



SCREENING DECISION REPORT
NIRB FILE NO.: 12MN036

NWB File No.: 2AM-BRP
AANDC File No.: N2012T0025

September 25, 2012

The Honourable John Duncan
Minister of Aboriginal Affairs and Northern Development
Government of Canada
Executive Offices
10 Wellington, 21st Floor
Gatineau, QC K1A 0H4

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

Re: Screening Decision for Sabina Gold & Silver Corp.'s "Back River" Project Proposal, Kitikmeot Region, 12MN036

Dear John Duncan:

As can be seen from the more detailed comments below, the Nunavut Impact Review Board (NIRB or Board) is recommending that Sabina Gold & Silver Corp.'s "Back River" project proposal be the subject of a public review pursuant to **Section 12.4.4(b)** of the Nunavut Land Claims Agreement (NLCA).

LEGAL FRAMEWORK

Subsection 12.4.2(a) of the Nunavut Land Claims Agreement (NLCA) directs the NIRB, when screening a project, to recommend a public review when in its judgement:

- (i) the project may have significant adverse effects on the ecosystem, wildlife habitat or Inuit harvesting activities,
- (ii) the project may have significant adverse socio-economic effects on northerners,
- (iii) the project will cause significant concern, or
- (iv) the project involves technological innovations for which the effects are unknown;

Pursuant to Subsection 12.4.2(b), a review is generally not required when, in NIRB's judgement, the project is unlikely to arouse significant public concern and;

- (i) the adverse ecosystemic and socio-economic effects are not likely to be significant, or
- (ii) the project is of a type where the potential adverse effects are highly predictable and mitigable with known technology

Subsection 12.4.2(c) instructs NIRB to give greater weight to the provisions of 12.4.2(a) in determining whether a review is required or not.

PROCEDURAL HISTORY AND BACKGROUND

On June 15, 2012 the Nunavut Impact Review Board (NIRB or Board) received the "Back River" project proposal (the Project) directly from Sabina Gold & Silver Corp. (Sabina; the Proponent). On July 12, 2012 the NIRB received a referral from the Nunavut Water Board (NWB) requesting that the Board screen the Back River project proposal. As this project is being proposed in the Kitikmeot Region for which there is currently no approved land use plan in place, a conformity determination from the Nunavut Planning Commission was not required for this file. The NIRB assigned this project proposal file number 12MN036 and commenced Screening pursuant to NLCA Article 12, Part 4 on July 12, 2012.

This project proposal was distributed on August 1, 2012 to the communities of Bathurst Inlet, Kugluktuk, Cambridge Bay, Gjoa Haven, Taloyoak, Kugaaruk, and Holman as well as to relevant federal and territorial government agencies, and Inuit organizations. The NIRB requested that interested parties review the proposal and provide the Board with any comments or concerns by August 22, 2012 regarding:

- Whether the project proposal is likely to arouse significant public concern; and if so, why;
- Whether the project proposal is likely to cause significant adverse eco-systemic and socio-economic effects; and if so, why;
- Whether the project is of a type where the potential adverse effects are highly predictable and mitigable with known technology, (providing any recommended mitigation measures); and
- Any matter of importance to the Party related to the project proposal.

On August 20, 2012, at the request of the Kitikmeot Inuit Association the NIRB extended the deadline for comments to September 5, 2012. On or before September 5, 2012 the NIRB received comments from the following interested parties (see Comments and Concerns section below):

- Kitikmeot Inuit Association
- Government of Nunavut
- Aboriginal Affairs and Northern Development Canada
- Environment Canada
- Fisheries and Oceans Canada
- Natural Resources Canada

- Transport Canada
- Canadian Arctic Resources Committee
- Yellowknives Dene First Nation

Due to the additional time required for public commenting, on August 20, 2012 the NIRB requested that the Minister of Aboriginal Affairs and Northern Development extend the Board's screening deadline.

INITIAL SCOPE OF PROJECT PROPOSAL

Sabina Gold & Silver Corp. (Sabina) is a public Canadian mining company (SBB: TSX) that is proposing to develop its 100% owned Back River gold mine project located in the West Kitikmeot Region approximately 150 kilometres south of the community of Bathurst Inlet. The development and operation of Sabina's Back River gold mining and milling project would include processing up to 7,000 tonnes of ore per day for an approximate 10-15 year operation period (for an approximate total of 20-28 million tonnes) and annual production of 300,000-400,000 ounces of gold.

Sabina has indicated that it anticipates up to 1,600 employees would be required during the construction phase, with an on-site labour requirement of up to 900 people on rotation during operations. The Back River proposal includes the use of open pit and underground mining techniques at seven deposits (Locale 1, Locale 2, Lone Cow, GH, Slave, Goose, and Umwelt) as well as a possible eighth deposit (Llama).

Sabina's proposal projects that the proposed development would take approximately two (2) years to construct followed by a ten to fifteen (10-15) year mine operation phase and a five (5) year closure period. Ancillary infrastructure would include a marine access component which would support open-water shipping during the construction phase and annual resupply during operations, with the mine product, dore gold bars, to be flown to market from site.

The following is a *summary* of the main project activities and components associated with the Back River project proposal:

- Open pit and/or underground mining methods of multiple deposits:
 - Goose Property: three main deposits being targeted: Goose, Umwelt, and Llama;
 - George Property: five main deposits being targeted: Locale 1, Locale 2, Lone Cow, GH, and Slave;
- Construction/mobilization of site infrastructure to include:
 - Goose Property:
 - Ore stockpile;
 - Processing facilities: mill and tailings management facility; emulsion mixing plant and wash bay;
 - Lined bulk storage area for ammonium nitrate; explosives magazines; reagent storage;
 - Mine support: core logging facility; assay laboratory; warehousing facility; emergency facilities (fire and ambulance station); general maintenance building (site services); mine maintenance building; light

- vehicle maintenance workshop; heavy equipment maintenance workshop; diesel power plant; power utility buildings; brine mixing buildings; tailings storage area; waste management building; waste rock storage area;
 - 600-person camp; modular potable water treatment system; modular sewage treatment system;
 - 45 million litre fuel tank farm for bulk diesel storage (built to capacity of 50 million litres);
 - Airstrip and associated navigation equipment: airstrips to accommodate Hercules C-130 aircraft and Boeing 737 Combi jet aircraft (1900-2500 metres long by 45 metres wide), possible inclusion of helicopter landing facilities and additional bulk fuel storage at airstrip of approximately 100,000 litres;
- George Property:
 - Ore stockpile;
 - Lined bulk storage area for ammonium nitrate; emulsion mixing plant and wash bay; explosives magazines;
 - Mine support: reagent storage; core logging facility; warehousing facility; emergency facilities (fire and ambulance station); general maintenance building (site services); mine maintenance building; waste management building; waste rock storage area; light vehicle maintenance workshop; heavy equipment maintenance workshop; diesel power plant; power utility buildings; brine mixing buildings;
 - 350-person camp; modular potable water treatment system; modular sewage treatment system;
 - 15 million litre fuel tank farm for bulk diesel storage (built to a capacity of 18 million litres);
 - Airstrip and associated navigation equipment: airstrips to accommodate Hercules C-130 aircraft and Boeing 737 Combi jet aircraft (1900-2500 metres long by 45 metres wide), including potential helicopter landing facilities, and additional bulk fuel storage at airstrip of approximately 100,000 litres.
- Construction and operation of all-weather and/or winter roads connecting marine laydown area to mine operations on Goose and George properties, as well as a combination of all-weather and ice roads on and between each property to access infrastructure and to facilitate the shipment of ore from mine site(s) to the mill located at Goose property;
- Extracted ore to be trucked to Goose property for processing at mill facility;
- Marine access, activities, and associated infrastructure to include:
 - Annual resupply and seasonal transport during the open-water season to transport equipment, supplies and fuel using 5-10 ships per year during construction and 3-5 ships per year during operations;
 - Routing via marine shipping routes north of Bathurst Inlet to the Coronation Gulf and into existing shipping corridors to the East or West;
 - Construction of laydown area situated in the southern portion of Bathurst Inlet;
 - Loading and unloading facilities to include in-water infrastructure such as a dock, jetty, moorings and buoys;

