



NIRB No.: 04EN094  
INAC No.: N2004C0032

September 19, 2008

The Honourable Chuck Strahl  
Minister of Indian and Northern Affairs Canada  
c/o Jeff Holwell, Land Specialist  
Indian and Northern Affairs Canada  
Iqaluit, NU

Via email: [holwellj@inac-ainc.gc.ca](mailto:holwellj@inac-ainc.gc.ca)

**Re: Extension Request for Troy Energy Corporation's Land Use Permit N2004C0032 with Indian and Northern Affairs Canada**

Dear Jeff Holwell:

On September 8, 2008 the Nunavut Impact Review Board (NIRB or Board) received an application from Indian and Northern Affairs Canada (INAC) for an extension to Troy Energy Corporation's (former Allyn Resources Inc.) Land Use Permit (N2004C0032) related to its mineral exploration project in the Booth River area, Kitikmeot region of Nunavut. In this application, it is also noted that the name of the proponent has been changed from Allyn Resources Inc. to Troy Energy Corporation.

The project proposal for the above mineral exploration project was originally received by the NIRB on July 14, 2004 from INAC. The NIRB assigned the project proposal file Number 04EN094 and screened it in accordance with Part 4, Article 12 of the Nunavut Land Claims Agreement (NLCA). On September 8, 2004 the NIRB issued a 12.4.4(a) Screening Decision to INAC allowing the proposed exploration project to proceed subject to specific terms and conditions contained in NIRB's Screening Decision Report (attached).

Please be advised that this Land Use Permit (N2004C0032) was also extended from September 8, 2007 to September 8, 2008 by INAC.

The original NIRB screening file and extension request of 04EN094 are available from NIRB's ftp site at the following link:

[http://ftp.nirb.ca/SCREENINGS/COMPLETED%20SCREENINGS/ARCHIVE/2004\\_SCREENINGS/04EN094-Troy%20Energy%20Corporation%20\(Allyn%20Resources%20Inc.\)/](http://ftp.nirb.ca/SCREENINGS/COMPLETED%20SCREENINGS/ARCHIVE/2004_SCREENINGS/04EN094-Troy%20Energy%20Corporation%20(Allyn%20Resources%20Inc.)/)

Section 12.4.3 of the Nunavut Land Claims Agreement states:

*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 proposal; or*

*(b) Its inclusion would significantly modify the project.*

After completing a review of the information provided from INAC, the NIRB is of the understanding that the proposed extension does not change the scope of the original project activities. Therefore, the original terms and conditions in the attached September 8, 2004 Screening Decision remain valid for this project and can be applied to this INAC Land Use Permit (N2004C0032) extension. The NIRB is recommending the project-specific terms and conditions contained within the attached Screening Decision for NIRB file 04EN094 be incorporated into the extended INAC Land Use Permit for this project. With respect to the name change from Allyn Resources Inc. to Troy Energy Corporation, NIRB has made note of this and will make any necessary changes to its files internally.

If you have any questions or concerns, please do not hesitate to contact NIRB Technical Advisor Li Wan at [liwan@nirb.ca](mailto:liwan@nirb.ca) or by phone 867-983-4606.

Sincerely,

A handwritten signature in black ink, appearing to read 'Stephanie Autut', with a stylized flourish at the end.

Stephanie Autut  
Executive Director

cc: Jim Owen, Troy Energy Corporation ([owenj@axion.net](mailto:owenj@axion.net))

Attachment: 040908-04EN094-Screening Decision Report.doc

## SCREENING DECISION

**September 8, 2004**

Hon. Andy Scott  
Minister for Indian and Northern Affairs  
Ottawa, ON

Dear Mr. Minister:

**RE: Screening Decision of the Nunavut Impact Review Board (NIRB) on Application:**

**NIRB: #04EN094**

**DIAND: #N2004C0032**

**Mineral Exploration – Allyn resources, Inc.**

**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:

- the impact of drilling activities on the ecosystem;
- disposal of drill cuttings and waste water;
- impact to water quality, aquatic habitat and wildlife and fish populations from chemicals, drill waste, drill fluids and potential fuel spills;
- storage and disposal of chemicals, fuel, garbage, sewage, and gray water, and impact of these on the ecosystem;
- the impact of noise from drilling activities and their disturbance to wildlife and traditional users of the area;
- the impact of campsite and equipment on terrain;
- clean up/restoration of the camp site and drilling locations upon abandonment.

### **Terms and Conditions:**

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

### **Drill Sites**

1. The Permittee shall not conduct any land based drilling within thirty (30) metres of the normal high water mark of a water body.
2. The Permittee shall ensure, for "on-ice" drilling, return water released must be non-toxic, and not result in an increase in total suspended solids in the immediate receiving waters above the Canadian Council of Ministers for the Environment Guidelines for the Protection of Freshwater Aquatic Life (i.e. 10mg/L for lakes with background levels under 100mg/L, or 10% for those above 100mg/L).
3. The Permittee shall not use drilling muds or additives in connection with drill holes unless they are re-circulated or contained such that they do not enter the water, or are certified to be non-toxic.
4. The Permittee 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 or removed to appropriate disposal location.
5. The Permittee 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.
6. The Permittee 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 Permittee shall not locate any sump within thirty (30) metres of the normal high water mark of any water body.
8. The Permittee shall not deposit nor permit the deposit of slash, debris or sediment into any waterbody. These materials shall be disposed of above the high water mark in such a fashion that they do not enter the water.

