

NIRB File No.: 13EN001AANDC File No.: N2012C0031

April 19, 2013

Mr. Braam Jonker President & CEO, Canada Coal Inc. c/o Susan O'Donnell DMT Geosciences Ltd. 708- 11 Avenue SW, Suite 415 Calgary, AB T2R 0E4

Via email: susan.odonnell@dmtgeosciences.ca

Re: Notice of Part 4 Screening for Canada Coal Inc.'s "Fosheim Peninsula-Coal Exploration Project" Proposal, North Baffin Region

Dear Susan O'Donnell:

On January 7, 2013 the Nunavut Impact Review Board (NIRB or Board) received Canada Coal Inc.'s (Canada Coal) "Fosheim Peninsula-Coal Exploration Project" proposal from Aboriginal Affairs and Northern Development Canada (AANDC). On January 7, 2013 the NIRB received a positive conformity determination (North Baffin Regional Land Use Plan) from the Nunavut Planning Commission. The NIRB has assigned this project proposal file number **13EN001**.

Following receipt of the initial application materials, the NIRB undertook a preliminary completeness check and found that the proposal as submitted did not contain sufficient information for the NIRB to permit proper screening. On January 18, 2013 the NIRB requested that additional information from the Proponent be provided to the Board by February 1, 2013. On April 3, 2013 the NIRB received the required information as requested in support of this project proposal.

The project is located in the Qikiqtani region on Ellesmere Island, approximately 410 kilometres (km) northwest of Grise Ford and 594 km northeast of Resolute Bay. The proposal involves the exploration for coal deposits within the Fosheim Peninsula on Ellesmere Island. Canada Coal has committed to not conduct exploration activities on Axel Heiberg Island. The program is proposed to take place from May 2014 to September 2014, with the potential for a multi-year program.

The proposed project activities would include:

- Coal exploration activities including:
 - o Geological mapping and geophysical surveys;
 - o On-land drilling using diamond drill rigs;
 - Use of calcium chloride as a drill additive;
 - o Heritage and environmental studies to support exploration activities;
- Setup of a camp facility for up to 30 people. Three options presented for camp facilities:
 - Setup of a temporary camp facility in the Fosheim Peninsula. Facility to include kitchen/dry, office, core cutting, core logging, toilet block, office, medic facility, recreation facility/work stations, equipment storage area, bermed fuel storage areas and 8 sleepers; or
 - Use of the Eureka Weather Station and facilities, including the use of the existing airstrip to bring in supplies and personnel; or
 - o The use/combination of both locations.
- Resurfacing and use of a historic airstrip in the project vicinity;
- Transportation, storage and use of fuel in the immediate vicinity of the Eureka Weather Station airstrip and/or the temporary camp facility with temporary fuel caches throughout the project area for drilling and helicopter refuelling purposes. Total amount of fuel to be stored includes:
 - o 730 drums of 205 litres [L] for a total of 149,650 L diesel;
 - o 730 drums of 205 L for a total of 149,650 L aviation fuel;
 - o 50 drums of 205 L for a total of 10,250 L gasoline;
 - o 300 cylinders (100 pounds) propone tanks;
- Transportation, storage and use of chemicals and hazardous materials;
- Use of fixed wing aircraft to bring in equipment, personnel and supplies;
- Use of helicopters to transport personnel and equipment between camp and drill sites with potential for low-level flights;
- Use of all-terrain vehicles (ATVs) to move equipment and personnel around camp site;
- Use of water for domestic and drilling activities;
- Production of human, combustible, non-combustible and greywater wastes;
- Incineration of sewage, greywater, solid waste and hazardous/waste oil;
- Removal of non-combustible wastes to an approved disposal facility;

All documents received and pertaining to this project proposal are available from the NIRB's online public registry at the following location:

http://ftp.nirb.ca/01-SCREENINGS/ACTIVE%20SCREENINGS/13EN001-Canada%20Coal%20Inc.-Coal%20Exploration/01-APPLICATION/ including:

- NIRB Part 1 Summary Application Form in English and Inuktitut;
- *NIRB Part 2 Summary Application Form in English;*
- Non-technical Project Proposal Summary in English and Inuktitut;;
- *NPC Conformity Determination and Questionnaire*;
- *AANDC Land Use Permit Type A Application*;
- AANDC Quarrying Permit Application;
- *NWB Type B Water License Application*;

- Maps;
- *Abandonment and Restoration Plan*;
- *Spill Contingency Plan;*
- *Equipment List*;
- Drilling Targets with Heritage Ranking;
- *Certificate of Incorporation;*
- List of Directors for Canada Coal Inc.;
- Community Consultation Log and Detailed Consultation Notes;
- Supporting Technical Report; and
- Proponent Authorizing Consultant Letter.

Please note that the NIRB was included in correspondence to AANDC's Mining Recorder Office and the Nunavut Water Board regarding the proposed project on February 18, 2013 and March 1, 2013 from the Hamlet of Grise Fiord, Iviq Hunters and Trappers Organization and the Qikiqtani Inuit Association's Department for Community Lands and Resources Committee (CLARC). These comments will be taken into consideration by the Board during the screening process of this project. Copies of these comments are available from the NIRB's online public registry at the following location:

http://ftp.nirb.ca/01-SCREENINGS/ACTIVE%20SCREENINGS/13EN001-Canada%20Coal%20Inc.-Coal%20Exploration/02-DISTRIBUTION/COMMENTS/

Pursuant to Part 4, Article 12 of the Nunavut Land Claims Agreement (NLCA), the NIRB shall proceed to screen this project proposal. The NIRB may request additional information at any time during the process. The NIRB will copy you on screening process related correspondence and upload related documents to the above ftp site for public access.

The NIRB is copying parties and municipalities potentially affected by Canada Coal's project proposal with this letter, and we invite interested parties to comment directly to the NIRB by May 9, 2013.

The NIRB would like parties to provide comments regarding:

- Whether the project proposal is likely to arouse significant public concern; and if so, why;
- Whether the project proposal is likely to cause significant adverse eco-systemic and socio-economic effects; and if so, why;
- Whether the project is of a type where the potential adverse effects are highly predictable and mitigable with known technology, (please provide any recommended mitigation measures); and
- Any matter of importance to the Party related to the project proposal.

Please send your comments to the NIRB at info@nirb.ca or via fax at (867) 983-2594.

If you have any questions or concerns, please contact the undersigned at 867-983-4607 or crodriguez@nirb.ca.

Sincerely,



Catherine Braun Rodriguez Technical Advisor Nunavut Impact Review Board

Distribution List cc:

> Braam Jonker, Canada Coal Inc. Phyllis Beaulieu, Nunavut Water Board Bernie MacIsaac, Qikiqtani Inuit Association Jeff Mercer, Aboriginal Affairs and Northern Development Canada Tracey McCaie, Aboriginal Affairs and Northern Development Canada

Enclosures (2): Comment Forms (English and Inuktitut)