



Affaires indiennes
et du Nord Canada

Indian and Northern
Affairs Canada

Sous-ministre adjoint

Assistant Deputy Minister

Ottawa, Canada
K1A 0H4

AUG 03 2010
AGUT

Mr. Lucassie Arragutainaq
Chairperson
Nunavut Impact Review Board
PO Box 1360
CAMBRIDGE BAY NU X0B 0C0

Dear Mr. Arragutainaq:

An independent funding review committee (the Committee) has completed its review of applications for intervenor funding for the Kiggavik project that you forwarded to Minister Strahl on June 14, 2010. The Committee met the week of June 21 and submitted a report to me on June 28, 2010. The Committee met again the week of July 19 to consider further information received from the Department concerning the eligibility of Designated Inuit Organizations for participant funding when those organizations are undertaking powers, functions or authorities under the Nunavut Land Claims Agreement. The Committee produced an addendum to its report, which was submitted to me on July 23, 2010. The Committee's report and the addendum are enclosed.

In your letter of June 14, 2010, you suggested that the Kivalliq Inuit Association could be considered to have a direct commercial interest in the Kiggavik project because it will be responsible for negotiating compensation and benefit agreements. In my view, it would not have been permissible in this case to have disqualified the Kivalliq Inuit Association for any direct commercial interest it might have that arises from its negotiation of a water compensation agreement or an Inuit impacts and benefits agreement. On the other hand, as Nunavut Tunngavik Inc. and the regional Inuit associations noted in their letter dated June 22, 2010 (on which you were copied), were the applicant to have interests such as engaging in a joint venture for the project, this may indeed constitute a direct commercial interest that would affect its eligibility to qualify under the terms of the *Participant Funding Guide* (March 2010).

The Committee was informed of this view and, in the addendum to its report, noted that it would not pass judgement on the issue of the eligibility of the Kivalliq Inuit Association and that, despite this information, its recommended funding allocations would remain unchanged. The

Committee indicated that it has allocated available funds to the parties whose applications will best support effective public participation in the Board's review.

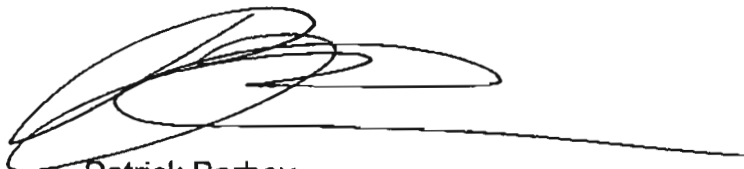
The Committee recommended funding allocations to seven of the applicants. Having read the Committee's report and the addendum, and without adopting all of their reasons, I am satisfied that their recommended allocations will provide the best value to the Board's review of the Kiggavik project. I accept the recommendations of the Committee and am pleased to award the following amounts to the successful applicants:

1. Beverly Qamanirjuaq Caribou Management Board	\$90,000.00
2. Canadian Arctic Resources Committee Inc.	\$10,000.00
3. Nunavummiut Makitaganamingit	\$50,000.00
4. Athabasca Denesuline (Prince Albert Grand Council)	\$ 5,000.00
5. Baker Lake Hunters and Trappers Organization	\$80,000.00
6. Lutsel K'e Dene First Nation	\$ 5,000.00
7. Hamlet of Baker Lake	\$10,000.00

This funding is contingent on each party being able to enter into and meet the requirements of a contribution funding agreement with the Department. The central point of contact for these agreements will be Margaux Brisco in the Nunavut Regional Office. She can be reached at (867) 975-4567 or Margaux.Brisco@inac-ainc.gc.ca.

In closing, I would like to thank the Board and the Committee members for their efforts in ensuring all parties have a meaningful opportunity to bring important information to the review of the Kiggavik project. I expect this information to benefit the Board's report and the subsequent decision-making of the Ministers with respect to the project.

Sincerely,



Patrick Borbey
Assistant Deputy Minister
Northern Affairs Organization

Encl.

c.c.: Kivalliq Inuit Association
Kitikmeot Inuit Association
Nunavummiut Makitagunamingit
Hamlet of Baker Lake
Canadian Arctic Resources Committee Inc.
Beverly and Qamanirjuaq Caribou Management Board
Baker Lake Hunters and Trappers Organization
Jerry Panegoniak
Athabasca Denesuline (Prince Albert Grand Council)
Lutsel K'e Dene First Nation