

NIRB File No.: 13EN001AANDC File Nos.: N2012C0031, 5510

EC File No.: 4703 001 018

June 13, 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

Sent via email: susan.odonnell@dmtgeosciences.ca

Re: Opportunity to Address Comments Received Regarding Canada Coal Inc.'s "Fosheim Peninsula- Coal Exploration Project" Proposal

Dear Susan O'Donnell:

On January 7, 2013 the Nunavut Impact Review Board (NIRB or Board) received Canada Coal Inc.'s (Canada Coal; the Proponent) "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 and commenced screening of the project proposal (NIRB File No.: 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 the Proponent provide additional information to the Board by February 1, 2013. On April 3, 2013 the NIRB received the information as requested in support of this project proposal.

On April 19, 2013 the NIRB requested that interested parties review the proposal and provide the Board with any comments or concerns by May 9, 2013 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, (providing any recommended mitigation measures); and
- Any matter of importance to the Party related to the project proposal.

On May 1, 2013 the NIRB received a request from the Qikiqtani Inuit Association (QIA) to extend the public commenting period until May 31, 2013 to allow the QIA an opportunity to consult with the Hamlet of Grise Fiord regarding this project proposal. The Board found this request to be reasonable and extended the public commenting period as requested, until May 31, 2013.

In addition, on May 29, 2013 the NIRB received a request from Canada Coal to extend the public commenting period for an additional 60 days to allow Canada Coal sufficient time to coordinate an appropriate meeting time for the Hamlet of Grise Fiord, the QIA and Canada Coal. The NIRB determined that the most appropriate way to facilitate the Proponent's request was to close the public commenting period as planned on May 31, 2013 and extend the screening period for the proposal by an additional 60 days to allow an opportunity for Canada Coal to conduct additional consultation and submit a response to comments and concerns received prior to the Board rendering its screening determination.

On or before May 31, 2013, the NIRB received comments from the following interested parties:

- Aboriginal Affairs and Northern Development Canada (AANDC)
- Qikiqtani Inuit Association (QIA)
- *Government of Nunavut (GN)*
- Environment Canada (EC)
- Fisheries and Oceans Canada (DFO)
- *Parks Canada (PC)*
- Carnegie Museum
- Canadian Museum of Nature-Graham, Gillespie, Hamilton, and Rybczynski

- University of Saskatchewan
- University of Ottawa
- Carleton University
- University of Colorado
- University of Montana
- University of Wyoming
- World Wildlife Fund
- Eastern Ontario Natural- History Society (EONS)
- Society of Vertebrate Paleontology
- Peter Croal Environmental Consultant

All comment submissions received pertaining to the screening of this project proposal can be obtained from the NIRB's online public registry at:

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

The following presents a *summary* of concerns raised by parties:

• Potential for disturbance to identified and unidentified archaeological and paleontological resources of great scientific and cultural value that are located within or near to the proposed drill sites and potentially within the boundaries of the quarry site¹;

¹ Comments received on the Canada Coal proposal by May 31, 2013 noted that areas of particular archaeological and paleotontological concern in the potential project area include Remus Creek, Hot Weather Creek, the west flank of Fosheim Anticline, Beaver Pond, Strathcona Fiord, Bay Fiord and the petrified forest at Fosheim Peninsula.

- Concerns regarding how heritage ranking potential for proposed drill sites was determined;
- Potential negative impacts of project activities on caribou, muskox, seal, polar bear, wolverine, Ivory Gull and Red Knot and their habitats, as well as concerns regarding the 10 metre buffer zone proposed to protect nesting bird groups from exploration activities;²
- Concerns regarding potential impacts of drilling activities on muskox and caribou migration routes and during calving and post-calving seasons;
- Potential cumulative impacts from low level flights, quarrying, all-terrain vehicle use, heavy equipment use, camp construction, drilling, sample collection and aerial surveys on wildlife and their habitat (including migratory birds);
- Significant public concerns have been expressed regarding impacts to traditional harvesting and wildlife habitat by local community organizations and the Hamlet of Grise Fiord:
- The GN has continued concerns with the granting of coal licenses in the Ellesmere Island and Axel Heiberg Island area because of the region's extreme sensitivity of wildlife species (including species on Schedule 1 of *SARA*) and their habitats, as well as the presence of important paleontological and archaeological resources;
- Potential negative impacts to water quantity and water quality of the limited local water bodies;
- Potential negative impact to local water bodies and fish and fish habitat from accidental fuel spills and improper waste water disposal;
- Concerns regarding the incineration of waste and sewage and the impacts to human and wildlife health;
- Concerns that drilling activities could potentially impact the ground ice stability and possibly increase layer detachment events;
- Concerns that the use of the airstrip runway for project activities could deteriorate and cause active layer detachments, as has occurred at Eureka;
- Concerns that the current proposal is incomplete and lacks sufficient detail to conduct a proper assessment of project impacts on eco-systemic and socio-economic components; and
- Logistical concerns regarding the limited resources available at the Eureka Weather Station to potentially accommodate Canada Coal's personnel.

In addition, several authorizing agencies have identified specific concerns they have requested Canada Coal address in its proposal, a *summary* of which are provided here:

- The QIA has not yet received an amendment to the access to Inuit owned lands authorization for the project and requests that this application be received prior to any further consultation with the Hamlet of Grise Fiord;
- EC requests further information from the Proponent on how water sources to support drilling operations will be selected and what measures will be taken to protect wetland habitat for the Red Knot;

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² Environment Canada has included in their April 26, 2013 comment submission a proposed table of setback distances recommended to minimize disturbances to nesting bird species in the proposed project region.

- If the Proponent decides to conduct sewage sludge incineration, EC has recommended that it provide the Board with the design specifications of the incinerator and a letter from the manufacturer stating that this equipment is suitable for burning this type of waste;
- AANDC notes that the community consultation records provided in the proposal are incomplete and do not include notes from the June 2012 public meeting and that the level of public concern, valued eco-systemic components and valued socio-economic components cannot be evaluated without access to this public record;
- AANDC indicated that to perform a valid assessment of the potential impacts of a base camp, each base camp option must be sufficiently developed to evaluate potential impacts to the eco-systemic and valued socio-economic components associated with each option and appropriate mitigation measures be explored;
- GN-Culture and Heritage requests that the Proponent provide precise information of the proposed quarry location and that the Proponent perform a heritage assessment prior to all proposed activities, regardless of the prioritization of drilling targets; and
- The GN notes that the community consultation results presented in the proposal should be translated into Inuktitut to allow full participation.

The NIRB would like to provide the Proponent with an opportunity to address these concerns prior to the Board making its indication to the Minister. Therefore the NIRB requests that Canada Coal provide a response to all submissions received and posted to the NIRB's online public registry be submitted directly to the Board by **August 13, 2013**.

If you have any questions or concerns, please contact me directly at (867) 983-4607 or crodriguez@nirb.ca.

Sincerely,



Catherine Braun Rodriguez Technical Advisor Nunavut Impact Review Board

cc: Distribution List
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