- On-land infrastructure to include lined bulk storage area for ammonium nitrate; reagent storage; emergency and spill response facilities (to focus on ocean fuel spills); general maintenance building; waste management building; light vehicle maintenance workshop;
 - 55 million litre fuel tank farm for bulk diesel storage at site (built to a capacity of up to 70 million litres);
 - 100-person camp; modular potable water treatment system; modular sewage treatment system; diesel power plant;
 - Airstrip and associated navigation equipment: capable of supporting Dash 7/8 aircraft;
- Additional bulk fuel storage areas (less than 100,000 litres each) may be located at other infrastructure components such as emergency shelters, airstrips, and machine shops;
- Fresh water to be sourced from Goose Lake, George Lake, and other suitable lakes on property, plus additional lake close to marine laydown area;
- Potential dewatering of Llama Lake to gain access to the Llama deposit (potential for additional dewatering of two smaller lakes);
- Possible partial dewatering of Goose Lake near proposed pit boundary;
- Removal of all facilities and reclamation of disturbed areas at the end of mine life (roads, airstrips, tailings storage, and waste rock storage areas would not be removed but would be returned to a condition acceptable to regulators and communities).

Sabina's proposal also indicated its intent to pursue the NIRB-Nunavut Water Board coordinated process for the Type A Water Licensing requirement of the Back River development.

COMMENTS AND CONCERNS

Most of the comments received from Parties indicated that due to the nature and scale of the proposed activities and components, the proposed project may cause significant adverse effects on the ecosystem and on surrounding wildlife habitat and there may be significant adverse socio-economic effects on northerners. Nearly all of these commenting agencies have suggested that the Board consider recommending this project be subjected to a Review.

The following represents a *summary* of the comments and concerns received during the public commenting period for this file; please note that the original comment submissions have been included in their entirety in **Appendix A**:

Kitikmeot Inuit Association (KIA):

- Pleased to see that Sabina intends to further develop the project; however Sabina's project proposal does have significant impact potential and the KIA is of the opinion that a Part 5 Review will be required.
- KIA has not yet conducted consultation to assess public concern, however items within the Back River project proposal that arouse concern for the KIA itself relate to: water quality; water consumption; fisheries, wildlife and their habitats; hydrogeology; reclamation; and traditional knowledge.
- KIA believes that development of the project will result in eco-systemic impacts on wildlife, fisheries and their habitat. Additionally, the project may have adverse socio-economic effects such as: possible reduction in harvesting opportunities for hunters and

trappers; and the potential for some societal problems resulting from rotation schedules, and increased disposable income. However, the project will also result in increased employment and training opportunities for Kitikmeot Inuit, which will likely improve their standard of living.

- KIA would be supportive of a coordinated review process, should the NIRB and NWB investigate it, indicated that a coordinated process would benefit all parties involved.
- As the Back River project progresses through the regulatory process, the KIA would likely have capacity challenges to address the project's technical requirements within regulatory timeframes. To ensure that the KIA is able to properly address concerns on IOL, it may be required to regularly request extensions.

Government of Nunavut (GN):

- The proposed project has the potential to cause substantial socio-economic and biophysical impacts in the Kitikmeot Region and in the Territory, the majority of which would occur within the Nunavut Settlement Area. The GN therefore recommended that the NIRB issue a decision consistent with 12.4.4 (b) and proceed with a Part 5 review under Article 12 of the NLCA.
- The application indicated that Yellowknife, Northwest Territories would be considered a source of workers, goods and services. The GN's comments noted its position on sound mineral development: "GN expects companies involved in mineral exploration and mining to use a Nunavut community as a logistical center for their operations" and encouraged that the Proponent implement priority hiring policies from Nunavut communities, especially those within the Kitikmeot region.

Aboriginal Affairs and Northern Development Canada (AANDC):

- Due to the nature and scale of the proposed project's activities and components having potential to cause significant adverse environmental impacts and socio-economic effects on northerners, AANDC recommended that a review be required under 12.4.2 of the Nunavut Land Claims Agreement;
- AANDC noted that the following areas merit more in-depth assessment:
 - Anticipated impacts of construction, operation and closure activities on wildlife, water quality and quantity, vegetation, landforms and permafrost features in the area.
 - Anticipated socio-economic impacts throughout the project life.
 - Impacts of potential accidents or malfunctions on site and during transportation.
 - Potential impacts of proposed or potential linear development, marine laydown areas, waste rock and ore storage areas, tailings treatment facilities and lake dewatering on the surrounding environment, including water quality, ground stability and permafrost, vegetation, soil and wildlife.
 - Potential impacts to the groundwater regime from underground mining and provisions for management and potential contamination of groundwater.
 - Potential for ongoing and incremental land use activities associated with this and other mining and transportation activities in the Kitikmeot region to result in cumulative ecosystemic and socio-economic impacts.

- AANDC has jurisdictional responsibility in relation to the proposed project, particularly: Ministerial responsibilities for approval of water licence and administration of Crown land and expects to offer expertise in several areas.

Environment Canada (EC):

- Based upon the scale of the proposed project EC believes that it has the potential to cause significant adverse effects on the ecosystem and wildlife habitat if allowed to proceed.
- Potentially impacted ecosystem components falling under EC's mandate include:
 - Surface freshwater as a result of lake dewatering, nutrient input from blasting and sewage treatment, effluent from tailings, suspended sediments as a result of construction and operational activities, surface runoff from ore and waste rock, and accidents and malfunctions;
 - Air quality as a result of the operational incinerators, mine site activities and the equipment and supplies along winter and all-weather roads;
 - Migratory birds as a result of habitat loss and disturbance related to infrastructure construction and use; and,
 - Species at risk as a result of habitat loss and disturbance related to infrastructure construction and use.
- Due to potential significant adverse impacts to these ecosystem components resulting from the project, it is EC's opinion that a Part 5 Review under Section 12.4.4(b) of the Nunavut Land Claims Agreement would be appropriate.

Fisheries and Oceans Canada (DFO):

- DFO indicated that the development of the Back River Mine Project would cause the harmful alteration or disruption or destruction to fish and fish habitat and would therefore require an authorization under subsection 35(2) of the *Fisheries Act*. Information provided in the preliminary project description is insufficient for DFO to identify all potential impacts to fish and fish habitat.
- Some aspects of the mine that will result in impacts to fish and fish habitat include:
 - Whole lake loss and partial infilling of fish habitat resulting from the creation of waste rock piles within water bodies that are considered fish habitats;
 - Partial dewatering of Goose Lake to facilitate open pit mining of the Goose deposit;
 - Dewatering of several unnamed waterbodies to facilitate the development of the Llama deposit;
 - Construction of watercourse crossings along all-weather road from the Goose Property to the George Property and on to Bathurst Inlet;
 - Potential diversion of fish bearing streams around open pits, waste rock piles and tailings impoundment areas, and for site water management; and,
 - Construction of in-water port infrastructure facilities at Bathurst Inlet and associated shipping.
- DFO suggested that as the Back River Mine Project has the potential to cause significant adverse effects on fish and fish habitat, the NIRB consider recommending the project for review under Article 12, as provided for in Section 12.4.4(b) of the Nunavut Land Claims Agreement.

Natural Resources Canada (NRCan):

- NRCan likely to have regulatory jurisdiction for the proposed project relating to the manufacture and/or storage of explosives pursuant to the *Explosives Act*.
- NRCan would be in a position to provide further advise to the Board should the project proposal be required to undergo further NIRB review under Part 5 or Part 6 (12.4.4(b)) of the Nunavut Land Claims Agreement and would expect additional details to be provided within the Proponent's noted future Environmental Impact Statement.

