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

> Your file - Votre référence 08MN006 Our file - Notre référence IQA-N 5510-5-11 UNC

February 28, 2008

Leslie Payette Manager of Environment Nunavut Impact Review Board P.O. Box 1360 Cambridge Bay, NU, X0B 0C0

Via electronic mail to: lpayette@nirb.nunavut.ca

Re: Part 4 Screening for Sabina Silver Corporation's Hackett River Mine Project Proposal.

Dear Ms. Payette,

Indian and Northern Affairs Canada (INAC) would like to thank Nunavut Impact Review Board (NIRB) for their letter of February 7, 2008, providing INAC with the opportunity to comment on the Nunavut Land Claims Agreement (NLCA) Article 12 Part 4 screening of the proposed Sabina Silver Corporation Hackett River Mine Project. In respect of this project, INAC's jurisdictional responsibilities include Ministerial responsibilities for approval of the water license and administration of Crown land.

Accordingly, INAC has assessed the proposal and supporting applications to determine whether the proposed project is likely to cause significant adverse eco-systemic and socioeconomic effects on Northerners, or arouse significant public concern (as per NLCA Article 12 Part 4).

Given the nature of the proposed Hackett River Project, a base metal mining project with an estimated production capacity of 10,000t/d for 14 years, along with related mining and transportation infrastructure, INAC believes that the proposed project has the potential to cause significant adverse eco-systemic and socioeconomic effects on Northerners and thus may arouse significant public concern. INAC's examination of the project proposal has found that the following areas merit further and more detailed assessment:



- the potential impacts of dewatering Camp Lake;
- the potential impacts to surface water quality from the deposition of tailings and mine effluents into the Camp, Boot and Cleaver basins (including lakes and streams), Hackett and Mara rivers, and other receiving environments;
- the potential impacts of seepage from Camp Lake and other mining and tailing confinement sites, during operations and after closure, as a result of shallow seepage (through or under the proposed dams), and deep groundwater movement (through taliks), on the Camp, Boot and Cleaver basins (including lakes and streams) and the Hackett and Mara rivers, and other receiving environments;
- the potential for impacts on water quality from the use of explosives;
- the potential for acid rock drainage (ARD) and metal leaching (ML), including the potential for ARD and ML to occur on the exposed open pits surfaces, temporary and permanent ore stockpile, and road construction materials:
- the potential impacts on surface water quality from contact water runoff from landfill sites;
- the effect of construction, operation, closure and post-closure activities relating to site runoff and road crossings on surface water quality;
- the anticipated impacts of construction, operation, and closure activities on specific vegetation associations and geomorphological structures (e.g., esker complex);
- the anticipated changes in the thermal status of Camp Lake (and other adjacent lakes and streams in the Camp, Boot and Cleaver basins) as a result of the addition of tailings, and the subsequent impact on frozen ground, taliks, and planned containment structures; and
- the potential for ongoing and incremental land use activities associated with metal mining and transportation, in combination with all other activities in the Hackett River project area, to result in cumulative impacts, particularly the cumulative effects on wildlife and other important ecosystemic components in and adjacent to the mining sites and along all transportation (including the airstrip and all roads) and port facilities, which may include facilities under the proposed Bathurst Inlet Port and Road (BIPR) project, to be used by this proposed project.

In addition to the above areas of concern, INAC believes that detailed assessments of the impact of the proposed project on the following eco-systemic components are also important:

- eskers and other unique or fragile landscapes;
- · terrestrial species and their habitats; and
- traditional land use.

Accordingly, INAC is of the view that the proposal warrants a Part 5 or Part 6 review under NLCA, Section12.4.4 (b). Should the NIRB recommend further

review of the Hackett River project is required, the Responsible Ministers will be looking to the Board for advice on the proposed scope of any subsequent review given its potential linkages to the proposed Bathurst Inlet Port and Road project. This information will assist the Ministers in their respective decision-making roles.

INAC looks forward working with NIRB and the proponent throughout the environmental assessment of this project. Should you have any questions, please do not hesitate to contact Ataur Rahman, Environmental Scientist, at (867) 975-4554 by phone or at rahmana@inac-ainc.gc.ca by email.

Sincerely,

Original signed by

Robyn Abernethy-Gillis Manager of the Environment Division