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Ministère de l'Exécutif et des Affaires Intergouvernementales

Department of Executive & Intergovernmental Affairs

November 14, 2008

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

Via e-mail to: lpayette@nirb.ca

Dear Ms. Payette,

RE: Draft Guidelines for Sabina Silver Corporation's Preparation of the Environmental Impact Statement for the Hackett River Project

As requested by the Nunavut Impact Review Board on Oct. 24, 2008, the Government of Nunavut (GN) has reviewed the first draft of *Guidelines to the Preparation of an Environmental Impact Statement* dated Oct. 24, 2008 for the Hackett River mine project proposed by Sabina Silver Corporation.

Based on the GN's mandate for wildlife, environmental protection and socio-economic issues, we offer the following comments (see Appendix A) for your consideration.

We look forward to discussing these comments with you at the Hackett River Guidelines Workshop in Yellowknife on November 21st.

If you have any questions or comments, please contact Josh Gladstone, Avatiliriniq Coordinator at (867) 975-6026 or jgladstone@gov.nu.ca.

Yours truly,

Paul Suvega
Assistant Deputy Minister, Executive
Department of Executive and Intergovernmental Affairs



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Appendix A

Government of Nunavut Comments on the first draft of the Hackett River Project Draft Environmental Impact Statement Guidelines

The Government of Nunavut offers the following comments from the Department of Environment (DOE), the Department of Economic Development and Transportation (EDT), the Department of Finance (FIN) and the Department of Culture, Language, Elders and Youth (CLEY).

1. Valued Ecosystem Components

On page 89 of the *Draft Guidelines to the Preparation of an Environmental Impact Statement*, NIRB has provided a list of Valued Ecosystem Components (VEC) as an example for Sabina's consideration. The list was based on Public Scoping consultation for other projects in the Kitikmeot region. The VEC list in general is satisfactory; however, DOE has provided the following comments and recommendations regarding caribou, musk-ox and raptors.

1.1 Caribou

Given the location of the project area, caribou species of concern include Bathurst herd, Ahlak herd, Peary herd and Dolphin-Union herd, and these species should be listed as VECs as indicated by NIRB in the draft guidelines. With regard to other caribou herds such as Bluenose East and Bluenose West herds, DOE believes the project related impacts on these two herds will be marginal, and therefore recommends the Draft Environmental Impact Statement (DEIS) should focus on the four caribou herds outlined above.

1.2 Musk-ox

Musk-ox is currently not listed on the VEC list on page 89 of the draft guidelines. DOE believes musk-ox is a VEC at the Hackett River project area; especially in light of decreasing populations of these animals in the recent years. DOE therefore recommends a full impact assessment of the project on this VEC be undertaken with full consideration of impact mitigation, management and monitoring.

1.3 Peregrine Falcons

Raptors including but not limited to peregrine falcons, snowy owls and northern harriers are species of concern related to this Hackett River project. This is especially true to the



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peregrine falcons, and DOE is pleased to see the VEC list has included the peregrine falcons. DOE agrees with NIRB that the focus of the DEIS regarding raptors should be on the peregrine falcons. However, with regard to other raptors such as snowy owls and northern harriers, there is also an impact concern. DOE therefore recommends that Sabina consider impact related concerns regarding these two raptor species.

2. Road Impacts on Wildlife

DOE is pleased to see that road alternatives will be assessed as per page 25 of the draft guidelines, which indicates that:

The Proponent shall also discuss the nature of its reliance upon certain aspects of the BIPR infrastructure, and provide a detailed assessment of the alternatives presented should the BIPR project become unfeasible in the Hackett River project life-span.

On Nov. 13, 2008, NIRB notified parties that Sabina has provided additional information to clarify the project scope. The information package reveals road alternatives as indicated in Figure 2 titled Potential Site Access, Hackett River Project (dated Oct. 28, 2008). It appears the alternatives are closer to the sensitive Bathurst caving and post-calving areas (attachment 1) than the current preferred option (BIPR road). This is a concern to DOE.

Initial findings to date have raised concerns about negative impacts of roads on caribou, and DOE is working to compile more data to support these initial findings. Please be advised there may be stringent recommendations in future years regarding establishment of permanent roads within or/and near caribou crossings, areas of caribou calving and post-calving, and caribou migrating corridors.

3. Marine Shipping Impacts

Sabina is proposing to carry out marine shipping of ore concentrates using the eastern and western routes, with a frequency of 10 (round-trip) voyages in addition to shipping of mining supplies by barges annually. This particular project component does not appear to be captured in NIRB's draft guidelines (i.e., Section 5.16: Assessment and Mitigation of Impacts). DOE therefore recommends impacts of marine shipping in relation to wildlife, wildlife habitat and the marine ecosystem, be included in the NIRB guidelines. Detailed comments and recommendations are provided below.



