

NIRB File No.: 07EN021

AANDC File Nos.: N2009C0018, N2009C0019 KIA File Nos.: KTL306C031, KTL305C004

NWB File No.: 2BE-CRA1015

February 22, 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 Iqaluit, NU

Sent via Email: Jeff.Mercer@aandc.gc.ca and landsmining@aandc.gc.ca

Re: <u>Application exempt from Screening pursuant to Section 12.4.3 of the NLCA: North Country Gold Corp.'s "Committee Bay Project - Camp and Airstrip" project</u>

Dear Jeff Mercer:

On January 3, 2012 the Nunavut Impact Review Board (NIRB or Board) received an application from Aboriginal Affairs and Northern Development Canada (AANDC) for an amendment and extension to Land Use Permit N2009C0019 for North Country Gold Corp.'s (NCG) "Committee Bay Project - Camp and Airstrip" project. Further, on January 25, 2012 the NIRB received an amendment application for Land Use Permit N2009C0018, also associated with this project. In correspondence received on February 17, 2012 the Nunavut Planning Commission (NPC) confirmed that its previous conformity determination for this file (Keewatin Regional Land Use Plan, February 27, 2007) would continue to apply to the amended activities as presented in AANDC Land Use Permit N2009C0018. The NPC also indicated that the activities as presented within the request to amend Land Use Permit N2009C0019 were outside the boundaries of both the North Baffin Regional Land Use Plan and the Keewatin Regional Land Use Plan and that these activities would therefore not require a conformity determination from the NPC.

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. The proposed project was screened by the Board in accordance with Part 4, Article 12 of the Nunavut Land Claims Agreement (NLCA) and on May 11, 2007 the NIRB issued the enclosed 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.

On February 29, 2008 the NIRB received an application for an amendment to the Proponent's water license 2BE-CRA0710 for the above mentioned project. After a thorough assessment of

the amendment request, the NIRB determined that the application was exempt from the requirement for screening pursuant to Section 12.4.3 of the NLCA, and reissued the enclosed screening decision report to the Acting Chairperson of the Nunavut Water Board on March 28, 2008.

On January 26, 2009 the NIRB received an application from INAC for an extension to Land Use Permits N2007C0001 and N2007C0002 for the above mentioned project. After a thorough assessment of the extension request, the NIRB determined that the application was exempt from the requirement for screening pursuant to Section 12.4.3 of the NLCA, and reissued the enclosed screening decision report to the Minister of INAC on February 11, 2009.

On February 2, 2010 the NIRB received an application from INAC for amendments to Land Use Permits N2009C0018 and N2009C0019 for 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 February 26, 2010 the NIRB issued a 12.4.4(a) screening decision to the Minister of INAC indicating that the proposed exploration and campsite activities could proceed, subject to the project-specific terms and conditions contained in the original May 11, 2007 Screening Decision Report, in addition to *new* terms and conditions as recommended for the amended activities.

On December 15 and December 16, 2010 the NIRB received three applications from INAC in support of the above mentioned project; an extension request for Land Use Permit N2009C0018 and the addition of a quarry permit (AANDC File No. 056J12001) and a surface lease (AANDC File No. 056J11001). After a thorough assessment of the amendment request and the comments received, the NIRB determined that the request significantly changed the scope of the project and would therefore require screening pursuant to Part 4, Article 12 of the NLCA. On January 28, 2011 the NIRB issued a 12.4.4(a) screening decision to the Minister of INAC indicating that the proposed activities could proceed subject to the project-specific terms and conditions contained in the originally issued May 11, 2007 Screening Decision Report, subsequent terms and conditions issued on February 26, 2010, as well as a number of additional *new* recommended terms and conditions.

The current AANDC application, the January 28, 2011 NIRB Screening Decision Report (07EN021) and related file information are available from the NIRB's ftp site at the following link:

http://ftp.nirb.ca/01-SCREENINGS/COMPLETED%20SCREENINGS/2007/07EN021-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 indicated that it intended to explore potential gold deposits along the Committee Bay Greenstone Belt seasonally from March 2007 to March 2009.

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

- Use of existing seasonal exploration camps at Ingot, Crater, Hayes and Bullion camps between March and September;
- Construction of temporary ice strip on 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 activities and components associated with the previous February 29, 2008 water license 2BE-CRA0710 amendment included:

Additional domestic water use for camps and new drill sites for 2008 field season.

The January 26, 2009 extension requests for INAC Land Use Permits N2007C0001 and N2007C0002 involved activities in support of 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 to the INAC 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 Land Use Permit N2009C0018 and the addition of a quarry permit and surface lease included:

• Upgrade the 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 Haves 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,
 - o Airborne and ground geophysics surveys,
 - o Geological mapping and prospecting,
 - o Infrastructure upgrade to accommodate up to 100 persons,
 - o Adding vehicles, heavy equipment, infrastructure, waste water treatment plant, incinerator, and drilling equipment.
- Improve and increase length of Hayes Camp airstrip:
 - Upgrade current esker airstrip to 3000 feet in length through levelling and grading,
 - O Quarry approximately 5000 cubic metres of \(^3\)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.
 - o 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. Currently no changes in water courses are planned.
 - O 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.

CURRENT APPLICATION

NCG is proposing to extend the term of both of its AANDC Land Use Permits (N2009C0019, N2009C0018) from March 2012 to 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;
- Total amount of fuel required for the 2012 season will remain at approximately 1,500,000 Litres.

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 extensions and amendments do 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 January 28, 2011 Screening Decision Report (enclosed).

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

Ryan Barre

cc: Jo Price, North Country Gold

Tracey McCaie, Aboriginal Affairs and Northern Development Canada

Phyllis Beaulieu, Nunavut Water Board Stanley Anablak, Kitikmeot Inuit Association

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