the locations of disposal sites which are approved to accept wastes and the proponent should have a means of proper storage of wastes prior to disposal
- All fuel containers must be properly sealed and stacked in an upright position to prevent the possibility of spills and leaks. When storing barrelled fuel at a location, EC encourages the use of self supporting insta-berms, which are available from various suppliers within Canada.
- All sumps and spill basins should be located in such a manner to ensure that their contents do not enter any water body and are to be backfilled and re-contoured to match the surrounding landscape when they are no longer required
- All fuel caches should be inspected and documented on a regular basis
- Drilling wastes from land-based drilling should be disposed of in a sump such that they do not enter any body of water
- If artesian flow is encountered, drill holes shall be plugged and permanently sealed upon completion
- The proponent should be aware that the *Canadian Environmental Protection Act* lists CaCl as a toxic substance. The proponent shall therefore ensure that if CaCl is used as a drill additive, all sumps containing CaCl are properly constructed and located in such a manner as to ensure that the contents will not enter any water body
- The Canadian Wildlife Service (CWS) advises that any activities that occur during summer months have the potential to affect breeding migratory birds. Effects could include disturbance and/or destruction of eggs or nests of migratory birds due to camp establishment or other project related activities. Section 6(a) of the *Migratory Birds Regulations* states that no person shall disturb or destroy nests or eggs of migratory birds. CWS recommends that the proponent confirm there are no active nests (i.e. nests containing eggs or young) in the vicinity before exploration activities commence. If active nests of migratory birds are discovered, the proponent should choose a new location and generally avoid the area until nesting is completed (i.e. the young have left the vicinity of the nest)
- In order to reduce disturbance to nesting birds, CWS recommends that aircraft used in conducting project activities maintain a flight altitude of at least 610 m during horizontal (point to point) flight
- In order to reduce disturbance to resting, feeding, or moulting birds, CWS recommends that aircraft used in conducting project activities maintain a vertical distance of 1000 m and minimum horizontal distance of 1500 m from any observed concentrations (flocks / groups) of birds
- Species at risk that may be encountered in this area include the Peregrine Falcon (anatum subspecies), Woodland Caribou (Boreal population), which are all listed as Threatened on Schedule 1 and the Eskimo Curlew, which is listed as Endangered on Schedule 1
- The proponent should identify potential Species at Risk that could be encountered. Refer to the Species at Risk registry at www.sararegistry.gc.ca for information on specific species
- The proponent should record the locations and frequencies of any observations of species at risk encountered and note any actions taken to avoid contact or disturbance to the species
- Provide to my attention the co-ordinates for all drill site locations caches at the end of the field season.

EPO should be notified of changes in the proposed or permitted activities associated with this application.

If you have any further questions or comments, please do not hesitate to contact me at (867) 669-4744 or ron.bujold@ec.gc.ca.

Yours truly,



Ron Bujold
Environmental Assessment Technician

MAY. 11. 2007 11:40AM ENVIROMENT CANADA

NO. 583 P. 4

cc: Carey Ogilvie (Head, Assessment & Monitoring, EPO)
Mike Fournier (Northern Environmental Assessment Coordinator, A&M, EPO)



SAHTU RENEWABLE RESOURCES BOARD

P. O. Box 134
Tulita, NT, X0E 0K0
TEL: (867) 588-4040
FAX: (867) 588-3324
Website: www.srrb.nt.ca

→ File: S07C-004

COPY

May 11, 2007

Sahtu Land & Water Board
P.O. Box 1
Fort Good Hope, NT
X0E 0I10
Fax: (867) 598-2325

Via Facsimile
(867) 598-2325

**Re: Land Use Permit Application S07C-004 – Hunter Bay Resources – Mineral Exploration –
McTavish Arm, Great Bear Lake**

Upon review of the Land Use Permit Application for Hunter Bay Resource's mineral exploration in the McTavish Arm area of Great Bear Lake in the Deline District, the Sahtu Renewable Resources Board (SRRB) is not satisfied that all requirements have been met and has the following concerns:

1) Potential impacts on caribou.

- The SRRB is concerned with the disruption of migrating caribou during the scheduled operations. The Bluenose-East herd migrates to the east arm of Great Bear Lake in the fall for the rutting season. Hunter Bay Resources is proposing to operate in the area from May-October each season, potentially interrupting the caribou's seasonal activity. Up to date collared caribou locations can be obtained by contacting the SRRB or the Wildlife Division-Sahtu Region, GNWT.
- Specific precautions should be incorporated into a wildlife protection plan. Specific mitigation measures include: temporary suspension of operations when caribou/grizzly bear are observed within 500m of any work/camp site, aircraft avoidance of low flying over wildlife and maintenance of a minimum altitude of 650 m (except for landing and take off), immediate notification of any wildlife mortalities to wildlife management agencies such as the SRRB and the Wildlife Division of the GNWT, etc.
- Ongoing consultation with the Deline Renewable Resources Council (DRRC) and the community of Deline will ensure that the company will be fully aware of the presence of migrating caribou in the area.

2) Lack of detail in the proposed restoration plans.

- Waste management should be an ongoing basis. Garbage should be removed from drill sites daily and camp garbage should be either stored in proper bear-proof containers or incinerated. Non-combustible garbage and hazardous wastes should be transported to a government approved facility. As well, Hunter Bay Resources are required to follow applicable regulations/guidelines including the registration of waste transportation and incineration (including waste oil/fuel) with the NWT Environmental Protection Service (GNWT).
- There is no mention of revegetation in areas to be cut. If re-seeding is required, every effort should be made to use a native seed source or, if not possible, to ensure that an uncontaminated seed source is used.
- Public consultation with the community of Deline should be conducted prior to the end of each operation season, should the contractor want to store drill equipment on the site over the winter. This will ensure the equipment will not be interfering with trapping activities.

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From-8675883324

To-SAHTU LWB

Page 01

- 3) **Lack of detail in the fuel transportation and spill contingency plans.** The community consultation section of the application indicates that the proponent is proposing to barge fuel to cache locations across Great Bear Lake. However, Appendix B of the application (fuel transportation plans) does not contain any specific details of transporting the fuel (i.e. type of barge/boat/plane, Transport Canada safety inspections, Transport Canada and Environmental Protection Service registration, etc). Great Bear Lake is an environmentally sensitive and culturally significant area. The proponent should ensure they follow the Canada Shipping Act and regulations and the Transportation of Dangerous Goods Act and regulations. This will ensure that the proponent has taken every precaution necessary to prevent contamination to Great Bear Lake. As well, there is no contact information for the community of Deline listed in the emergency contact section of the Spill Contingency Plan. The DRRC and the SRRB should also be contacted in the event of a spill.
- 4) **Lack of consultation with the Deline Renewable Resources Council.** The application mentions that two environmental monitors will be hired from the DRRC for the project but there is no correspondence from the DRRC to confirm this. As well, there is no correspondence from the DRRC to indicate that they were adequately consulted on the proposed program.
- 5) **The TK study identified 11 significant sites.** These sites should be specifically indicated on a map and made known to all employees to avoid these areas.

The Board also requests that the following recommendations be provided to Hunter Bay Resources:

- DFO approved screens will be placed on all water intake pipes to prevent the uptake of fish. The Board will rely on and support decisions made by the Department of Fisheries & Oceans regarding impacts to fish and fish habitat.
- All equipment will be cleaned prior to initial use to prevent the spread of invasive vegetation species.
- Trained environmental monitors familiar with the program area will be utilized and hired through the Deline Renewable Resources Council.
- At least one week prior to commencement of the program each season, traditional users, community residents and organizations in Deline will be notified via posted notices. As stated in the TK study, annual plain language summaries should be provided to the community of Deline.
- A brief summary will be provided to the Sahtu Renewable Resources Board one month after the end of each operation season. This report should include a map (include GPS locations if available) and outline any wildlife encounters, environmental accidents and access routes created in the previous season.

The SRRB feels that these issues must be considered by the Sahtu Land & Water Board prior to making a decision to approve Hunter Bay Resources land use permit application and also during the draft permit conditions review process. If you require any other information, please contact us at (867) 588-4040 or ees@srrb.nt.ca.

