



NIRB File No. 12MN036

December 21, 2012

The Back River Distribution List

Sent via email

Re: Commencement of the NIRB's Review of Sabina Gold & Silver Corp.'s "Back River" project proposal

Dear Parties:

On December 17, 2012 the Nunavut Impact Review Board (NIRB or Board) received the enclosed letter from the Honourable John Duncan, Minister of Aboriginal Affairs and Northern Development (the Minister), regarding the NIRB's Screening Decision Report for Sabina Gold & Silver Corp.'s (Sabina; the Proponent) "Back River" project proposal (NIRB File No. 12MN036). The Minister has accepted the Board's recommendation and has referred the Back River project proposal (the Project) to the NIRB for further review pursuant to Part 5 of Article 12 of the Nunavut Land Claims Agreement (NLCA).

The Back River project description and information pertaining to the NIRB's Review of Sabina's Back River project proposal can be accessed online from the NIRB's public registry using the following link:

<http://ftp.nirb.ca/02-REVIEWS/ACTIVE%20REVIEWS/12MN036-SABINA-BACK%20RIVER/02-REVIEW/>.

The NIRB notes that in its original submission to the NIRB, the Proponent requested that the NIRB and the Nunavut Water Board (NWB) implement a coordinated approach to the processes for NIRB's Review and the NWB's consideration of the Type A Water Licence application for the Back River Project.

The NIRB and the NWB will work together to develop a detailed description of the proposed file-specific coordination between the Boards for the Back River Project and will distribute this to all parties once complete. In the meantime, a public guide to this coordinated approach entitled "Detailed Coordinated Process Framework for NIRB Part 5 Reviews and NWB Licensing" was previously developed by the NIRB and NWB and is available from the NIRB's online registry here:

<http://ftp.nirb.ca/02-REVIEWS/NIRB%20NWB%20COORDINATION/>.

The NIRB's Review process is designed to carry out the Board's functions as described in Section 12.2.2 of the NLCA and further, in accordance with Section 12.5.5 of the NLCA. This will involve at a minimum, the following:

- Review the ecosystemic and socio-economic impacts of the proposed Project;
- Gauge and define the extent the impacts will have on regions and communities; and
- Determine, on the basis of its review, whether the project proposal should proceed, and if so, under what terms and conditions, and then report its determination to the Minister.

The first step in the NIRB's Review process is to **scope** the project proposal and determine the potential for impacts associated with the Back River Project through all project stages, including site preparation, construction, operation, modification/maintenance, decommissioning, abandonment and restoration. Scoping is a process that pinpoints significant issues related to the proposed project which require more detailed study and analysis. This process aims to identify those components of the biophysical and/or socio-economic environment that could be impacted by the Project and for which there is public concern.

Based on the Back River project description as submitted to the NIRB on June 15, 2012, the NIRB has developed the enclosed *Draft Scope* for the assessment of the Project. The NIRB will now begin to solicit input from the Proponent and interested parties, including territorial and federal government departments, the Regional Inuit Association, members of the public, and other interested parties, in order to determine:

- Which project components and activities will be included in the Review;
- The temporal (time-related) and spatial (physical) boundaries of the project undergoing Review;
- The issues and concerns to be considered in the Review; and
- Any other requirements for the assessment and Review of the project.

By copy of this letter, the NIRB requests that responsible authorities, parties with jurisdictional responsibility for aspects of the proposed project and other interested parties review the enclosed *Draft Scope* and provide comments to the Board for consideration on or before **January 25, 2013**.

PUBLIC SCOPING SESSIONS

The NIRB scoping process requires the development of a public participation and awareness program intended to engage the public during the early stages of the Review process in order to facilitate meaningful consultation with those communities potentially affected by the Back River Project. The NIRB will host scoping sessions to consult with the public and interested parties regarding Valued Ecosystem Components (VECs) and Valued Socio-Economic Components (VSECs) that should be addressed by the Proponent's *Draft Environmental Impact Statement* (EIS).