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3.1 Wildlife and Wildlife Habitat

DOE recommends the impact of shipping activities on sensitive wildlife and wildlife habitat be discussed in the DEIS. The results of the impact assessment should inform the preparation of reasonable mitigation, monitoring and adaptive management plans. For example, NIRB and Sabina should consider the impact of spills and bilge pumping along the shipping route in relation to important wildlife habitat; spills in certain areas may have adverse effect on wildlife, and special mitigation and management may be required. Furthermore, potential impacts of shipping on caribou migration across the shipping route should be discussed.

The list of areas of concern includes but is not limited to the following: polar bear and caribou habitat, Migratory Bird Sanctuaries, key marine habitat sites for migratory birds, important bird area sites, International Biological Programme sites, Wildlife Areas of Special Interest, and Protected Areas. Data for some of the above mentioned wildlife habitat can be obtained from our regional biologist, Mathieu Dumond at (867) 982-7444 or mdumond@gov.nu.ca.

3.2 Introduction of Exotic and Invasive Species

The potential impact on the Arctic ecosystem via introduction of exotic species by ships may become a concern requiring attention. In light of increases in shipping traffic and global warming, the introduction of exotic species and invasive species to the Arctic environment via incoming vessels with the possibility of establishment in the Arctic will likely increase.

The outcome of this may cause disruption in species interaction and the balance of the ecosystem in the Arctic. DOE therefore recommends the impact of this subject be thoroughly assessed.

4. Socio-Economics (Section 5.15.3)

The Department of Economic Development and Transportation is pleased that NIRB took EDT's scoping comments into consideration, and it is clear within the draft guidelines that an attempt was made to incorporate our concerns.

4.1 Linking the Scoping List to the Guidelines

Some items appear only on the scoping list, and nowhere else within the guidelines (for example "the mobilization of human resources," "hub communities," "the purchase of local goods and services"). If these items are to be included within the EIS, there should



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be more in depth guidelines so that the proponent has a clear understanding of NIRB expectations.

4.2 General Comment on the socio-economic aspects of the guidelines

There are three sections that address the socio-economic aspects of the project within the Environmental Impact Assessment – the baselines study (5.15.3), the impact statement (5.16.7), and the management of impacts (5.16.9.4).

The baseline study provides the context required to understand the impacts that the project will have on the socio-economic environment. The impact statement describes the potential socio-economic impacts of the project, and the monitoring and/or management of impacts describes the proponent's efforts to address the socio-economic costs and benefits of the project.

There needs to be a natural and logical flow between these three sections so that cross-referencing them is straightforward and easy. The three sections of the EIS should have a similar structure, and like information should be presented in a like format. There is an opportunity to create a set of guidelines that will allow for an easy dialogue between the baseline study, the impact statement and the monitoring and/or management plan.

As it stands, every major development project in Nunavut has a different format and set of categories for addressing socio-economic issues which then leads to a different set of VSECs. The socio-economic assessments are designed outside of any overarching framework or comprehensive design.

Moving to a more permanent and deliberate framework will make future EISs easily comparable, and will facilitate the development of expertise across successive projects. A clear framework will allow all stakeholders to be confident that issues of concern are being addressed, will open the door to incremental improvements of each aspect of the socio-economic assessment, and will bring greater certainty to the process for proponents of major development projects.

Through discussion at the November 21st Guidelines Workshop, EDT encourages NIRB and other stakeholders to explore the applicability of the 10 broad categories of analysis identified by the Department in the GN's October 9th submission to ensure the socio-economic impact statement captures the issues important to the people of the Kitikmeot Region.



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4. Heritage Resources (sections 4.1 and 5.13.3)

The draft guidelines include archaeology and paleontology in the required sections and CLEY has determined that if the proponent follows the draft guidelines as presented the necessary baseline archaeology and paleontology data will be available to evaluate the proposed projects impacts on these non-renewable resources.

CLEY notes that NIRB has requested that all maps be at a similar scale and projection to facilitate comparisons. However, any maps depicting the location of archaeological site must be at a small enough scale that archaeological sites can not be easily relocated by the general public. The specific locations of archaeological sites are protected and should only be provided on a need to know basis. CLEY requests that archaeological data be presented at a scale which protects the location of the results or no depiction of sites on maps be included in documents that are prepared for general distribution.

In order to facilitate communication between the regulator and the proponent without endangering the resource, CLEY is committed to working with Sabina to produce appropriate archaeological maps. Please contact Julie Ross, Chief Archaeologist, at (867) 934-2040 or jross@gov.nu.ca.

5. Regulatory Context

In past comments, the GN Department of Finance (FIN) encouraged NIRB to expand the scope of the proponent's Draft Environmental Impact Statement (DEIS) to include information on a number of points, including the steps the proponent proposes to take to ensure it meets its tax obligations to the Government of Nunavut (GN), including fuel and payroll taxes;

FIN notes that NIRB has requested the proponent to "include a discussion of the steps it proposes to take to ensure it meets its tax obligations (including fuel and payroll taxes) with the Government of Nunavut" (*Guidelines*, p. 21). FIN suggests that the discussion falls more naturally into the "Regulatory Context" section of the DEIS.