Transport Canada (TC):

- Insufficient information provided to confirm exactly which activities would require approval or Order in Council under the *Navigable Waters Protection Act*.
- TC has several areas of interest in the proposed project specifically relating to the following:
 - Navigable Waters Protection Program regarding proposed dewatering activities, waste and tailings disposal, road construction, marine laydown areas, and any further activities proposed in relation to navigable waters which would require approvals under Section 5 of the *Navigable Waters Protection Act*, as well as potential Section 23 Order of Council for deposition of waste rocks and tailings associated with mining and possibly with dewatering of lakes;
 - Transport Canada Marine Safety regarding fuel storage and transfer, vessels, ship's routing, and port facility and infrastructure as TC is the lead federal regulatory agency responsible for the National Marine Oil Spill Preparedness and Response Regime and its associated regulations, as well as ensuring compliance with the *Arctic Waters Pollution Prevention Act* and the *Canadian Shipping Act* and their associated regulations;
 - Transportation of Dangerous Goods fall under the *Transportation of Dangerous Goods Regulations* and pursuant to Section 7 of the *Transportation of Dangerous Goods Act*, 1992, persons must have an approved Emergency Response Assistance Plan in place before transport or import of certain dangerous goods;
 - Aviation Safety regarding TC's responsibility under the *Aeronautics Act* with respect to aerodrome standards and certification, emergency response planning, and wildlife planning and management;
- Based upon the proposed project scale, TC noted that the proposed project may cause significant adverse effects to the ecosystem encompassing water bodies or watercourse crossings and could arouse significant public concern with respect to increased shipping traffic.
- Based upon its review of the information presented by the Proponent, Transport Canada suggested that the Back River project be reviewed under Part 5 of Article 12 of the Nunavut Land Claims Agreement.

Canadian Arctic Resources Committee (CARC):

- Concerns regarding impacts to the Bathurst Caribou herd and to Aboriginal people in the Northwest Territories and Nunavut, especially considering the project's size and its location within the Bathurst herd's calving and seasonal range. CARC indicated that this may arouse public concern and be detrimental to the people of both territories.

- CARC indicated that there would be significant ecosystem damage within the caribou range; that a reduction in caribou harvest would limit a natural food source and place an additional economic burden on Inuit, Dene, Metis and non-aboriginal families having to purchase imported food from southern Canada at expensive prices and with lower nutritional value.
- CARC referenced a report previously submitted to the NIRB outlining the vulnerability of the Bathurst Caribou herd in its natural range to this type of project.

Yellowknives Dene First Nation (YKDFN):

- Expressed concerns regarding impacts to the Bathurst Caribou herd population and its belief that these caribou are being affected by development. This project, with its close proximity to the calving grounds, is of the highest level of concern to the YKDFN.
- Requested that the Proponent provide the YKDFN with a hard copy of appropriate materials.
- Noted that the Project should be referred for a Part 6 review because the effects to the Bathurst Caribou herd may be significant both in an environmental sense, but also on the people of YKDFN, for whom this herd is a critical and irreplaceable resource already under significant pressure. YKDFN expressed the opinion that this project be referred to a Part 6 review so that the review can address objectives beyond just those listed in s. 12.2.5 of the Nunavut Land Claims Agreement, considering that impacts to caribou would likely be one of the most significant effects and would primarily affect those outside the Nunavut Settlement Area.
- YKDFN indicated that it had not been consulted or accommodated regarding the impacts that may occur as a result of this project.

ASSESSMENT OF THE PROJECT PROPOSAL IN ACCORDANCE WITH NLCA 12.4.2

Subsection 12.4.2(a) of the Nunavut Land Claims Agreement (NLCA) directs the NIRB, when screening a project, to recommend a public review when in its judgement:

- (i) the project may have significant adverse effects on the ecosystem, wildlife habitat or Inuit harvesting activities,
- (ii) the project may have significant adverse socio-economic effects on northerners,
- (iii) the project will cause significant concern, or
- (iv) the project involves technological innovations for which the effects are unknown

Pursuant to Subsection 12.4.2(b), a review is generally not required when, in NIRB's judgement, the project is unlikely to arouse significant public concern and;

- (i) the adverse ecosystemic and socio-economic effects are not likely to be significant, or
- (ii) the project is of a type where the potential adverse effects are highly predictable and mitigable with known technology

Subsection 12.4.2(c) instructs NIRB to give greater weight to the provisions of 12.4.2 (a) in determining whether a review is required or not.

In determining whether or not a public review is necessary, the NIRB considered a number of factors, in addition to soliciting and reviewing comments received from responsible government departments, Inuit organizations and interested parties. Upon completion of the Board's Screening assessment and consistent with the criteria as stated in 12.4.2 (a) of the NLCA, the NIRB has determined, based on the size and nature of the proposed Back River project, that:

1. The project may have significant adverse effects on the ecosystem, wildlife habitat or Inuit harvesting activities;
2. The project may have significant adverse socio-economic effects on Northerners; and
3. The project will cause significant public concern.

1. The project may have significant adverse effects on the ecosystem - 12.4.2(a) (i):

The NIRB and commenting parties and the Proponent have identified a number of potentially significant adverse effects that could be associated with this project. A selection of those comments identifying such adverse effects is listed below:

"The KIA is of the opinion that the Back River Project will result in substantial impacts on the land. The KIA has concerns with air and water quality, engineering, and fish and wildlife habitat." – *Kitikmeot Inuit Association*

"It is the GN's view that the proposed "Back River" project has the potential to cause substantial socio-economic and biophysical impacts in the Kitikmeot Region and in the Territory." – *Government of Nunavut*

"AANDC has reviewed the project proposal and is of the opinion that due to the nature and scale of the proposed project's activities and components having potential to cause significant adverse environmental impacts ... a review is required under 12.4.2 of the Nunavut Land Claims Agreement." – *Aboriginal Affairs and Northern Development Canada*

"After reviewing the project proposal and supporting documents, Environment Canada (EC) is of the opinion that the proposed project may cause significant adverse effects on the ecosystem and wildlife habitat." – *Environment Canada*

"Thus it is DFO's opinion that there is potential for the Back River Mine Project to cause significant adverse effects on fish and fish habitat." – *Fisheries and Oceans Canada*

"Based upon the proposed project scale, Transport Canada is of the opinion that the proposed project may cause significant adverse effects to the ecosystem encompassing water bodies or watercourse crossings..." – *Transport Canada*

"...there would be significant eco-system damage within the Bathurst Caribou range." – *Canadian Arctic Resources Committee*

"...the effects to the Bathurst Caribou herd may be significant both in an environmental sense, but also on the people of YKDFN, for whom this herd is a critical and

irreplaceable resource already under significant pressure...” – *Yellowknives Dene First Nation*

“With respect to traditional land use activities, the Project has the potential to adversely affect the quality and quantity of harvested resources.” – *Sabina Gold & Silver Corp.*

2. The project may have significant adverse socio-economic effects on Northerners - 12.4.2 (a) (ii):

The NIRB, commenting parties, and the Proponent have identified potential positive and negative socio-economic effects that could be caused by the proposed project. A selection of those comments outlining socio-economic considerations are presented below:

“...the project may have adverse socio-economic effects such as: possible reduction in harvest opportunities for hunters and trappers; and the potential for some societal problems (i.e., due to rotation schedules, and/or increased disposable income available in the Kitikmeot communities). However, the project will also result in increased employment and training opportunities for Kitikmeot Inuit, which will likely improve their standard of living.” – *Kitikmeot Inuit Association*

“It is the GN’s view that the proposed Back River project has the potential to cause substantial socio-economic and biophysical impacts in the Kitikmeot Region and in the Territory.” – *Government of Nunavut*

“AANDC has reviewed the project proposal and is of the opinion that due to the nature and scale of the proposed project’s activities and components having potential to cause significant adverse ... socio-economic effects on northerners, a review is required under 12.4.2 of the Nunavut Land Claims Agreement.” – *Aboriginal Affairs and Northern Development Canada*

“A reduction in Caribou harvest would limit a natural food source and place an additional economic burden on Inuit, Dene, Metis and non-aboriginal families having to purchase imported food from southern Canada that is more expensive and with lower nutritional value.” – *Canadian Arctic Resources Committee*

“...employment and income effects due to the Project may also enhance the ability to participate in land-based activities because of improvements in financial resources to purchase equipment and supplies. Changes to traditional activities also have the potential to adversely affect aspects of health and culture...” – *Sabina Gold & Silver Corp.*

