

Date: August 8, 2018

Exhibit No.: 17

Sabina's Type A Water Licence Application 2AM-BRP – Back River Project

**Nunavut Water Board Public Hearing for Water Licence 2AM-BRP – Back River
Project, Cambridge Bay, Nunavut August 8-9, 2018**

Outline

- Roles and responsibilities
- Contributions to the application review
- Issues Resolved
- Issues Remaining:
 1. Tailing Storage Facility
 2. Saline Water Management
- Closure Cost Estimate
- Closing



Roles and responsibilities

Crown-Indigenous Relations and Northern Affairs Canada's (CIRNAC) responsibilities, mandate and obligations stem from the following:

- *Department of Indian Affairs and Northern Development Act*
- Nunavut Agreement
- *Nunavut Waters and Nunavut Surface Rights Tribunal Act* and the associated regulations
- *Nunavut Planning and Project Assessment Act*
- *Territorial Lands Act* and the associated regulations
- *Arctic Waters Pollution Prevention Act*

Contributions to the application review

CIRNAC made the following submissions to the Nunavut Water Board:

1. January 22, 2018 – Completeness Assessment with information requests and recommendations
2. April 4, 2018 – Technical Review comments with recommendations
3. July 9, 2018 – Final written submission

Issues Resolved to Date

CIRNAC originally had 27 concerns, 19 had previously been resolved through the Nunavut Water Board technical review process. These primarily included:

- Site Water Management
- Mine Waste Management

An additional 6 concerns have been resolved since the technical meeting. This include:

- Site Water Management
- Mine Waste Management
- Closure Plan

Unresolved Issue #1

Drainage of the Tailings Storage Facility

- Initially
- Operation
- Post-Closure

Unresolved Issue #2

Sizing of Saline Water Management Ponds

- One-day Storm event
- Embankments

7

Closure Cost Estimate (Financial Security)

- CIRNAC initially estimated the global reclamation costs for the site to be \$53,118,087
- However, based on progressive reclamation and discussions with both Sabina and the KitlA, CIRNAC agrees that security to be held for the Project should be set at \$43,189,351. This security will be furnished at different stages throughout the life of mine.
- The Water Licence should allow for the security to be held by the following parties:
 - Kitikmeot Inuit Association – \$13,820,593
 - CIRNAC Lands – \$11,244,782
 - CIRNAC through Water License - \$18,296,266
- This approach has been agreed to by CIRNAC, KitlA and Sabina.

8

Closing

- The department is confident that the issues/concerns brought forward today can and will be addressed by Sabina to the satisfaction of CIRNAC.
- CIRNAC is confident that the closure cost estimate and the subsequent phasing of security for the project ensures that the project will not, at any time, be under secured or become a liability to the crown.

Thank you
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