

Clear Springs Aquatics
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St. Alban's NL
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Government of Newfoundland and Labrador
Minister of Environment and Conservation
P.O. Box 8700
St. John's NL
A1B 4J6

Dear Minister,

Project: St. Alban's salmon/trout hatchery
Location: St. Alban's
File reference No. 200.20.1474

Please find enclosed registration for environmental assessment process as requested.

Sincerely,

John Watkins

NAME OF UNDERTAKING:

Construction of Salmon Hatchery

PROPONENT:

(i) Name of Corporate Body: Clear Springs Aquatics Inc.

(ii) Address:

P.O. Box 460
St. Alban's
Newfoundland
A0H 2E0

(iii) Chief Executive Officer:

Name: Vernon Watkins
Official Title: President
Address: P.O. Box 460
St. Alban's Newfoundland
A0H 2E0

Telephone Number: 709 438 3348

(iv) Principal Contact Person for purposes of environmental assessment:

Name: John Watkins
Official Title: Director
Address: P.O. Box 460, St. Alban's NL A0H 2E0
Telephone Number 709 538 3348

THE UNDERTAKING:

(i) Nature of Undertaking:

The project will involve the construction of a salmon and trout hatchery in St. Veronica's Newfoundland. The facility will be comprised of a building 200' x 60' and will produce approximately 500,000 salmon and 600,000 trout annually for supply to the existing sea cage farming in the Bay D'Espoir area.

(ii) Purpose/Rationale/Need for the undertaking:

The salmon farming industry in Newfoundland is expanding at a rapid rate and presently a large percentage of the seed stock (young salmon) is imported from other provinces. There will be a requirement for more seed stock in the near future and the salmon hatchery proposed will provide the much needed supply.

DESCRIPTION OF THE UNDERTAKING:

(i) Geographical Location:

The property is approximately nine hectares and is located adjacent to the tail race road at St. Veronicas Bay D'Espoir. The property is completely enclosed by a chain link fence. It is bounded by the road on the East and by Crown lands toward the West South and North. Please see attached maps and photographs of the site.

(ii) Physical Features

The main physical feature of the undertaking will be the construction of a prefab Quonset building with approximate dimensions 200' x 65'.

The affected area will be within the area indicated by the building and within the fenced area of the property.

Since the area is completely enclosed and secure by a chain link fence there is no anticipated impact on wildlife and all activities will be confined to the enclosed area. The area was previously landscaped and no vegetation exists on the property. A small brook runs through the property and empties into the hydro electric tailrace. We do not anticipate the facility having any affect on the brook and any fish species inhabiting its waters.

See attached conceptual outline of the facility.

(iii) Construction

The construction of the building and equipment will be approximately four months and will commence on July 1 of 2007 following approval of the project. We do not anticipate any sources of pollution during the construction period. The project will involve the construction of a steel Quonset hut with a concrete floor. No hazardous materials will be used during or after the construction phase.

(iv) Operation

The salmonid aquaculture industry in Newfoundland has seen a tremendous increase in development and investment over the past year. It is also anticipated the industry will continue to attract additional players and more investment in the coming months and years. This has been driven by several factors:

- Increase in salmon and trout prices
- Rationalization and consolidation of the industry in NB and NS
- Limited ability to expand production in NB and NS
- Proven profitability of NL farms
- Involvement by large credible companies
- Improved perception regarding aquaculture potential on south coast of Newfoundland
- Government promotion and incentive programs

In 2006 there were approximately 4.5 million salmon smolt and 1.2 million trout fingerlings placed in sea cages in Newfoundland. It is anticipated this number has the potential to increase significantly in the next few years. However, the current hatchery production in Newfoundland in 2006 was approximately 1.3 million salmon smolts. The balance of the fish placed in sea cages came from hatcheries in NS and NB.

From an industry and social economic point of view this lack of hatchery capacity creates several problems and issues:

- Increased cost and risk of fish loss due to long transport of fish
- Increased risk of disease transfer to NI industry
- Lost economic development and job creation opportunity to NI
- Limits opportunity for new entrants to the industry
- Restricts advancement and growth of the industry

Clearsprings believes that by producing high quality, disease free and competitively priced trout and salmon juveniles it will provide a product for which demand already exists. The owners of Clearsprings also have involvement with related companies which will provide a ready market for the starter stock.

There is a clear business opportunity to develop a profitable and sustainable operation. The facility will utilize recirculation technology and will use ground water as the source for the rearing of fish in the facility.

Sources of pollutants will be limited to waste water effluent that will contain some solid waste produced from uneaten food and fish faeces. This solid effluent will be removed from the effluent water by a settlement pond and the remaining water will be treated with ozone and ultraviolet radiation to remove any potential pathogens.

(v) Occupations

The facility will employ one manager and two full time technicians and one part time technician.

(vi) Project Related Documents

1. Business Plan. Prepared by Clyde Collier of Collier Aqua Services
2. Conceptual Outline of Facility. Engineering Drawings Prepared by Mel Steffens of Conseco.
3. Application for Aquaculture License. Completed by John Watkins

APPROVAL OF THE UNDERTAKING

Aquaculture License	DFA
Water Use License	Environment and Conservation

SCHEDULE

The earliest date for commencement of construction would be July 1 of 2007. This is the earliest date anticipated for all permits and licenses to be received. There is no latest date to be considered at this time.

FUNDING

Funding applied for:
Atlantic Canada Opportunities Agency
The John Cabot Building
10 Barter's Hill 11 th Floor
P.O. Box 1060, STN C
St. John's NL
A1C 5M5

The approximate capital cost of the facility is 1.1 million.

Date

Signature of Chief Executive Officer