Sincerely,

Nicole Lights
Environmental Assessment Specialist

Cc Joly Snortland, Executive Director
Walter Bayha, Chair
SRRB members
Deline RRC
Willie Kushner, Hunter Bay Resources

② Tyne

For your info & use in
Prelim Screen Report

Forwarded to file

JL. May 11/07

Drilling Guidelines

Subject: Drilling Guidelines**From:** "willie kushner" <wkushner@telus.net>**Date:** Mon, 14 May 2007 12:36:54 -0700**To:** "Mitch McLellan" <aggressivediamonddrilling@silk.net>**CC:** "Tyree Mullaney" <sahtulan@allstream.net>, "B2" <BWilson@RocknestCorp.com>, "Bryan Wilson email" <B3Wil@aol.com>, "George Govier" <sahtuexd@allstream.net>, "Nicole Lights" <eas@srrb.nt.ca>, "Ron Bujold" <ron.bujold@ec.gc.ca>, "Shelly Jepps" <JeppsS@dfo-mpo.gc.ca>

→ File: SETC-064

COPY

Mitch,

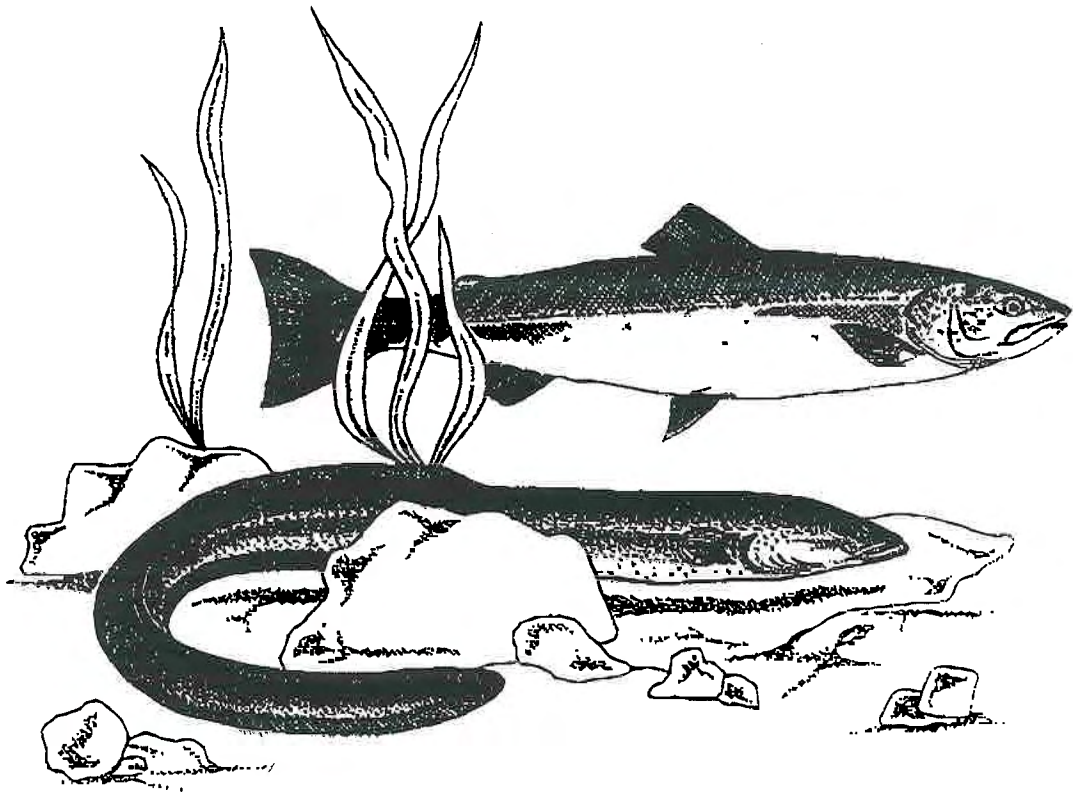
Please note the various points in the attached document

**HUNTER BAY****willie kushner**

Vancouver, BC Tel: 604.724.9454

wkushner@telus.net**Freshwater Intake End of pipe Fish Screen Guideline.pdf****Content-Type:** application/pdf**Content-Encoding:** base64**Letter Aggressive Diamond Drilling Ltd.doc****Content-Type:** application/msword**Content-Encoding:** base64

Department of Fisheries and Oceans



**HUNTER BAY**

Aggressive Diamond Drilling Ltd.
3105 Topham Road
Kelowna, B.C.
V1Z 2J5

12 May, 2007

Sent via email

Attention: Mitch McLellan

RE: Environmental Concerns Regarding Drilling Operations

Hunter Bay Resources Inc. (HBR) has applied for a permit to conduct drilling and mineral exploration on our claims in the MacTavish Arm area of Great Slave Lake. As our Diamond Drilling contractor, many of the regulations concerning the environment directly relate to your operations. We would like to remind you of our obligations under our permit, and ask that you ensure every person who will be working on this project be made aware of the following concerns:

Guidelines and Regulations to be followed:

1. Under no circumstances can any chemicals, fuel or wastes associated with the drilling enter waters frequented by fish. Under Section 36(3) of the Fisheries Act, it must be ensured that any effluent discharged into waters frequented by fish be non-deleterious.
2. You will be provided with a Spill Contingency Plan which outlines the steps to follow in the event of a spill. In particular, any spills of fuel or hazardous materials, adjacent to or into a water body, **regardless of quantity**, must be reported immediately to the NWT 24-hour Spill Line: 867.920.8130.
3. Operational practices for the handling of fuels and hazardous fluids will be made available to you and will also be posted in camp and at the drill site. Please ensure that all your personnel familiarize themselves with these posted procedures.
4. Measures must be taken to ensure the capture and containment of drips and spills when refueling or performing maintenance on the equipment. Drip pans should be used when refueling. Spill kits will be provided by HBR and will be available at any fuel transfer sites and at any drilling sites.
5. All fuel containers must be properly sealed and stored in **an upright position** to prevent the possibility of spills or leaks.
6. All sumps and catch basins designed to catch waste water from drilling activities must be located in a manner to ensure that their contents do not spill out and enter any water body.
7. If artesian flow is encountered in any drill hole, the holes must be **plugged and permanently sealed** upon completion of drilling.
8. The Canadian Environmental Protection Act list CaCl as a toxic substance. HBR encourages you to use a safe alternative to CaCl if possible. If CaCl must be

Hunter Bay Resources Inc.
695 Howe Street, Suite 206
Vancouver, BC V6C 2T5

Page 1 of 3

**HUNTER BAY**

- used as a drill additive, all sumps containing CaCl must be properly located and constructed to ensure their contents will not enter any water body.
9. Section 6(a) of the Migratory Birds Regulations states that no person shall disturb or destroy the nests or eggs of migratory birds. HBR personnel along with trained Wildlife Monitors from the village of Deline will inspect any proposed drill sites to ensure there are no active nests in the area before drilling activities commence. We ask your personnel to remain vigilant and immediately report any sightings of nests to the HBR supervisor or the Wildlife Monitor so appropriate action can be taken.
 10. Species at risk in the area where HBR is conducting work that may be encountered include the Perigrine Falcon, Woodland Caribou and the Eskimo Curlew. Information on these species will be posted in camp. All personnel must familiarize themselves with these species. Any sightings of these or other potential Species at Risk identified must be recorded. The location and frequency of sightings must be noted and passed to the HBR representative and the Wildlife Monitor, as well as the actions taken to avoid contact or disturbance to the species.
 11. The Freshwater Intake End-of-Pipe Fish Screen Guideline (attached) **must be applied** to all water intakes. Specifically, a mesh size not exceeding 2.54 mm must be used, the intake shall not be permitted to disturb the substrate and the screen should be cleaned regularly.
 12. As a new drill rig is being used on this job, there is little chance that any invasive vegetation species will be carried into the area. The contractor must be aware of this however, and ensure that any used equipment brought into the job site is thoroughly clean and free of any soil or any other potential source of vegetation species.
 13. Extreme care and vigilance must be observed when re-fuelling and performing maintenance on equipment to prevent any leaks, drips or other entries of petroleum products and other deleterious substances into the environment. Absorbent pads should be used below equipment during maintenance and repairs to negate the chance of contamination from spilled or dripped fluids.

As noted above, information will be posted in camp, and will be made available to all personnel. Regular meetings will be held to ensure all personnel are made aware of safety and emergency procedures to be followed.

Please contact me should you have any questions or concerns.

Sincerely,

Willie Kushner
Project Geologist, Hunter Bay Resources

cc: George Govier, Sahtu Land and Water Board

Hunter Bay Resources Inc.
595 Howe Street, Suite 206
Vancouver, BC V6C 2T5

Page 2 of 3



HUNTER BAY

Tyree Mullaney, Sahtu Land and Water Board
Ron Bujold, Environmental Protection Operations
Shelly Jepps, Fisheries and Oceans Canada
Nicole Lights, Sahtu Renewable Resources Board
Bryan Wilson, Hunter Bay Resources Inc.

Attach: Freshwater Intake End-of-Pipe Fish Screen Guideline

→ File: S67C-204

Subject: Guidelines

From: "willie kushner" <wkushner@telus.net>

Date: Mon, 14 May 2007 12:38:14 -0700

To: "Todd Johnson" <todd@greatslaveheli.com>

CC: "Tyree Mullaney" <sahtulan@allstream.net>, "B2" <BWilson@RocknestCorp.com>, "Bryan Wilson email" <B3Wil@aol.com>, "George Govier" <sahtuexd@allstream.net>, "Nicole Lights" <cas@srb.nt.ca>, "Ron Bujold" <ron.bujold@ec.gc.ca>, "Shelly Jepps" <JeppsS@dfo-mpo.gc.ca>

COPY

Todd,

Please note the guidelines for operations in the attached document.



