



NIRB File No.: 09EN070
AANDC File No.: N2009C0016

April 2, 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
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: Indicator Minerals Inc.'s "Grail" project

Dear Jeff Mercer:

On March 22, 2012 the Nunavut Impact Review Board (NIRB or Board) received an application from Aboriginal Affairs and Northern Development Canada (AANDC) for an extension to AANDC Land Use Permit (No. N2009C0016) for Indicator Minerals Inc.'s "Grail" project proposal.

Please be advised that the original project proposal (NIRB File No.: 09EN070) was received by the NIRB from Indian and Northern Affairs Canada (INAC, now AANDC) on November 18, 2009 and was screened by the Board in accordance with Part 4, Article 12 of the Nunavut Land Claims Agreement (NLCA). On January 14, 2010 the NIRB issued the enclosed 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.

The current AANDC application, the original NIRB Screening Decision Report (NIRB File No. 09EN070) and related file information are available from the NIRB's ftp site at the following link:

<http://ftp.nirb.ca/01-SCREENINGS/COMPLETED%20SCREENINGS/2010/09EN070-Indicator%20Minerals%20Grail/>.

PREVIOUSLY-SCREENED PROJECT PROPOSAL:

As previously screened by the NIRB (File No. 09EN070), the “Grail” project was located within the Kitikmeot region, approximately 65 kilometres (km) north-northwest from Taloyoak. The Proponent indicated that it intended to conduct ground geophysical surveys followed by exploratory drilling to evaluate the potential for diamonds in the project area. The project was to occur each year from April to September, from April 2009 to September 2015.

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

- Mineral exploration for diamonds;
- Prospecting, staking, geological mapping, rock sampling, airborne and ground geophysics;
- Helicopter assisted drill program, including transportation of field crew to drill sites;
- Establishment of exploration camp including:
 - Esker airstrip near camp
 - Five 14’x 16’ insulated tents on wood frames to function as sleep tents, office, core tent and a first aid station
 - Two 14’x 32’ insulated tents used for kitchen and dry storage
 - An outhouse facility to employ “Pacto” toilets
 - A generator building to house a 20 kW diesel generator as well as a backup generator
- Fuel storage at camp including:
 - 50 drums of diesel fuel (10,250 Litres [L])
 - 100 drums of aviation fuel (20,500 L)
 - 5 drums gasoline (1,025 L)
 - 25 bottles of propane (2,500 pounds)
- Storage of chemicals and hazardous materials at camp;
- Use of water for drilling purposes and camp purposes;
- Incineration of combustible waste including sewage waste; and
- Greywater and waste production related to camp operation.

CURRENT APPLICATION:

Indicator Minerals is applying to extend its Land Use Permit (No. N2009C0016) with AANDC in order to continue its exploration program for the 2012 season.

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 original January 14, 2010 Screening Decision Report (enclosed).

If you have any questions or concerns, please contact Sophia Granchinho, Technical Advisor, at (867) 793-4633 or sgranchinho@nirb.ca.

Sincerely,

A handwritten signature in black ink that reads "Ryan Barry". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Ryan Barry
Executive Director

cc: Andrea Maynes, Indicator Minerals Inc.
Phyllis Beaulieu, Nunavut Water Board
Tracey McCaie, Aboriginal Affairs and Northern Development Canada
Isa Qamaniq-Mason, Aboriginal Affairs and Northern Development Canada
Stanley Anablak, Kitikmeot Inuit Association

Enclosed: NIRB Screening Decision Report, File No.: 09EN070 (January 14, 2010)