3. The project will cause significant public concern - 12.4.2 (a) (iii):

After soliciting comments from the public and interested parties, and completing an internal technical review, it is the opinion of the NIRB that the size and nature of the Back River project will cause significant public concern, and that this would be best addressed through the course of a public review pursuant to Part 5 or 6 of NLCA Article 12. A number of commenting parties have also recommended to the NIRB that the Back River project be subject to review, with

several parties indicating their preference for a review pursuant to NLCA Article 12, Part 5, specifically noting the following:

“The KIA has not conducted any consultation with Inuit beneficiaries to assess public concern. However, items within the Back River project proposal that arouse concern for the KIA itself relate to: water quality; air quality; water consumption; fisheries, wildlife and their habitats; hydrogeology; reclamation; and traditional knowledge...The KIA believes that a Part 5 review will allow for a more appropriate assessment of the effects of Sabina’s Back River project, on both ecosystems and socio-economic factors” – *Kitikmeot Inuit Association*

“GN believes the majority of these potential impacts will occur within the Nunavut Settlement Area. Therefore, the GN recommends that the NIRB issue a decision consistent with 12.4.4 (b) and proceed with a Part 5 review under Article 12 of the NLCA.” – *Government of Nunavut*

“AANDC has reviewed the project proposal and is of the opinion that due to the nature and scale of the proposed project’s activities and components having potential to cause significant adverse environmental impacts and socio-economic effects on northerners, a review is required under 12.4.2 of the Nunavut Land Claims Agreement.” – *Aboriginal Affairs and Northern Development Canada*

“Due to potential significant adverse impacts to these ecosystem components resulting from the project, it is EC’s opinion that a Part 5 Review under Section 12.4.4(b) of the Nunavut Land Claim Agreement would be appropriate.” – *Environment Canada*

“DFO suggests that the NIRB consider recommending the Back River Mine Project for review under Article 12, as provided for in Section 12.4.4(b) of the *Nunavut Land Claim Agreement*” – *Fisheries and Oceans Canada*

“Based upon the proposed project scale, Transport Canada is of the opinion that the proposed project may cause significant adverse effects to the ecosystem encompassing water bodies or watercourse crossings and could arouse significant public concern with respect to increased shipping traffic. Thus, after review of the information presented by the Proponent, Transport Canada suggests that the Back River project be reviewed under Part 5 of Article 12 of the *Nunavut Land Claim Agreement*.” – *Transport Canada*

“Because of the dietary significance of the Bathurst Caribou herd to Aboriginal people in the Northwest Territories and Nunavut a project of this size and in the herd’s calving and seasonal range would arouse public concern and be detrimental to the people of both Territories.” – *Canadian Arctic Resources Committee*

“The project should be referred for a Part 6 review because the effects to the Bathurst Caribou herd may be significant both in an environmental sense, but also on the people of the YKDFN, for whom this herd is a critical and irreplaceable resource already under significant pressure.” – *Yellowknives Dene First Nation*

“The development of the Back River Project will require a Project Certificate to be issued by the Nunavut Impact Review Board. This is issued after the completion of the environmental impact review process and after it has been determined that the project should proceed.” – *Sabina Gold & Silver Corp.*

Following the NIRB’s technical review of the project proposal and consideration of the potential impacts associated with this type of project development, gold mining and milling, and associated infrastructure, as well as the public concerns expressed, the Board has identified that there are a number of issues which require further attention and clarification by the Proponent in order to ensure a thorough environmental impact assessment. In the NIRB’s view, these issues would best be addressed through the public review process pursuant to Part 5 or 6 of Article 12 of the Nunavut Land Claims Agreement (NLCA).

ADDITIONAL ISSUES OF CONCERN TO NIRB

In addition to the potential ecosystemic and socioeconomic impacts identified by parties which the NIRB must consider pursuant to NLCA Section 12.4.2, the NIRB has also identified several other important issues which a review of the Back River Project should take into consideration:

1. Geochemical Characterization of Waste Rock and Mitigation Measures for Potential Acid Rock Drainage and Metal Leaching

Sabina noted in its application materials that while the characterization of waste materials has not yet been finalized, a significant portion of rock may be classified as non-acid generating but some would also be potentially acid generating. Sabina has further indicated that its waste rock areas would be planned in such a manner as to immobilize the effects of the potentially acid generating rock by designing the waste facilities to encapsulate this rock and to keep it permanently frozen. In consideration of the resulting potential impact of metal leaching/acid rock drainage, the Proponent’s application indicated that it plans to conduct iterative testing, included a list of standard options for the prevention of impacts from this variable, and concluded that “all reasonable mitigation methods, including water treatment, will be investigated and evaluated with likely strategies incorporated into the mine operation and closure plan for the Back River Project.” This proposed management plan as well as the forthcoming details that are not currently included in the project proposal materials need to be assessed by the NIRB in detail to determine the validity of the proposed approach in general, and the feasibility and applicability of standard practices to the Back River project tested in particular.

2. Potential Transboundary Impacts due to the Project’s proximity to the Nunavut-Northwest Territories Territorial Boundary

Sabina’s application identified Yellowknife, NWT and communities of the Kitikmeot region as potential sources for project labour, goods and services (including transportation). The Proponent’s plans to source labour, goods and services have the potential to impact upon the economic well-being, self-reliance, and business opportunities within both the Northwest Territories and Nunavut. In addition, concerns regarding impacts (specifically cumulative impacts) to caribou within Nunavut and the Northwest Territories have been expressed from

groups in both territories and will require careful consideration of project-specific and cumulative impacts, mitigation measures as well as regional coordination of monitoring and mitigation measures. Additional consultation with affected communities and groups in the Northwest Territories may be required to ensure potential impacts to other regions and/or populations can be fully understood and assessed to the extent necessary.

3. Proposed Tailings Management and Tailings Storage Area Location

Sabina has indicated that it conducted a preliminary tailings alternatives assessment to determine its location for a proposed tailings storage area for the disposal of the estimated 20-28 million tonnes of tailings that would be produced through the anticipated 10-15 year mine life. Beyond that general reference, the Proponent has only noted that “potential Tailings Storage Area locations, deposition methods, and management methods will be further evaluated during pre-feasibility and feasibility studies.” The Board is of the opinion that a comprehensive analysis of relevant tailings management details, effectiveness of proposed tailings management strategy and the Proponent’s planned monitoring approach will require the level of further scrutiny best provided through an NLCA Part 5 or 6 Review.

4. Potential Cumulative Effects of Increasing Mineral Development in the Kitikmeot Region

The Back River Project adds to the number of proposed and/or developed mines in the Kitikmeot Region. The NIRB is aware of a large number of mineral exploration and development projects currently operating or under Review by the Board throughout the Kitikmeot Region, including:

- Sabina Gold and Silver Corp.’s Back River ongoing exploration activities (NIRB File Nos. 04RN015; 04RN101; 06EN033; 08EA084; 09RN066);
- Sabina Gold and Silver Corp.’s Bathurst Port and Road Project (NIRB File No. 03UN114) currently undergoing Review by the Board pursuant to NLCA Article 12, Part 5;
- Hope Bay Mining Ltd.’s Doris North Gold Mine, currently being monitored by the Board pursuant to NLCA Article 12, Part 7 (NIRB File No. 05MN047) as well as the proposed Phase 2 Hope Bay Belt project proposal undergoing Review pursuant to NLCA Article 12, Part 5 (NIRB File No. 12MN001);
- Shear Diamonds Corp.’s Jericho Diamond Mine, currently being monitored by the Board pursuant to NLCA Article 12, Part 7 (NIRB File No. 00MN059) and subsequent mineral exploration within the vicinity of the Jericho Diamond Mine (NIRB File No. 11EN009);
- North Arrow Mineral Inc.’s Torp Lake exploration project (NIRB File No. 09EN059) and Hope Bay exploration project (NIRB File No. 11EN001);
- Guyana Precious Metal Inc.’s Dismal Lakes exploration project (NIRB File No. 11EN033);
- Elgin Mining Ltd.’s mineral exploration activities near the former Lupin Mine (NIRB File No. 11EN047);
- Xstrata Zinc Canada’s Hackett River project proposal undergoing review by the Board pursuant to NLCA Article 12, Part 5 (NIRB File No. 08MN006), and related exploration activities (NIRB File Nos. 04EN012; 06EN033; 08EA084; 09RN066); and

- Mineral and Metal Group's Izok Corridor project submitted to the NIRB on September 4, 2012, currently pending the commencement of screening pursuant to NLCA Article 12, Part 4.