HUNTER BAY

willie kushner

Vancouver, BC Tel: 604.724.9454

wkushner@hunterbayresources.com

Letter Great Slave Helicopters.doc **Content-Type:** application/msword
Content-Encoding: base64

**HUNTER BAY**

Great Slave Helicopters
2 Alicia Court
St. Albert, AB
T8N 5P1

12 May, 2007

Sent via email

Attention: Todd Johnson

RE: Environmental Concerns Regarding Helicopter Operations

Hunter Bay Resources Inc. (HBR) has applied for a permit to conduct drilling and mineral exploration on our claims in the MacTavish Arm area of Great Slave Lake. As our air support provider, there are several areas of concern about our program which directly relate to your operations. Many of these you are already aware of and we have also discussed them with you previously. We would like to remind you of our obligations under our permit, and ask that you ensure any pilots who will be flying for us is equally aware of the following concerns:

Guidelines and Regulations to be followed:

1. You will be provided with a Spill Contingency Plan which outlines the steps to follow in the event of a spill. In particular, any spills of fuel or hazardous materials, adjacent to or into a water body, **regardless of quantity**, must be reported immediately to the NWT 24-hour Spill Line: 867.920.8130.
2. Operational practices for the handling of fuels and hazardous fluids will be made available to you and will also be posted in camp. Please ensure that all your personnel familiarize themselves with these posted procedures.
3. A dedicated area will be set up for refueling the helicopter. Measures must be taken to ensure the capture and containment of drips and spills when refueling or performing maintenance on the equipment. Drip pans should be used when refueling. Spill kits will be provided by HBR and will be available at any fuel transfer sites and at any drilling sites.
4. All fuel containers must be properly sealed and stored in **an upright position** to prevent the possibility of spills or leaks.
5. In order to reduce any disturbance to nesting birds and other wildlife, aircraft must maintain a flight altitude of at least 650 metres during horizontal flight. Furthermore, aircraft must maintain a vertical distance of 1000 metres and a minimal horizontal distance of 1500 metres from any observed concentrations (flocks or groups) of birds. Extreme care must be taken to avoid any low flights over wildlife.
6. Species at risk in the area where HBR is conducting work that may be encountered include the Perigrine Falcon, Woodland Caribou and the Eskimo Curlew. Information on these species will be posted in camp. All personnel must familiarize themselves with these species. Any sightings of these or other

Hunter Bay Resources Inc.
505 Howe Street, Suite 206
Vancouver, BC V6C 2T5

Page 1 of 2

**HUNTER BAY**

potential Species at Risk identified must be recorded. The location and frequency of sightings must be noted and passed to the HBR representative and the Wildlife Monitor, as well as the actions taken to avoid contact or disturbance to the species.

7. Extreme care and vigilance must be observed when re-fuelling and performing maintenance on equipment to prevent any leaks, drips or other entries of petroleum products and other deleterious substances into the environment. Absorbent pads should be used below equipment during maintenance and repairs to negate the chance of contamination from spilled or dripped fluids.

As noted above, information will be posted in camp, and will be made available to all personnel. Regular meetings will be held to ensure all personnel are made aware of safety and emergency procedures to be followed.

Please contact me should you have any questions or concerns.

Sincerely,

Willie Kushner
Project Geologist, Hunter Bay Resources

cc: George Govier, Sahtu Land and Water Board
Tyree Mullaney, Sahtu Land and Water Board
Ron Bujold, Environmental Protection Operations
Shelly Jepps, Fisheries and Oceans Canada
Nicole Lights, Sahtu Renewable Resources Board
Bryan Wilson, Hunter Bay Resources Inc

Hunter Bay Resources Inc.
595 Howe Street, Suite 200
Vancouver, BC V6C 2T5

Page 2 of 2

Response to letter

Subject: Response to letter**From:** "willie kushner" <wkushner@telus.net>**Date:** Mon, 14 May 2007 12:42:12 -0700**To:** "Ron Bujold" <ron.bujold@ec.gc.ca>**CC:** "Tyree Mullaney" <sahtulan@allstream.net>, "B2" <BWilson@RocknestCorp.com>, "Bryan Wilson email" <B3Wil@aol.com>, "George Govier" <sahtuexd@allstream.net>

→ File: 5e7c-004

COPY

Please note the comments in the attached document concerning the Hunter Bay Resources Land Use permit application

**HUNTER BAY****willie kushner**

Vancouver, BC Tel: 604.724.9454

For more information, please contact the SAHTU at 604-724-9454 or visit our website at www.sahtu.ca

Comments Environmental Protection Operations.doc **Content-Type:** application/msword
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Letter Great Slave Helicopters.doc **Content-Type:** application/msword
Content-Encoding: base64

Letter Aggressive Diamond Drilling Ltd.doc **Content-Type:** application/msword
Content-Encoding: base64



HUNTER BAY

Environment Canada
Environmental Protection Operations
5204 50th Avenue, Suite 301
Yellowknife X1A 1E2

12 May, 2007

Sent Via Email

Attention: Ron Bujold

**RE: Comments to Hunter Bay Resources S07C-004 Land Use Permit
Application (Your File: 4706 001 011)**

Hunter Bay Resources Inc. (HBR) has applied to the Sahtu Land and Water Board for a permit to conduct geological exploration and diamond drilling on our claim group located on the MacTavish Arm of Great Bear Lake. The operation will be conducted during the summer months and the application is for a term of five years in duration. Hunter Bay will follow the procedures outlined in the Land Use Permit Application, and will take every effort to mitigate the impact of its operations on the environment.

Copies of the Application were distributed to various organizations for review. In response to your concerns stated in a letter dated 11 May, 2007, we offer the following:

Reply to Comments and Recommendations

- HBR is aware that the area of its operations is populated with fish. We will attempt to prevent any material from entering the waters and will ensure that anything that does enter the waters to be non-deleterious. Included with this communication are letters to both our drilling contractor and our helicopter contractor detailing the procedures that must be followed to safeguard fish habitat.
- The Arctic Circle camp (where HBR will base its operations) has a forced air, fuel fired incinerator on site. All non-toxic combustibles will be completely incinerated in this device.
- HBR, the drilling contractor and the helicopter company are all aware of the procedures that must be followed in the event of a spill of fuel or any other hazardous material. Information such as that included in the application, will be provided at camp to all personnel, and all personnel will be briefed on the procedures to follow in the unlikely event of a spill. The best course of action is to prevent any spills from occurring, and HBR will operate with this goal in mind.
- The phone number for Environment Canada in the Spill Response Plan has been changed to 867.920.8130. This will be posted in camp and included in the information packages to be made available to all personnel and contractors.
- HBR will endeavor to prevent any spills from occurring; in the unfortunate event of a spill, however, the following materials and equipment will be at our disposal:

Hunter Bay Resources Inc.
5204 50th Avenue, Suite 301
Yellowknife, NT X1A 1E2

Page 3 of 3



- Spill kits will be located anywhere fuel or other potentially hazardous material is located. There will be three main areas where fuel cache areas, the helicopter fueling station and the drilling location.
- Each spill kit will include the following: 1 - 205 litre open top bolting ring and gasket to contain any material, 10 - 5mm bags, 1 shovel, 4 - 5'x10' booms, 10 lb bag of particulate absorbent sheets, 2 PVC oil resistant gloves, 2 respirator protective goggles.
- Operational practices outlining the handling of fuels and hazardous materials will be posted and will also be presented to all personnel required to contact with such materials. The practices will outline a clear path to take in the event of an accident.
- As noted in the letters to the contractors, HBR will request its contractors to follow the fuelling procedures outlined in your letter. The helicopter will have a dedicated fuelling area for the duration of the program. Drip pans will be requested for use, and spill kits with absorbent material will be located at that fuel is located.
- The spill contingency plan (contained in the land use permit application) will outline the procedures to be followed in the event of a spill, and will include details on how to transport and store any wastes collected.
- All fuel containers will be stored in an upright position to prevent leaks. Fuel caches will be regularly inspected, and photographic and written documentation shall be kept concerning such inspections.
- Great care will be taken to ensure that sumps and spill basins are properly sealed in a way as to prevent their contents from spilling out and entering the water. After drilling is complete, the sumps will be back filled and returned to their original state. They will be re-seeded using the best available seed and fertilized to encourage re-vegetation.
- The drillers have been advised to limit the use of CaCl as a drill fluid. They will find a suitable alternative to this. Extra caution will be taken if it is necessary to use CaCl for any reason while drilling to ensure there is no contamination of lake water.
- HBR personnel, together with the Wildlife Monitors provided by the contractor, will inspect each proposed drill site for signs of active birds or any other activity. If any such nest should be discovered, an alternate site will be used or the area will be avoided until the nesting is complete. Our proposed drill sites are well away from the water, and often it is anticipated that drilling should not have an impact on nesting.
- The helicopter contractor has been notified of the restrictions placed on the operation to lessen the impact on any animals as per the attached letter.
- Information on Species at Risk will be posted and made available to all contractor personnel. Special attention will be drawn towards the Peregrine Falcon, Woodland Caribou and the Eskimo Curlew. Set procedures will be followed if Species at Risk are encountered, including recording any sightings.