The objectives of these public scoping sessions will be to:

- Inform the public of the proposed Back River Project under Review;

- Explain the steps of the NIRB's Review process, including how members of the public can effectively become involved and participate; and
- Work with members of the public to identify Valued Ecosystem Components (VECs) and Valued Socio-Economic Components (VSECs) that should be considered in the NIRB's Review of the Project.

EIS GUIDELINES DEVELOPMENT

Section 12.5.2 of the NLCA directs the NIRB to issue Guidelines to the Proponent for its preparation of an Environmental Impact Statement (EIS). An EIS is a detailed document prepared by the Proponent in accordance with the EIS Guidelines issued by the NIRB which identifies, predicts, evaluates, and communicates information about the ecosystemic and socio-economic impacts of a project proposal. An EIS also provides for the identification and development of mitigation measures – those provisions or measures which are designed to control, reduce, or eliminate potentially adverse impacts of an activity or the project.

The NIRB will draw on information obtained during the scoping of this Project in the development of the EIS Guidelines, and will also offer opportunity for public comment into their development. At the completion of this iterative process the NIRB will issue the EIS Guidelines to the Proponent for its preparation of an EIS for the Project.

Section 12.5.2 of the NLCA contains a list of information to be included, where appropriate, in an EIS (NIRB's 10 Minimum EIS Requirements) and grants the NIRB authority to add, "*any other matters that NIRB considers relevant.*" For more information on the preparation of Environmental Impact Statements and a list of requirements that Proponents must comply with, please see the NIRB's *Guide 7 – The Preparation of Environmental Impact Statements* (available at <http://ftp.nirb.ca/04-GUIDES/>).

OVERVIEW OF NEXT STEPS

The following provides an overview of the next steps in the NIRB's Review of the Back River Project:

December 21, 2012	NIRB distributes the <i>Draft</i> Scope for 21 day public comment period
January 25, 2013	NIRB receives parties' comments regarding the <i>Draft</i> Scope and revises the document
February 8, 2013	NIRB releases a <i>Revised Draft</i> Scope and <i>Draft</i> EIS Guidelines for 30 day public comment period
February 2013	<i>Tentative</i> NIRB Scoping Meetings (Kitikmeot Region)

For the information of parties, the NIRB has enclosed a more detailed Review process map and anticipated timeline for the Board's Review of Sabina's Back River Project. Please note that this

timeline is subject to change based on project-specific circumstances, the input received from parties, and the NIRB's discretion.

Again, the NIRB invites interested parties to submit comments on the *Draft Scope* (Appendix A) for the Back River Project to the NIRB by **Friday January 25, 2013**.

Please direct all comment submissions to the NIRB via fax to **(867) 983-2594** or via email at info@nirb.ca.

If you have any questions regarding the NIRB's Review of the Back River Project, please contact Tara Arko, Technical Advisor, at tarko@nirb.ca or by phone at 867-983-4611.

Sincerely,



Amanda Hanson
Director, Technical Services
Nunavut Impact Review Board

cc: Matthew Pickard, Sabina Gold & Silver Corp.
Dave Hohnstein, Nunavut Water Board

Attached: Appendix A: *Draft Scope* for the NIRB's Assessment of the Back River Project

Enclosures (2): Minister of Aboriginal Affairs and Northern Development's Decision Re: Back River Project
(December 17, 2012)
Process Map for the NIRB's Review of the Back River Project

APPENDIX A
DRAFT SCOPE LIST FOR THE NIRB'S ASSESSMENT OF THE BACK RIVER PROJECT

The Nunavut Impact Review Board (NIRB or the Board) is consulting with the public and interested parties to determine the scope of its Review of Sabina Gold & Silver Corp.'s (Sabina or the Proponent) proposed "Back River" project. This consultation process (i.e. scoping) aims to identify the potential impacts of a proposed project as well as the valued components of the physical and social environment. The scope list should include the physical works and activities for all stages of the project, identify components of the ecosystemic and socio-economic environments, and list the Valued Ecosystem Components (VECs) and Valued Socio-Economic Components (VSECs) which the Proponent will be required to discuss within its Environmental Impact Statement.

