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January 23, 2009

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

Via electronic mail to: lpayette@nirb.ca

Re: Comments on the Sabina Silver Corporation's Hackett River Project Draft Guidelines

Dear Ms. Payette,

Indian and Northern Affairs Canada (INAC) would like to thank the Nunavut Impact Review Board (NIRB) for the opportunity to provide a second set of comments on Draft Guidelines for Sabina Silver Corporation's proposed Hackett River Project. INAC has prepared the following comments, as requested in NIRB's letter of December 19, 2008, for its consideration.

INAC has completed a review of NIRB's second version of the document, distributed subsequent to a series of comments from interveners and a workshop held in Yellowknife in November 2008. Unfortunately it does not appear that several comments made earlier by INAC with respect to formatting and presentation have been incorporated in the second version. In reviews of previous projects, INAC has found that such deficiencies have resulted in impediments to efficient and timely document reviews. As such, INAC would like to convey the importance of their inclusion in the guidelines.

Transboundary Impacts

INAC would like to point out that a section on transboundary impacts is still missing from the guidelines document. This element is included in the scope of assessment and a brief mention is made of assessing transboundary impacts in the cumulative effects assessment section. However, as has been done in NIRB reviews in the past, including BIPR, the assessment of transboundary impacts covers more than only cumulative transboundary impacts and including them in a separate section would be useful.

Potential Use of Bathurst Inlet Port and Road (BIPR)

It does not appear that the direction given to the Proponent with respect to the uncertainty concerning whether or not Sabina will use BIPR infrastructure has changed



significantly in this version of the guidelines. However, this issue was discussed significantly at the guidelines workshop held in November. At this time NIRB indicated that they expected that the Proponent would complete a parallel assessment of full extent for each option (the Proponent either using BIPR or building their own infrastructure) and that should Sabina wish to confirm one option over the other, they should request of NIRB a change to this direction. If this is still the case, it would be helpful if the relevant sections of the guidelines (3.3 Project Components and 6.7.2 Potential Project Impediments) were changed to reflect this. If this is no longer NIRB's expectation, it would be helpful if the guidelines were updated to inform parties of any changes that may have taken place.

Section-specific comments:

6.7 Analysis of Need and Purpose (p. 34)

Under point f) of this section, it is a recommendation to specify that *net* economic benefits are based upon an analysis of positive and negative impacts discounted over the timeframe of the proposed project. An alternative version of the guideline could be:

f) How the Project will provide a net economic benefit to Nunavut and Canada as a whole. This should be supported by an analysis of the positive and negative social and economic effects on existing industries, markets and communities over the life of the project. This analysis should also indicate the distribution and magnitude of benefits and/or losses to specific socio-economic groups in the relevant study area. (p. 34)

6.16.3 Socio-Economic Environment (p. 59-61)

In addition to the information presented in the draft guidelines, it is a recommendation that Valued Socio-Economic Components (VSECs) and respective indicators included in the baseline study be reflective of those identified through community consultation in the region. It is also recommended that the Proponent consult with the Kitikmeot Socio-Economic Monitoring Committee (SEMC) in preparing the list of VSECs and indicators which will be used to establish the baseline socio-economic environment as well as assist in future monitoring efforts with the Kitikmeot SEMC.

6.17.2 Significance of Impacts (p. 63–65)

It is a recommendation that the guidelines reference the *direction* or *nature* of the potential impacts in the list on page 64. These attributes should be indicated in a manner such as “adverse”, “beneficial”, “positive”, “negative”, being clearly defined in the EIS. It is also a recommendation that the Proponent indicate the potential significance of impacts at all stages of the project lifecycle.

It is a recommendation to rephrase the following bullet:

-the capacity of resources to meet present and future needs; and

to the following:

- the effect on the capacity of resources to meet present and future needs; and



6.17.3 Indicators and Criteria (p.65)

It is a recommendation that indicators be clearly linked to their respective Valued Ecosystem Components (VECs) and VSECs. The Proponent should also describe the role played by consultation with the Kitikmeot Socio-Economic Monitoring Committee .

6.17.5.9 Marine, Air and Ground Transportation (p. 69)

This section states that “The Proponent shall assess the potential impacts of marine shipping, over all proposed routes, to wildlife, wildlife habitat, and the marine ecosystem in general”. As the spatial boundaries of marine shipping were a significant topic of discussion at the November guidelines workshop held for this project, INAC suggests it would be appropriate to confirm to what geographical extent the proponent is expected to assess marine shipping. If impacts outside the NSA are to be included in the assessment, it would be helpful if this were confirmed in this section of the guidelines.

6.17.5.13 Temporary Closure, Final Closure, and Reclamation (p. 71) Programs

It is recommended that these potential impacts be considered in light of their potential interaction with relevant VSECs identified through public consultation.

6.17.7 Socio-Economic Impacts (p. 77–79)

The Proponent shall assess the potential impacts on Valued Socio-Economic and Cultural components identified through community consultation, also taking into account those items identified in the draft guidelines where relevant.

It is recommended that any economic models employed be clearly presented as a separate appendix in the EIS. Findings of the analyses from respective models should be clearly presented by the Proponent in the EIS, accompanied by a discussion on the respective accuracy of the findings and the robustness of the models employed (including respective strengths and limitations).

Where possible, analyses should illustrate the distribution and magnitude of the potential impacts and effects on the relevant VSECs, communities and regions potentially affected by the proposed project.

Section 6.17.8 Cumulative Effects Assessment (p. 80)

INAC finds that it still isn't clear whether the Proponent is expected to account for a broad range or sources of impact in its cumulative effects assessment. Whether only impacts of other development projects are to be considered or if other non-project-related sources are to be included in the cumulative impacts assessment as well should be clear. Although a paragraph has been added that includes a list of items that need to be addressed, it is not clear how these elements are to be addressed, especially as the items on the list appear to be of varying nature (some are project components, some are impacts, some are VECs etc.). For example, climate change is included, however it isn't clear whether the proponent is to consider the potential impacts of climate change cumulatively with project impacts, or to consider cumulative impacts of the project and



other projects on climate change. In any case, it would be helpful if this section could be clarified further.

6.17.9.4 Management of Impacts on Socio-economic Environment (p. 88)

This section directs the Proponent to present policies and programs to minimize potential negative socio-economic effects and to optimize potential positive effects. INAC recommends that the Proponent present a Socio-Economic Impact Management Plan that includes these policies and programs. In addition to the general areas alluded to in the draft guidelines, it is a recommendation that the plan be linked to those VSECs and indicators identified as of most value/significance to the communities throughout public consultation. The plan should be consistent with the socio-economic monitoring plan and program outlined in section 6.20 to ensure impacts are managed accordingly when triggered through project monitoring.

6.17.9.4.1 Human Resources (p. 88–90)

In reference to the design of mitigation and monitoring measures discussed in this section, it is a recommendation that these mitigation and monitoring measures designed be clearly documented in the EIS.

Reference is also made under this section on page 90 to environmental management and monitoring techniques. As presented, this reference appears to be out of the context of the discussion on human resources and may be better received in another section of the guidelines.

INAC looks forward to continuing collaboration with NIRB and other parties in the assessment process for this Project. Should you have any questions or like any further clarification, please do not hesitate to contact Margaux Brisco at (867) 975-4567 by phone or at margaux.brisco@inac-ainc.gc.ca by email.

Sincerely,

[original signed by]

Robyn Abernethy-Gillis
Manager of Environment Division