

Ministre des Affaires autochtones
et du développement du Nord



Minister of Aboriginal Affairs and
Northern Development

Ottawa, Canada K1A 0H4

MAY 29 2012



Ms. Elizabeth Copland
Acting Chairperson
Nunavut Impact Review Board
PO Box 1360
CAMBRIDGE BAY NU X0B 0C0

Dear Ms. Copland:

This is in response to a letter of February 24, 2012, from your predecessor Mr. Lucassie Arragutainaq, regarding the Screening Decision Report for the Hope Bay Mining Ltd.'s Phase 2 Hope Bay Belt project proposal. The report indicates that the Nunavut Impact Review Board has determined that the Phase 2 Hope Bay Belt project proposal may have significant adverse effects on the ecosystem, wildlife habitat or Inuit harvesting activities; may have significant adverse socio-economic effects on Northerners; and will cause significant public concern. Accordingly, the Nunavut Impact Review Board has determined pursuant to Section 12.4.4(b) of the Nunavut Land Claims Agreement that the Phase 2 Hope Bay Belt project proposal requires review under Part 5 or 6 of Article 12.

I have reviewed the Nunavut Impact Review Board's report, and I agree that a review of the Phase 2 Hope Bay Belt project proposal is required. Given the nature and scale of the project, I am referring it to the Nunavut Impact Review Board for a review under Part 5, Article 12 of the Agreement. The Departments of Fisheries and Oceans Canada, Natural Resources Canada, and Transport Canada also have jurisdictional responsibility for authorizing the proposal to proceed, and concur that a Part 5 review is appropriate.

In its report, the Nunavut Impact Review Board identified five issues of concern that it believes the review should take into consideration. I would like to respond directly to two of the issues.

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Availability of participant funding

The Nunavut Impact Review Board has indicated it is of the opinion that participant funding is required to promote effective participation by potentially affected groups in the environmental assessment process. While funding has been provided for a number of complex projects on a case-by-case basis in the past, there is no established participant funding program for environmental assessments in Nunavut. As a result, I am unable to provide participant funding for the review of the Phase 2 Hope Bay Belt project proposal. I agree that effective participation is important, and I am confident that the Board's Part 5 review process will provide sufficient and meaningful opportunities for potentially affected groups to participate in the review.

Recent announcement regarding care and maintenance at Doris North

The Nunavut Impact Review Board has noted that there are difficulties associated with proceeding with a review in light of the proponent's decision to place the Doris North Project and further exploration of the Hope Bay Belt into care and maintenance. As with many resource development projects, establishing certainty with respect to project start-up timelines can be difficult. With this in mind, I would expect the review to continue as long as Hope Bay Mining Ltd. is actively engaged in the review process and information requirements can be met. I understand that uncertainty regarding a timeline may present some challenges for engaging the public, however, I am confident that this is something the Nunavut Impact Review Board will be able to address.

With respect to the noted capacity challenges the Nunavut Impact Review Board is currently facing, I recognize that the Nunavut Impact Review Board may need to consider prioritizing its efforts. While it is my expectation that the review of the Phase 2 Hope Bay Belt project proposal will proceed, I acknowledge that the Nunavut Impact Review Board may need to assign priority status to other projects with more immediate time frames. I believe the Nunavut Impact Review Board's Part 5 review process is sufficiently flexible to allow for these scheduling adjustments.

With respect to the remaining three issues identified by the Nunavut Impact Review Board that relate to acid rock drainage and metal leaching, tailings management and cumulative effects, I agree they are important and should be considered during the review of the project.

I would like to thank the Nunavut Impact Review Board for its efforts in screening the project proposal and I look forward to hearing from you as the review progresses.

Sincerely,

A handwritten signature in black ink, appearing to read 'John Duncan', with a stylized, cursive script.

John Duncan, PC, MP

c.c.: The Honourable Denis Lebel, PC, MP
The Honourable Keith Ashfield, PC, MP
The Honourable Joe Oliver, PC, MP