



Ottawa, Canada K1A 0H4

AVR 8 2013
APR

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

Dear Ms. Copland:

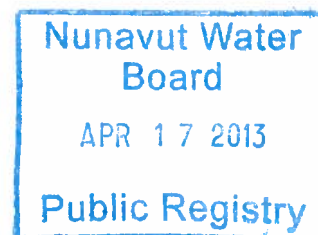
Thank you for the Nunavut Impact Review Board's Screening Decision Report (Report) of December 14, 2012 regarding MMG Resources Inc.'s Izok Corridor Project proposal (Project). As outlined in the Report, the Board has determined under Section 12.4.4(b) of the Nunavut Land Claims Agreement (Agreement) that the Project requires review under Part 5 or 6 of Article 12.

I, along with the Ministers of Environment Canada, Fisheries and Oceans Canada, Natural Resources Canada, and Transport Canada (responsible Ministers) have jurisdictional responsibility for authorizing whether the Project is to proceed. After having reviewed the Board's Report, the responsible Ministers concur that a Part 5 review is required. I am therefore referring the Project to the Board for a review under Part 5, Article 12 of the Agreement.

Pursuant to section 12.5.1 of the Agreement, the responsible Ministers would like to identify the following issues of concern for the Board to consider in its review. We agree that the location, nature and scale of the Project may warrant special consideration of transboundary impacts. We have also taken note of the large number of interested parties expressing concerns in respect of the Bathurst caribou herd which is an important resource shared by a number of Aboriginal groups. A thorough assessment of the potential transboundary impacts of the Project is necessary, including those impacts relating to shipping and transportation, watershed management, the Bathurst caribou herd and its habitat, and socio-economic impacts upon affected Aboriginal groups.

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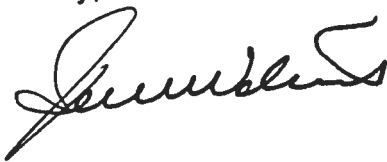
In order to facilitate a thorough assessment of transboundary impacts relating to the Project it is essential that potentially affected groups in adjacent jurisdictions are actively engaged in the review. While there is no continuing mechanism to allocate participant funding for these reviews, the Department will allocate additional funding to the Board to undertake public information sessions and hearings outside of Nunavut in order to assess the concerns of affected groups. I would encourage the Board to pay due attention to this when submitting its work plan and budget for the review of the Project.

As the Board has indicated, there are a number of proposed mines in the Kitikmeot region of Nunavut, many of which include significant infrastructure components which together could result in cumulative effects to barren-ground caribou due to habitat loss, disruption of migration patterns and habitat fragmentation. These impacts could also result in corresponding socio-economic impacts to stakeholders that depend upon these resources. The Board also highlighted that the Izok Corridor Project, in combination with other proposed or ongoing developments in the Kitikmeot region, has the potential to result in cumulative socio-economic impacts because of the demands it will place upon the region's limited social and economic resources.

I agree that these are important issues, and that a thorough cumulative effects assessment of the ecosystemic and socio-economic impacts should be considered for the Izok Corridor Project review. However, when assessing these impacts, I urge the Board to focus its cumulative effects assessment on reasonably foreseeable mine and transportation infrastructure developments.

I appreciate the work that the Nunavut Impact Review Board has done in screening the Project and I look forward to receiving your Final Hearing Report upon completion of the review.

Sincerely,

A handwritten signature in black ink, appearing to read 'Bernard Valcourt', written in a cursive style.

Bernard Valcourt, PC, QC, MP

c.c.: The Honourable Keith Ashfield, PC, MP
The Honourable Peter Kent, PC, MP
The Honourable Denis Lebel, PC, MP
The Honourable Joe Oliver, PC, MP
Mr. Thomas Kabloona
Mr. Charlie Evalik