The NIRB's Screening assessment has also considered the potential for cumulative impacts to wildlife, including barren-ground caribou populations, particularly the Ahiak, Dolphin and Union, and Bathurst herds which could result from habitat loss and disruption of migration patterns caused by Sabina's proposal to concurrently operate multiple mine sites in the Back River area in association with other mineral exploration activities and transportation developments in the area.

Given the relatively small population base in the Kitikmeot region and the number of proposed and ongoing developments within the area, the Proponent's plan to potentially source Project labour, goods and services from Kitikmeot communities may result in cumulative socio-economic impacts when considered in context with the other ongoing developments that are, or will be placing similar demands upon limited social and economic resources. In addition, the NIRB recognizes the importance of the caribou calving and post-calving areas located in the region, and believes that the potential for cumulative ecosystemic and related socio-economic effects must be considered more fully in order to effectively assess the Back River Project in context.

5. Availability of Participant Funding

It is the NIRB's opinion that given the range and scope of the potential impacts of the proposed project, participant funding will likely be required to promote effective participation by potentially affected groups in the environmental assessment process. In particular, the NIRB notes that certain ecosystemic and socio-economic components, such as caribou, culture and human health and well-being, may be impacted both throughout Nunavut (including effects outside the Kitikmeot region) and into the Northwest Territories, making extensive consultation with potentially affected aboriginal and other community groups of central importance to the Board's assessment. The Board notes that there is a precedent for the Minister to direct the award of this type of funding in previous Reviews conducted by the NIRB. However, the NIRB also recognizes that no established participant funding program is currently in place, and as such, these requests for support will be considered by the Minister on a case by case basis. The NIRB recommends that in this case, the Minister, in making his determination, consider the need for participant funding to facilitate the level of meaningful public participation required.

RECOMMENDATION TO THE MINISTER

Collectively, the Board has carefully considered the factors set out in sections 12.4.2(a) and 12.4.2(b) of the NLCA. The Board is of the opinion, based on the submissions of the Parties as set out in the preceding sections of this Screening Decision that this Project may have significant adverse effects on the ecosystem, wildlife habitat or Inuit harvesting activities; adverse socio-economic effects on northerners; and will cause significant public concern.

Therefore, pursuant to Section 12.4.4(b) of the NLCA, the Board recommends to the Minister that Sabina Gold & Silver Corp.'s "Back River" project proposal requires review pursuant to Part 5 or 6 of NLCA Article 12.

The NIRB looks forward to receiving your decision and will respond in a timely and efficient manner to your direction once received.

Yours truly,



Elizabeth Copland
Acting Chairperson
Nunavut Impact Review Board

cc: Honourable Denis Lebel, Government of Canada, Minister of Transport, Infrastructure and Communities
Honourable Keith Ashfield, Government of Canada, Minister of Fisheries and Oceans
Honourable Joe Oliver, Government of Canada, Minister of Natural Resources
Thomas Kabloona, Chairperson, Nunavut Water Board
Charlie Evalik, President, Kitikmeot Inuit Association

Attachments: Appendix A: Comment Submissions (NIRB File No. 12MN036)

Appendix A
Comment Submissions (NIRB File No. 12MN036)



Environment Environnement
Canada Canada

Environmental Protection Operations
Qimugjuk Building 969
PO Box 1870
Iqaluit, NU X0A 0H0
Tel: (867) 975-4631
Fax: (867) 975-4645

August 16th 2012

EC file: 4704 004 082
NIRB file: 12MN036

Tara Arko
Technical Advisor
Nunavut Impact Review Board
PO Box 1360, 29 Mitik
Cambridge Bay, NU X0A 0C0

Via email: info@nirb.ca

RE: Notice of Part 4 Screening for Sabina Gold & Silver Corporation's "Back River" Project Proposal

Thank you for the opportunity to provide input into the Nunavut Impact Review Board's (NIRB) Part 4 Screening Decision for Sabina Gold and Silver Corporation's proposed Back River Project. The following specialist advice has been provided pursuant to the *Canadian Environmental Protection Act 1999*, Section 36(3) of the *Fisheries Act*, the *Migratory Birds Convention Act*, and the *Species at Risk Act*.

After reviewing the project proposal and supporting documents, Environment Canada (EC) is of the opinion that the proposed project may cause significant adverse effects on the ecosystem and wildlife habitat. This advice is based on the scale of the proposed project and the anticipated environmental impacts that may occur if the project proceeds. Potentially impacted ecosystem components falling under EC's mandate include, but may not be limited to:

- Surface freshwater as a result of lake dewatering, nutrient input from blasting and sewage treatment, effluent from tailings, suspended sediments as a result of construction and operational activities, surface runoff from ore and waste rock, and accidents and malfunctions;
- Air quality as a result of the operation of incinerators, mine site activities and the equipment and supplies along winter and all-weather roads;
- Migratory birds as a result of habitat loss and disturbance related to infrastructure construction and use; and,
- Species at risk as a result of habitat loss and disturbance related to infrastructure construction and use.

Due to potential significant adverse impacts to these ecosystem components resulting from the project, it is EC's opinion that a Part 5 Review under Section 12.4.4(b) of the Nunavut Land Claim Agreement would be appropriate.

If there are any changes in the proposed project, EC should be notified, as further review may be necessary. Please do not hesitate to contact Paula Smith with any questions or comments with regards to the foregoing at (867) 975-4631 or by email at Paula.C.Smith@ec.gc.ca.



Susanne Forbrich
Manager, Environmental Assessment and Marine Programs
Environmental Protection Operations
Prairie and Northern Region

cc: Carey Ogilvie (Head, Environmental Assessment-North)
Paula Smith (Environmental Assessment Coordinator)



Nunavut Regional Office
P.O. Box 100
Iqaluit, NU, X0A 0H0

Your file - Votre référence
12MN036
Our file - Notre référence
CIDM 555176

August 17, 2012

Tara Arko
Technical Advisor
Nunavut Impact Review Board
P.O. Box 1360
Cambridge Bay, NU, X0B 0C0
Via electronic mail to: info@nirb.ca

Re: Notice of Part 4 Screening for Sabina Gold and Silver Corp's "Back River" Project Proposal.

Ms. Arko,

On August 1, 2012 the Nunavut Impact Review Board (NIRB) invited parties to comment on the Part 4 Screening for Sabina Gold and Silver Corp's "Back River" project proposal. Aboriginal Affairs and Northern Development Canada (AANDC) appreciates the opportunity to provide comments, and offers the following for the NIRB's consideration.

AANDC has reviewed the project proposal and is of the opinion that due to the nature and scale of the proposed project's activities and components having potential to cause significant adverse environmental impacts and socio-economic effects on northerners, a review is required under 12.4.2 of the Nunavut Land Claims Agreement.

AANDC has conducted a preliminary assessment of the proposal and identified areas that merit more in-depth assessment:

- The anticipated impacts of construction, operation and closure activities on wildlife, water quality and quantity, vegetation, landforms and permafrost features in the area.
- The anticipated socio-economic impacts throughout the project.
- The impacts of potential accidents or malfunctions on site as well as during transportation.
- The potential impacts of the proposed or potential linear development, marine laydown areas, waste rock and ore storage areas, tailings treatment facilities and lake dewatering on the surrounding environment,



including water quality, ground stability and permafrost, vegetation, soil and wildlife.

- Consideration for potential impacts to the groundwater regime from underground mining and provisions for management and potential contamination of groundwater.
- The potential for ongoing and incremental land use activities associated with this and other mining and transportation activity in the Kitikmeot region to result in cumulative ecosystemic and socio-economic impacts.

