

NIRB File No.: 09EN067 AANDC File No.: N2009C0014

February 21, 2012

The Honourable John Duncan Minister of Aboriginal Affairs and Northern Development Executive Offices 10 Wellington, 21<sup>st</sup> Floor Gatineau, QC K1A 0H4

Sent via email: duncan.j@parl.gc.ca and minister@aandc.gc.ca

Re: <u>Withdrawal of Weststar Resources Corp.'s "Ellesmere Island Coal Project"</u> proposal, NIRB File No. 09EN067

Dear Mr. John Duncan:

On behalf of the Nunavut Impact Review Board (the NIRB or Board), I am writing this letter to provide you with an update regarding the status of the "Ellesmere Island Coal Project" proposal (the project proposal), submitted to the NIRB by Weststar Resources Corp. (the Proponent) on August 14, 2009 (NIRB File No. 09EN067). In addition, reflecting the information that the Proponent no longer holds the coal licences necessary to carry out the project and as a result there is no reasonable prospect that the Proponent could resubmit a modified project proposal, the Board would also like to notify the Minister that the associated NIRB Screening file is now closed.

## PROCEDURAL HISTORY

The original "Ellesmere Island Coal Project" project proposal was submitted directly to the NIRB by the Proponent on August 14, 2009. On October 9, 2009 Indian and Northern Affairs Canada (INAC, as it then was) referred a land use permit application (N2009C0014) in support of the project proposal to the NIRB for Screening in accordance with Part 4, Article 12 of the Nunavut Land Claims Agreement (NLCA). On October 23, 2009 the NIRB received a positive conformity determination from the Nunavut Planning Commission (NPC) for this file and the NIRB commenced Screening of the project proposal.

From October 23, 2009 to January 15, 2010 the NIRB distributed the project proposal to community organizations in Eureka, Grise Fiord and Resolute Bay as well as to relevant federal and territorial government agencies, and Inuit organizations and solicited comments and advice, including identifying any significant concerns, regarding the proposal. During this time the

Proponent was also provided with several opportunities to respond to the concerns raised in the comment submissions.

After considering the project proposal and the comments of all the parties, on February 22, 2010 the NIRB exercised its jurisdiction under s. 12.4.4(d) of the NLCA to recommend to the Minister that on the basis of unacceptable potential adverse impacts to wildlife and paleontological resources, Weststar Resources Corporation's "Ellesmere Island Coal Project" as had been proposed, be modified or abandoned. In particular, the NIRB identified the potential for adverse impacts on sensitive muskoxen and Peary caribou populations and permanent adverse impacts on paleontological sites within the project area.

On January 20, 2011, the Ministerial decision regarding the NIRB's screening decision was issued, returning the project proposal to the Proponent for modification and resubmission to the NIRB pursuant to NLCA Section 12.4.9(a).

All relevant documentation related to the Board's Screening of this project proposal is available from the NIRB's on-line registry at:

http://ftp.nirb.ca/01-SCREENINGS/COMPLETED%20SCREENINGS/2010/09EN067-Weststar%20Resources%20Corporation/

## 2011 STATUS UPDATE

On December 13, 2011, the Nunavut Regional Manager of Land Administration for Aboriginal Affairs and Northern Development Canada (AANDC) received the enclosed correspondence from Canada Coal Inc. indicating that it had purchased all the coal licenses held by the Proponent for the "Ellesmere Island Coal Project". As a result of the transfer, the Proponent no longer holds the requisite licenses to seek a land use permit to conduct the activities set out in the project proposal. Subsequently, on December 14, 2011 the NIRB received e-mail correspondence from AANDC confirming that the Proponent's application for Land Use Permit N2009C0014 had been withdrawn (see the enclosed e-mail).

## **CONCLUSIONS**

As a result of the transfer of the coal licenses to a new owner, Canada Coal Inc., the project Proponent no longer holds the coal licences necessary to obtain a land use permit and would, therefore, be unable to pursue the development outlined in the project proposal. Consequently, there is no longer a reasonable prospect that the project proponent could modify and resubmit the project proposal as indicated in the January 20, 2011 Ministerial decision. As the Project Proponent no longer owns the required licences to proceed with the Project Proposal in any form and has withdrawn the application for the land use permit that triggered the need for screening under the NLCA, the NIRB has determined that the file in relation to the Screening of the project proposal, NIRB File No. 09EN067, should be closed.

In closing, the NIRB would like to thank the Minister for your consideration of the NIRB's comments with respect to this matter. Should you have any questions or require clarification, please contact the NIRB's Executive Director, Ryan Barry, at (867) 983-4608 or <a href="mailto:rbarry@nirb.ca">rbarry@nirb.ca</a>.

Sincerely,

Lucassie Arragutainaq

Chairperson

Nunavut Impact Review Board

cc: Robin Aitken, AANDC

Jeff Mercer, AANDC Robert St. Eloi, QIA Phyllis Beaulieu, NWB

Enclosed: Canada Coal Letter to AANDC Re Coal Licences (Dec. 13, 2011)

AANDC Email to NIRB Re LUP Application N2009C0014 (Dec. 14, 2011)