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March 18th, 2005

BY FAX (867 983-2594) and e-Mail

Ms. Stephanie Briscoe
Executive Director
Nunavut Impact Review Board
P.O. Box 2379
Cambridge Bay, Nunavut X0B 0C0

Dear Ms. Briscoe:

RE: Feasibility Study and Press Release

We are pleased to respond to the Nunavut Impact Review Board's (NIRB) letter of March 8th asking for clarification of Cumberland Resources Limited's (Cumberland) press release dated February 24th, 2005. The intent of the press release was to inform the investing public of the highlights of Cumberland's recently completed feasibility study for the Meadowbank Project. Cumberland wishes to assure NIRB and all parties to the Meadowbank proceeding that all the significant impacts associated with the mine plan outlined in the press release have been addressed in the Draft Environmental Impact Statement (DEIS) and supporting documents. We regret that some of the parties reviewing the DEIS appear to have assumed upon reading the press release that significant changes were being contemplated to the mine plan described in the DEIS.

In order to continue with the NIRB process and to fully respond to NIRB's letter, this letter provides a detailed response "vis a vis the Feasibility Study's implication on project design changes to the draft EIS" as requested in your March 8th letter. Cumberland has already written to NIRB on March 8th and that letter, which was drafted and sent before NIRB's letter was received, partially responded to the requirements for information that you have outlined. This submission further supplements our March 8th letter and should be read together with it.

We also respond below to NIRB's concern about missing reports which reviewers, conducting conformity reviews of the Draft Environmental Impact Statement (DEIS), advised were missing.

Before addressing the details requested by NIRB, we note that your letter raises three general concerns. First, there is the question of the press release and its relation to the DEIS. Specifically, do the changes to the project suggested by the press release take the project, or parts of it, outside the scope of the project assessed in the DEIS? Second, is the issue of conformity. Does the DEIS submitted by Cumberland meet the requirements set out in the Final Guidelines? Third, is the question of what effect the Board's determination on the first two issues should have on the Technical Review now under way?

We make submissions in response to all three of these concerns in this letter.

The Feasibility Study and the DEIS:

Although Cumberland partially addressed the effect of the Feasibility Study on the project and the DEIS on March 8th, we provide a more complete explanation below.

With the exception of the fact that Cumberland has now specified its preferred mode of access to the site, the only changes to the project described in the DEIS resulting from the press release are operational. All of the design elements and structures referred to in the February 24th press release describing the results of the Feasibility Study are included in the DEIS and their effects have already been assessed.

There are no changes to the pit locations or sizes, dike locations or design, tailings and waste rock storage locations, mill, airstrip and camp locations, explosives storage location, water management equipment, fuel tank farm location, the amount of fuel consumed, or mine life. The footprint of the project on the landscape is not changed from that described and assessed in the DEIS.

As we pointed out in our earlier letter, DEIS sections 4.11.2 and 4.11.6 address ore throughput in the mill and haulage (site access) options respectively and the DEIS already includes consideration and an assessment of the options set out in the Feasibility Study. There is no increase in fuel consumption or requirement for more fuel on the site.

There are two main operational differences between the DEIS and the mine plan described in the press release. These improve the mine's economics and lessen the mine's potential environmental impact. Specifically, the Goose Island open pit will be mined nearer the beginning of mine life instead of at the end and tailings water will now be reused in the mill instead of being treated and discharged after year 5. This means that environmental risk is reduced since there will be no need to discharge to the receiving environment after year 5 of the project. No changes to the equipment associated with tailings water treatment are involved in this change. The DEIS already includes an assessment of the effects of the tailings facility and the operation of this equipment.

Your letter of March 8th suggests that the "modifications to the project design may result in significant changes to the assessment of (sic) the draft Environmental Impact Statement" and you list several possible examples of such changes. Again, there are no substantial differences in the project design described in the press release and DEIS. All impacts resulting from the interaction between the various mine components and VECs and VSECs have been assessed and where necessary, mitigation, management and monitoring procedures developed. It is Cumberland's view that the Feasibility Study will not result in significant changes to the project assessed in the DEIS. We provide further detail in response to the examples set out in your letter below:

- **Water quality impacts resulting from changes to tailings deposition and from stream crossings along an all weather road;**

As we have indicated above, there will be no changes to tailings deposition facility. The DEIS assesses water quality issues and impacts for all mine components including roads and the tailings facility.¹

¹ For more detail on water quality please refer to the DEIS and the following reports and plans: Aquatic Ecosystem Baseline Report, Fish Habitat Report, Physical Ecosystem Report, Aquatic Ecosystem and Fish Habitat Impact Report, Physical Ecosystem Impact Report, Cumulative Effects Assessment, MMER, Aquatic Effects Monitoring Plan, No Net Loss Plan, Mine and Waste Management Report, Spill Contingency Plan, and Closure and Reclamation Plan and Project Alternatives Report. See also impact matrices in DEIS appendix B page B5.3, B5.7, B5.9, B5.12, B5.15, B5.19, B5.20, B5.22, B5.27, B5.29, B5.32 and B5.38 for analysis of roads, traffic and the tailings facility on water quality for construction, operation and closure and post closure.