Accordingly, AANDC has jurisdictional responsibility in relation to the proposed project, particularly: Ministerial responsibilities for approval of the water licence and administration of Crown land. Furthermore, AANDC appreciates being of assistance to the NIRB throughout the impact assessment process, and expects to offer expertise in the following:

- Geotechnical engineering and permafrost considerations
- Site Water management
- Surface and ground water quality and quantity
- Hazardous material handling and storage
- Wastewater treatment
- Waste Management
- Mine and quarry design and construction
- Closure and reclamation planning
- Environmental Monitoring and Management Plans
- Cumulative effects and alternatives assessment
- Socio-economic impact and benefits analysis

AANDC looks forward to working with the NIRB and the Proponent throughout the environmental assessment of this project. Should you have any questions, please contact James Neary at 867 975 4567 or by e-mail james.neary@aandc-aadnc.gc.ca.

Sincerely,

[original signed by]

James Neary
A/Manager, Environment



Canadian Arctic Resources Committee

MAILING ADDRESS: Box 371, Station A, Ottawa, Ontario, Canada, K1N 8V4

OTTAWA OFFICE: 488 Gladstone Avenue TEL: 613.759.4284 FAX: 613.237.3845

September 3, 2012

Tara Arko – Technical Advisor
Nunavut Impact Review Board
PO Box 1360, 29 Mitik
Cambridge Bay, NU X0B 0C0
Via electronic mail to: info@nirb.ca

Re: Notice of Part 4 Screening for Sabina Gold & Silver Corporation “Back River Project Proposal” NIRB 12MN036

Thank you for the opportunity to comment on the above project.

Because of the dietary significance of the Bathurst Caribou herd to Aboriginal people in the Northwest Territories and Nunavut a project of this size and in the herd's calving and seasonal range would arouse public concern and be detrimental to the people of both Territories.

As such there would be significant eco-system damage within the Bathurst Caribou range. A reduction in Caribou harvest would limit a natural food source and place an additional economic burden on Inuit, Dene, Metis and non-aboriginal families having to purchase imported food from southern Canada that is more expensive and with lower nutritional value.

CARC has tabled in the NIRB Part 5 Review of the Bathurst Inlet Port and Road Project an extensive report describing the vulnerability of the Bathurst Caribou herd in its natural range to this type of project.

David Gladders – Executive Director

Cc: Canadian Arctic Resources Committee



COMMENT FORM FOR NIRB SCREENINGS

The Nunavut Impact Review Board (NIRB) has a mandate to protect the integrity of the ecosystem for the existing and future residents of Nunavut. To assess the environmental and socio-economic impacts of the project proposal, NIRB would like to hear your concerns, comments and suggestions about the following project proposal application:

Project Proposal Title: <u>Back River Project</u>																			
Proponent: <u>Sabina Gold and Silver Corp.</u>																			
Location: <u>Kitikmeot</u>																			
Comments Due By: <u>Extended to September 5, 2012</u> NIRB #: <u>12MN036</u>																			
<p>Indicate your concerns about the project proposal below:</p> <table border="0"> <tr> <td>no concerns</td> <td>traditional uses of land</td> </tr> <tr> <td>water quality</td> <td>Inuit harvesting activities</td> </tr> <tr> <td>terrain</td> <td>community involvement and consultation</td> </tr> <tr> <td>air quality</td> <td>local development in the area</td> </tr> <tr> <td>x wildlife and their habitat</td> <td>tourism in the area</td> </tr> <tr> <td>marine mammals and their habitat</td> <td>human health issues</td> </tr> <tr> <td>birds and their habitat</td> <td>other: _____</td> </tr> <tr> <td>fish and their habitat</td> <td>_____</td> </tr> <tr> <td>heritage resources in area</td> <td>_____</td> </tr> </table>		no concerns	traditional uses of land	water quality	Inuit harvesting activities	terrain	community involvement and consultation	air quality	local development in the area	x wildlife and their habitat	tourism in the area	marine mammals and their habitat	human health issues	birds and their habitat	other: _____	fish and their habitat	_____	heritage resources in area	_____
no concerns	traditional uses of land																		
water quality	Inuit harvesting activities																		
terrain	community involvement and consultation																		
air quality	local development in the area																		
x wildlife and their habitat	tourism in the area																		
marine mammals and their habitat	human health issues																		
birds and their habitat	other: _____																		
fish and their habitat	_____																		
heritage resources in area	_____																		
<p>Please describe the concerns indicated above:</p> <p>The Yellowknives Dene are deeply concerned about the Bathurst Caribou Herd population and believe that they are being affected by development. This project, with its close proximity to the Calving grounds, is of the highest level of concern.</p>																			
<p>Do you have any suggestions or recommendations for this application?</p> <ol style="list-style-type: none"> 1) The proponent should furnish the YKDFN with a hard copy of all appropriate materials (PO Box 2514, Yellowknife NT, X1A 3Z1) 2) The project should be referred for a Part 6 review because the effects to the Bathurst Caribou herd may be significant both in an environmental sense, but also on the people of the YKDFN, for whom this herd is a critical and irreplaceable resource already under significant pressure. <ol style="list-style-type: none"> a. This project must be referred to a part 6 review so that the review can address objectives beyond just those listed in s.12.2.5 of the Nunavut Land Claim. Impacts to caribou will likely be one of the most significant, which will primarily affect those outside the Nunavut settlement area. 																			
<p>Do you support the project proposal? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Any additional comments?</p> <p>YKDFN have not been consulted or accommodated whatsoever on the impacts that will occur as a result of this project.</p>																			
<p>Name of person commenting: <u>Todd Slack</u> of _____</p>																			
<p>Position: <u>Regulatory Specialist</u> Organization: <u>Yellowknives Dene First Nation</u></p>																			
<p>Signature: <u>Todd Slack</u> Date: <u>September 4th, 2012</u></p>																			



Fisheries and Oceans Canada Pêches et Océans Canada

Eastern Arctic Area
Iqaluit Office

Région Arctique de l'est
Bureau de Calgary

P.O. Box 358,
Iqaluit NU X0A 0H0

C.P. 358
Iqaluit NU X0A 0H0

Tel: (867) 979-8007
Fax: (867) 979-8039

Tél: (867) 979-8007
Télec: (867) 979-8039

Your file Votre référence
12MN036

Our file Notre référence
NU-12-0007

September 5, 2012

Tara Arko
Technical Advisor
Nunavut Impact Review Board
PO Box 1360
Cambridge Bay, NU X0B 0C0

Dear Ms. Arko:

Subject: DFO Comments, Review of Project Description for Back River Mine Project

Fisheries and Oceans Canada (DFO) received a letter from the Nunavut Impact Review Board (NIRB) on August 1, 2012 regarding the commencement of the Part 4 Screening Review for the Sabina Gold and Silver Corp's Back River Mine Project. On August 20, 2012 DFO received applications for *Fisheries Act* review and Authorization for the Back River Mine Project.

As per the August 1, 2012 request for comment from the NIRB, DFO has reviewed the project description dated June 2012 and has also taken into consideration the information presented by environmental representatives from Sabina Gold and Silver Corp at an introductory project meeting on July 6, 2012. After reviewing the scope of information that has been presented by the proponent to date, including mitigation measures and best management practices, it was determined by DFO that the development of the Back River Mine Project will cause a harmful alteration or disruption or destruction to fish and fish habitat and will require an authorization under subsection 35 (2) of the *Fisheries Act*. Although the information provided in the preliminary project description is insufficient for DFO to identify all potential impacts to fish and fish habitat, DFO has identified some aspects of the mine that will result in impacts to fish and fish habitat including:

- Whole lake loss and partial infilling of fish habitat resulting from the creation of waste rock piles within waterbodies that are considered fish habitat;
- Partial dewatering of Goose Lake to facilitate open pit mining of the Goose Deposit;
- Dewatering of several unnamed waterbodies to facilitate the development of the Llama Deposit;
- Construction of watercourse crossings along an all-weather road from the Goose Property to the George Property and Bathurst Inlet;
- Potential diversion of fish bearing streams around open pits, waste rock piles and tailings impoundment areas, and for site water management; and,
- Construction of in-water port infrastructure facilities at Bathurst Inlet and associated shipping.

