

NIRB File No.: 05EN060

June 14, 2006

Hon. Levinia Brown c/o David Boyle

Via e-mail: dboyle@gov.nu.ca

Re: Application Terms and Conditions for True North Gems Inc Renewal with Government of Nunavut – Community Government Services / Hamlet of Kimmirut: 801-LUP-B05-001

Dear David Boyle:

Further to NIRB's letter dated May 29, 2006 regarding the above-mentioned project and the proposal to issue the same terms and conditions found within the July 21, 2005 Screening Decision, NIRB has not received any comments from parties against this proposal, and therefore is recommending the Government of Nunavut – Community Government Services / Hamlet of Kimmirut apply the same terms and conditions as found in the July 21, 2005 Screening Decision (attached) to this project proposal. In addition to these Terms and Conditions, NIRB would like the Government of Nunavut – Community Government Services / Hamlet of Kimmirut to also include the supplementary terms and conditions:

- 1. The Permittee shall be aware they are required to register with the Government of Nunavut, Department of Environment Environmental Protection Service regarding the movement of any hazardous wastes through a Waste Manifest.
- 2. The Permittee shall ensure that all on-site personnel, including any contractors, are familiar with these Terms and Conditions and any license or permit requirements.
- 3. Prior to commencing on-site activities, the Proponent shall submit to NIRB copies of all permits, licenses and authorizations required to undertake the project.
- 4. The Permittee shall ensure that all drill holes are backfilled and capped at the completion of the project, and where possible, are contoured to match the surrounding landscape.
- 5. The Permittee shall file a report with the Board no later than March 31 of the year following the calendar year reported, which shall contain the following information:
 - a. A summary of activities undertaken for the year, including but not limited to, the amount of drilling and assay sampling;
 - b. A work plan for the following year;
 - c. The results of environmental studies undertaken and plans for future studies;
 - d. Wildlife encounters and actions/mitigation taken and any results from a Wildlife Monitoring/Reporting Plan;
 - e. A summary of local hires and initiatives;
 - f. A summary of community consultations undertaken and the results;
 - g. A summary of site-visits by inspectors with results and follow-up actions;
 - h. A summary of site-visits with community members;
 - i. Site photos;
 - m. Progressive reclamation work undertaken; and
 - n. A summary of how it has complied with all project Terms and Conditions.

If you have any questions or concerns, feel free to contact NIRB's Technical Advisor, Carolanne Inglis at 867-983-4607 or cinglis@nirb.nunavut.ca .		
Sincerely,		
(original signed by:)		
Stephanie Briscoe Executive Director		

SCREENING DECISION

July 21, 2005

Hon. Levinia Brown Minister of Community & Government Services Iqaluit, NU

Dear Minister:

RE: Screening Decision of the Nunavut Impact Review Board (NIRB) on Application: NIRB: #05EN060 Community & Government Services

Mining Exploration - True North Gems Inc.

Authority:

Section 12.4.4 of the Nunavut Land Claim Agreement states:

Upon receipt of a project proposal, NIRB shall screen the proposal and indicate to the Minister in writing that:

- a) the proposal may be processed without a review under Part 5 or 6; NIRB may recommend specific terms and conditions to be attached to any approval, reflecting the primary objectives set out in Section 12.2.5;
- b) the proposal requires review under Part 5 or 6; NIRB shall identify particular issues or concerns which should be considered in such a review;
- c) the proposal is insufficiently developed to permit proper screening, and should be returned to the proponent for clarification; or
- d) the potential adverse impacts of the proposal are so unacceptable that it should be modified or abandoned.

Primary Objectives:

The primary objectives of the Nunavut Land Claims Agreement are set out in section 12.2.5 of the Land Claims Agreement. This section reads:

In carrying out its functions, the primary objectives of NIRB shall be at all times to protect and promote the existing and future well-being of the residents and communities of the Nunavut Settlement Area, and to protect the ecosystemic integrity of the Nunavut Settlement Area. NIRB shall take into account the well-being of the residents of Canada outside the Nunavut Settlement Area.