Placer Bay Resources Inc.
 845 Howe Street, Suite 200
 Vancouver, BC V6C 2T5



HUNTER BAY

- HBR will provide you with the exact coordinates of all drill site locations at the end of drilling for the season.

Should any changes in activities be proposed, EPO will be notified.

Hunter Bay will follow the guidelines and procedures outlined in the application, and will adopt your recommendations as noted above. Please do not hesitate to contact me should you have any further concerns or questions at 604.724.9454 or by email at wkushner@hunterbayresources.com.

Sincerely,

Willie Kushner
Project Geologist, Hunter Bay Resources

cc: George Govier, Sahtu Land and Water Board
Tyree Mullaney, Sahtu Land and Water Board
Bryan Wilson, Hunter Bay Resources Inc.

Attach: Letter – Aggressive Diamond Drilling Ltd.
Letter – Great Slave Helicopters Ltd.

**HUNTER BAY**

Great Slave Helicopters
2 Alicia Court
St. Albert, AB
T8N 5P1

12 May, 2007

Sent via email

Attention: Todd Johnson

RE: Environmental Concerns Regarding Helicopter Operations

Hunter Bay Resources Inc. (HBR) has applied for a permit to conduct drilling and mineral exploration on our claims in the MacTavish Arm area of Great Slave Lake. As our air support provider, there are several areas of concern about our program which directly relate to your operations. Many of these you are already aware of and we have also discussed them with you previously. We would like to remind you of our obligations under our permit, and ask that you ensure any pilots who will be flying for us is equally aware of the following concerns:

Guidelines and Regulations to be followed:

1. You will be provided with a Spill Contingency Plan which outlines the steps to follow in the event of a spill. In particular, any spills of fuel or hazardous materials, adjacent to or into a water body, **regardless of quantity**, must be reported immediately to the NWT 24-hour Spill Line: 867.920.8130.
2. Operational practices for the handling of fuels and hazardous fluids will be made available to you and will also be posted in camp. Please ensure that all your personnel familiarize themselves with these posted procedures.
3. A dedicated area will be set up for refueling the helicopter. Measures must be taken to ensure the capture and containment of drips and spills when refueling or performing maintenance on the equipment. Drip pans should be used when refueling. Spill kits will be provided by HBR and will be available at any fuel transfer sites and at any drilling sites.
4. All fuel containers must be properly sealed and stored in **an upright position** to prevent the possibility of spills or leaks.
5. In order to reduce any disturbance to nesting birds and other wildlife, aircraft must maintain a flight altitude of at least 650 metres during horizontal flight. Furthermore, aircraft must maintain a vertical distance of 1000 metres and a minimal horizontal distance of 1500 metres from any observed concentrations (flocks or groups) of birds. Extreme care must be taken to avoid any low flights over wildlife.
6. Species at risk in the area where HBR is conducting work that may be encountered include the Perigrine Falcon, Woodland Caribou and the Eskimo Curlew. Information on these species will be posted in camp. All personnel must familiarize themselves with these species. Any sightings of these or other

Hunter Bay Resources Inc.
595 Howe Street, Suite 206
Vancouver, BC V6C 2T5

Page 1 of 2

**HUNTER BAY**

potential Species at Risk identified must be recorded. The location and frequency of sightings must be noted and passed to the HBR representative and the Wildlife Monitor, as well as the actions taken to avoid contact or disturbance to the species.

7. Extreme care and vigilance must be observed when re-fuelling and performing maintenance on equipment to prevent any leaks, drips or other entries of petroleum products and other deleterious substances into the environment. Absorbent pads should be used below equipment during maintenance and repairs to negate the chance of contamination from spilled or dripped fluids.

As noted above, information will be posted in camp, and will be made available to all personnel. Regular meetings will be held to ensure all personnel are made aware of safety and emergency procedures to be followed.

Please contact me should you have any questions or concerns.

Sincerely,

Willie Kushner
Project Geologist, Hunter Bay Resources

cc: George Govier, Sahtu Land and Water Board
Tyree Mullaney, Sahtu Land and Water Board
Ron Bujold, Environmental Protection Operations
Shelly Jepps, Fisheries and Oceans Canada
Nicole Lights, Sahtu Renewable Resources Board
Bryan Wilson, Hunter Bay Resources Inc



HUNTER BAY

Aggressive Diamond Drilling Ltd.
3105 Topham Road
Kelowna, B.C.
V1Y 2J5

12 May, 2007

Sent via email

Attention: Mitch McLellan

RE: Environmental Concerns Regarding Drilling Operations

Hunter Bay Resources Inc. (HBR) has applied for a permit to conduct drilling and mineral exploration on our claims in the MacTavish Arm area of Great Slave Lake. As our Diamond Drilling contractor, many of the regulations concerning the environment directly relate to your operations. We would like to remind you of our obligations under our permit, and ask that you ensure every person who will be working on this project be made aware of the following concerns:

Guidelines and Regulations to be followed:

1. Under no circumstances can any chemicals, fuel or wastes associated with the drilling enter waters frequented by fish. Under Section 36(3) of the Fisheries Act, it must be ensured that any effluent discharged into waters frequented by fish be non-deleterious.
2. You will be provided with a Spill Contingency Plan which outlines the steps to follow in the event of a spill. In particular, any spills of fuel or hazardous materials, adjacent to or into a water body, **regardless of quantity**, must be reported immediately to the NWT 24-hour Spill Line: 867.920.8130.
3. Operational practices for the handling of fuels and hazardous fluids will be made available to you and will also be posted in camp and at the drill site. Please ensure that all your personnel familiarize themselves with these posted procedures.
4. Measures must be taken to ensure the capture and containment of drips and spills when refueling or performing maintenance on the equipment. Drip pans should be used when refueling. Spill kits will be provided by HBR and will be available at any fuel transfer sites and at any drilling sites.
5. All fuel containers must be properly sealed and stored in **an upright position** to prevent the possibility of spills or leaks.
6. All sumps and catch basins designed to catch waste water from drilling activities must be located in a manner to ensure that their contents do not spill out and enter any water body.
7. If artesian flow is encountered in any drill hole, the holes must be **plugged and permanently sealed** upon completion of drilling.
8. The Canadian Environmental Protection Act list CaCl as a toxic substance. HBR encourages you to use a safe alternative to CaCl if possible. If CaCl must be

Hunter Bay Resources Inc.
595 Howe Street, Suite 206
Vancouver, BC V6C 2T5

Page 1 of 3

**HUNTER BAY**

- used as a drill additive, all sumps containing CaCl must be properly located and constructed to ensure their contents will not enter any water body.
9. Section 6(a) of the Migratory Birds Regulations states that no person shall disturb or destroy the nests or eggs of migratory birds. HBR personnel along with trained Wildlife Monitors from the village of Deline will inspect any proposed drill sites to ensure there are no active nests in the area before drilling activities commence. We ask your personnel to remain vigilant and immediately report any sightings of nests to the HBR supervisor or the Wildlife Monitor so appropriate action can be taken.
 10. Species at risk in the area where HBR is conducting work that may be encountered include the Perigrine Falcon, Woodland Caribou and the Eskimo Curlew. Information on these species will be posted in camp. All personnel must familiarize themselves with these species. Any sightings of these or other potential Species at Risk identified must be recorded. The location and frequency of sightings must be noted and passed to the HBR representative and the Wildlife Monitor, as well as the actions taken to avoid contact or disturbance to the species.
 11. The Freshwater Intake End-of-Pipe Fish Screen Guideline (attached) **must be applied** to all water intakes. Specifically, a mesh size not exceeding 2.54 mm must be used, the intake shall not be permitted to disturb the substrate and the screen should be cleaned regularly.
 12. As a new drill rig is being used on this job, there is little chance that any invasive vegetation species will be carried into the area. The contractor must be aware of this however, and ensure that any used equipment brought into the job site is thoroughly clean and free of any soil or any other potential source of vegetation species.
 13. Extreme care and vigilance must be observed when re-fuelling and performing maintenance on equipment to prevent any leaks, drips or other entries of petroleum products and other deleterious substances into the environment. Absorbent pads should be used below equipment during maintenance and repairs to negate the chance of contamination from spilled or dripped fluids.

As noted above, information will be posted in camp, and will be made available to all personnel. Regular meetings will be held to ensure all personnel are made aware of safety and emergency procedures to be followed.

Please contact me should you have any questions or concerns.

Sincerely,

Willie Kushner
Project Geologist, Hunter Bay Resources

cc: George Govier, Sahtu Land and Water Board

Hunter Bay Resources Inc.
555 Howe Street, Suite 200
Vancouver, BC V6C 2T5

Page 2 of 3



HUNTER BAY

Tyree Mullaney, Sahtu Land and Water Board
Ron Bujold, Environmental Protection Operations
Shelly Jepps, Fisheries and Oceans Canada
Nicole Lights, Sahtu Renewable Resources Board
Bryan Wilson, Hunter Bay Resources Inc.

