

NIRB File Nos.: 04RN015, 04RN101, 09RN066

AANDC File Nos.: N2010F0015, N2010F0017, N2013F0022 KIA File Nos.: KTL304F049, KTL399C010, KTL399C027

December 2, 2013

The Honourable Bernard Valcourt
Minister of Aboriginal Affairs and Northern Development
c/o Jeff Mercer, Manager of Land Administration
Aboriginal Affairs and Northern Development Canada
P.O. Box 100
Igaluit, NU XOA 0H0

Sent via email: jeff.mercer@aandc.gc.ca; landsmining@aandc.gc.ca

Re: Application Exempt from the Requirement for Screening pursuant to Section 12.4.3 of the NLCA: Glencore Canada Corporation's "Winter Roads – Hackett, George and Goose Camps" Project, Kitikmeot Region

Dear Jeff Mercer:

On November 5, 2013 the Nunavut Impact Review Board (NIRB or Board) received a referral from the Kitikmeot Inuit Association (KIA) for a new land use application and on November 13, 2013 an application was received from Aboriginal Affairs and Northern Development Canada (AANDC) for a new land use permit (LUP) No. N2013F0022 associated with Glencore Canada Corporation's (Glencore or the Proponent) "Winter Roads – Hackett, George and Goose Camps" project proposal (the Project). The NIRB notes that a conformity determination from the Nunavut Planning Commission was not required for this file, as the proposed project is located within the Kitikmeot region which does not currently have an approved land use plan in place.

Please be advised that on October 19, 2009 the NIRB received an application from Indian and Northern Affairs Canada (INAC; now AANDC) for a new Land Use Permit (LUP No. N2009F0015) associated with the Project. After reviewing the proposed project activities and noting that components of the proposal had been previously screened under NIRB File Nos. 04RN015 and 04RN101, the NIRB consolidated the previous file information with the 2009 application under NIRB File No.: 09RN066. This consolidation was intended to: (a) recognize Sabina's 2009 acquisition of the Goose Lake and George Lake properties; (b) enable the Board to conduct a thorough screening of a subsequent LUP application that proposed the establishment of additional winter roads for the movement of supplies and fuel but which included some components that had been previously screened under the NIRB Files 04RN015 and 04RN101; and, (c) facilitate the administration of related filing and permit applications. The

¹ Glencore (previously named Xstrata Canada) is in partnership with Sabina Gold & Silver Corp.

proposal was screened by the Board in accordance with Part 4, Article 12 of the Nunavut Land Claims Agreement (NLCA) and on November 30, 2009 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 for the various permits and licenses associated with this project have also been assessed by the NIRB following the initial screening of the project proposal (NIRB File No.: 09RN066) and are presented in Table 1.

Table 1: Additional Applications Associated with NIRB File No.: 09RN066

	Application			NIRB Decision		
Authorization	Date Received by NIRB	Туре	Reason for Application	Date Issued	Туре	
AANDC LUP N2009F0015	January 11, 2010	Amendment	New D'Arcy Lake airstrip and winter corridor connecting to pre-existing road between Hackett River and George Lake camps	February 11, 2010	New terms and conditions issued per NLCA 12.4.4(a)	
AANDC LUP N2010F0017	July 6, 2010	New LUP application	Proposal to construct winter road between Bathurst Inlet and Back River Project and barge resupply to Bathurst Inlet	September 2, 2010	New terms and conditions issued per NLCA 12.4.4(a)	
AANDC LUP N2004F0006 N2009F0015	January 17, 2011	Extension	Continue exploration and camp re-supply	January 19, 2011	Reissued September 2, 2010 SDR	
AANDC LUP N2011F0029	November 25, 2011	Replace N2004F0006	To replace previous AANDC LUP	December 1, 2011	Reissued September 2, 2010 SDR	
AANDC LUP N2009F0015	March 8, 2012	Extension	To conduct ongoing exploration activities	March 12, 2012	Reissued September 2, 2010 SDR	
AANDC LUP N2009F0015	February 8, 2013	Extension	To conduct ongoing exploration activities	March 7, 2013	Reissued September 2, 2010 SDR	
AANDC LUP N2010F0017	August 1, 2013	Extension	To continue the movement of equipment and supplies (from possible barge resupply) between Bathurst Inlet and the pre-existing exploration camps in the Back River area	August 30, 2013	Reissued September 2, 2010 SDR	

AANDC	LUP	October 24,	Extension	To continue the	November	Reissued
N2011F00	29	2013		movement of	22, 2013	September 2,
				supplies between		2010 SDR
				Sabina's pre-		
				existing exploration		
				camps in the Back		
				River area		

Notes: AANDC = Aboriginal Affairs and Northern Development Canada; LUP = Land Use Permit; NIRB = Nunavut Impact Review Board; SDR = Screening Decision Report; NLCA = Nunavut Land Claims Agreement

The current AANDC application, the original NIRB Screening Decision Reports (File Nos.: 04RN015, 04RN101, 09RN066) 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/.