- **Site Water Balance and Energy Balance from increased mill throughput;**

There is no difference in the mill throughput or fuel consumption between the DEIS and press release. The changes described in the Feasibility Study will not affect the site water balance and no additional fuel requirements are created by the proposed changes.²

- **Wildlife and caribou migration impacts resulting from an all weather road;**

The wildlife studies conducted to date have included the area affected by the conventional access road and the effects of roads and traffic are considered in the DEIS.³

- **Air quality impacts as a result of increased mill throughput and possible quarrying activities necessary for all weather road construction as well as road use;**

There is no difference in the mill throughput or fuel consumption between what was assessed in the DEIS and mentioned in the press release. Although we do not yet know where or if quarrying will be necessary for the all weather road construction, the effects on air quality for borrow pits, quarrying activities and roads have been assessed for all phases of the project.⁴

- **Cumulative impacts.**

The cumulative impact assessment conducted for the proposed project is comprehensive of the design changes outlined in the Feasibility Study.

In conclusion, the Guidelines call for a DEIS which includes alternative ways of carrying out the project. The DEIS was written with this instruction in mind and the DEIS has a scope broad enough to include alternatives, such as a range of mine throughputs and alternatives for site access. While Cumberland will be able to be more specific about some aspects of the project design in the final EIS as a result of the Feasibility Study, it is simply not accurate to suggest that these alternative design features were not contemplated in DEIS.

Cumberland feels that environmental impact assessment set out in the DEIS is comprehensive of the design features described in the press release and that no significant impacts result from the changes contemplated by the Feasibility Study.

We respectfully suggest that the information provided in the press release does not provide a reason for delaying the completion of the conformity review and that NIRB should instruct the parties to continue their technical analyses.

² For more detail on site water quantity and water balance refer to the DEIS and Aquatic Ecosystem Baseline Report, Fish Habitat Report, Physical Ecosystem Report, Aquatic Ecosystem and Fish Habitat Impact Report, Physical Ecosystem Impact Report, Cumulative Effects Assessment, MMER, Aquatic Effects Management Plan, No Net Loss Plan, Mine and Waste Management Report, Spill Contingency Plan, Closure and Reclamation Plan, and Project Alternatives Report. See also impact matrices in DEIS appendix B pages B4.10 through to B4.17 for analysis of mine operations on water quantity during operation phases.

³ For information on wildlife including caribou and an assessment of impacts relating to wildlife including caribou on roads please refer to the DEIS and the Terrestrial Ecosystem Baseline Report, Traditional Knowledge Report, Terrestrial Ecosystem Impact report, Cumulative Effects Assessment, Terrestrial Ecosystem Management and Monitoring Plan, Access and Air Traffic Plan, Air Quality and Noise Management Plan, Spill Contingency Plan, Closure and Reclamation Plan, Mine and Waste Management Plan. See also impact matrices in DEIS appendix B page B7.3, B7.12 and B7.20 for analysis of roads and traffic on ungulates for construction, operation and closure.

⁴ For detail on air quality issues related to roads, mill operations and cumulative effects refer to the DEIS and the Air Quality Impact Report, Cumulative Effects Assessment Report, Air Quality and Noise Management Plan, Access and Air Traffic Plan, Mine and Waste Management Plan, Closure and Reclamation Plan and the Occupational Health and Safety Plan. See also impact matrices in DEIS appendix B page B2.3, B2.4, B2.7, B2.8, B2.13, B2.14, B2.15, B2.17, B2.18, B2.20, and B2.21 for analysis of mill facilities, roads and traffic on air quality for construction, operation and closure and post closure.

Conformity – Does the DEIS Conform to the Guidelines?**a) The Conduct of the Conformity Review --**

Cumberland suggests that the conformity determination contemplated by NIRB should be distinguished from the Technical Analysis phase of the DEIS review. Although NIRB has not indicated the test it will apply to the conformity decision, Cumberland respectfully submits that as long as the DEIS addresses all the requirements set out in the Guidelines that it should be found to be in conformity. In other words Cumberland should be required to file some evidence or information in response to all of the Guideline requirements to achieve conformity but we should not be required to satisfy all the technical and quality concerns raised by reviewers at the conformity review stage. The sufficiency and quality of the information provided by the DEIS should be a matter for the Technical Analysis phase. We note that the Department of Indian Affairs and Northern Development (DIAND) also made reference in their conformity submission to an “adequacy review”. This is not a step that we understand to be contemplated by the NIRB process. Cumberland understands that the Technical Review stage is intended to address such concerns.