The scope of the NIRB's assessment is based on the requirements of Section 12.5.2 of the Nunavut Land Claims Agreement (NLCA), the NIRB's 10 Minimum Environmental Impact Statement (EIS) Requirements, and the project proposal submitted to the NIRB on June 15, 2012.

1) Project Description, including the purpose and need for the Project

The scope of the project proposal includes all physical works, activities, and/or undertakings, as submitted to the NIRB by Sabina for the Back River Project on June 15, 2012, and encompasses the entire project life.

a. Project Proposal Summary

The Back River project (the Project) is a proposed gold mining and milling operation located approximately 150 kilometres south of the community of Bathurst Inlet within the Kitikmeot region. The Project 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 proposes to mine 7,000 tonnes of ore per day over a 10-15 year operation period, removing approximately 20-28 million tonnes of ore total, and producing 300,000-400,000 ounces of gold annually. The milling rate would involve up to 2 million tonnes of ore per year, with anticipated total waste rock and tailings production of 350 million tonnes and 25 million tonnes, respectively.

Sabina's proposal indicates that Project construction would take approximately two (2) years, 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 directly from site.

The proposal submitted indicated that 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.

b. Project Components

i) Goose Property

Activities and Facilities: development of open pit and/or underground mines to access three main deposits identified as Goose, Umwelt, and Llama; potential dewatering of Goose Lake, Llama Lake or other lake near mine pit boundaries or to gain access to the deposit; construction/mobilization of mill; tailings management facility; emulsion mixing plant and wash bay; lined bulk storage area for ammonium nitrate, reagents, and explosives magazines; ore stockpile; 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; fresh water sourced from Goose Lake and other suitable lakes on property; modular sewage treatment system; fuel tank farm with capacity of 50 million litres for diesel storage; additional bulk fuel storage areas as required, with capacity of less than 100,000 litres each, at emergency shelters, airstrips, and machine shops; all-weather airstrip and associated navigation equipment including 1900-2500 metres long by 45 metres wide airstrips to accommodate Hercules C-130 aircraft and Boeing 737 Combi jet aircraft and possible helicopter landing facilities.

ii) George Property

Activities and Facilities: development of open pit and/or underground mines to access five main deposits identified as Locale 1, Locale 2, Lone Cow, GH, and Slave; construction/mobilization of lined bulk storage area for ammonium nitrate; emulsion mixing plant and wash bay; explosives magazines; reagent storage; ore stockpile, 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; fresh water sourced from George Lake and other suitable lakes on property; modular sewage treatment system; fuel tank farm with capacity of 18 million litres for diesel storage; additional bulk fuel storage areas as required, with capacity of less than 100,000 litres each, at emergency shelters, airstrips, and machine shops; all-weather airstrip and associated navigation equipment including 1900-2500 metres long by 45 metres wide airstrips to accommodate Hercules C-130 aircraft and Boeing 737 Combi jet aircraft and potential helicopter landing facilities.

iii) Mobilization and Shipping

Activities and Facilities: construction and operation of several all-weather and/or winter roads on and between the marine laydown area, Goose property, and George property used to access infrastructure and truck ore from mine sites to the mill on the Goose property. Marine access, activities, and associated infrastructure including: annual resupply and seasonal transport during the open-water season to move equipment, supplies and fuel to site on 5-10 ships per year during construction, and 3-5 ships per year during operations; ships to be routed north of Bathurst Inlet to the Coronation Gulf, and on through existing shipping corridors to the east or west; construction of laydown area situated in the southern portion of Bathurst Inlet; in-water loading and unloading facilities to include 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; additional bulk fuel storage areas of less than 100,000 litres each at emergency shelters, airstrips, and machine shops; fuel tank farm with 70-million litre capacity for diesel storage; 100-person camp; modular potable water treatment system; modular sewage treatment system; diesel power plant; fresh water sourced from lake close to marine laydown area; a small airstrip and associated navigation equipment capable of supporting Dash 7/8 aircraft.