Attach: Freshwater Intake End-of-Pipe Fish Screen Guideline

Hunter Bay Resources Inc.
595 Howe Street, Suite 206
Vancouver, BC V6C 2T5

Page 5 of 3

FAX TRANSMISSION SHEET



①

→ File: S07C-004

COPY

Environmental Assessment and Monitoring
Government of the Northwest Territories
5102 - 50th Avenue, 6th Floor Scotia Centre
P.O. Box 1320
Yellowknife NT X1A 2L9
Canada

Tel: (867) 920-8071
Fax: (867) 873-4021

Date: May 15, 2007

To: Tyree Mullaney
SAHTU Land and Water Board

Fax: 867-598-2325

This fax contains ___ page(s), including the cover sheet.

From: Jason McNeill
Environmental Assessment Officer
Environmental Assessment and Monitoring
Tel: (867) 920-8071
Fax: (867) 873-4021
e-mail: jason_moneill@gov.nt.ca

Comments:

Comments on Hunter Bay Resources S07C-004.

② Tyree Mullaney 22/07
For your info & use for Prelim Screen Report.
16 May 16/07.

The documents accompanying this transmission contain information intended for a specific individual and purpose. The information is private, and is legally protected by law. If you are not the intended recipient, you are hereby notified that any disclosure, copying, distribution, or the taking of any action in reference to the contents of this telecopied information is strictly prohibited. If you have received this communication in error, please notify us immediately by telephone and return the original to us by mail.



May 15, 2007

Tyree Mullaney
Land Technician
Sahtu Land and Water Board
PO BOX 32
Wekweeti, NT X0E 1W0

VIA FACSIMILE

Dear Ms. Mullaney

HUNTER BAY RESOURCES, S07-004
Mineral Exploration, McTavish Arm Great Bear Lake.

The Department of Environment and Natural Resources (ENR) has reviewed the above permit and would like to provide the following comments based on the mandated responsibilities under the *Wildlife Act*, the *Forest Management Act (FMA)* and The *Environmental Protection Act (EPA)*.

Project timing and duration

ENR understands the proponent is applying for a Class A Land Use Permit for a multi-year program taking place from May to October from 2007 to 2011 consisting of the following components:

- Diamond drilling 30 to 40 holes per year;
- Helicopter mobilization of crew and drills;
- 20 to 30 setups with maximum footprint of 250 square metres; and,
- Four to six people stationed at Plummers Arctic Lodges.

Wildlife

Proposed Mitigations

Hunter Bay Resources provides the following mitigations to minimize impacts to wildlife and wildlife habitat in the project area:

- Use of an environmental monitor;
- Adjusting operating schedules when migrating caribou enter the project area;
- Minimal clearing of topsoil;
- Making use of natural clearings for drill sites and helicopter landing sites;

1

- Restoration of drill site including leveling/recontouring of disturbed soil, treatment of hydrocarbon disturbed soils and removal of all garbage waste;
- Combustible waste to be incinerated daily; and,
- Non-combustibles to be transported to Yellowknife for disposal.

ENR staff concur with this list of mitigations however they are not sufficient to minimize impacts to wildlife and wildlife habitat.

ENR staff recommend that two Environmental Monitors be hired by Hunter Bay Resources to adequately ensure mitigations measures are adhered to as presented in the project application.

ENR staff also request that the following recommendations be incorporated into the terms and conditions of the land use permit to ensure the adequate protection of wildlife and wildlife habitat in the project area.

Species at Risk

The federal Species at Risk Act (SARA) states that adverse effects on listed species must be identified, and regardless of significance, mitigated and monitored (s. 79). It is ENR's view that those species listed on Schedule 1, as well as those being considered for status under the Act (i.e. those species listed on Schedule 2 and 3 of the Act) be treated in a similar fashion consistent with the recommendations in *"The Environmental Assessment Best Practice Guide for Wildlife at Risk in Canada"*.¹

The following species are listed on or pending addition to Schedule 1 of SARA and have the potential to occur in the project area during the timing of operations:

- Woodland caribou;
- Grizzly bear;
- Wolverine;
- Peregrine falcon; and,
- Rusty blackbird.

Although the current known distribution of whooping crane does not extend into the project area it is listed in the Traditional Knowledge Report appended to the land use permit application as being present in the project area. ENR staff request that any sightings made by the Environmental Monitors be forwarded to ENR's Sahtu Cumulative Effects Biologist, Boyan Tracz (867-587-3521) as per the "Requests of the Proponent" section below.

Specific Recommendations

ENR provides the following recommendations with respect to sufficiently minimizing potential impacts to wildlife, including species at risk:

¹ <http://www.cws-scf.ec.gc.ca/publications/AbstractTemplate.cfm?lang=e&id=1069>

- The project occurs within the annual range of the Bluenose-East barrenground caribou herd² and on the extreme eastern edge of Boreal Woodland caribou range³. The following measures are necessary to reduce impacts to caribou in the project area:
 - Mineral/salt licks are a key habitat area for ungulates and as such tend to attract them. If a mineral lick is present in the project area, the proponent should maintain a 500m buffer zone between any development activities and the lick ensuring minimal disturbance to the animals as they access these sites.
 - If caribou are encountered during development the proponent should shut down operations if they approach within 500m of drilling operations/sites; suspended activities include drilling, aircraft overflights, and ATV or snowmobile use. When caribou are further than 500m away operations may resume.
 - Water crossings are limited on the landscape and as such are very important in facilitating movements across the landscape. Any diversion from a crossing could result in substantial increases in energy expenditures as caribou backtrack to find another appropriate route on their migratory path. Therefore, no drilling activity should be conducted within 5 km of a recognized caribou water crossing from May 15th till Oct 15th.
- Disturbance of peregrine falcons and rusty blackbirds while nesting can affect incubation success, survival and/or fitness of the young. Therefore, if a nest site of either of these species is identified in the project area, a buffer of 1.5 km should be maintained between development activities and the nest site from April 15th to September 15th. All observations of these species should be noted and provided to ENR as per the "Requests of the Proponent" section below.
- While ENR staff recognize waste handling and disposal will be permitted separately under Plummers Arctic Lodges we provide the following comments with respect to waste management. It is prohibited under the Wildlife Act to store food and food waste in a manner that might attract wildlife. Improper food and waste storage, handling and disposal can lead to the attraction and subsequent habituation of bears and other carnivores. ENR's Food and Waste Management Guidelines should be implemented by Hunter Bay Resources to ensure carnivores do not become habituated and eventually require relocation or destruction. These are attached for your reference.

² <http://www.nwtwildlife.com/NWTwildlife/caribou/distribution.htm>

³ <http://www.nwtwildlife.com/Publications/speciesatriskweb/woodlandcaribou.htm>

- The NWT Mine Health and Safety Regulations (s. 15.05) require that all field personnel involved in mineral exploration undertake bear-safety training. ENR staff supports this requirement as it is both a worker safety and wildlife issue. If all field workers have bear safety training and learn how to react to bears, this will decrease the cases of bear attacks and the number of bears destroyed as nuisance wildlife. This training is also important because it will inform employees and owners on proper bear proofing methods for camps.
- In the event that a grizzly bear is disturbed and/or encountered during project operations, information on the sighting should be forwarded to the local Wildlife officer at the earliest opportunity (Renewable Resource Officer II, Tobias Halle 589-3421). This will allow the Department a greater ability to relocate bears that frequent areas of development before they become habituated and must be destroyed as nuisance wildlife.
- The presence of development activities in close proximity to an active carnivore (wolf, grizzly bear, fox, wolverine) den can stress the animals by causing them to increase their monitoring of development activities in lieu of hunting, feeding their young and resting. It may also lead to conflicts that result in the destruction of the animal. Therefore, if an active den (presence of young) is observed in the project area, the buffers provided in the table below should be maintained between the den and any development activity, between May 1st and July 15th. In addition, these sites should not be approached by project personnel on foot. It is prohibited in the Wildlife Act to destroy or damage any wildlife den (s. 38 (1)c).

Species	Buffer distance
wolf	800m
grizzly bear	300m
fox	150m
wolverine	2km

General Recommendations

Engaging in an activity likely to result in a significant disturbance to a substantial number of wildlife is prohibited by the Wildlife Act (S. 38 (1)b). ENR staff make the following recommendations to ensure disturbance of this kind does not occur:

- Aircrafts overflights by helicopter and fixed-wing aircraft can disturb wildlife increasing stress to the animals and potentially extending to effects on overall health and condition. As a result, minimum altitudes of no less than 300m should be maintained at all times other than landing or taking off.