As is indicated in the Concordance Table set out a pages (i) though (v) of the DEIS, Cumberland has made best efforts to ensure that every requirement of the Guidelines has been addressed in the DEIS. Cumberland approached this task logically and systematically based on the NIRB Guidelines. Sections 3, 4 and the Concordance Table outline the way the DEIS was organized to satisfy the Guidelines. We point out however, in response to the submissions from reviewers who addressed conformity that there are a variety of ways in which the information required by NIRB could have been organized and laid out.

We suggest that part of the difficulty interpreting the results of the conformity review arises simply because the reviewers appear to have had different expectations about the organization of the DEIS and about how much information was required to achieve conformity. Thus the conformity review is, in the absence of a clear test set by NIRB, essentially a subjective process and the results are based on the assumptions and judgment of the reviewers.

The lack of a common framework within which to analyze the conformity of the DEIS could, in part, explain some of the differences between the conformity analyses submitted by the reviewers. See for example the tables submitted by the Government of Nunavut reviewers. These departments don't agree with each other. Likewise Transport Canada's analysis does not agree with those of the other federal reviewers. These discrepancies make it difficult for Cumberland to respond to these reviews. It is nonetheless our intention to review all of the comments and tables submitted to NIRB and to respond to each agency that participated in the conformity review. We will not be able to do that before March 18th but this initiative will be addressed as a priority by Cumberland.

We also wish to point out that there are interpretation differences apparent from a review of the conformity submissions. For example, where the Guidelines called for a “Plan” to be submitted, it is our understanding that the document was referred to in capital letters. See for example the reference to “marine shipping plans” on page 25 of the Guidelines. This text can be distinguished from the requirement to file a “Human Resources Plan” set out on page 65 and now available on Cumberland's ftp site. Copies of the plan will also be mailed out to all parties. Cumberland does not interpret the reference on page 25 to require a formal “Plan” but DIAND did and included the absence of a “Marine Shipping Plan” (see page 2 section 2 of their March 3, 2005 letter) as an instance of non-conformity. Cumberland interpreted the requirement for a “plan” to mean that Cumberland's intentions in respect of that activity had to be included in the DEIS. As stated in the DEIS section 4.11.6 “direct shipping to Baker Lake using adapted tug and barge equipment is the preferred option”. It is clear from a review of the comments provided by reviewers that many of them interpreted the Guidelines to require that a separate document be filed every time a “plan” was required. Cumberland did not interpret the Guidelines in that way. Where it made sense to provide a separate document we have done so but not in all cases.

Cumberland respectfully suggests that a narrow, technical reading of the Guidelines will not be of not of assistance to the Board. The key should be to ensure that all of the information relevant to the proposed project, including predicted impacts, mitigation and management methods that were required by the Guidelines are provided. Where Cumberland has demonstrated that there will be no significant impacts the DEIS should not have to carry that matter forward.

Cumberland submits that a simple “presence /absence” test or what Mr. Ramsey of Natural Resources Canada called a “tick box approach” should be adopted by NIRB to determine the conformity of the DEIS. The need to address the sufficiency and quality of the information provided should be deferred to the Technical Analysis stage of the part 5 process. Cumberland is prepared to respond fully to questions about the technical quality and completeness of its DEIS and to make any necessary changes or additions to the final EIS (FEIS), after the Technical Review.

b) Responding to the Reviewers’ Conformity Comments –

Cumberland points out that Environment Canada, Department of Fisheries and Oceans, Transport Canada and the Government of Nunavut Departments all indicate general conformity between the DEIS and the Guidelines.

DIAND indicates partial conformity and lists several Plans that they say are absent. Included among them are the Human Resources Plan (now available as stated above) and the Marine Shipping Plan which Cumberland suggests is not required by the Guidelines.

DIAND also indicates that site access information is a matter of some concern, citing in particular, concern about land tenure for the site access on Crown land. Cumberland and DIAND have discussed land tenure for site access previously. At this time, it is possible that land tenure will be held by an Inuit firm from Baker Lake which is contracted to provide transportation services to the Meadowbank Project. The construction and operation of the road may be one means of providing important benefits to local businesses and to the Hamlet, which controls the first 20 kilometers of the right of way. These matters have yet to be resolved and are significant to local interests.