Thus it is DFO's opinion that there is potential for the Back River Mine Project to cause significant adverse effects on fish and fish habitat. DFO suggests that the NIRB consider recommending the Back River Mine Project for review under Article 12, as provided for in Section 12.4.4 (b) of the *Nunavut Land Claim Agreement*.

DFO is committed to working with NIRB, Sabina Gold and Silver Corp. and other Federal and Territorial Agencies during the regulatory review of this development proposal. If you have any questions concerning the above or would like to discuss in greater detail please contact Nicola Johnson directly by telephone at (867) 669-4933 or by email at nicola.johnson@dfo-mpo.gc.ca

Sincerely,



Beverley Ross
Regional Manager, Environmental Assessment for Major Projects
Fisheries and Oceans Canada

cc. Derrick Moggy, Fisheries and Oceans Canada
 Nicola Johnson, Fisheries and Oceans Canada
 Matthew Pickard, Sabina
 Eric Kan, Fisheries and Oceans Canada
 Jim Elliot, Fisheries and Oceans Canada
 Georgina Williston, Fisheries and Oceans Canada
 Dale Nicholson, Fisheries and Oceans Canada



ᓂᓄᓕᓕᓕᓕᓕᓕᓕᓕᓕ

Havakvik Atanita

Department of Executive and Intergovernmental Affairs

Ministère de l'Exécutif et des Affaires intergouvernementales

Iqaluit, 5 September 2012

Tara Arko
Technical Advisor
Nunavut Impact Review Board
P.O. Box 1360
Cambridge Bay, NU X0B 0C0

Via email: tarko@nirb.ca, info@nirb.ca

RE: NIRB File 12MN036 – GN Comments on Part 4 Screening of Sabina Gold and Silver's "Back River" project proposal

Dear Ms. Arko,

On 1 August 2012, the Government of Nunavut (GN) received correspondence from the Nunavut Impact Review Board (NIRB) requesting comments on Sabina Gold and Silver's (Sabina) "Back River" project proposal pursuant to Part 4, Article 12 of the Nunavut Land Claims Agreement (NLCA). The GN has reviewed the project proposal and provides the following comments and recommendation.

The proposed "Back River" project is located in the west Kitikmeot Region, approximately 160km from Kingaok, 250km from Omingmaktok and 360km from Cambridge Bay. Sabina is proposing to develop and operate a gold mine with a life of approximately 17-22 years or longer, including 2 years of construction and 5 years of closure activities. Sabina expects to employ 900 people when in operation and process up to 7,000 tonnes of ore per day from underground and open pit sources.

It is the GN's view that the proposed "Back River" project has the potential to cause substantial socio-economic and biophysical impacts in the Kitikmeot Region and in the Territory. Further, the GN believes the majority of these potential impacts will occur within the Nunavut Settlement Area. Therefore, the GN recommends that the NIRB issue a decision consistent with 12.4.4 (b) and proceed with a Part 5 review under Article 12 of the NLCA.

The GN notes that reference is made to the use of Yellowknife, Northwest Territories, as a source of workers, goods and services (Project Description Report, p. 2-9). *Parnautit*, the GN's Mineral Exploration and Mining Strategy, outlines the GN's position on sound mineral development for the benefit of all Nunavummiut. Specifically, Policy 3-1 states that the "GN expects companies involved in mineral exploration and mining to use a Nunavut community as a logistical centre for their operations." The GN recognizes Sabina's plans to implement priority hiring policies from the Kitikmeot Region and Nunavut communities, and expects a Nunavut community, preferably in the Kitikmeot Region, to be Sabina's logistical hub wherever practicable.

Page 1

OFFICE OF THE ASSISTANT DEPUTY MINISTER

P.O. Box 1000, Station 203

Government of Nunavut, Iqaluit, NU. X0A 0H0

☎ (867) 975-6022 📠 (867) 975-6089

✉: psuvega@gov.nu.ca

We thank the NIRB for providing the GN with the opportunity to review and provide comments with respect to Sabina Gold and Silver's "Back River" project proposal and look forward to continuing to participate in the environmental review process as it continues. Please contact me at (867) 975-6022 or at psuvega@gov.nu.ca should there be any questions or concerns.

Qujannamiik,

Pauloosie Suvega

Assistant Deputy Minister, Sustainable Development
Department of Executive and Intergovernmental Affairs



September 5, 2012

Tara Arko
Technical Advisor
Nunavut Impact Review Board
P.O. Box 1360
Cambridge Bay, NU X0B 0C0

NIRB File#: 12MN036
NRCan File#: NT-074

Via email: info@nirb.ca, tarko@nirb.ca

Re: Natural Resources Canada's Comments regarding the Nunavut Impact Review Board's (NIRB/Review Board) Notice of Part 4 Screening for Sabina Gold & Silver Corp's "Back River" project proposal

Natural Resources Canada (NRCan) would like to thank the Nunavut Impact Review Board staff for the notification letter sent August 1, 2012 regarding the Part 4 Screening for the Sabina Gold & Silver Corp's "Back River" project proposal.

NRCan has reviewed the Project Description (June 2012) and determined that the department is likely a regulatory authority for this proposed project through the issuance of a licence(s) for the manufacture and/or storage of explosives pursuant paragraph 7(1)(a) of the *Explosives Act* to enable the proposal to be carried out. Areas of expertise within NRCan likely applicable to this project include hydrogeology, geology, permafrost, geohazards and mine waste management.

The Project Description notes that a future Environmental Impact Statement would assess the significance of any residual environmental impacts, once mitigation measures are identified and applied. From NRCan's perspective, we would expect that this future assessment would include, for example, the results of hydraulic testing planned for 2012 to determine potential interactions between planned deposit developments and talik/groundwater, and the ongoing metal leaching / acid rock drainage characterization program.

The department would be in a position to provide more detailed scientific and technical advice to the Review Board on our areas of expertise, should the project proposal be required to undergo further NIRB review under Part 5 or Part 6 (12.4.4 (b)) of the Nunavut Land Claim Agreement.

If you have any questions regarding the foregoing please contact the undersigned at (613) 943 0773 or via email at John.Clarke@nrcan.gc.ca.

Sincerely,

John Clarke
Director, Environmental Assessment SPI
Natural Resources Canada



Natural Resources
Canada

Ressources naturelles
Canada

cc: Rob Johnstone, Natural Resources Canada



Transport
Canada

Transports
Canada

Prairie and Northern Region
P.O. Box 8550
3rd Floor, 344 Edmonton Street
Winnipeg, Manitoba
R3C 0P6

Your file Votre référence

12MN036

Our file Notre référence

7075-70-1-115

September 5th 2012

Tara Arko
Technical Advisor
Nunavut Impact Review Board (NIRB)
P.O. Box 1360
Cambridge Bay, NU, X0B 0C0

Re: Notice of Part 4 Screening for Sabina Gold & Silver Corp.'s "Back River" project proposal

Dear Ms. Arko,

Transport Canada received a letter from the Nunavut Impact Review Board (NIRB) on August 1, 2012 pertaining to the Part 4 screening of the Back River project proposal. After reviewing the summary list of main project activities and components associated with the project in your letter, as well as a review of the Back River project description and supporting information, Transport Canada (TC) offers the following comments with respect to our interests and mandate:

Transport Canada – Navigable Waters Protection Program (NWPP) has an interest in the following areas of this project:

- Proposed dewatering and partial dewatering of lakes (Goose Lake and unnamed lake)
- Proposed intakes and other works required for sourcing of fresh water (Goose Lake, George Lake and other suitable lakes)
- Proposed deposition of waste rock and tailings within waterways, and related in water works (diversions, dykes, etc.)
- Proposed construction of access roads (all weather and winter) where crossing navigable waters
- Proposed marine laydown area in Bathurst Inlet and associated in water works (docks, jetty, buoys etc.)
- Any additional works proposed for placement in, on, over, under, through or across any navigable waters

Approvals under Section 5 of the Navigable Waters Protection Act (NWPA) will be required for activities associated with the project, as well as a potential Section 23 Order in Council for

Canada 

deposition of waste rocks and tailings associated with the mining and possibly with dewatering of lakes. The current information provided is not sufficient to confirm exactly which activities will require approval or Order in Council under the NWPAA. Transport Canada will need to refer to documents provided by the proponent such as the Environmental Impact Statement (EIS) for development of Triage and regulatory impact analysis statement (RIAS) requirements and will contact the proponent if additional information is required. Impacts to navigation will be identified during the regulatory phase and mitigated by appropriate terms and conditions of required NWPAA approvals.

