

**ATTACHMENT 6 - DECEMBER 10, 2009 NIRB LETTER RE:
EXEMPTION FROM SCREENING (FILE NO. 04EN012, 06EN033 &
08EA084)**



NIRB File No.: 04EN012, 06EN033, 08EA084
INAC File No.: N2004C0005, N2006C0008
KIA File No.: KTL304C017, KTL304C018,
KTL204C012, KTL204C020 & KTL107C018
NWB File No.: 2BE-GOO1510 & NBE-GEO0210

December 10, 2009

Honourable Chuck Strahl
Minister of Indian and Northern Affairs Canada
c/o Spencer Dewar
Indian and Northern Affairs Canada
Iqaluit, NU

Via email: Spencer.Dewar@inac-ainc.gc.ca

Re: Application Exempt from Screening Pursuant to Section 12.4.3 of the NLCA: Sabina Gold & Silver Corp.'s Beechy Lake and Hackett River exploration project proposal(s)

Dear Chuck Strahl:

On November 25, 2009 the Nunavut Impact Review Board (NIRB or Board) received an application from Indian and Northern Affairs Canada (INAC) to extend the Land Use Permits for Sabina Gold & Silver Corp.'s (Sabina) *Beechy Lake* and *Hackett River* exploration project proposals (NIRB File No.: 06EN033, 04EN012; INAC LUPs: N2006C0008 and N2004C0005, respectively).

Please be advised that the original *Hackett River* exploration project proposal (NIRB File No.: **04EN012**) was received by the NIRB from INAC and from the Kitikmeot Inuit Association (KIA) on February 19, 2007 and February 27, 2004, respectively. The proposal was screened in accordance with Part 4, Article 12 of the Nunavut Land Claims Agreement (NLCA) and on April 1, 2004 the NIRB issued a 12.4.4(a) screening decision to the Minister of INAC which indicated that the *Hackett River* exploration project could proceed subject to the project-specific terms and conditions recommended by the NIRB. Sabina's current request involves the renewal of the Land Use Permit issued by INAC to Sabina for the Hackett River exploration project (NIRB **04EN012**, INAC LUP **N2004C0005**).

The INAC application and the original NIRB screening file, **04EN012** are available from the NIRB's ftp site at the following link: <http://ftp.nirb.ca/SCREENINGS/COMPLETED%20SCREENINGS/>.

Furthermore, on December 9, 2008, the NIRB received an amendment and renewal request from Dundee Precious Metals Inc. for a number of their holdings in the *Beechy Lake* area (NIRB File No.: **06EN033**, INAC LUP **N2006C0008**). The request resulted in the consolidation of files involving Dundee Precious Metals Inc.'s holdings (including File No. **06EN033**) into one comprehensive NIRB screening, File No. **08EA084**.

The **08EA084** proposal was screened in accordance with Part 4, Article 12 of the NLCA and on March 3, 2009 the NIRB issued a 12.4.4(a) screening decision to the Minister of INAC indicating the proposed *Beechy Lake* exploration project could proceed, subject to the NIRB's recommended project-specific terms and conditions.

In June of 2009, Sabina announced that it had wholly acquired Dundee Precious Metals Inc.; including its Beechy Lake holdings (NIRB File No. 08EA084).

The INAC application and the original NIRB screening file for the previously Dundee-owned *Beechy Lake* holdings, **08EA084** are available from the NIRB's ftp site at the following link:
<http://ftp.nirb.ca/SCREENINGS/COMPLETED%20SCREENINGS/>.

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, the NIRB is of the understanding that the application received from INAC 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 screening as per Section 12.4.3 of the NLCA and the activities therein remain subject to the terms and conditions recommended in the original April 1, 2004 (04EN012) and March 3, 2009 (08EA084) Screening Decision Reports (attached).

If you have any questions or concerns, feel free to contact NIRB's Assistant Technical Advisor, Wynter Kuliktana, at (867) 983-4609 or wkuliktana@nirb.ca.

