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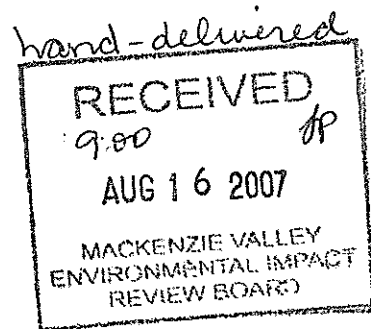
Affaires indiennes
et du Nord Canada

Environment & Conservation
Box 1500
YELLOWKNIFE NT X1A 2R3

August 13, 2007

MVEIRB File Number: OBD0708-01

Alan Ehrlich
Senior Environmental Assessment Officer
Mackenzie Valley Environmental Impact Review Board
P.O. BOX 938
YELLOWKNIFE NT X1A 2N7



BY FAX: 766-7074

**Re: Information Request to PAS Secretariat re: Hunter Bay Resources Limited
Great Bear Lake Exploration Project - OBD0708-01**

Dear Mr. Ehrlich:

The Indian and Northern Affairs Canada (INAC) members of the NWT Protected Areas Strategy Secretariat have considered the above-noted Information Request from the Mackenzie Valley Environmental Impact Review Board (Review Board). The INAC response is attached.

The NWT PAS Secretariat consists of representatives from Indian Affairs and Northern Development (Canada) and Environment and Natural Resources (Government of the Northwest Territories). The PAS Secretariat role is to encourage cooperation and coordination among communities, regional organizations, land claim bodies, stakeholders, and government institutions. The PAS Secretariat also monitors and reports on the progress of the commitments made in the Strategy and provides information on the status of candidate protected areas. As noted in the attached response, the PAS Secretariat is not a stand-alone entity and is not mandated to answer information requests posed by the Review Board. However, INAC and GNWT will do so to the extent of their respective abilities.

Please note that all Information Requests from the Review Board to INAC should be directed through the Environmental Assessments and Agreements Section of Environment and Conservation. The section contact is Lorraine Seale, who can be reached at 669-2590 or via email at sealel@inac-ainc.gc.ca.

If you have any questions about this response, please contact Lillith Brook at 669-2585 or via email at brookl@inac-ainc.gc.ca or Lorraine Seale.

Yours sincerely,

David Livingstone
Director, Renewable Resources and Environment

Attachment

Hunter Bay Resources

IR Number: 1.3

To: Sahtu Land Use Planning Board, NWT Protected Areas Strategy Secretariat

Subject: Intent of the Draft Land Use Plan

Preamble

The SLWB Preliminary Screening Report identified that many drill targets are in an area defined as a Conservation Zone in the draft Sahtu Land Use Plan, and that it fails to meet the criteria of an acceptable land use according to the Plan. The May 18th 2007 letter by the Sahtu Land Use Planning Board identifies the existence of the draft Sahtu Land Use Plan. It notes that the plan is not yet legally binding, but is based on extensive consultation with communities and others, and requests that the SLWB respect the intent of the plan when making permitting decisions. A June 27th, 2007 letter from INAC emphasizes that the draft plan is not legally binding.

The Review Board notes that the preliminary screening focuses on a development within an area that is currently within Step Two of the NWT Protected Areas Strategy (PAS). It has been officially identified as an Area of Interest, and is supported by the community of Deline and by Sahtu Secretariat Inc. However, the SLWB confirmed that it had not solicited input from the PAS secretariat during the preliminary screening.

Correspondence to the developer from the Deline Renewable Resources Council on July 9th, 2007 states that it has expressed "significant concern" regarding proposed development locations within a potential protected area (Edajjila/ Caribou Point) and a proposed conservation zone.

Correspondence sent to the Review Board from the Deline Renewable Resources Council on July 13, 2007 states that the developer's consultation did not indicate to those consulted that the proposed development included locations within the potential protected area and conservation zone.

Request

1. *What are the values for this area that led to its designation as a potential Conservation Zone and PAS Area of Interest? Please explain.*

Response:

This response pertains only to the PAS (Protected Areas Strategy) Process.

Edajjila was nominated by the Déljine Land Corporation as an area deserving protection under the PAS process on October 3rd, 2005. Under the PAS process, Edajjila represents the Grandin Plains Ecological Region, which is geologically, biologically, and climatically distinct from the remainder of Great Bear Lake. Edajjila had previously been recognized and nominated as an area deserving formal protection under the International Biological Programme as early as 1975. Edajjila provides critical habitat for the Bluenose-East caribou herd, which has declined from an estimated 104,000 animals in 2000 to approximately 66,500 in 2005. Research confirms that the Bluenose-East herd regularly aggregates in or

close to Edajjla during the mid-July to mid-October period, suggesting that Edajjla is a very important rutting area for this herd.

In addition to the Bluenose-East caribou, Edajjla contains productive wildlife habitat, and it is important to the life cycles of a wide range of wildlife species including woodland caribou, moose, grizzly bear, black bear, musk ox, fox, beaver, marten, mink, muskrat, lynx, wolverine, arctic hare, groundhog and wolf. Edajjla is also important for fish species, including lake trout, herring, pike, grayling, whitefish and "jumbo" whitefish. Edajjla is therefore an important caribou, furbearer, fish, and plant subsistence harvesting area. Archaeological evidence indicates that human use of this area dates back at least 7000 years. The Sahtu Dene and Métis, Copper Inuit, Tlicho, and early European explorers historically utilized Edajjla. In addition, the Edajjla area provides the basis for hundreds of stories and legends of spiritual significance within the Sahtu culture, most of which have yet to be documented.

The Edajjla area is currently in Step 2 of the PAS Designation Process, where information is gathered about the area in support of a proposal to formally protect the area and regional support for the protection proposal is gathered. Three draft Phase 1 site assessments (Ecological and Renewable Resource Assessment, Non-Renewable Resource Assessment, and Cultural Assessment) which document existing knowledge and identify knowledge gaps have been completed. A workshop was held in Déjine on July 30 and 31, 2007. The workshop described the PAS process and results of the Phase 1 assessments in order to gather regional support for the protection proposal.

Request:

- 2. In your view, have the values identified for the Conservation Zone or PAS Area of Interest been adequately considered with respect to the application? Please explain.*

Response:

INAC PAS Secretariat staff are unable to answer this question as it falls outside the mandate of the Secretariat.

Request:

- 3. In your view, might the proposed development be a cause of concern? If yes, please describe why.*

Response:

INAC PAS Secretariat staff are unable to answer this question as it falls outside the mandate of the Secretariat.

Request:

- 4. In your view, might the proposed development be a cause of significant environmental impacts? If yes, please describe why.*

Response:

INAC PAS Secretariat staff are unable to answer this question as it falls outside the mandate of the Secretariat.