The decision of the Board in this case is 12.4.4 (a) the proposal may be processed without a review under Part 5 or 6; NIRB may recommend specific terms and conditions to be attached to any approval, reflecting the primary objectives set out in Section 12.2.5; Reasons for Decision:

NIRB's decision is based on specific considerations that reflect the primary objectives of the Land Claims Agreement. Our considerations in making this decision included:

- the impact of drilling activities on the ecosystem;
- disposal of drill cuttings and waste water;
- impact to water quality, aquatic habitat and wildlife and fish populations from chemicals, drill waste, drill fluids and potential fuel spills;
- storage and disposal of chemicals, fuel, garbage, sewage, and gray water, and impact of these on the ecosystem;
- the impact of noise from drilling activities and their disturbance to wildlife and traditional users of area;
- the impact of exploration activities on archaeological sites or cultural landmarks in the area; and
- clean up/restoration of the camp site and drilling locations upon abandonment.

Terms and Conditions:

That the terms and conditions attached to this screening report will apply.

General

- 1. The Permittee shall maintain a copy of the Project Terms and Conditions at the sites of operation at all times.
- 2. The NIRB shall be notified of any changes in operating plans or conditions associated with this project at least thirty (30) days prior to any such change. That Permittee shall carbon copy local communities on this correspondence.

Drill Sites

- 1. The Permittee shall not conduct any land based drilling within thirty (30) metres of the normal high water mark of a water body.
- 2. The Permittee shall not use drilling muds or additives in connection with drill holes unless they are recirculated or contained such that they do not enter the water, or are certified to be non-toxic. Further, the Permittee is hereby informed that the Canadian Environmental Protection Act has recently listed CaCl as a toxic substance. If CaCl is to be used as a drill additive, the proponent shall ensure that all sumps containing CaCl are properly constructed and located in such a manner as to ensure that the contents will not enter any waterbody.

- 3. The Permittee shall ensure that any drill cuttings and waste water that cannot be recirculated be disposed of in a properly constructed sump or an appropriate natural depression that does not drain into a waterbody.
- 4. The Permittee shall ensure that drilling wastes do not enter any water body. The use of biodegradable, salt free drill additives is encouraged over non-biodegradable types.
- 5. The Permittee shall ensure that the sump/depression capacity is sufficient to accommodate the volume of waste water and any fines that are produced so that there will be no additional impacts.
- 6. The Permittee shall not use mechanized clearing within 30 meters of the normal high water mark of a watercourse in order to maintain a vegetative mat for bank stabilization.
- 7. The Permittee shall, where flowing water from bore holes is encountered, plug the bore hole in such a manner as to permanently prevent any further outflow of water. The occurrence shall be reported to the Nunavut Water Board and Land Use Inspector within 48 hours.

Water

- 8. The Permittee shall ensure that all water intake hoses are equipped with a screen with an appropriate mesh size to ensure that there is no entrapment of fish.
- 9. The Permittee shall only use water from sources approved by the Nunavut Water Board.

Fuel and Chemical Storage

- 10. The Permittee shall locate fuel caches and other hazardous materials in such a manner as to prevent their release into the environment.
- 11. The Permittee shall ensure that fuel storage containers are not located within thirty (30) metres of the ordinary high water mark of any body of water. Further, secondary containment such as self supporting insta-berms shall be used when storing barrel fuel on location, rather than relying on natural depressions.
- 12. The Permittee shall examine all fuel and chemical storage containers daily for leaks. All leaks should be prepared immediately.
- 13. The Permittee shall seal all container outlets except the outlet currently in use.
- 14. The Permittee shall mark all fuel containers with the Permittee's name.
- 15. The Permittee shall dispose of all combustible waste petroleum products by incineration and removal from the site.
- 16. The Permittee shall immediately report **all** spills of petroleum and hazardous chemicals to the twenty-four (24) hour spill report line at (867) 920-8130. Spills shall also be reported to Environment Canada at (867) 920-5131.
- 17. The Permittee shall maintain a supply of spill kits, shovels, barrels, sorbents, and pumps on-site.
- 18. The Permittee shall use drip pans when refueling equipment.

