



NIRB File No.: 08EN052
AANDC File No: N2008C0026
KIA File No.: KVL308C09
NWB File No.: 2BE-ANG0813

July 10, 2012

The Honourable John Duncan
Minister of Aboriginal Affairs and Northern Development
c/o Jeff Mercer, Manager Land Administration
Aboriginal Affairs and Northern Development Canada
P.O. Box 100
Iqaluit, NU X0A 0H0

Via email: Jeff.Mercer@aandc.gc.ca and landsmining@aandc.gc.ca

Re: Application Exempt from the Requirement for Screening pursuant to Section 12.4.3 of the NLCA: Kivalliq Energy Corporation's "Angilak" project, Kivalliq Region

Dear Jeff Mercer:

On June 18, 2012 the Nunavut Impact Review Board (NIRB or Board) received an application from Aboriginal Affairs and Northern Development Canada (AANDC) for an extension to Kivalliq Energy Corporation's Land Use Permit (No. N2008C0026) for its "Angilak" project. The NIRB did not require a conformity determination from the Nunavut Planning Commission for this file, as the previous conformity determination issued for this file on January 25, 2012 continues to apply to the current application.

Please be advised that the original project proposal (NIRB File No.: 08EN052) was received by the NIRB from the Kivalliq Inuit Association (KIA) on March 27, 2008 and was screened by the Board in accordance with Part 4, Article 12 of the Nunavut Land Claims Agreement (NLCA). On July 31, 2008 the NIRB issued a NLCA 12.4.4(a) screening decision to the Minister of Indian and Northern Affairs Canada (INAC; now AANDC) which indicated that the proposed project could proceed subject to the NIRB's recommended project-specific terms and conditions.

Additional authorization and extension requests for the AANDC Land Use Permits associated with this project (Nos. N2008C0026 and N2008C0029) have been reviewed by the NIRB following screening of the original project proposal. In each instance the NIRB confirmed that the applications were exempt from the requirement for further screening pursuant to Section 12.4.3 of the NLCA and that the activities therein remained subject to the terms and conditions recommended in the original July 31, 2008 Screening Decision Report.

Authorization (Land Use Permit No.)	Application			Correspondence Issued by NIRB
	Date Received by NIRB	Type	Reason for Application	
AANDC Land Use Permit N2008C0029	May 5, 2009	Amendment	Change camp location	May 8, 2009
AANDC Land Use Permit N2008C0026	May 20, 2010	Amendment & Extension	One additional drill, increased water use and one year extension	June 1, 2010
AANDC Land Use Permit N2008C0026	June 28, 2011	Extension	One year extension	July 28, 2011

In addition, on January 26, 2012 the NIRB received an amendment application from AANDC for a Land Use Permit (No. N2008C0026) associated with the above mentioned project. After a thorough assessment of the amendment requests and the comments received, the NIRB determined that the requests changed the scope of the project from what was originally proposed and that the application would require screening pursuant to Part 4 of Article 12 of the NLCA. On March 23, 2012 the NIRB issued a 12.4.4(a) screening decision to the Minister of Aboriginal Affairs and Northern Development indicating that the proposed activities could proceed, subject to the project-specific terms and conditions contained in the original July 31, 2008 Screening Decision Report, in addition to *additional* terms and conditions as recommended for the amended activities.

The current AANDC application, the original NIRB Screening Decision Report (File No. 08EN052) and related file information are available from the NIRB's ftp site at the following link:

<http://ftp.nirb.ca/01-SCREENINGS/COMPLETED%20SCREENINGS/2008/08EN052-Kivalliq%20Energy%20Corporation/>.

PREVIOUSLY-SCREENED PROJECT PROPOSAL:

As previously screened by the NIRB (File No. 08EN052), the "Angilak" project was located within the Kivalliq region, approximately 300 kilometres west of Rankin Inlet. The Proponent intended to conduct seasonal exploration activities for IOCG (Iron Oxide Copper Gold) and uranium on Inuit Owned Land and Crown Land between 2008 and 2013.