PREVIOUSLY-SCREENED PROJECT PROPOSAL:

As previously screened by the NIRB (File Nos.: 04RN015, 04RN101, 09RN066), the "Winter Roads – Hackett, George and Goose Camps" project was located within the Kitikmeot region, approximately 150 kilometres (km) south of Bathurst Inlet. The Proponent indicated that it intended to construct winter trails which connected its barge offloading area at Bathurst Inlet to the Goose Lake, George Lake and the Hackett River camps in order to facilitate the movement of supplies and fuel needed for year-round exploration activities in that area.

The activities and components associated with the proposed project as received by the NIRB on October 19, 2009 and which were screened under the consolidated NIRB file number 09RN066 included:

- Construction of winter road route between the George Lake and Goose Lake camps (per NIRB File No.: 04RN015);
- Construction of winter road route between the George Lake and Hackett River camps (approximately 60 km in length);
- Finalized route selection to be based upon environmental conditions, determined via helicopter and/or snow machine reconnaissance trips;
- Temporary survival tents (1-2) to be established along the winter road routes, for the duration of permitted activities only;
- Redistribution of equipment and materials (including chemicals) via Cat-haul transportation between the George Lake, Goose Lake, and Hackett River camps;
- Fuel and supplies delivered daily to personnel along the routes, with removal of waste material to camp as required;
- Clean-up of the routes in preparation for closure; and,
- Abandonment and restoration of road routes upon completion of transportation activities.

The activities and components associated with the January 11, 2010 LUP (No. N2009F0015) amendment application included:

- Construction and operation of an ice airstrip at D'Arcy Lake including:
 - o Use of Hercules aircraft at airstrip,

- o Airstrip operation for up to sixty days between February 20 and May 31, 2010,
- Construction and use of a winter road route (approximately 2 km in length) between the D'Arcy Lake and the previously permitted winter road between Hackett River and George Lake camps, and,
- Conduct the proposed activities between February and May 2010.

The activities and components associated with the July 6, 2010 LUP (No. N2010F0017) application included:

- Establishment of a temporary camp at Bathurst Inlet;
- Establishment of an ice airstrip at Bathurst Inlet; and,
- Storage of fuel at Bathurst Inlet including:
 - Drummed fuel (approximately 881,500 litres various fuel types, 7500 pounds of propane and 100 pounds of acetylene) to be stored within secondary containment at the Bathurst Inlet lay down area,
 - o Bulk fuel (approximately 600,000 litres diesel) to be stored on barge prior to being transferred to tanks or sleighs for transport to Hackett River/Goose Lake camps via Cat-train (involves overwinter storage via barge freeze-in during the winter of 2011-2012).

The January 17, 2011 LUP applications involved (No. N2004F0006 and N2009F0015) proposed one year extensions to each permit to continue project activities in the Hackett River and Back River areas, respectively.

Sabina's November 25, 2011 application was intended to replace the previously issued and expiring AANDC LUP (No. N2004F0006) with a new LUP (No. N2011F0029) in order to continue its activities in the area.

The March 8, 2012 and February 8, 2013 applications involved extensions to the AANDC LUP (No. N2009F0015) each for one additional year to continue with previously permitted activities.

Sabina's August 1, 2013 application involved an extension to its LUP (No. N2010F0017) for the project for one additional year to continue the movement of equipment and supplies, from possible barge resupply, between Bathurst Inlet and the pre-existing exploration camps in the Back River area.

Sabina's October 24, 2013 application involved an extension to its LUP (No N2011F0029) for one additional year to continue the movement of supplies between Sabina's pre-existing exploration camps in the Back River area.

CURRENT APPLICATION:

The project components and activities as applied for in the current LUP application (No. N2013F0022) remain the same as those previously screened under NIRB File No.: 09RN066. The winter roads that are considered within NIRB File No.: 09RN066 have been utilized by both Glencore for its Hackett, George and Goose camp areas, as well as by Sabina Gold & Silver Corp. in support of exploration at its Back River Project area.

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 extension 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 September 2, 2010 Screening Decision Report (enclosed).

The NIRB notes that while detailed archaeology surveys have been completed in the general Project area, the Proponent's application materials indicate that no surveys have been conducted along the winter road corridor but that recorded and known sites will be avoided. The Board reminds the Proponent that all Terms and Conditions within the September 2, 2010 Screening Decision Report apply to this application and specifically encourages the Proponent to conduct detailed surveys along the winter road routes prior to construction per Condition 51. Where this may not be possible, the Proponent should consider at a minimum that summer reconnaissance surveys be undertaken to inform potential mitigation measures and future road planning and routing decisions.

If you have any questions or require additional clarification, please contact Catherine Braun Rodriguez, Technical Advisor, at (867) 983-4607 or cbraunrodriguez@nirb.ca.

Sincerely,

Ryan Barry

Executive Director

Nunavut Impact Review Board

cc: Robert Prairie, Glencore Canada Corporation

Tracey McCaie, Aboriginal Affairs and Northern Development Canada

Phyllis Beaulieu, Nunavut Water Board Geoff Clark, Kitikmeot Inuit Association

Doug Stenton, Government of Nunavut Department of Culture and Heritage

Enclosure: NIRB Screening Decision Report, File No.: 09RN066 (September 2, 2010)