Cumberland has included consideration of road access options in the DEIS and will complete all necessary environmental assessment of the road options. The issue of land tenure is a separate regulatory matter and is not an environmental impact assessment issue.

This leaves the questions about the Education and Orientation Plan, Public Involvement Plan and the Environmental Management Plan. Education and Orientation of Inuit is a matter likely to be included in the Inuit Impact and Benefits Agreement (IIBA) and is a matter for negotiation. Cumberland will not generally be hiring non-Inuit without the skills necessary for their positions. The Human Resources Plan and the Socioeconomic and Archeology Management and Monitoring Plan address employee orientation in a general fashion. If a more formal plan is required, Cumberland will file one with NIRB as instructed once the IIBA is finalized. The DEIS deals with public involvement in several ways, section 4.5 details public consultation. Subsections 4.24.3.3 and 4.24.3.4 deal with Nunavummiut and public involvement respectively. Cumberland is continuing to meet with and address public concern and interest about the project. If NIRB would like this information compiled under a separate cover as a Plan, Cumberland will do so.

Both the DIAND letter and the NIRB letter also raised the issue of an Environmental Management Plan (DIAND referred to an “integrated Environmental Management Plan”). Figure 3-1 of the DEIS sets out the management and monitoring plans included in the documentation filed with the DEIS. There are 14 different Environmental Management Plans included in Cumberland’s filing. Section 4 of the DEIS figures 4-1 and 4-2 outline overall environmental impact assessment and management linkages. Further detail is provided throughout Cumberland’s filing. Subsection 4.24.4 of the DEIS addresses Environmental Management and Mitigation and includes commitments to implement a project Environmental Management System (EMS) “to provide a systematic method for managing the

expected and potential interactions of the project with the biophysical environment". We submit that Cumberland's environmental management plans are clearly laid out in the DEIS and supporting documents.

Natural Resources Canada and Health Canada have raised some specific concerns with respect to conformity which in Cumberland's view have more to do with the quality or technical merit of the DEIS contents. We suggest that these concerns can and will be addressed in the Technical Review phase of the NIRB process.

Cumberland requests NIRB's guidance on the need to file separate documents (Plans) on Education and Orientation, Public Involvement and Environmental Management. Our position is that the DEIS and supporting documents sufficiently address these requirements to satisfy the conformity review

In conclusion Cumberland suggests that it has addressed and dealt with the concerns raised about the effects of the project design set out in the Feasibility Study on the conformity review. We further submit that the DEIS is in general conformity with the NIRB Guidelines and request a NIRB ruling to that effect, subject to any guidance about the need for the three additional separate plans to be filed. The specific issues raised by the reviewers in their conformity issues will be addressed directly with them and in the Technical Review phase if NIRB rules that the DEIS is in conformity with the Guidelines.

The Technical Review Phase

Cumberland has already begun and would like to continue working with reviewers on the Technical Review of the DEIS. Our initial effort will be to respond to all of the issues raised in the conformity review by these agencies. This will be done before the end of the month. Cumberland is also open to bilateral discussions with these agencies in order to explain its analysis, findings and commitments. If more information is required about the data, which provided a foundation for these analyses, we will be pleased to provide it.

Cumberland would like to suggest that a technical workshop be held at a convenient location about the middle of April so that all reviewers can meet with Cumberland and its technical team to engage in detailed discussion of the DEIS and supporting documents. We think that a session like this could help to dispel confusion or identify differences of opinion on technical questions and that it would be a very useful lead up to the prehearing meetings in May. Similar meetings were convened later in the process in both the Tahera and Miramar proceedings. We think that it would advantageous to conduct such a workshop earlier in the Meadowbank review process so that the FEIS can address the concerns of all parties. The timing would allow reviewers the opportunity to participate in advance of the end of April deadline for technical reviews.

We are unsure whether NIRB would convene such a meeting but if not Cumberland will be more than willing to take the initiative and organize the meeting at a location convenient to the parties.

Conclusion

We suggest that the information provided on March 8th and in this letter indicates that the operational changes proposed in the design of the Meadowbank Project by the February 24th press release will not result in significant changes to the project as assessed by the DEIS. We submit that the press release should not affect the NIRB review process.

We have reviewed the general comments made by reviewers on conformity issues and request that NIRB make a ruling on the conformity of the DEIS. Cumberland submits that NIRB can find the DEIS to be in general conformity with the Guidelines.

Finally, Cumberland is eager move forward with the Technical Review stage of this proceeding. We submit that there is no reason to delay this work and we respectfully seek NIRB's instructions to proceed.

Yours truly,

CUMBERLAND RESOURCES LTD.

Craig Goodings
Manager, Environmental and Regulatory Affairs

CG/KC/bg