



Fisheries and Oceans Pêches et Océans
Canada Canada

Environmental Assessment for Major Projects
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Division des évaluations environnementales pour des grands projets
501 University Crescent
Winnipeg, Manitoba
R3T 2N6

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Your file / Votre référence
SP2008-044

Our file / Notre référence
08-HCAA-CA1-03299

Kris Fredrickson
Senior Program Officer
Canadian Environmental Assessment Agency
445 - 123 Main Street, Union Station
Winnipeg, MB
R3C 4W2

**Re: Star-Orion South Diamond Project
 Shore Gold, Inc., Fort a la Corne Provincial Forest, Saskatchewan**

Dear Kris Fredrickson:

Fisheries and Oceans Canada (DFO) has received additional information concerning the potential impacts of groundwater withdrawals on fish habitat due to the proposed Shore Gold Inc.'s Star-Orion South Diamond Project, located approximately 60 km east of Prince Albert, Saskatchewan.

Our review included the following:

- 1) *Groundwater Modelling of Possible Hydrological Impact of Dewatering the Proposed Star and Orion South Pits*, prepared by SRK Consulting on behalf of Shore Gold Inc., dated August 2009;
- 2) *Draft Report on Baseline Surface Water Monitoring for the Fort a la Corne Joint Venture Advanced Exploration Program 2007*, prepared by Golder Associates on behalf of Shore Gold Inc., dated May 2008; and,
- 3) *Star-Orion South Diamond Project – NRCan Expert Review of Hydrogeological Modelling Reports in Response to DFO Request*, dated October 8, 2009.

DFO recognizes that components of the proposed project are still in the design phase and some of the final details have not been determined. However, upon further review of the above referenced documents, DFO has concluded that the surficial physical works and groundwater withdrawals associated with this project are likely to result in the harmful alteration, disruption or destruction (HADD) of fish habitat. The HADD of fish habitat is prohibited unless authorized by DFO pursuant to Subsection 35(2) of the *Fisheries Act* and as such, will trigger an environmental assessment under Section 5 the *Canadian Environmental Assessment Act*.

DFO has determined that the proposed extraction of groundwater falls within the class of undertakings listed in s.10 of the *Comprehensive Study List Regulations*. Thus a comprehensive study level environmental assessment will be required.

In addition, DFO still requires additional information from the proponent as previously requested in the Federal Coordination Regulations letter issued to the Canadian Environmental Assessment Agency dated December 5, 2008. DFO requires this information in order to continue with the further review of the project.

Please note that when reviewing final project details DFO will consider the Department's *Policy for the Management of Fish Habitat*, which states that no authorization will be issued unless acceptable measures to compensate for any habitat loss are developed and agreed to by the proponent. DFO's intent is to ensure that there will not be a net loss in productive capacity of fish habitat after completion of the project. Compensation works are additional works that restore, create or improve fish habitat to make up for habitat losses that occur as a result of the project.

If you have any questions or if this letter is unclear please contact Aaron Schweitzer by telephone at (306) 780-8727, or by e-mail at Aaron.Schweitzer@dfo-mpo.gc.ca.

Yours sincerely,



Beverley Ross
Regional Manager, Environmental Assessments for Major Projects
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