- Harassing wildlife can lead to greater expenditures of energy on the part of the animal and a loss of fitness. This is especially important for mammals in the winter and when female animals are still feeding their young through lactation. No wildlife should be disturbed, chased, or harassed by human beings on foot, in a motorized vehicle, or by aircraft.
- Although the concept of feeding small mammals and birds seems trivial it is in fact a large problem. The increase in local food supply will cause migration into the area of other wildlife and may bring in larger predators and scavengers as well. This may lead to nuisance wildlife that may be destroyed. The grouping together of large concentrations of animals also increases the potential for the spread of diseases. Environmental Monitors on site should ensure that wildlife is not fed by project personnel.

Reclamation

Hunter Bay Resources currently does not propose any active revegetation of disturbed land. However in the event that disturbed land might warrant revegetation, ENR make the following recommendations:

- Past use of seed mixes for reclamation purposes in the Northwest Territories has led to the introduction of non-native plant species, many of which are considered invasive. Therefore, ENR staff recommend that:
 - Seeding be avoided whenever possible and that minimally disturbed ground be replanted with tree seedlings, native plant cuttings or propagules, or left to natural regeneration depending on site specific objectives.
 - Any seed mix that is used for stabilizing areas of greater disturbance should be free of invasive, alien species, sub-species or varieties and should be approved by regional ENR staff.
 - Exotic species may only be used when there are no other alternatives to achieve revegetation objectives and if the species (plants and seeds) used has a proven record of persisting in NWT habitats for two growing seasons or less (nonpersistence).
 - All exotic species used should be monitored for persistence. Monitoring is an essential component of a revegetation plan due to changing conditions in terms of climate and growing season characteristics.

Requests of the Proponent

Lastly, ENR makes the following requests of Hunter Bay Resources:

To aid in the Department's tracking of impacts to wildlife and to monitor the responses of species at risk to development activities we request that Hunter Bay Resources provide ENRs Sahtu Cumulative Effects Biologist, Boyan Tracz (867-587-3521) with records of all wildlife sightings (both expected and unexpected) or sensitive areas identified during the program. Ideally this would include

information on location (GPS, if possible), number and reaction of the wildlife to overflights or other project activity (if applicable). This information would provide distribution information and be used to help plan future mitigation.

Environmental Protection

Waste Management

ENR recognizes that timely disposal of camp waste-specifically food waste- is of critical importance to minimize safety risks associated with wildlife attraction. However, burning should only be considered after all other alternatives for waste disposal have been explored. And, the objective should be to ensure that only food waste and food-contaminated waste is burned. Therefore for small camps the use of a modified burn barrel may be acceptable.

Waste Oil

The proponent states "Waste oil from the drills as well as any other garbage from the drills will be transported back to camp and incinerated". If incineration of used oil and waste fuel is required, the Proponent should comply with the *NWT Used oil and Waste Fuel Management Regulations*. Section 8.2(b) of the regulations states "no person shall incinerate used oil except in an approved incinerator. Section 8.2 (e) states "no person shall openly burn used oil". These regulations can be found at the following website:

http://www.enr.gov.nt.ca/eps/pdf/oilwastefuel_nov03.pdf.

ENR would like to make note that the following wastes are considered *Industrial Hazardous Waste* and should also be disposed of accordingly. Associated with this project, including but not limited to: used sorbents; any oily waste, including oil rags; and equipment servicing wastes such as used engine oil, antifreeze, hydraulic oil, lead acid batteries etc. ENR does not endorse the incineration of Industrial Hazardous Waste that result from operations or the clean up of spills. The only exception is if the incineration device is designed for the incineration of hazardous wastes and is capable of meeting the emission limits established by the Canadian Council of Ministers of the Environment (CCME) under the Canada-wide Standards (CWS) for Dioxins and Furans and the CWS for Mercury Emissions.

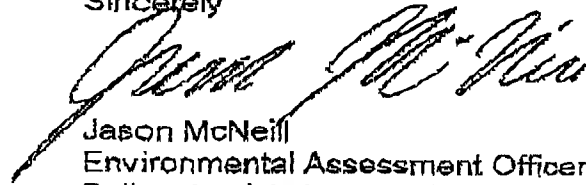
Please refer to the attached *ENR Guidance-Waste Incineration* for additional information.

Hydrocarbon Contaminated Soils

Within Section 2.3 *Restoration* the proponent indicates that "restoration of a drill site may include leveling of disturbed soil, treatment of hydrocarbon disturbed soil and removal of all garbage waste". ENR requests further information how the proponent intends to accomplish "treatment". ENR refers the proponent to *GNWT Guideline on Contaminated Site Remediation* found at the following website: <http://www.enr.gov.nt.ca/library/pdf/eps/siteremediation.pdf>

Should you have any questions regarding the above, please contact Jason McNeill, Environmental Assessment Officer at 920-8071.

Sincerely



Jason McNeill
Environmental Assessment Officer
Policy, Legislation and Communications
Environment and Natural Resources

C. Erika Nyssonen
Industrial Technologist - Mining
Environmental Protection

Karin Clark
Environmental Assessment Specialist
Wildlife



Food and Waste Management Guidelines

Minimizing the Attraction of Carnivores to a Camp

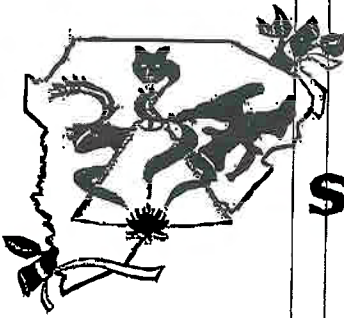
1. ENR strongly encourages the use of a properly installed electric fence designed for deterring bears and other carnivores.
2. Burning garbage in pits or barrels and storing garbage for fly-out are the most common causes of wildlife conflicts, regardless of the size of the camp. ENR requires the use of an approved incinerator⁴ for the incineration of combustible camp garbage and kitchen wastes and encourages daily incineration of wastes. The incinerator should be housed within the electric fence.
3. Burning of waste products releases numerous contaminants, many being persistent and toxic, that can result in serious impacts to human and wildlife health through direct inhalation and bioaccumulation through food chains. The proponent should ensure that the amount of waste burned is reduced as much as possible through implementation of pollution prevention strategies.⁵ The objective should be to ensure that only food waste and food-contaminated waste is burned (the use of paper, cardboard and clean wood as supplementary fuel is acceptable).
4. The residual ash from incineration may also contain toxic contaminants and should be assessed in accordance with the *NWT Environmental Guideline for Industrial Waste Discharges* to determine the appropriate disposal method.
5. Storing refuse in a manner likely to attract wildlife is a violation of the Wildlife Act. Garbage stored in plywood boxes or in sheds develops a strong odour, which lingers for days. This odour will attract wildlife to the site. If garbage is going to be stored on site, it must be in a sealed container, to prevent wildlife from being attracted to the odours. If the

⁴ For large, permanent camps and/or operational facilities (e.g. mines), installation of an incineration device capable of meeting the emission limits established under the Canada-wide Standards (CWS) for Dioxins and Furans and the CWS for Mercury Emissions is required (both the Government of Canada and the Government of the Northwest Territories are signatories to these Standards). For small, temporary camps the use of a modified burn barrel (with grate, bottom draft, lid and chimney) may be acceptable. The proponent should review the incineration options available and provide justification for the selected device to the regulatory authority.

⁵ For example, purchasing policies that focus on reduced packaging. Other options include on-site diversion and segregation programs (i.e. the separation of non-food waste items suitable for storage and subsequent transport and disposal or recycling).

- camp proposes to fly or drive their garbage out, an animal proof, sealed container must be used for storing garbage on site.
6. Unless within an electrified bear fence, the kitchen should be at least 50 meters from all other structures and the doors to the other structures should face the kitchen. Wherever possible, the kitchen should be down-wind of the other structures, to prevent a bear from walking through the camp to approach the kitchen.
 7. All food in the camp should be stored in the kitchen or in a building attached to the kitchen, to ensure that there is only one area where food odours occur
 8. All grey water pits should be a minimum of 50 meters from the nearest water body, should utilize a grease trap, have lime added to them every second day and be covered to minimize odours and the potential attraction of carnivores
 9. Food should not be left in camp kitchens when the camp will be vacant for more than two weeks. This includes canned-goods and dry-goods. Any food that is to be left in the camp should be stored in a sealed container resistant to wildlife, such as a sealable 45-gallon drum.
 10. No wildlife should be purposefully encouraged to habituate to human presence (i.e. it should be a camp policy to not feed wildlife).
 11. All field personnel should complete a bear-safety training course.
 12. Any defence of life and property kills must be reported, without delay, to ENR. All reasonable efforts must be made to ensure the hide and other valuable parts do not spoil and that these are turned over to a Renewable Resource Officer.

File: S07C-003
S07C-004



Sahtu Land Use Planning Board

P.O. Box 235
Fort Good Hope, NT X0E 0H0
Phone: (867)598-2055
Fax: (867)598-2545

COPY

Fax

To:	Tyree Mullaney	From:	John T'Seleie
	Sahtu Land and Water Board		Executive Director
Fax:	867-598-2325	Pages:	3 pages
Phone:		Date:	May 18, 2007
<input type="checkbox"/> Urgent <input type="checkbox"/> For Review <input type="checkbox"/> Please Comment <input type="checkbox"/> Please Reply <input type="checkbox"/> Please Recycle			

Re: LUP Applications - S07C-003 & S07C-004

Sorry for delay in forwarding response. I will forward responses to the other applications that you forwarded by May 25 as requested.