9. The Permittee 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.
10. The Permittee 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.
11. If the drilling requires water in sufficient volume that the source waterbody may be drawn down details must be submitted (volume required, size of waterbody, etc.) to DFO-FHM for review. DFO-FHM does not recommend the use of streams as a water source.

## **Water**

12. The Permittee 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.

## **Fuel and Chemical Storage**

13. The Permittee shall ensure that fuel storage containers are not located within thirty (30) metres of the ordinary high water mark of any body of water.
14. The Permittee 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.
15. Fuel storage shall either be equipped with secondary containment and other hazardous materials should be located in such a manner as to prevent their release into the environment.
16. The Permittee shall take all reasonable precautions to prevent the possibility of migration of spilled petroleum fuel or chemicals over the ground surface.
17. The Permittee shall examine all fuel and chemical storage containers daily for leaks. All leaks should be prepared immediately.
18. The Permittee shall seal all container outlets except the outlet currently in use.
19. The Permittee shall mark all fuel containers with the Permittee's name.
20. The Permittee shall dispose of all combustible waste petroleum products by incineration and removal from the site.
21. The Permittee shall ensure all activities, including maintenance procedures and refueling, should be controlled to prevent the entry of petroleum products or other deleterious substances into the water.
22. The Permittee shall have an approved emergency response and spill contingency plans in place prior to the commencement of the operation.
23. The Permittee shall immediately report all spills of petroleum and hazardous chemicals to the twenty-four (24) hour spill report line at (867) 920-8130.

## **Waste Disposal**

24. The Permittee 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.
25. The Permittee, prior to the discharge of fluids from any sump, shall carry out an analysis of the fluid in a manner prescribed by the NWB.

26. The Permittee shall treat greywater and sewage according to the terms and conditions outlined in the NWB approval.
27. The Permittee shall backfill and recontour all sumps to match the natural environment prior to the expiry date of the license.
28. The Permittee shall incinerate all combustible and food wastes daily.
29. The Permittee shall keep all garbage and debris in a covered metal container until disposed of.
30. The Permittee shall ensure that all wastes generated through the course of the operation are backhauled and disposed of in an approved dumpsite.
31. The Permittee shall deposit all scrap metal, discarded machinery and parts, barrels and kegs, at an approved disposal site.

## **Wildlife**

32. The Permittee shall ensure that there is no damage to wildlife habitat in conducting this operation.
33. The Permittee shall not feed wildlife.
34. The Permittee shall use the latest bear detection and deterrent techniques to minimize man-bear interactions and shall report any Man-Bear Interactions to the nearest Wildlife Officer.
35. The Permittee shall ensure that the drill sites avoid known environmentally sensitive areas (denning, nesting etc.) by a minimum of 250 metres.
36. The Permittee shall not locate any operation so as to block or cause substantial diversion to migration of caribou.
37. The Permittee shall cease activities that may interfere with migration or calving, such as airborne geophysics surveys or movement of equipment, drilling activities until the caribou and their calves have vacated the area.
38. The Permittee shall not conduct any activity associated with the land use operation during critical periods of wildlife cycles (eg. caribou migration, calving, fish spawning or raptor nesting).
39. That the Permittee shall ensure that there is no hunting by employees of the company or any contractors hired.
40. The Permittee shall ensure that aircraft pilots adhere to recommended flight altitudes of greater than 300 m above ground level as to not disturb wildlife. Raptor nesting sites and concentrations of nesting or molting waterfowl should be avoided by aircraft at all times.
41. The Permittee 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.
42. 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**

43. The Permittee shall ensure that the land use area is kept clean and tidy at all times.

44. The Permittee shall prepare the site in such a manner as to prevent rutting of the ground surface.
45. The Permittee shall not do anything that will cause erosion of the banks of any body of water on or adjacent to the land and shall provide necessary controls to prevent such erosion.
46. The Permittee shall be required to undertake any corrective measures in the event of any damage to the land or water as a result of the Permittee's operation.
47. The Permittee shall not remove any material from below the ordinary high water mark of any waterbody.
48. The Permittee shall adopt such measures as required to control erosion by surface disturbance. Sediment and erosion control measures should be implemented prior to, and maintained during the work to prevent sediment entry into the water during a spring thaw.
49. The Permittee shall not move any equipment or vehicles unless the ground surface is in a state capable of fully supporting the equipment or vehicles without rutting or gouging.
50. The Permittee shall suspend overland travel of equipment or vehicles if rutting occurs.

### **Structure & Storage Facilities**

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

### **Reclamation**

53. The Permittee shall remove all scrap metal, discarded machinery and parts, barrels and kegs, buildings and building material upon abandonment.
54. The Permittee shall complete all clean-up and restoration of the lands used prior to the expiry date of the permit.
55. The Permittee shall plug or cap all bore holes and cut off any drill casings that remain above ground to ground level upon abandonment of the operation.

### **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, and do community consultation on the project to keep the communities informed.
3. Any amendment requests deemed by NIRB to be outside the original scope of the project will be considered a new project.
4. The Environmental Protection Branch (DOE), Department of Fisheries and Oceans (DFO), Nunavut Impact Review Board (NIRB), and the Nunavut Water Board (NWB) should be advised of any material changes to plans or operating conditions associated with the 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 \_\_\_\_\_ at Cambridge Bay, NU.

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Albert Ehaloak, A/Chairperson