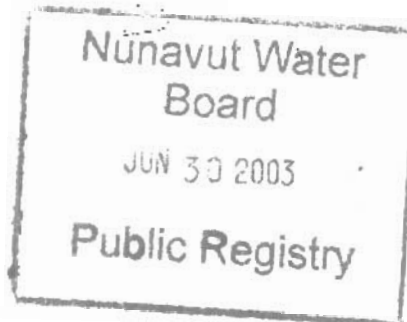




June 26, 2003

Phyllis Beaulieu
A/Licensing Administrator
Nunavut Water Board
P.O. Box 119
Gjoa Haven, NU X0B 1J0



INTERNAL	
PC	DP
LA	June 26/03
OM	
TA	
BS	
ST	
ED	
CEO	
BRD	
EXT.	

Re: Ashton Project – Water and Land Use Licence Application

NIRB: #03EN083

NWB: NWB2ASH

KIA

Enclosed is the completed NIRB Screening Decision Report for the application for a water and land use licence for mineral exploration at West Kitikmeot.

NIRB has screened this application for ecosystemic and socio-economic impacts of the proposal.

NIRB's indication to the Minister is:

The decision of the Board in this case is 12.4.4(a) **the proposal may be processed without a review under Part 5 or 6; NIRB may recommend specific terms and conditions to be attached to any approval, reflecting the primary objectives set out in Section 12.2.5;**

Please contact Stephanie Briscoe, Executive Director at (867) 983-2593 if you have any questions about the Screening Report.

Yours truly,

Jorgen Komak
Environmental Assessment Officer
Nunavut Impact Review Board
P.O. Box 2379
Cambridge Bay, NU X0B 0C0
Tel: (867) 983-2593 Fax: (867) 983-2574



SCREENING DECISION

June 26, 2003

Mr. Thomas Kudloo
Chairperson, Nunavut Water Board
Gjoa Haven, NU

Dear Mr. Kudloo:

RE: Screening Decision of the Nunavut Impact Review Board (NIRB) on Application:
NIRB: #03EN083 NWB: #NWB2ASH KIA
Ashton Project – Ashton Mining (NWT) Ltd.

Authority:

Section 12.4.4 of the Nunavut Land Claim Agreement states:

Upon receipt of a project proposal, NIRB shall screen the proposal and indicate to the Minister in writing that:

- a) the proposal may be processed without a review under Part 5 or 6; NIRB may recommend specific terms and conditions to be attached to any approval, reflecting the primary objectives set out in Section 12.2.5;
- b) the proposal requires review under Part 5 or 6; NIRB shall identify particular issues or concerns which should be considered in such a review;
- c) the proposal is insufficiently developed to permit proper screening, and should be returned to the proponent for clarification; or
- d) the potential adverse impacts of the proposal are so unacceptable that it should be modified or abandoned.

Primary Objectives:

The primary objectives of the Nunavut Land Claims Agreement are set out in section 12.2.5 of the Land Claims Agreement. This section reads:

In carrying out its functions, the primary objectives of NIRB shall be at all times to protect and promote the existing and future well-being of the residents and communities of the Nunavut Settlement Area, and to protect the ecosystemic integrity of the Nunavut Settlement Area. NIRB shall take into account the well-being of the residents of Canada outside the Nunavut Settlement Area.

The decision of the Board in this case is 12.4.4 (a) the proposal may be processed without a review under Part 5 or 6; NIRB may recommend specific terms and conditions to be attached to any approval, reflecting the primary objectives set out in Section 12.2.5;

Reasons for Decision:

NIRB's decision is based on specific considerations that reflect the primary objectives of the Land Claims Agreement. Our considerations in making this decision included:

- storage and disposal of chemicals, fuel, garbage, sewage, and gray water, and impact of these on the ecosystem;
- the impact of noise from helicopter and exploration activities and their disturbance to wildlife and traditional users of area;
- the impact of exploration activities on archaeological sites or cultural landmarks in the area; and
- clean up/restoration of the camp site upon abandonment.

Terms and Conditions:

That the terms and conditions attached to this screening report will apply.

Drill Sites

1. The Licensee shall not conduct any land based drilling within thirty-one (31) metres of the normal high water mark of a water body.
2. The Licensee shall not use drilling muds or additives in connection with drill holes unless they are recirculated or contained such that they do not enter the water, or are certified to be non-toxic.
3. The Licensee shall ensure that any drill cuttings and waste water that cannot be re-circulated be disposed of in a properly constructed sump or an appropriate natural depression that does not drain into a waterbody.
4. The Licensee shall ensure that drilling wastes do not enter any water body. The use of biodegradable, salt free drill additives is encouraged over non-biodegradable types.
5. The Licensee shall ensure that the release of total suspended solids in the receiving environment shall be in compliance with *Guidelines for Total Suspended Solids* contained in the *Canadian Council of Ministers for the Environment's (CCME) Canadian Water Quality Guidelines, Chapter 3 - Freshwater Aquatic Life* (i.e. 10mg/L for lakes with background level under 100mg/L, or 10% for those above 100mg/L).
6. The Licensee shall ensure that the sump/depression capacity is sufficient to accommodate the volume of waste water and any fines that are produced so that there will be no additional impacts.
7. The Licensee shall not locate any sump within thirty-one (31) metres of the normal high water mark of any water body.
8. The Licensee shall ensure that disturbance of vegetation from deposit of drill fluids/cuttings is restricted to the area of the sump and the ground prepared for revegetation upon abandonment.