Sahtu Land Use Planning Board

P. O. Box 235
Fort Good Hope,
NWT, X0E 0H0

Ph: (867) 598-2055
Fax: (867) 598-2545
slupb@nt.symetico.ca

May 18, 2007

Tyree Mullaney
Sahtu Land and Water Board
PO Box 1
Fort Good Hope, NWT
X0E 0H0

Re: **Land Use Permit Application – S07C-004**
Mineral Exploration –
Hunter Bay Resources

Thank you for your referral of the above noted application.

The Sahtu Land Use Planning Board released the first draft of the Sahtu Land Use Plan on February 16, 2007, available at www.sahtulanduseplan.org. This Draft Plan is the result of many workshops and diligent input from communities, industry, government officials and non-government organizations.

Although it is not finalized and approved, we encourage the Sahtu Land and Water Board to issue relevant licenses and permits inline with the intent of the Draft Sahtu Land Use Plan.

The Sahtu Land Use Planning Board is committed to completing the Land Use Plan in accordance with the Mackenzie Valley Resource Management Act, as soon as possible. We will continue to focus all our efforts and resources on this priority.

Sincerely,

John T'Seleje
Executive Director / Senior Planner

CC: Judith Wright-Bird, Chair, Sahtu Land Use Planning Board



SAHTU Land & Water Board
P.O. Box 1
Fort Good Hope, NT
X0E 0H0
Telephone: (867) 598-2413
Fax: (867) 598-2325
E-mail: sahtuexd@allstream.net

Handwritten: EATON
Hays 107

COPY
File: S07C-004

Facsimile Cover Sheet

To: Hunter Bay Resources

Fax Number: (604) 681-2577

Attention: Willie Kushner, Project Geologist

From: George Govier

Number of Pages (incl. cover): 2

Date: May 25, 2007

Subject: Land Use Permit Application - S07C- 004
Mineral Exploration – McTavish Arm Great Bear Lake
Further Study and Investigation

Reference:

1. Please see letter attached.
2. Your thoughts and comments always welcome.

Regards,

George Govier
Executive Director



SAHTU Land & Water Board
P.O. Box 1
Fort Good Hope, NT
X0E 0H0

May 25, 2007

Mr. Willie Kushner
Hunter Bay Resources
206, 595 Howe Street
Vancouver, BC
V6C 2T5

Our File: S07C-004
Your File:

Dear Mr. Kushner:

Re: **Land Use Permit Application - S07C- 004**
Mineral Exploration – McTavish Arm, Great Bear Lake
Deline District, Sahtu Settlement Area
Further Study and Investigation

During its meeting on May 24, 2007 the Sahtu Land and Water Board decided to order further investigations in accordance with section 22 (2)(b) of the *Mackenzie Valley Land Use Regulations*. The Board is requesting additional information from several organizations, including the Department of Indian Affairs and Northern Development (DIAND), and Deline Land Corporation.

If you have any questions, please do not hesitate to contact me.

Respectfully yours,

SAHTU Land & Water Board

G.T. Govier
Executive Director

TELEPHONE: (867) 598-2413 • FAX (867) 598-2325

E-MAIL: ~~sahtuadm@atcgnade.ca~~
exd.allstream.net

→ File: S07C-004

COPY

Subject: Response to comments

From: "willie kushner" <wkushner@telus.net>

Date: Fri, 8 Jun 2007 14:23:56 -0700

To: <Christopher_Bevridge@gov.nt.ca>

CC: "George Govier" <sahtuexd@allstream.net>, "Bryan Wilson email" <B3Wil@aol.com>, "Shane Jonker" <shane@plummerslodges.com>

Please find attached a response to your letter concerning Hunter Bay Minerals Land Use Application S07C-004.



HUNTER BAY

willie kushner

Vancouver, BC Tel: 604.724.9454

wkushner@hunterbayresources.com

Comments Stanton Territorial Health.doc

Content-Type: application/msword

Content-Encoding: base64

**HUNTER BAY**

Stanton Health Authority -- Inuvik Region
Bag Service #2
Inuvik Public Health Office
Semmier Bldg. -- Mackenzie Road
Inuvik, NT
X0E 0T0

07 June, 2007

Sent Via Email

Attention: Christopher Beveridge, Senior Environmental Health Officer

RE: Comments to Hunter Bay Resources S07C-004 Land Use Permit Application

Hunter Bay Resources Inc. (HBR) has applied to the Sahtu Land and Water Board for a permit to conduct geological exploration and diamond drilling on our claim group located on the MacTavish Arm of Great Bear Lake. The operation will be conducted during the summer months and the application is for a term of five years in duration. Hunter Bay will follow the procedures outlined in the Land Use Permit Application, and will take every effort to mitigate the impact of its operations on the environment.

Copies of the Application were distributed to various organizations for review. In response to your concerns stated in a letter dated 11 May, 2007, we offer the following:

Reply to Comments

HBR will be conducting operation out of Plummers Arctic Circle Lodge. As such, we require and demand that all activities comply with the NWT Public Health Act. Plummers has been working with DIAND to ensure their operation is within accepted guidelines concerning sewage, sanitation and water supply regulations. We feel that they will be operating within accepted guidelines, as DIAND has approved the operation for this season (I will forward the document to you when I receive it).

If you have any questions about this, please contact myself or Shane Jonker at (403) 679-8107 or by email at shane@plummerslodges.com for further information on the camp operations.

Sincerely,

Willie Kushner
Project Geologist, Hunter Bay Resources

cc: George Govier, Sahtu Land and Water Board
Bryan Wilson, Hunter Bay Resources Inc.
Shane Jonker, Plummers Lodges

Hunter Bay Resources Inc.
595 Howe Street, Suite 206
Vancouver, BC V6C 2T5

Page 1 of 1



**Indian and Northern
Affairs Canada**
www.inac.gc.ca

North Mackenzie District
P.O. Box 2100
Inuvik, NT X0E 0T0

June 12, 2007

Sahtu Land and Water Board
P.O. Box 1
Fort Good Hope, NT
Canada X0E 0H0

Attention: George Govier, Executive Director

Dear Mr. Govier:

**RE: FOLLOW UP - REFERRAL COMMENTS
HUNTER BAY RESOURCES
LAND USE PERMIT S07C-004**

As discussed May 10, 2007, I committed to advise you of the results of our further assessment of the referenced projects proposed fuel storage and camp location.

Inspectors from the Norman Wells office have indeed conducted an inspection of the proposed camp location. Unfortunately there remain several outstanding issues the current lease holder will need to address before support will be forthcoming for the Hunter Bay Resources application as applied for.

Specifically;

- There remain issues that surround the status of the lease itself.
- In terms of sewage waste treatment and storage facilities at the lodge, concerns remain in relation to capacity and location/proximity of the facility to water.
- Solid waste disposal site and related tenure issues.
- Fuel storage on site, its proximity to water and lack of secondary containment.

**Affaires Indiennes
et du Nord Canada**
www.ainac.gc.ca



Telephone: (867) 777-2997
Fax: (867) 777-2090

Your file - Votre référence

Our File - Notre référence
S07C-004

COPY

File: S07C-004

INAC remains of the position that we will not support this application until Hunter Bay Resources identifies an alternate camp site to support its operations.

If you have any questions, or if additional information is required, please contact me at (867) 777-2997.

Sincerely,



Conrad Baetz
District Manager

cc. Resource Management Officers, Norman Wells
Annette Hopkins, Director, Operations Directorate, Yellowknife

Canada

June 12, 2007
Page 2 of 2

Correction to previous letter

Subject: Correction to previous letter

From: "willie kushner" <wkushner@telus.net>

Date: Wed, 13 Jun 2007 09:20:29 -0700

To: <Christopher_Bevridge@gov.nt.ca>

CC: "George Govier" <sahtuexd@allstream.net>, "Bryan Wilson email" <B3Wil@aol.com>, "B2" <BWilson@RocknestCorp.com>

→ File: 507c-004

COPY



HUNTER BAY

willie kushner

Vancouver, BC Tel: 604.724.9454

Ltr Stanton Territorial Health June 13.doc

Content-Type: application/msword

Content-Encoding: base64



HUNTER BAY

Stanton Health Authority – Inuvik Region
Bag Service #2
Inuvik Public Health Office
Sermier Bldg. – Mackenzie Road
Inuvik, NT
X0E 0T0

13 June, 2007

Sent Via Email

Attention: Christopher Beveridge, Senior Environmental Health Officer

In a letter dated June 7th, I commented about Plummers Lodges: "We feel that they will be operating within accepted guidelines, as DIAND has approved the operation for this season (I will forward the document to you when I receive it)."