Wildlife

19. The Permittee shall ensure that there is no damage to wildlife habitat in conducting this operation.

- 20. The Permittee shall not feed wildlife.
- 21. That the Permittee shall ensure that there is no hunting by employees of the company or any contractors hired.
- 22. The Permittee shall ensure compliance with Section 36 of the Fisheries Act which requires that no person shall deposit or permit the deposit of a deleterious substance on any type in water frequented by fish or in any place under any conditions where the deleterious substance may enter such a water body.
- 23. The harmful alteration, disruption or destruction of fish habitat is prohibited under Section 35 of the Fisheries Act. No construction or disturbance of any stream/lake bed or banks of any definable watercourse, is permitted unless authorized by DFO.
- 24. The Permittee shall not detonate explosives within fifteen (15) metres of any body of water which is not completely frozen to the bottom.

Waste Disposal

- 25. The Permittee shall not discharge or deposit any refuse substances or other waste materials in any body of water, or on the banks thereof, which will impair the quality of the waters of the natural environment.
- 26. The Permittee shall not locate any sumps or areas designated for waste disposal within thirty (30) metres of the ordinary high water mark of any body of water. Sumps and areas designated for waste disposal shall be sufficiently bermed or otherwise contained to ensure that substances to do not enter a waterway unless otherwise authorized.
- 27. The Permittee shall backfill and recontour all sumps to match the natural environment prior to the expiry date of the license.
- 28. The Permittee shall incinerate all combustible and food wastes daily.
- 29. The Permittee shall keep all ash in a covered metal container until it is disposed of at an approved facility.
- 30. The Permittee shall keep all non-combustible garbage and debris in a covered metal container until disposed of at an approved facility.
- 31. The Permittee shall deposit all scrap metal, discarded machinery and parts, barrels and kegs, at an approved disposal site.
- 32. The Permittee shall ensure that any hazardous materials, including waste fuel and oil, receive proper treatment and are backhauled for disposal at an approved facility.

Physical Environmental

- 33. The Permittee shall ensure that the land use area is kept clean and tidy at all times.
- 34. The Permittee shall prepare the site in such a manner as to prevent rutting of the ground surface.
- 35. The Permittee shall not do anything that will cause erosion of the banks of any body of water on or adjacent to the land and shall provide necessary controls to prevent such erosion.
- 36. The Permittee shall not remove any material from below the ordinary high water mark of any waterbody.
- 37. The Permittee shall not move any equipment or vehicles unless the ground surface is in a state capable of fully supporting the equipment or vehicles without rutting or gouging.

38. The Permittee shall suspend overland travel of equipment or vehicles if rutting occurs.

Structure & Storage Facilities

39. The Permittee shall locate all structures and storage facilities on gravel, sand or other durable land.

Archaeological Sites

40. The Permittee shall follow all terms and conditions for the protection and restoration of archaeological resources as outlined by the Department of Culture, Language, Elders and Youths (CLEY) in attached letter.

Reclamation

- 41. The Permittee shall advise NIRB and the Land Use Inspector in writing at least 15 days prior to the completion of activities.
- 42. The Permittee shall complete all clean-up and restoration of the lands used prior to the expiry date of the permit.
- 43. The Permittee shall undertake ongoing restoration for any land or improvements which are no longer required for the Permittee's operation on the land.

Other Recommendations

- 1. NIRB would like to encourage the proponent to hire local people and services, to the extent possible.
- 2. NIRB strongly advises proponents to consult with local residents regarding their activities in the region, and do community consultation on the project to keep the communities informed.
- 3. Any amendment requests deemed by NIRB to be outside the original scope of the project will be considered a new project.

Validity of Land Claims Agreement

Section 2.12.2
Where there is any inconsistency or conflict betwe

Where there is any inconsistency or conflict between any federal, territorial and local government laws, and the Agreement, the Agreement shall prevail to the extent of the inconsistency or conflict.