Transport Canada Marine Safety

After reviewing the Project Description and supporting documents, Transport Canada Marine Safety (TCMS) has identified a particular interest in several components and activities that would pertain to our mandate and area of expertise of our department:

Fuel Storage and Transfer

Transport Canada, Marine Safety and Security (TCMSS) is the lead federal regulatory agency responsible for the National Marine Oil Spill Preparedness and Response Regime. Part 8 of the CSA 2001 and its associated regulations and standards govern the regime, which is built upon the polluter-pay principle. Part 8 and its regulations require oil handling facilities (OHFs) that load or unload oil from vessels to have emergency plans and prevention plans. Note that there are specific guidelines for the transfer of fuel in the Arctic.

Vessels

All vessels and Oil Barges transiting through and operating in Canadian Arctic waters are required to comply with the *Arctic Waters Pollution Prevention Act* (AWPPA), the *Canada Shipping Act* (CSA 2001) and their associated regulations including for requirements for vessel construction and operations. Oil Barges should also comply with TP 11960. Further information is required in regards to specific vessels/barges which will be employed to fuel and dry cargo.

Ship's Routing

Specific information is requested in regards to the route and the adequacy of bathymetric information as related to vessels being employed.

Port Facility and Infrastructure

TCMSS requests specific details in regards to the proponent's plans for facilities to handle the cargo and compliance with TDG.

Transportation of Dangerous Goods

- The *Transportation of Dangerous Goods Regulations* adopted by all territories, focus on preventing hazardous incidents when dangerous goods are imported, handled, or transported.

- *Section 7 of the Transportation of Dangerous Goods Act, 1992*, requires that before a person offers for transport or imports certain dangerous goods, the person must have an approved Emergency Response Assistance Plan (ERAP).
-

Aviation Safety

- TC is responsible under the *Aeronautics Act*, for the regulation of aeronautics and the supervision of all matters connected with aeronautics, including:
 - Aerodrome standards and certification
 - Emergency response planning
 - Wildlife planning and management
- Aerodromes should be constructed to meet the requirements of the current edition of TP 312 *Aerodrome Standards and Recommended Practices*.

Transport Canada also carries out inspections of registered aerodromes to verify that the information listed by the owner, in the *Canadian Flight Supplement* for registered aerodromes, is accurate. Information listed in the *Canadian Flight Supplement* includes runway data, services available at the aerodrome and lighting. Transport Canada does not conduct oversight of non-registered aerodromes.

Based upon the proposed project scale, Transport Canada is of the opinion that the proposed project may cause significant adverse effects to the ecosystem encompassing water bodies or watercourse crossings and could arouse significant public concern with respect to increased shipping traffic. Thus, after review of the information presented by the Proponent, Transport Canada suggests that the Back River project be reviewed under Part 5 of Article 12 of the *Nunavut Land Claim Agreement*.

Transport Canada appreciates the opportunity to review and comment on the Sabina Gold and Silver Corp.'s Back River project and will work with the NIRB and other Federal and Territorial Agencies during the regulatory review of this project. Should you have any questions concerning this submission, please contact me directly at (204)-983-1139 or by email at john.cowan@tc.gc.ca

Sincerely,



John Cowan

cc: Dale Kirkland, Regional Manager, Programs
Doug Soloway, Superintendent (North) Program
Kim Pawley, Manager, Environmental Programs



P.O. Box 360
Kugluktuk, NU X0B 0E0
Telephone: (867) 982-3310
Fax: (867) 982-3311
www.kitia.ca

September 5, 2012

Kugluktuk
ᑭᓄᓗᓗᓗᓗᓗ

Tara Arko
Technical Advisor
Nunavut Impact Review Board
P.O. Box 1360
Cambridge Bay, NU X0B 0C0

Bathurst Inlet
Kingaok
ᑭᓄᓗᓗᓗᓗᓗ

Dear Ms. Arko:

Re: NIRB 12MN036: Notice of Part 4 Screening for Sabina Gold & Silver Corp.'s "Back River" project proposal

On Aug. 1, 2012, the Kitikmeot Inuit Association (KIA) received a Part 4 Screening request from the Nunavut Impact Review Board (NIRB) for Sabina Gold and Silver Corp.'s (Sabina) Back River project proposal, with comments due on Aug. 22. On Aug. 17, the KIA requested an extension to address internal capacity issues. As the Designated Inuit Organization for surface Inuit Owned Lands (IOL) in the Kitikmeot Region, it was important for the KIA to provide input on Sabina's project proposal. We would like to thank the NIRB for the Sept. 5 2012 extension, as it allowed us the time to appropriately screen the project.

The NIRB's screening notice requested that parties provide comment on four specific questions. The KIA provides this letter in response to those questions.

1. Whether the project proposal is likely to arouse significant public concern; and if so, why?

Sabina has invested to quantify and understand the resource in their Back River properties, and the KIA is pleased to see that Sabina intends to further develop the project. Sabina's project proposal, however, does have significant impact potential, and the KIA is of the opinion that a Part 5 Review will be required.

The KIA has not conducted any consultation with Inuit beneficiaries to assess public concern. However, items within the Back River project proposal that arouse concern for the KIA itself relate to: water quality; air quality; water consumption; fisheries, wildlife and their habitats; hydrogeology; reclamation; and traditional knowledge.

2. Whether the project proposal is likely to cause significant adverse eco-systemic and socio-economic effects; and if so, why?

The KIA believes that the development of Sabina's Back River project will result in some eco-systemic impacts on wildlife, fisheries and their habitats. Additionally, the project may have adverse socio-economic effects such as: possible reductions in harvest opportunities for hunters and trappers; and the potential for some societal problems (i.e., due to rotation schedules, and/or increased disposable income available in the Kitikmeot communities). However, the project will also result in increased employment and training opportunities for Kitikmeot Inuit, which will likely improve their standard of living.



P.O. Box 360
Kugluktuk, NU X0B 0E0
Telephone: (867) 982-3310
Fax: (867) 982-3311
www.kitia.ca

The KIA believes that a Part 5 Review will allow for a more thorough assessment of the effects of Sabina's Back River project, on both ecosystems and socio-economic factors. A Part 4 Screening is not conducive to such a thorough project review.

3. Whether the project is of a type where the potential adverse effects are highly predictable and mitigable with known technology, (please provide any recommended mitigation measures)?

The KIA is of the opinion that the Back River Project will result in a substantial impact on the land. The KIA has concerns with air and water quality, engineering, and fish and wildlife habitat. We do, however, believe that these effects are predictable and mitigable with known technologies, and with appropriate project planning and management. Again, the KIA believes that mitigation measures would be more appropriately addressed during a Part 5 Review rather than a Part 4 Screening.

4. Any matter of importance to the Party related to the project proposal.

The KIA agrees with Sabina's assessment that a Part 5 Review will be required for this project.

The KIA would be supportive of a coordinated review process, should the NIRB and the Nunavut Water Board (NWB) investigate it, as we believe a coordinated process would benefit all parties involved.

The KIA has worked and will continue to work closely with Sabina to address and mitigate adverse effects resulting from their projects. We have also consistently participated in the regulatory processes lead by Institutions of Public Government such as the NIRB and the NWB for projects in the Kitikmeot Region. However, as the Back River Project advances through the regulatory process, the KIA will likely have capacity challenges to address the project's technical requirements within regulatory timeframes. To ensure that the KIA is able to properly address our concerns on IOL, we may be required to regularly request regulatory extensions. The KIA would like to apologize to all parties in advance for any inconvenience these requests, and potential delays, may cause.

The KIA would like to thank the NIRB for the opportunity to provide comments on this file. Please feel free to contact us if you have any questions regarding this submission.

Sincerely,

Luigi Torretti, MSc, BComm
Senior Environment Officer
Kitikmeot Inuit Association