It has come to my attention that there was obviously some miscommunication concerning this issue. I have learned that there are still outstanding issues, and am of the understanding that DIAND has *not approved* the Plummers Arctic Circle Camp for operation at this time.

I apologize for prematurely reporting an item to you based on word-of-mouth information I had received. We are working to resolve these issues surrounding the camp, and I will notify you upon the receipt of any new information in this matter.

Sincerely,

Willie Kushner
Project Geologist, Hunter Bay Resources

cc: George Govier, Sahtu Land and Water Board
Bryan Wilson, Hunter Bay Resources Inc.
Shane Jonker, Plummers Lodges

response to fuel storage

Subject: response to fuel storage

From: "willie kushner" <wkushner@telus.net>

Date: Wed, 13 Jun 2007 01:59:13 -0700

To: <johnsonam@inac.gc.ca>

CC: <baetz@inac.gc.ca>, "George Govier" <sahtuexd@allstream.net>, "Bryan Wilson email" <B3Wil@aol.com>, "B2" <BWilson@RocknestCorp.com>

- > File: 507C004

Please see attached items - more photos to follow

COPY

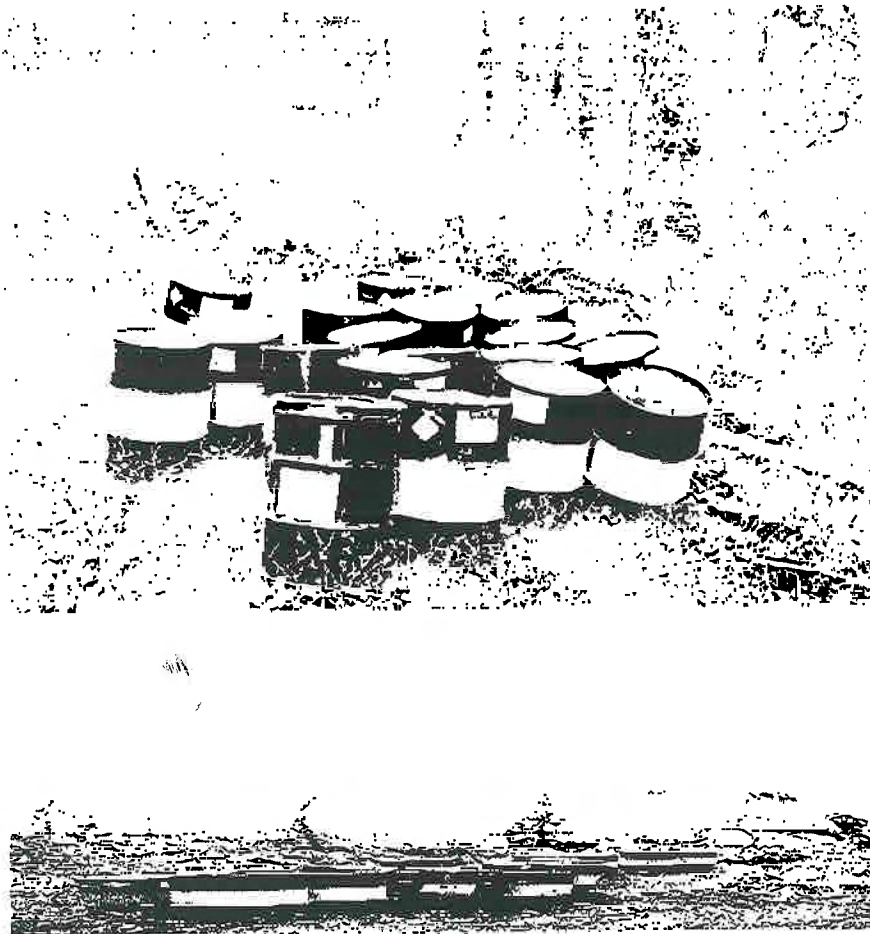


HUNTER BAY

willie kushner

Vancouver, BC Tel: 604.724.9454

WKUSHNER@HUNTERBAYRESOURCES.COM



Indian and Northern Affairs Canada
Norman Wells Subdistrict
PO Box 126
Norman Wells, NT
X0E 0V0

12 June, 2007

Sent by email

Attention: Armin Johnson, Resource Management Officer

Pursuant to our telephone conversation on June 11th, I would like to draw the following items to your attention:

1. In accordance with regulations and as per your request, the fuel has been moved into individual caches. Each cache is not in eyesight of any other cache, and there is a spill kit located with each cache.
2. A total of 111 barrels have been accounted for.
3. 86 full and unopened barrels of Jet A helicopter fuel have been divided into 5 different caches, with GPS UTM locations as follows:
 - a. 0465021 7357751 - 19 Jet A fuel
 - b. 0464964 7357745 - 18 Jet A fuel
 - c. 0464919 7357725 - 19 Jet A fuel
 - d. 0464934 7357699 - 10 Jet A fuel
 - e. 0464877 7357694 - 20 Jet A fuel
4. Please note that cache (e) contains 20 barrels as of the end of June 12th. The extra barrel will be removed early on June 13th to replace an emptied barrel at the helicopter strip, and thus all caches will contain less than 4000 litres of fuel per site.
5. There are a total of 13 empty fuel barrels which are located in camp and will be transported out to Yellowknife on backhaul flights.
6. 10 Jet A barrels are located near the helicopter pad as 'working fuel' and are in line to be used by the helicopter.
7. 2 barrels of gasoline are located in the camp, to be used for fuel for boats and chainsaws and other small gasoline engines as needed.

I have included photos of the fuel caches for you to see. I will also send you the map showing the cache locations as soon as I receive it. I apologize for the camouflage netting over the barrels of fuel. It was an honest effort by a rookie employee involved with moving the fuel to protect it from what he thought could be potential thieves. Had our full crew been in camp and had I been supervising the fuel move, this would never have happened.

I trust this should satisfy your concerns about the storage of our fuel at this site, and appreciate the frank discussion surrounding the issue. I also deeply appreciate your suggestions concerning how Hunter Bay Resources could best mitigate the situation of the fuel, and hope that our response to this issue has also shown that HBR is serious about complying with regulations.

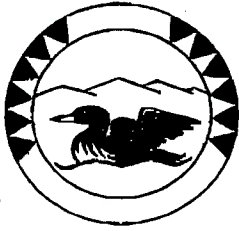
Please contact me if there are any questions concerning this or if you are not satisfied with our response to the issue of our fuel caches.

Sincerely,

Willie Kushner
Project Geologist, Hunter Bay Resources

cc: Conrad Baetz, District Manager
George Govier, Sahtu Land and Water Board
Bryan Wilson, Hunter Bay Resources Inc.

Attach: Photos of fuel caches



SAHTU Land & Water Board
P.O. Box 1
Fort Good Hope, NT
X0E 0H0
Telephone: (867) 598-2413
Fax: (867) 598-2325
E-mail: sahtuexd@allstream.net

RECEIVED
Pg 2 June 15 07

File: S07C-004

Facsimile Cover Sheet

COPY

To: Hunter Bay Resources

Fax Number: (604) 681-2577

Attention: Willie Kushner, Project Geologist

From: George Govier

Number of Pages (incl. cover): 2

Date: June 14, 2007

Subject: Land Use Permit Application - S07C- 004
Mineral Exploration – McTavish Arm Great Bear Lake
Amendment to Application – Camp Location

References: a) Fax letter from Willie Kushner dated June 13, 2007
b) Telecon Willie Kushner dated June 14, 2007

1. Please see letter attached.
2. Your thoughts and comments always welcome.

Regards,

George Govier
Executive Director



SAHTU Land & Water Board
P.O. Box 1
Fort Good Hope, NT
X0E 0H0

June 14, 2007

Mr. Willie Kushner
Hunter Bay Resources
206, 595 Howe Street
Vancouver, BC
V6C 2T5

Our File: S07C-004
Your File:

Dear Mr. Kushner:

Re: **Land Use Permit Application - S07C- 004**
Mineral Exploration – McTavish Arm, Great Bear Lake
Deline District, Sahtu Settlement Area
Amendment to Application – Camp Location

Your letter of June 13, 2007 and accompanying Land Use Permit Application Form requests an amendment involving the proposed location for the camp associated with this project.

Following our telephone conversation earlier this afternoon, which also involved Mike Byrne of DIAND Mineral and Petroleum Resources Directorate in Yellowknife, I will undertake to circulate the amended application material to our list of referral organizations in order to seek their comments. Those written comments will be used in the evaluation and Preliminary Screening of the application.

In this particular circumstance where the proposed amendment to the application is limited to camp location, I believe the material can be faxed to referral organizations requesting comments by June 26, 2007. We will seek the Board's approval of the Permit before the end of a 14-day period, ending on June 29, 2007.

I trust this accurately reflects our understanding.

Respectfully yours,

SAHTU Land & Water Board

A handwritten signature in black ink, appearing to read "George Govier".

G.T. Govier
Executive Director

TELEPHONE: (867) 598-2413 • FAX (867) 598-2325

E-MAIL: sahtuadm@atcanada.ca

ext allstream.net