

Appendix 4 - 2015 NIRB Screening Decision



NIRB File No.: 07EN021

NWB File No.: 2BE-CRA1520

AANDC File Nos.: N2014C0002, N2014C0005

June 25, 2015

Thomas Kabloona, Chairperson
Nunavut Water Board
c/o Phyllis Beaulieu, Manager of Licensing
Nunavut Water Board
P.O. Box 119
Gjoa Haven, NU X0B 1J0

And

The Honorable Bernard Valcourt
Minister of Aboriginal Affairs and Northern Development
c/o Tracey McCaie, Manager Land Administration
Aboriginal Affairs and Northern Development Canada
P.O. Box 100
Iqaluit, NU X0A 0H0

Sent via email: phyllis.beaulieu@nwb-oen.ca, licensing@nwb-oen.ca;
tracey.mccaie@aandc.gc.ca landsmining@aandc.gc.ca;

Re: Application Exempt from the Requirement for Screening pursuant to Section 12.4.3 of the NLCA: North Country Gold Corporation's "Committee Bay Project – Three Bluffs Deposit" project, Kitikmeot and Kivalliq Regions

Dear Phyllis Beaulieu and Tracey McCaie:

On May 5, 2015 the Nunavut Impact Review Board (NIRB or Board) received an application from Aboriginal Affairs and Northern Development Canada (AANDC) for an amendment to Land Use Permit N2014C0005 for North Country Gold Corporation (NCG)'s "Committee Bay Project – Three Bluffs Deposit" project proposal. On May 13, 2015 the NIRB received an associated application from the Nunavut Water Board (NWB) for an amendment to Type B Water License 2BE-CRA1520 for the above mentioned project. On May 22, 2015 the NIRB received an additional application from AANDC for an amendment to Land Use Permit N2014C0002 for the project. On June 11, 2015 the Board received correspondence from the Nunavut Planning Commission (NPC) confirming that the previous conformity determination, issued on February 27, 2007, continue to apply to the current applications.

Please be advised that the original project proposal (NIRB File No.: 07EN021) was received by the NIRB from Indian and Northern Affairs Canada (INAC; now AANDC) on March 1, 2007 and was screened by the Board in accordance with Part 4, Article 12 of the Nunavut Land Claims Agreement (NLCA). On May 11, 2007 the NIRB issued a NLCA 12.4.4(a) screening decision to the Minister of INAC which indicated that the proposed project could proceed subject to the NIRB's recommended project-specific terms and conditions.

Additional authorization and extension requests associated with the "Committee Bay Project – Three Bluffs Deposit" project have also been reviewed by the NIRB following screening of the original project proposal (File No. 07EN021). A summary of the additional applications associated with NIRB File No. 07EN021 is presented in Table 1.

Table 1: Additional applications associated with NIRB File No. 07EN021

| Authorization | Application | | | NIRB Decision | |
|---|-----------------------|-------------------------|---|-------------------|--|
| | Date Received by NIRB | Type | Reason for Application | Date Issued | Type |
| NWB Water Licence (2BE-CRA0710) | February 29, 2008 | Amendment | Add drills and increase daily water use | March 28, 2008 | Reissued May 11, 2007 SDR |
| INAC LUP (N2007C0001; N2007C0002) | January 26, 2009 | Extension | Continue exploration activities | February 11, 2009 | Reissued May 11, 2007 SDR |
| INAC LUP (N2009C0018; N2009C0019) | February 2, 2010 | Amendment | Construction of winter trail between Hayes Camp and deposit | February 26, 2010 | New SDR: May 11, 2007 SDR with <i>additional</i> terms and conditions |
| INAC LUP (N2009C0018) | December 15&16, 2010 | Extension | Upgrade existing infrastructure, increase drilling, and construct all-weather road from Hayes Camp to deposit | January 28, 2011 | New SDR: February 26, 2010 SDR with <i>additional</i> terms and conditions |
| INAC Quarry Permit | | New Permit | | | |
| INAC Surface Lease (056J11001, 056J12002) | | Lease | | | |
| AANDC LUP (N2009C0019) | January 3, 2012 | Extension | Continue exploration activities with additional equipment | February 22, 2012 | Reissued January 28, 2011 SDR |
| AANDC LUP (N2009C0018) | January 25, 2012 | Amendment and Extension | | | |
| GN Land Use Permit | July 19, 2012 | New Permit | Storage of fuel, core boxes and timber within the Municipality of Rankin Inlet | August 29, 2012 | Reissued January 28, 2011 SDR |
| AANDC LUP (N2009C0019) | February 27, 2013 | Amendment and Extension | Continue exploration activities at 8 new mineral leases | March 6, 2013 | Reissued January 28, 2011 SDR |