The activities and components associated with the previously screened proposal included:

- Establishment of a temporary camp for 10-14 people;
- Exploration activities – prospecting, mapping and geophysical surveys both ground and airborne;
- On land and on-ice exploration drilling of up to 25 drill holes;
- Project supported by helicopter for transportation of field crews and movement of drill;

- Fuel storage and transportation of 70 drums diesel, 5 drums gasoline, 100 drums aviation fuel, 10 x 100 lb. propane tanks;
- Chemical and hazardous waste storage;
- Water use for domestic (camp) and drilling purposes;
- Production of wastes;
- Incineration of combustible waste;
- Use of 'Pacto' toilets and incineration of sewage waste.

The activities and components associated with the previous amendments/extensions included:

- 2009: change to camp location;
- 2010: addition of one (1) diamond drill;
- 2011: one year extension to Land Use Permit N2008C0026 to continue exploratory drilling, fuel caching and making upgrades to camp infrastructure
- 2012: amendment to include:
 - Add 2 additional tents to the camp;
 - Store up to 4,000 drums of fuel on site (total 820,000 litres);
 - Add 2 additional pieces of large machinery (1 D6CAT and 1 CAT front end loader); and,
 - Clear and maintain an ice airstrip on Nutaaq Lake capable of landing a Hercules aircraft.

The updated scope of the project as at March 2012 included the following comprehensive description of project activities:

- Drilling activities:
 - Currently 3 drills on site (two Diamond Drill rigs, one Reverse Circulation drill rig).
 - Two additional Diamond Drill rigs to be mobilized in the 2012 season (total 5 drills).
 - Drilling of approximately 24,000 metres total (9,000 metres of which will be reverse circulation drilling).
- Drill, crew, and fuel movement using helicopter.
- Ongoing ground geophysical surveying aimed at specific targets in 2012.
- Sample collection of rock, till, and soil property wide as a prospecting tool.
- Property-wide geological mapping and gridding on various scales.
- Ongoing operations at the Nutaaq camp to house for up to 60 personnel, including:
 - Previously upgraded, and with the addition of 2 additional tents during 2012.
 - Production of wastes, and incineration of combustible waste on site;
 - Use of 'Pacto' toilets and incineration of sewage waste.
 - Domestic water use.
- Addition of 2 pieces of large machinery (1 D6CAT and 1 CAT front end loader).
- Clear and maintain an ice airstrip on Nutaaq Lake capable of landing a Hercules aircraft.
- Increase amount of fuel caching capacity of current main cache (approximately 150 metres northwest of Nutaaq camp) from 600 drums to 4000 drums (with the intention of storing up to 3000 drums).
- Storage of drilling chemicals and hazardous wastes.
- Increased water use for drilling purposes.
- Project permitting period requested up to January 1, 2014.

CURRENT APPLICATION:

Kivalliq Energy Corp. is proposing to extend its AANDC Land Use Permit (No. N2008C0026) until the end of the 2012 field season in order to complete its 2012 exploration work, after which time the company has indicated it will apply for a new Land Use Permit in order to continue with project operations.

Please note that Section 12.4.3 of the NLCA states that:

“Any application for a component or activity of a project proposal that has been permitted to proceed in accordance with these provisions shall be exempt from the requirement for screening by NIRB unless:

(a) such component or activity was not part of the original project proposal; or

(b) its inclusion would significantly modify the project.”

After completing a review of the information provided in support of the current application, the NIRB is of the understanding that the proposed extension does not change the general scope of the original project activities, and the exceptions noted in NLCA 12.4.3(a) and (b) do not apply. Therefore, this application is exempt from the requirement for screening pursuant to Section 12.4.3 of the NLCA and the activities therein remain subject to the originally issued and *additional* terms and conditions as recommended in the enclosed March 23, 2012 Screening Decision Report.

If you have any questions or concerns, please contact Tara Arko, Technical Advisor, at 867-983-4611 or tarko@nirb.ca.

Sincerely,



Ryan Barry
Executive Director
Nunavut Impact Review Board

cc: Jeff Ward, Kivalliq Energy Corporation
Andrew Berry, Kivalliq Energy Corporation
Maria Egerton, Kivalliq Energy Corporation
Allison Rippin Armstrong, Kivalliq Energy Corporation
Tracey McCaie, Aboriginal Affairs and Northern Development Canada
Phyllis Beaulieu, Nunavut Water Board
Luis Manzo, Kivalliq Inuit Association

Enclosed: NIRB Screening Decision Report, Additional Terms and Conditions File No.: 08EN052 (March 23, 2012)