



NIRB File Nos.: 08EA084, 07YN030

AANDC File No.: N2010C0015

NWB File No.: 2BE-HAK0709

KIA File No.: KTL304C017

NRI File No.: 04 040 11R-M

October 31, 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
P.O. Box 100
Iqaluit, NU X0A 0H0

Via email: Jeff.Mercer@aandc.gc.ca and landsmining@aandc.gc.ca

Re: Application Exempt from the Requirement for Screening pursuant to Section 12.4.3 of the NLCA: Sabina Gold & Silver Corp.'s "Hackett River and Wishbone" project

Dear Jeff Mercer:

On October 25, 2012 the Nunavut Impact Review Board (NIRB or Board) received an application from Aboriginal Affairs and Northern Development Canada (AANDC) for an extension to the Land Use Permit (No. N2010C0015) for Xstrata Zinc Canada's (Xstrata) "Hackett River and Wishbone" project sites (previously owned by Sabina Gold & Silver Corp., NIRB File No. 08EA084). 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 a region that does not currently have an approved land use plan in place.

Please be advised that on March 23, 2007 the NIRB received an application for a Scientific Research Licence from the Nunavut Research Institute (NRI) for Rescan Environmental Services Ltd.'s (Rescan) "2007 Hackett River Baseline" project proposal (NIRB File No.: 07YN030). The project proposal was screened in accordance with Part 4, Article 12 of the Nunavut Land Claims Agreement (NLCA) and on May 16, 2007 the NIRB issued a 12.4.4(a) screening decision to the Minister of Education, Government of Nunavut, allowing the proposed exploration activities to proceed subject to the NIRB's recommended project-specific terms and conditions.

An additional authorization associated with the Rescan "Hackett River Baseline" project was reviewed by the NIRB following screening of the original project proposal (File No. 07YN030); a summary of the additional application associated with this file is presented in Table 1.

Table 1: Additional applications associated with NIRB File No. 07YN030

Authorization	Application			Correspondence Issued by NIRB
	Date Received by NIRB	Type	Reason for Application	
Research License 04 040 11R-M	February 25, 2011	Amendment	Continue baseline sampling at Hackett River and Extend baseline sampling to Goose Lake, George Lake, and the Proposed Portal Site into 2014.	Exemption Letter February 25, 2011 (reissue May 16, 2007 SDR)

On December 9, 2008 the NIRB received an application for a Land Use Permit from Indian and Northern Affairs Canada (INAC; now Aboriginal Affairs and Northern Development Canada or AANDC) for the “Hackett River and Wishbone” project proposal (NIRB File No.: 08EA084). This application was associated with Dundee Precious Metals Inc.’s holdings in the Beechy Lake area, specifically, the Back River area and Wishbone Trend. The project proposal was screened in accordance with Part 4, Article 12 of the Nunavut Land Claims Agreement (NLCA) and on March 3, 2009 the NIRB issued a 12.4.4 (a) screening decision to the Minister of INAC allowing the proposed exploration activities to proceed subject to the NIRB’s recommended project-specific terms and conditions.

Additional authorization and extension requests associated with the Hackett River, Beechy Lake, and Wishbone projects have also been reviewed by the NIRB following screening of the original project proposal (File No. 08EA084); a summary of the additional applications associated with this file are presented in Table 2.

Table 2: Additional applications associated with NIRB File No. 08EA084

Authorization	Application			Correspondence Issued by NIRB
	Date Received by NIRB	Type	Reason for Application	
Land Use Permit N2010C0015	May 26, 2010	Replace LUP	New Land Use Permit N2010C0015 replaces N2004C0005	Exemption Letter June 14, 2010
Land Use Permit N2010C0016	Jul. 5, 2010	Replace LUP	New Land Use Permit N2010C0016 replaces N2006C0008	Exemption Letter August 5, 2010
NWB Type B water license 2BE- GOO0510	Dec. 7, 2010	Amendment	Additional Exploration Activities	Exemption Letter December 9, 2010
Land Use Permit N2012C0003	Jan. 3, 2012	Support ongoing Exploration	New Land Use Permit N2012C0003	Exemption Letter January 24, 2012

KIA Land Use Licence KTL304C017	Feb. 1, 2012	Amendment	Amend Land Use Licence	March 16, 2012 Screening Decision Report with <i>Additional Terms and Conditions</i>
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The **current AANDC amendment application** (Land Use Permit No. N2010C0015), the original NIRB Screening Decision Report (File No. 08EA084) and related file information are available from the NIRB's ftp site at the following link:

<http://ftp.nirb.ca/01-SCREENINGS/COMPLETED%20SCREENINGS/2009/08EA084-Dundee%20Precious%20Metals/>.

Additional information regarding the original NIRB Screening Decision Report for File No. 07YN030 is available from the NIRB's ftp site at the following link:

<http://ftp.nirb.ca/01-SCREENINGS/COMPLETED%20SCREENINGS/2007/07YN030-Rescan%20-%20Hackett%20River/>.