| | | | | | |
|---------------------------------|-------------------|------------------------|---------------------------------|------------------|-------------------------------|
| AANDC LUP (N2014C0002) | February 3, 2014 | Replace LUP N2009C0019 | Continue exploration activities | April 22, 2014 | Reissued January 28, 2011 SDR |
| AANDC LUP (N2014C0004) | February 5, 2014 | Replace LUP N2009C0018 | | | |
| NWB Water Licence (2BE-CRA1015) | December 29, 2014 | Renewal | Continue exploration activities | January 29, 2015 | Reissued January 28, 2011 SDR |

Notes: AANDC = Aboriginal Affairs and Northern Development Canada; GN = Government of Nunavut; INAC = Indian and Northern Affairs Canada; LUP = Land Use Permit; NIRB= Nunavut Impact Review Board; NWB = Nunavut Water Board; SDR= Screening Decision Report

The current NWB application, the original NIRB Screening Decision Report (File No. 07EN021) and related file information are available from the NIRB's online public registry at the following location:

<http://ftp.nirb.ca/01-SCREENINGS/COMPLETED%20SCREENINGS/2007/07EN021-North%20Country%20Gold-Committee%20Bay/>.

PREVIOUSLY-SCREENED PROJECT PROPOSAL:

As previously screened by the NIRB (File No. 07EN021), the "Committee Bay Project - Camp and Airstrip" project was located within the Kitikmeot region, approximately 220 kilometres (km) southwest of Kugaaruk and 235 km west of Repulse Bay, near the northern border of Ukkusiksalik National Park. The Proponent had initially indicated that it intended to explore potential gold deposits along the Committee Bay Greenstone Belt seasonally from March 2007 to March 2009.

Project components/activities included the following:

- Use of existing seasonal exploration camps at Ingot, Crater, Hayes and Bullion camp sites between March and September;
- Construction of temporary ice strip on a lake at Hayes Camp;
- Use of existing airstrip at Crater Lake Camp;
- Landing of aircraft with tundra tires on an esker at Ingot Camp;
- Exploration activities as well as transport of personnel and supplies supported by snow machines, helicopters and Twin Otter aircraft;
- Exploration and drilling on ice and on land;
- Chemical storage of drilling fluids;
- Fuel transportation and storage;
- Geochemical soil sampling;
- Gridding and ground geophysical surveys;
- Geological mapping and prospecting, sampling (rock, till and water) and stacking;
- Consumption of water for drilling purposes;
- Generation of waste and wastewater;
- Preparation of landing site for helicopter; and,
- Baseline environmental work at Hayes Camp.

The components associated with the previous February 29, 2008 application for an amendment to the Type B Nunavut Water Board licence (No. 2BE-CRA0710) for the proposal included additional domestic water use for camps and a new drill site.

The January 26, 2009 extension request for AANDC Land Use Permits N2007C0001 and N2007C0002 involved activities to support continued exploration at the Committee Bay Greenstone Belt for an additional two years, between March 2009 and March 2011.

The activities and components associated with the previous February 2, 2010 amendment application for AANDC Land Use Permits N2009C0018 and N2009C0019 included:

- Exploration activities to continue between March 1, 2010 and October 30, 2011;
- Increase the number of drills from 3 to 6;
- 6 drills to be used concurrently with 2 of the 4 camps open at any one time; and,
- Construction of a temporary winter road approximately 10 kilometres long from Hayes Camp to the Three Bluffs deposit for hauling water, drills and related equipment and personnel to the deposit to enable spring exploration drilling.

The activities and components associated with the December 2010 extension request for AANDC Land Use Permit N2009C0018 and the addition of a quarry permit and surface lease included:

