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

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October 9, 2008

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

Via email to: lpayette @nirb.nunavut.ca

Dear Ms. Payette,

Indian and Northern Affairs Canada (INAC) has reviewed the Nunavut Impact Review Board (NIRB) Draft Scope for Sabina Silver Corporation's Hackett River Project, and has prepared the following comments, as requested in NIRB's letter of September 18, 2008.

In general, INAC noted that NIRB's 10 minimum EIS requirements were not all included in the draft scoping document. Those missing include a sustainability analysis, a statement of consultation principles and practices, project alternatives and an assessment of the severity of impacts. As one would expect that these requirements will have to be met in the assessment, as per NIRB guidance, INAC recommends that all of NIRB's minimum EIS requirements be included in the scoping document.

Uncertainty with respect to use of BIPR infrastructure

As has been stated by the NIRB in previous communication – the project description submitted by Sabina contains an uncertainty with respect to the use of the proposed, but not currently existing Bathurst Inlet Port and Road (BIPR). The description states that should the road not be available, Sabina would themselves construct an all-weather road and port.

It is not clear in the draft scope how NIRB intends to account for this in scoping the assessment of the project, and in general, the scoping of the port and road components of this project is unclear.





The draft scope includes the use of the proposed Bathurst Inlet port, but not the use of the proposed BIPR road. It also includes what appears to be the road that Sabina would build between the port and its spur road if BIPR is not available to them. Additional confusion is caused by the road being labeled a winter road in the scoping document, while Sabina proposes to build an all-weather road. The port that Sabina has stated they would also build should BIPR not be available to them does not appear to be included.

INAC suggests that it would be helpful to all parties if clarification was provided on how NIRB intends to account for the above-mentioned uncertainty in the description of the project as proposed by Sabina. It would also be helpful to include discussion on how the assessment process may be affected should a change in the description of the project to be assessed take place.

Project Components

This section states that it is a description of physical works and undertakings of the proposed project. However, some of the components listed (the use of BIPR infrastructure and transportation activities) are clearly activities rather than physical components. Clarification is recommended, especially to avoid confusion on the need to assess the impacts of the construction and reclamation of potentially existing infrastructure, such as the Bathurst Inlet Port and Road, which would be used in conducting these activities. This should also be made clear, in the scoping list section, the impacts of Project components and also activities that are to be assessed.

INAC also recommends that traffic numbers for both ground transportation and shipping be included as part of "Mobilization and Shipping" as this information is important in assessing potential impacts of this type of activity.

INAC has two recommendations with respect to the list of sub-components to the Hackett River Mine Site. The first is with respect to the inclusion of permafrost management – it seems that permafrost issues are more appropriately included in the scope of factors, as an environmental factor to potentially be affected by project activities or components. In any case, this issue applies to several other project components, such as the roads and airstrip and should probably be included in a broader manner. The second comment is with respect to the inclusion of "mineral processing" – it is suggested that the milling infrastructure be named as well, as it is not only the processing activity, but also the construction, operation, decommissioning and abandonment of the mill that should be assessed.





Scoping List

This section includes a list of factors to be considered in the environmental assessment. It is stated that the impacts of Project components on these factors are to be assessed.

Some of these factors, however, are clearly not environmental components that may be affected by the Project (accidents and malfunctions, monitoring and post-project analysis, etc.), but are more general factors to be considered in the assessment. It would be helpful if this was clearer in the scoping document. Also, it should also be clarified that it is not only environmental impacts on "socio-economics", but also direct socio-economic impacts from this project that should be considered.

Climate change is included only as part of consideration of the atmosphere – as the assessment on several other factors will need to consider potential impacts due to climate change, it is recommended that it be included in a broader manner.

Finally, no specific spatial or temporal boundaries have been detailed. It seems appropriate to include criteria to determine what these assessment boundaries will be.

After input has been received from affected communities and after additional clarification has been received from NIRB on the above points, INAC would appreciate a second opportunity to provide comments before the scope is finalised.

INAC looks forward to working with the NIRB on the ongoing environmental assessment of Hackett River Project. Should you have any questions, please do not hesitate to contact Margaux Brisco at 867-975-4567 or by email at briscom@inac-ainc.gc.ca.

Sincerely,

[original signed by]

Robyn Abernethy-Gillis Manager, Environment Division