Dated		_ at Cambridge Bay, NU
	Albert Ehaloak, A/Chairperson	



BACKGROUND

Archaeology

As stated in Article 33 of the Nunavut Land Claims Agreement:

The archaeological record of the Inuit of Nunavut is a record of Inuit use and occupancy of lands and resources through time. The evidence associated with their use and occupancy represents a cultural, historical and ethnographic heritage of Inuit society and, as such, Government recognizes that Inuit have a special relationship with such evidence, which shall be expressed in terms of special rights and responsibilities. [33.2.1]

The archaeological record of Nunavut is of spiritual, cultural, religious and educational importance to Inuit. Accordingly, the identification, protection and conservation of archaeological sites and specimens and the interpretation of the archaeological record is of primary importance to Inuit and their involvement is both desirable and necessary. [33.2.2]

In recognition of the cultural, spiritual and religious importance of certain areas in Nunavut to Inuit, Inuit have special rights and interests in these areas as defined by Article 33 of the Nunavut Land Claims Agreement. [33.2.5]

Palaeontology

Under the Nunavut Act¹, the federal government can make regulations for the protection, care and preservation of palaeontological sites and specimens in Nunavut. Under the *Nunavut Archaeological and Palaeontological Sites Regulations*², it is illegal to alter or disturb any palaeontological site in Nunavut unless permission is first granted through the permitting process.

Definitions

As defined in the *Nunavut Archaeological and Palaeontological Sites Regulations*, the following definitions apply:

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"archaeological site" means a place where an archaeological artifact is found.

s. 51(1)

P.C. 2001-1111 14 June, 2001
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"archaeological artifact" means any tangible evidence of human activity that is more than 50 years old and in respect of which an unbroken chain of possession or regular pattern of usage cannot be demonstrated, and includes a Denesuline archaeological specimen referred to in section 40.4.9 of the Nunavut Land Claims Agreement.

"palaeontological site" means a site where a fossil is found.

"fossil" includes:

- (a) natural casts
- (b) preserved tracks, coprolites and plant remains; and
- (c) the preserved shells and exoskeletons of invertebrates and the eggs, teeth and bones of vertebrates.

Terms and Conditions

- 1) The permittee shall not operate any vehicle over a known or suspected archaeological or palaeontological site.
- 2) The permittee shall not remove, disturb, or displace any archaeological artifact or site, or any fossil or palaeontological site.
- 3) The permittee shall immediately contact the Department of Culture, Language, Elders and Youth (867) 934-2046 or (867) 975-5500 or 1 (866) 934-2035 should an archaeological site or specimen, or a palaeontological site or fossil be encountered or disturbed by any land use activity.
- 4) The permittee shall immediately cease any activity that disturbs an archaeological or palaeontological site encountered during the course of a land use operation, until permitted to proceed with the authorization of the Department of Culture, Language, Elders and Youth, Government of Nunavut.
- 5) The permittee shall follow the direction of the Department of Culture, Language, Elders and Youth and DIAND in restoring disturbed archaeological or palaeontological sites to an acceptable condition.
- 6) The permittee shall provide all information requested by the Department of Culture, Language, Elders and Youth concerning all archaeological sites or artifacts and all palaeontological sites and fossils encountered in the course of any land use activity.

- 7) The permittee shall make best efforts to ensure that all persons working under authority of the permit are aware of these conditions concerning archaeological sites and artifacts, and palaeontological sites and fossils.
- 8) The permittee shall avoid the known archaeological and/or palaeontological sites listed in Attachment 1.
- 9) The permittee shall have an archaeologist or palaeontologist perform the following functions, as required by the Department of Culture, Language, Elders and Youth:
 - a) survey
 - b) inventory and documentation of the archaeological or palaeontological resources of the land use area
 - c) assessment of potential for damage to archaeological or palaeontological sites
 - d) mitigation
 - e) marking boundaries of archaeological or palaeontological sites
 - f) site restoration

The Department of Culture, Language, Elders and Youth shall authorize by way of a Nunavut Archaeologist Permit or a Nunavut Palaeontologist Permit, all procedures subsumed under the above operations.