- Upgrade existing infrastructure in order to facilitate increased exploration activities in the project area from March 1, 2011 to October 15, 2016;
- Increase exploration activities, including use of additional drills, and updating camp accommodation and services at the present Hayes Camp:
 - Use of 7 diamond and 2 RC drills positioned on the Three Bluffs Deposit for drilling of up to 60,000 metres in 2011 and 2012,
 - Airborne and ground geophysics surveys,
 - Geological mapping and prospecting,
 - Infrastructure upgrade to accommodate up to 100 persons,
 - Adding vehicles, heavy equipment, infrastructure, waste water treatment plant, incinerator, and drilling equipment.
- Improve condition of and increase length of Hayes Camp airstrip:
 - Upgrade current esker airstrip to 3000 feet in length through levelling and grading,
 - Quarry approximately 5000 cubic metres of $\frac{3}{4}$ crush to top coat the airstrip.
- Build an all-weather road from Hayes Camp to the Three Bluffs Gold deposit including a 5000 foot airstrip:
 - Construct approximately 6-10 kilometre (km) of road connecting the Hayes Camp to the Three Bluffs Exploration Gold Deposit.
 - Temporary fuel storage for heavy equipment along the road corridor in 205 Litre drums with a maximum of 19 drums per cache, secured with berms and spill kits.
 - Installation of culverts as required for site drainage. Location of culverts to be determined based on 2011 hydrology survey.
 - Construction schedule:
 - April to June 2011, and Sept 2011: equipment mobilization

- June to Sept 2011: Study hydrology and geomorphology of the proposed road corridor to assess the best position of the all-weather road
- Sept 2011 to Aug 2013: road construction

The activities and components associated with the January 3 and January 25, 2012 requests included a proposal to extend the term of both of the AANDC Land Use Permits (N2009C0019, N2009C0018) until March 2014, as well as to amend AANDC Land Use Permit N2009C0018 to include the following additional components:

- Use of explosives for blasting of gravel and/or work for the purposes of obtaining crushed material and aggregate to complete the upgrades to the all-weather 3000 foot airstrip at Hayes Camp including the addition of 2 explosive magazines and a mini drill which will also require a new quarry permit;
- Addition of new equipment: 2 Huggland personnel carriers, 1 All Track, and 4 additional snow machines;
- Addition of 2 new skid mounted 35,000 litre double walled fuel tanks to compliment the 2 already in place at the Hayes Camp to further reduce the need for drummed fuel; and
- Total amount of fuel required for the 2012 season will remain at approximately 1,500,000 litres.

The activities and components associated with the July 19, 2012 application for a Land Use Permit issued by the Government of Nunavut, Community and Government Services were to stage materials within the Municipality of Rankin Inlet specifically:

- Temporary storage of 51,250 litres of diesel fuel secured in an insta-berm;
- Storage of 15 pallets of core boxes and one pallet of core box lids;
- Storage of four lifts of timber; and
- One sea can.

The activities and components associated with the previous February 27, 2013 amendment and extension included:

- Additional exploration at eight (8) pending mineral leases; and
- Removal of 33 mineral claims from the exploration program.

The activities associated with the previous February 3, 2014 and February 5, 2014 applications for the renewal and replacement of AANDC LUP (No. N2009C0019 with No. N2014C0002) and AANDC LUP (No. N2009C0018 with No. N2014C0004) to continue previously approved exploration activities.

The activities associated with the previous December 29, 2014 application for renewal to the NWB Type B water licence (2BE-CRA1015) were to continue previously approved exploration activities.

CURRENT APPLICATION:

NCG is currently proposing to extend/amend AANDC Land Use Permits N2014C0002 and N2014C0005 for a period of one year, and extend/amend the Type B water licence 2BE-CRA1520 for a period of five years, to continue previously approved geochemical and soil

sampling and use up to 12 additional short term, temporary camps, and water withdrawal from additional nearby sources to support the camps.

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 renewal 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 terms and conditions recommended in the original January 28, 2011 Screening Decision Report (enclosed).

If you have any questions or require additional clarification, please contact Kristina Benoit, Technical Advisor, at (867) 983-4607 or kbenoit@nirb.ca.

Sincerely,



Ryan Barry
Executive Director
Nunavut Impact Review Board

cc: Jo Price, North Country Gold
Simeon Robinson, North Country Gold
Geoff Clark, Kitikmeot Inuit Association
Luigi Torretti, Kitikmeot Inuit Association
Luis Manzo, Kivalliq Inuit Association

Enclosure: NIRB Screening Decision Report, File No.: 07EN021 (January 28, 2011)