9. The Licensee shall, where flowing water from bore holes is encountered, plug, the bore hole in such a manner as to permanently prevent any further outflow of water. The occurrence shall be reported to the Nunavut Water Board and Land Use Inspector within 48 hours.

Fuel Storage

10. The Licensee shall ensure that fuel storage containers are not located within thirty-one (31) metres of the ordinary high water mark of any body of water.
11. The Licensee shall ensure that any chemicals, fuels or wastes associated with the project do not spread to the surrounding lands or enter into any water body.
12. The Licensee shall take all reasonable precautions to prevent the possibility of migration of spilled petroleum fuel or chemicals over the ground surface.
13. The Licensee shall examine all fuel and chemical storage containers daily for leaks. All leaks should be prepared immediately.
14. The Licensee shall seal all container outlets except the outlet currently in use.
15. The Licensee shall mark all fuel containers with the Licensee's name.
16. The Licensee shall have an approved emergency response and spill contingency plans in place prior to the commencement of the operation.
17. The Licensee shall immediately report all spills of petroleum and hazardous chemicals to the twenty four (24) hour spill report line at (867) 920-8130.

Water

18. The Licensee shall ensure that all water intake hoses are equipped with a screen with an appropriate mesh size to ensure that there is no entrapment of fish.

Waste Disposal

19. The Licensee shall not discharge or deposit any refuse substances or other waste materials in any body of water, or on the banks thereof, which will impair the quality of the waters of the natural environment.
20. The Lessee shall not bury any metal wastes.
21. The Licensee shall keep all garbage and debris in a covered metal container until disposed of.
22. The Licensee shall ensure that all wastes generated through the course of the operation are backhauled and disposed of in an approved dumpsite.

Wildlife

23. The Licensee shall ensure that there is no damage to wildlife habitat in conducting this operation.
24. The Licensee shall not feed wildlife.
25. The Licensee shall not hunt or fish, unless the appropriate permits and licenses are acquired from a GN Renewable Resources Officer.

26. The Licensee shall make every effort to prevent the unintentional harassment of caribou, muskox and nesting or molting waterfowl at all times. It is an offense under the Wildlife Act to harass wildlife.
27. The Licensee shall ensure that aircraft pilots adhere to recommended flight altitudes of greater than 300 m above ground level as to not disturb wildlife.
28. The Licensee shall ensure that the drill sites avoid known environmentally sensitive areas (denning, nesting etc.) by a minimum of 250 metres.
29. The Licensee shall ensure compliance with Section 36 of the Fisheries Act which requires that no person shall deposit or permit the deposit of a deleterious substance on any type in water frequented by fish or in any place under any conditions where the deleterious substance may enter such a water body.
30. The harmful alteration, disruption or destruction of fish habitat is prohibited under Section 35 of the Fisheries Act. No construction or disturbance of any stream/lake bed or banks of any definable watercourse is permitted unless authorized by DFO.

Environmental

31. The Licensee shall ensure that the land use area is kept clean and tidy at all times.
32. The Licensee shall prepare the site in such a manner as to prevent rutting of the ground surface.
33. The Licensee shall be required to undertake any corrective measures in the event of any damage to the land or water as a result of the Licensee's operation.

Archaeological Sites

34. The Licensee shall follow all terms and conditions for the protection and restoration of archaeological resources as outlined by the Department of Culture, Language, Elders and Youths (CLEY) in attached letter.

Reclamation

35. The Licensee shall remove all scrap metal, discarded machinery and parts, barrels and kegs, buildings and building material upon abandonment.
36. The Licensee shall complete all clean-up and restoration of the lands used prior to the expiry date of the permit.

Other Recommendations

1. NIRB would like to encourage the proponent to hire local people and services, to the extent possible.
2. NIRB strongly advises proponents to consult with local residents regarding their activities in the region.
3. Any amendment requests deemed by NIRB to be outside the original scope of the project will be considered a new project.

Camp

29. The Licensee shall not erect structures or store material on the surface ice of lakes or streams.
30. The Licensee shall locate all structures and storage facilities on gravel, sand or other durable land.

Archaeological Sites

31. The Licensee shall follow all terms and conditions for the protection and restoration of archaeological resources as outlined by the Department of Culture, Language, Elders and Youths (CLEY) in attached letter.

Reclamation

32. The Licensee shall remove all scrap metal, discarded machinery and parts, barrels and kegs, buildings and building material upon abandonment.
33. The Licensee shall complete all clean-up and restoration of the lands used prior to the expiry date of the permit.

Other Recommendations

1. NIKS would like to encourage the proponent to hire local people and services, to the extent possible.
2. NIKS strongly advises proponents to consult with local residents regarding their activities in the region.
3. Any amendment requests deemed by NIKS to be outside the original scope of the project will be considered a new project.

Validity of Land Claims Agreement**Section 2.12.2**

Where there is any inconsistency or conflict between any federal, territorial and local government laws, and the Agreement, the Agreement shall prevail to the extent of the inconsistency or conflict.

Dated June 27/03 at Arviat, NU

Elizabeth Copland
Elizabeth Copland, Chairperson

03 EN081