Best regards,



Sophia Granchinho
Technical Advisor

For:

Stephanie Autut
Executive Director

cc: Peter Manojlovik, Sabina Gold & Silver Corp. (pmanojlovik@sabinagoldsilver.com)
Elizabeth Sherlock, Sabina Gold & Silver Corp. (esherlock@sabinagoldsilver.com)
Phyllis Beaulieu, Nunavut Water Board (licensing@nunavutwaterboard.org)
Stanley Anablak, Kitikmeot Inuit Association (sanablak@qiniq.com)

Attachment: NIRB Screening Decision Report, File No.: 04EN012 (April 1, 2004)
NIRB Screening Decision Report, File No.: 08EA084 (March 3, 2009)

SCREENING DECISION

April 1, 2004

Hon. Andy Mitchell
Minister for Indian and Northern Affairs
Ottawa, ON

Dear Mr. Minister:

RE: Screening Decision of the Nunavut Impact Review Board (NIRB) on Application:

NIRB: #04EN012

DIAND: #N2004C0005

Mineral Exploration – Sabina Resources Ltd.

Authority:

Section 12.4.4 of the Nunavut Land Claim Agreement states:

Upon receipt of a project proposal, NIRB shall screen the proposal and indicate to the Minister in writing that:

- a) the proposal may be processed without a review under Part 5 or 6; NIRB may recommend specific terms and conditions to be attached to any approval, reflecting the primary objectives set out in Section 12.2.5;
- b) the proposal requires review under Part 5 or 6; NIRB shall identify particular issues or concerns which should be considered in such a review;
- c) the proposal is insufficiently developed to permit proper screening, and should be returned to the proponent for clarification; or
- d) the potential adverse impacts of the proposal are so unacceptable that it should be modified or abandoned.

Primary Objectives:

The primary objectives of the Nunavut Land Claims Agreement are set out in section 12.2.5 of the Land Claims Agreement. This section reads:

In carrying out its functions, the primary objectives of NIRB shall be at all times to protect and promote the existing and future well-being of the residents and communities of the Nunavut Settlement Area, and to protect the ecosystemic integrity of the Nunavut Settlement Area. NIRB shall take into account the well-being of the residents of Canada outside the Nunavut Settlement Area.

The decision of the Board in this case is 12.4.4 (board decision)

Reasons for Decision:

NIRB's decision is based on specific considerations that reflect the primary objectives of the Land Claims Agreement. Our considerations in making this decision included:

- the impact of drilling activities on the ecosystem;
- disposal of drill cuttings and waste water;
- impact to water quality, aquatic habitat and wildlife and fish populations from chemicals, drill waste, drill fluids and potential fuel spills;
- storage and disposal of chemicals, fuel, garbage, sewage, and gray water, and impact of these on the ecosystem;
- the impact of noise from drilling activities and their disturbance to wildlife and traditional users of the area;
- the impact of campsite and equipment on terrain;
- clean up/restoration of the camp site and drilling locations upon abandonment.

Terms and Conditions:

That the terms and conditions attached to this screening report will apply.

Drill Sites

1. The Permittee shall not conduct any land based drilling within thirty (30) metres of the normal high water mark of a water body.
2. The Permittee shall ensure, for "on-ice" drilling, return water released must be non-toxic, and not result in an increase in total suspended solids in the immediate receiving waters above the Canadian Council of Ministries for the Environment Guidelines for the Protection of Freshwater Aquatic Life (i.e. 10mg/L for lakes with background levels under 100mg/L, or 10% for those above 100mg/L).
3. The Permittee shall not use drilling muds or additives in connection with drill holes unless they are re-circulated or contained such that they do not enter the water, or are certified to be non-toxic.
4. The Permittee shall ensure that any drill cuttings and waste water that cannot be re-circulated be disposed of in a properly constructed sump or an appropriate natural depression that does not drain into a waterbody or removed to appropriate disposal location.
5. The Permittee shall ensure that drilling wastes do not enter any water body. The use of biodegradable, salt free drill additives is encouraged over non-biodegradable types.
6. The Permittee shall ensure that the sump/depression capacity is sufficient to accommodate the volume of waste water and any fines that are produced so that there will be no additional impacts.
7. The Permittee shall not locate any sump within thirty (30) metres of the normal high water mark of any water body.

