



NIRB File No. 06MN082

February 13, 2012

The Honourable John Duncan
Minister of Aboriginal Affairs and Northern Development
Exécutive Offices
10 Wellington St., 21st Floor
Gatineau, QC
K1A 0H4

Sent via email: duncan.j@parl.gc.ca and minister@aandc.gc.ca

Re: Request for Direction for the Termination of NIRB's Review of MMG's High Lake Project

Dear Mr. John Duncan:

On behalf of the Nunavut Impact Review Board (NIRB or Board), I am writing this letter to provide you with an update regarding the status of the NIRB's Review of the High Lake project proposal, NIRB File No. 06MN082. In addition, reflecting Minerals and Metals Group's (MMG; the Proponent) recent indication that it will not be re-engaging the NIRB's technical review process (see enclosed), this letter also requests your direction regarding the termination of the NIRB's Review of this project.

Procedural History

The High Lake project is a proposed copper, zinc, gold and silver mine located in the Kitikmeot region. The proposal includes the development of both an open pit and underground mines at High Lake, which is located 175 kilometers (km) southeast of Kugluktuk. The mine site would be serviced by a 49 km winter road during the construction period, and a 53 km all season road during the operation period to a dock facility to be built at Gray's Bay. Gray's Bay is located on the coast of the Coronation Gulf, about 180 km east of Kugluktuk. The project is currently owned by Minerals and Metals Group (MMG), which was formed in June 2009 by China Minmetals' purchase of OZ Minerals Ltd.'s assets, including the High Lake property. The High Lake project was initially referred to the NIRB for screening by the Kitikmeot Inuit Association in September 2006. The Board screened the original project proposal in accordance with Part 4 of Article 12 of the Nunavut Land Claims Agreement (NLCA), and on February 20, 2007 issued a screening decision to the Minister of Indian and Northern Affairs Canada (INAC; now Aboriginal Affairs and Northern Development Canada) which recommended that the project undergo a public Review pursuant to Part 5 or Part 6 of Article 12 of the NLCA. The High Lake project was referred to the NIRB for Review by the Minister of INAC on May 30, 2007.

All relevant documentation pertaining to the NIRB's Review of this project is available from the NIRB's online registry at: <http://ftp.nirb.ca/02-REVIEWS/ACTIVE%20REVIEWS/06MN082-MMG%20HIGH%20LAKE/>.

Following the referral by the Minister of INAC to conduct a Review of the High Lake project, and in accordance with the NIRB's accepted practice, public scoping sessions were held in the seven communities of the Kitikmeot region in July 2007. Also in July 2007 the NIRB, the Canadian Environmental Assessment Agency and INAC announced the establishment of a Participant (Intervenor) Funding program to assist groups and/or individuals wishing to take part in the environmental assessment of the proposed High Lake project.

In August 2007, the Board accepted the Proponent's High Lake project proposal as submitted to serve as the Draft Environmental Impact Statement (DEIS) for the purposes of the NIRB's Review. The High Lake DEIS underwent an initial round of technical review, with NIRB facilitated Technical Meetings taking place in November and December 2007. Following the Technical Meeting, the Board consulted with the Proponent and intervening parties, giving consideration to the outstanding matters as presented throughout the stages of the Review and ultimately decided to postpone the Pre-Hearing Conference (PHC) that was scheduled to take place later in December. In February 2008, the NIRB formally concluded the Technical Meeting proceedings for its Review of the High Lake proposal. In May 2008, the Proponent advised the NIRB that its development priorities had changed and that it would be postponing further development of the High Lake project. In light of this correspondence and comments received from intervening parties, the Board adjourned the PHC in May 2008 until further notice. In September 2008, the Board issued correspondence which formally postponed the High Lake Review and gave direction to the Proponent regarding outstanding information required prior to proceeding with the Review and which further included a requirement that the Proponent advise the Board within three years of its intention to move forth with the High Lake PHC.

In March 2011, the Proponent requested a one year extension to the suspension of the NIRB's Review of the High Lake project proposal and in May 2011, the Board granted a one year extension to the suspension of the High Lake Review.

2011 Status Update

On December 20, 2011 the NIRB received the enclosed letter from MMG which indicated that it did not intend to re-engage the NIRB's Review of the High Lake project.

Conclusions/Recommendations

On the basis of the Proponent's December 2011 status update which indicated that it does not intend to re-engage the NIRB's review process, the NIRB hereby recommends that the Minister consider terminating the Review of the High Lake project, NIRB File 06MN082. In making this recommendation, the Board notes that for the interveners and other interested parties engaged in the NIRB's process, this Review has effectively been suspended since May 2008.

In closing, the NIRB thanks the Minister in advance for providing direction with respect to this matter. If you have any questions or require additional clarification regarding this file, please contact the NIRB's Executive Director, Ryan Barry, at (867) 983-4608 or rbarry@nirb.ca.

Sincerely,



Lucassie Arragutainaq
Chairperson

cc: Charlotte Mougeot, MMG
High Lake Distribution List

Enclosed: Proponent Letter to NIRB re Project Status (December 20, 2011)