Committee Bay Project - Reclamation Cost Estimate

| Activity | Units | Quantity | Unit Cost | Cost |
|--|--------------|----------|---------------|-----------------|
| Exploration Activities | | | | |
| Drill Hole Reclamation | | | | |
| Site cleanup, cut anchors/casing, cement | Staff days | 10 | \$ 350.00 | \$ 3,500.00 |
| | | | Sub-total | \$ 3,500.00 |
| Disassembly / Pickup | | | | |
| <u>Equipment</u> | | | | |
| Personnel - Disassemble, pickup, load | Staff days | 60 | \$ 500.00 | \$ 30,000.00 |
| Camp support costs | days | 60 | \$ 50.00 | \$ 3,000.00 |
| <u>Buildings</u> | | | | |
| Personnel - Disassemble, pickup, load | Staff days | 139 | \$ 350.00 | \$ 48,650.00 |
| Camp support costs | days | 139 | \$ 50.00 | \$ 6,950.00 |
| Aircraft (Bullion Camp to Hayes) | flights | 15 | \$ 2,944.00 | \$ 44,160.00 |
| Aircraft (Ingot Camp to Hayes) | flights | 5 | \$ 1,472.00 | \$ 7,360.00 |
| Aircraft (Crater Camp to Hayes) | flights | 24 | \$ 1,943.00 | \$ 46,632.00 |
| <u>Infrastructure (Drill Water System)</u> | | | | |
| Personnel - Disassemble, pickup, load | Staff days | 100 | \$ 350.00 | \$ 35,000.00 |
| Camp support costs | days | 100 | \$ 50.00 | \$ 5,000.00 |
| | | | Sub-total | \$ 226,752.00 |
| Air Demobilization | | | | |
| <u>Fuel / Contaminated Soils</u> | | | | |
| Fuel | lbs | 566,713 | \$ 0.69 | \$ 393,128.81 |
| Fuel Drums | lbs | 21,676 | \$ 0.69 | \$ 15,036.64 |
| Contaminated soil | lbs | 20,000 | \$ 0.69 | \$ 13,874.00 |
| <u>Equipment</u> | | | | |
| Heavy Equipment | lbs | 399,581 | \$ 1.26 | \$ 502,113.48 |
| Drilling | lbs | 289,500 | \$ 1.26 | \$ 363,785.70 |
| Fixed plant (Incinerator, Generators etc) | lbs | 169,328 | \$ 1.26 | \$ 212,777.56 |
| Drill Water System | lbs | 40,000 | \$ 0.69 | \$ 27,748.00 |
| Buildings etc | lbs | 116,455 | \$ 0.69 | \$ 80,784.83 |
| | | | Sub-total | \$ 1,609,249.03 |
| Barge | | | | |
| Freight costs | lump sum | 1 | \$ 50,000.00 | \$ 50,000.00 |
| Personnel | Staff days | 30 | \$ 500.00 | \$ 15,000.00 |
| | | | Sub-total | \$ 65,000.00 |
| Reclamation | | | | |
| Personnel (rip, contour, scarify) | Staff days | 98 | \$ 500.00 | \$ 49,000.00 |
| Camp support costs | days | 98 | \$ 50.00 | \$ 4,900.00 |
| Fertilizer | lbs | 10,000 | \$ 0.60 | \$ 6,000.00 |
| Peat | m3 | 2500 | \$ 56.00 | \$ 140,000.00 |
| | | | Sub-total | \$ 199,900.00 |
| Project Management | | | | |
| Personnel | Staff days | 50 | \$ 600.00 | \$ 30,000.00 |
| | | | Sub-total | \$ 30,000.00 |
| Miscellaneous | | | | |
| Helicopter Support | Hours | 60 | \$ 2,060.60 | \$ 123,636.00 |
| Travel | Round trips | 33 | \$ 2,000.00 | \$ 66,000.00 |
| Aircraft mobilization (Herc + 737) | Mobilization | 1 | \$ 286,915.00 | \$ 286,915.00 |
| | | | Sub-total | \$ 476,551.00 |

Site Monitoring

| | | | | | |
|--------------------|----------|----|------------------|----|---------------------|
| Inspections | lump sum | 2 | \$ 8,000.00 | \$ | 16,000.00 |
| Sampling | lump sum | 2 | \$ 12,000.00 | \$ | 24,000.00 |
| Reporting | lump sum | 2 | \$ 2,000.00 | \$ | 4,000.00 |
| Helicopter support | hours | 16 | \$ 2,060.60 | \$ | 32,969.60 |
| | | | <i>Sub-total</i> | \$ | 76,969.60 |
| | | | TOTAL | \$ | 2,687,921.63 |

Assumptions:

- 1 Reclamation activities will be consistent with 2014 Abandonment and Reclamation Plan
- 2 Leaving the site will be a controlled exit undertaken over multiple seasons
- 3 All improvements and assets will be removed
- 4 Demobilization will be completed using Hercules aircraft to Baker Lake, then sold or barge
- 5 Post closure inspections / monitoring will occur over 2 seasons