PREVIOUSLY-SCREENED PROJECT PROPOSAL:

As previously screened by the NIRB (File No. 08EA084), the "Hackett River" project was located within the Kitikmeot region, approximately 160 kilometres (km) south-south east of the community of Bathurst Inlet, and 400 km south of Cambridge Bay. The Proponent indicated that it intended to conduct mineral exploration activities on claims within the "Wishbone" area (Wishbone, Del Lake, Lovechild, Mahna Mahna, and Malley claims) as well as the "Core Properties" area (Goose Lake, George Lake, Boot Lake and Boulder Pond claims). Exploration activities were initially proposed to occur from March 1, 2009 to September 30, 2009 and were expected to continue into 2010. The Proponent also proposed to conduct prospecting activities on the areas to the north and south of the "Wishbone" area during 2009, with potential drilling to follow in these areas during 2010 and 2011.

The activities and components associated with NIRB File No. 08EA084 proposal included:

- Base metal mineral exploration; including prospecting, sampling, soil sampling, exploration trenching, diamond drilling (on land and on ice), and air and ground geophysics.
- Use of existing Goose Lake Camp site as the base of operations, with maximum capacity of 80 personnel.
- Helicopter supported drill program, including daily transportation of field crew to drill sites.
- Potential use of snow machines around the Goose Lake area.
- Use of temporary fuel caches (up to 19 drums each) throughout the area to support exploring activities.

- Fuel storage at Goose Lake (6 bulk tanks) and George Lake (2 bulk tanks). Drummed fuel stored at George Lake.
- Storage of chemicals and hazardous materials at site.
- Water use for drilling purposes and camp use.
- Sewage, grey water and waste production related to camp operation.
- Incineration of sewage and combustible waste.
- Use of Goose Lake for summer access via aircraft; winter use of an ice-strip at Goose Lake.
- Potential use of esker strip at George Lake camp or gravel strip northwest of Goose Lake during breakup period in spring.

The activities and components associated with the previous May 26, 2010 INAC application included:

- New LUP to support continued exploration of the Hackett River and Wishbone areas, as well as the Hackett River camp.

The activities and components associated with the previous July 5, 2010 INAC application included:

- New LUP to authorize operations at the George Lake and Goose Lake camps, in addition to outlying areas of operation including claim groups at Boot Lake, Boulder Pond and Del Lake – for a period of two years (commencing November 1, 2010).
- Establish small temporary camps and ice airstrips proximal to exploration areas on an “as-needed” basis; and,
- Store fuel and chemicals used for exploration activities at locations other than Goose Lake Camp, with established fuel and material storage at the George Lake Camp site.

The activities and components associated with the previous December 7, 2010 NWB amendment application included:

- Establishment and use of winter roads and trails;
- Increase water volume use to 297 cubic metres per day (m³/day);
- Include water use for purposes of water diversion, collection, dust management, and water crossings; and,
- Include open burning of untreated wood products such as paper, cardboard and lumber.

The activities and components associated with the previous February 2, 2012 amendment to the KIA Land Use Licence (No. KTL304C017) included the following additional components or activities:

- Increase camp size to a maximum of 120 personnel;
- Construction of an all-weather airstrip (previously an ice airstrip, screened under NIRB File No. 06EN033);
- Conversion of a previously permitted winter road/trail (screened under NIRB File No.06EN033) to an approximately one (1) kilometre all-weather road connecting the new all-weather airstrip to the Goose Camp;
- Conduct quarrying activities to supply construction materials for the all-weather airstrip and road connecting the airstrip to the Goose Camp, including:
 - Establishment of three new quarry sources;

- Estimated total of up to 27,000 cubic metres of material required for construction of both the airstrip and road; and,
- Transportation between quarry sites and either the airstrip or road during snow/ice conditions only, via previously permitted winter corridors; and
- Proposed activities to occur through 2013.

Project Components associated with NIRB File No. **07YN030** include:

- Use of Sabina Silver Corporation's existing camp facilities at Hackett River,
- Transportation within research area via helicopter,
- Use of small watercraft,
- Water and sediment sampling,
- Fish sampling and tissue analysis,
- Small mammal trapping and tissue analysis,
- Plant identification and collection,
- Wildlife surveys (including aerial surveys),
- Soil survey and characterization,
- Installation of meteorological and hydrological stations, and
- Monitoring of permafrost.
- Research licence to include the following components/activities taking place from March 15, 2011 to March 15, 2014, including:
 - Continue baseline sampling at the Hackett River Project site;
 - Extend baseline sampling to Goose Lake, George Lake, and the Proposed Portal Site;
 - Coordinate sampling at all four sites to construct baseline reports for use in future Environmental Impact Assessment and to facilitate planning of project infrastructure.

CURRENT APPLICATION:

Xstrata is proposing to extend its AANDC Land Use Permit (No. N2010C0015) to continue exploration activities and to collect baseline data under the previously issued Scientific Research Licence (No. 04 040 11R-M) through 2012 and 2013.

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 March 16, 2012 Screening Decision Report for NIRB File No. 08EA084 (enclosed) as well as the May 16, 2007 Screening Decision Report for NIRB File No. 07YN030 (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
Nunavut Impact Review Board

cc: Scott Burgess, Xstrata Zinc Canada
Tracey McCaie, Aboriginal Affairs and Northern Development Canada
Phyllis Beaulieu, Nunavut Water Board
Wynter Kuliktana, Kitikmeot Inuit Association
Mosha Cote, Nunavut Research Institute

Enclosed: NIRB Screening Decision Report, File No.: 08EA084 (March 16, 2012)
NIRB Screening Decision Report, File No.: 07YN030 (May 16, 2007)