iv) Abandonment, Decommissioning and Reclamation

Activities and Facilities: removal of nearly all facilities and reclamation of disturbed areas at the end of the mine life excepting roads, airstrips, tailings storage areas, and waste rock areas to be returned to a condition which would be acceptable to regulators and communities.

2) Anticipated ecosystemic and socio-economic impacts of the Project

The assessment of the potential for ecosystemic and socio-economic impacts by the proposed project components and activities as outlined in the section above must refer to the factors listed below. The scope of potential impacts caused by the project components, activities, and undertakings to environmental and socio-economic factors shall take into account the appropriate temporal and spatial boundaries and draw upon relevant information from scientific sources and traditional knowledge.

- a. Air quality
- b. Climate and meteorology
- c. Noise and vibration
- d. Terrestrial environment, including
 - i) Terrestrial ecology
 - ii) Landforms and soils
 - iii) Permafrost and ground stability
- e. Geological features including discussion of geology and geochemistry
- f. Hydrological features (including water quality) and discussion of hydrogeology
- g. Groundwater and surface water quality
- h. Sediment quality
- i. Freshwater aquatic environment, including
 - i) Aquatic ecology
 - ii) Aquatic biota including representative fish as defined in the *Fisheries Act*, aquatic macrophytes, benthic invertebrates and other aquatic organisms
 - iii) Habitat including fish habitat as defined in the *Fisheries Act*
 - iv) Commercial, recreational and Aboriginal fisheries as defined in the *Fisheries Act*
- j. Terrestrial vegetation
- k. Terrestrial wildlife and wildlife habitat, including
 - i) Representative terrestrial mammals to include caribou, caribou habitat migration and behaviour, muskoxen, wolverine, grizzly bears, polar bears, wolves and less conspicuous species that may be maximally exposed to contaminants
 - ii) Wildlife migration routes and crossings
- l. Birds and bird habitat, including
 - i) Raptors
 - ii) Migratory birds
 - iii) Seabirds

- m.** Marine environment, including
 - i) Marine ecology
 - ii) Marine water and sediment quality
 - iii) Marine biota including fish and benthic flora and fauna
 - iv) Marine habitat
 - v) Commercial, recreational and Aboriginal fisheries as defined in the *Fisheries Act*
- n.** Marine wildlife
- o.** Terrestrial and marine species at risk
- p.** Socio-economic factors, including
 - i) Economic development opportunities
 - ii) Employment
 - iii) Education and training
 - iv) Contracting and business opportunities
 - v) Population demographics
 - vi) Benefits and revenues (tax, royalties, etc.)
- q.** Traditional activity & knowledge including
 - i) Land use
 - ii) Food security
 - iii) Language
 - iv) Cultural and commercial harvesting
- r.** Non-traditional land use and resource use
- s.** Heritage resources
 - i) Archaeology
 - ii) Palaeontology
 - iii) Cultural
- t.** Health and well being
 - i) Individual and community wellness
 - ii) Family and community cohesion
- u.** Community infrastructure and public services
- v.** Health and safety including employee and public safety
- w.** Residual and cumulative effects
- x.** Transboundary effects

3) Anticipated Effects of the Environment on the Project

The scope of the assessment will include the potential anticipated effects of the arctic environment on the project throughout the project's life, including the following factors:

- a.** Climate and meteorology including climate change
- b.** Permafrost
- c.** Geotechnical hazards including slope movement, differential or thaw settlement, frost heave, and ice scour
- d.** Subsidence
- e.** Flooding
- f.** Unfavourable geological conditions

4) Steps which the proponent proposes to take including any contingency plans, to avoid and mitigate adverse impacts

The scope of the assessment will include any contingency plans or risk management plans to avoid and mitigate adverse impacts caused by the proposed project components and activities. These plans must extend, where relevant, through all project phases. These plans shall take into account the appropriate temporal and spatial boundaries and are expected to draw upon relevant information from scientific sources, best practice and traditional knowledge and are to include, but not be limited to:

- a. Emergency and spill response
- b. Hazardous materials management
- c. Accidents and malfunctions
- d. Regulatory requirements
- e. Mitigation measures

5) Steps which the Proponent proposes to take to optimize benefits of the Project, with specific consideration being given to expressed community and regional preferences as to benefits

The scope of the assessment will include steps which the Proponent proposes to take to optimize benefits of the project, and should include, but not be limited to:

- a. Compensation and benefits
- b. Health benefits
- c. Human health and well-being
- d. Employment
- e. Education and training
- f. Land use
- g. Contracting and business opportunities
- h. Any non-confidential details from an Inuit Impact and Benefit Agreement

6) Steps which the Proponent proposes to take to compensate interests adversely affected by the Project

The scope of the assessment will include the steps which the Proponent proposes to take to compensate interests of parties adversely affected by the Project including all non-confidential process and content details pertaining to any Inuit Impact and Benefit Agreement pursued in connection with the Project.

7) The monitoring programs proposed by the Proponent to identify and manage ecosystemic and socio-economic interests potentially affected by the Project

The scope of the assessment will include any programs that will be established to monitor the potential ecosystemic and socio-economic impacts caused by the proposed project components and activities.

8) The interests in lands, waters and other resources which the Proponent has secured or seeks to secure

The scope of the Project will include any interests in lands, waters and other resources which the Proponent has secured or seeks to secure based on the proposed works and activities or undertakings that constitute the Back River project proposal.

Nunavut Impact Review Board	Project Certificate
Nunavut Water Board	Type 'A' Water Licence
Kitikmeot Inuit Association	Land Use Licences, leases, easements, right-of-ways, and Quarry Concession Permit(s)
Nunavut Tunngavik Inc.	Mineral Production Lease
Government of Nunavut – Community & Government Services	Quarry approval and Right-of-Way approval
Government of Nunavut – Department of Culture and Heritage	Archaeology Permit(s) and Palaeontology Permit(s)
Nunavut Research Institute	Socio-economic & Traditional Knowledge Research Licence, Scientific Research Licence
Aboriginal Affairs and Northern Development Canada	Class 'A' Land Use Permit, rights-of-ways, Land Lease, Waterlot Lease and Quarry Permit(s)
Environment Canada	Schedule 2 Amendment to Metal Mining Effluent Regulations, and potentially Disposal at Sea Permit
Fisheries and Oceans Canada	Section 35 authorization under the <i>Fisheries Act</i>
Natural Resources Canada	Licence for a Factory and Magazine
Transport Canada	Navigable Waters Approval(s) and/or Exemption(s) and Oil Pollution Prevention/Emergency Plan as per the <i>Canada Shipping Act</i>
Workers Safety & Compensation Commission	Permit to Store Detonators, Explosives Use Permit

9) Options for implementing the Project

The scope of the assessment will include project alternatives including alternatives to individual components/activities, alternate timing and development options, as well as presenting the “no go” option as it pertains to the overall Project.

10) Any other relevant matters

The scope of the assessment will include any other matters that the NIRB considers relevant, including:

- a. Technical innovations previously untested in the Arctic including new technology for mine design, operation, and tailings management;
- b. Traditional knowledge;
- c. Statement of consultation principles and practices;
- d. Significant effects analysis;
- e. Sustainability analysis;
- f. Interactions with Valued Ecosystem Components and Valued Socio-Economic Components;
- g. Discussion of similar resource development projects in other jurisdictions; and
- h. Planned future development and the associated level of uncertainty.