8. The Permittee shall not deposit nor permit the deposit of slash, debris or sediment into any waterbody. These materials shall be disposed of above the high water mark in such a fashion that they do not enter the water.
9. The Permittee shall ensure that disturbance of vegetation from deposit of drill fluids/cuttings is restricted to the area of the sump and the ground prepared for revegetation upon abandonment.
10. The Permittee shall, where flowing water from bore holes is encountered, plug the bore hole in such a manner as to permanently prevent any further outflow of water.
11. If the drilling requires water in sufficient volume that the source waterbody may be drawn down details must be submitted (volume required, size of waterbody, etc.) to DFO-FHM for review. DFO-FHM does not recommend the use of streams as a water source.

Water

12. The Permittee shall ensure that all water intake hoses are equipped with a screen with an appropriate mesh size to ensure that there is no entrapment of fish.

Fuel and Chemical Storage

13. The Permittee shall ensure that fuel storage containers are not located within thirty (30) metres of the ordinary high water mark of any body of water.
14. The Permittee shall ensure that any chemicals, fuels or wastes associated with the project do not spread to the surrounding lands or enter into any water body.
15. Fuel storage shall either be equipped with secondary containment and other hazardous materials should be located in such a manner as to prevent their release into the environment.
16. The Permittee shall take all reasonable precautions to prevent the possibility of migration of spilled petroleum fuel or chemicals over the ground surface.
17. The Permittee shall examine all fuel and chemical storage containers daily for leaks. All leaks should be prepared immediately.
18. The Permittee shall seal all container outlets except the outlet currently in use.
19. The Permittee shall mark all fuel containers with the Permittee's name.
20. The Permittee shall dispose of all combustible waste petroleum products by incineration and removal from the site.
21. The Permittee shall ensure all activities, including maintenance procedures and refueling, should be controlled to prevent the entry of petroleum products or other deleterious substances into the water.
22. The Permittee shall have an approved emergency response and spill contingency plans in place prior to the commencement of the operation.
23. The Permittee shall immediately report all spills of petroleum and hazardous chemicals to the twenty-four (24) hour spill report line at (867) 920-8130.

Waste Disposal

24. The Permittee shall not discharge or deposit any refuse substances or other waste materials in any body of water, or on the banks thereof, which will impair the quality of the waters of the natural environment.
25. The Permittee shall backfill and recontour all sumps to match the natural environment prior to the expiry date of the license.
26. The Permittee shall incinerate all combustible and food wastes daily.
27. The Permittee shall keep all garbage and debris in a covered metal container until disposed of.
28. The Permittee shall ensure that all wastes generated through the course of the operation are backhauled and disposed of in an approved dumpsite.
29. The Permittee shall deposit all scrap metal, discarded machinery and parts, barrels and kegs, at an approved disposal site.

Wildlife

30. The Permittee shall ensure that there is no damage to wildlife habitat in conducting this operation.
31. The Permittee shall not feed wildlife.
32. The Permittee shall use the latest bear detection and deterrent techniques to minimize man-bear interactions and shall report any Man-Bear Interactions to the nearest Wildlife Officer.
33. The Permittee shall ensure that the drill sites avoid known environmentally sensitive areas (denning, nesting etc.) by a minimum of 250 metres.
34. The Permittee shall not locate any operation so as to block or cause substantial diversion to migration of caribou.
35. The Permittee shall cease activities that may interfere with migration or calving, such as airborne geophysics surveys or movement of equipment, drilling activities until the caribou and their calves have vacated the area.
36. The Permittee shall not conduct any activity associated with the land use operation during critical periods of wildlife cycles (eg. caribou migration, calving, fish spawning or raptor nesting).
37. That the Permittee shall ensure that there is no hunting by employees of the company or any contractors hired.
38. The Permittee shall ensure that aircraft pilots adhere to recommended flight altitudes of greater than 300 m above ground level as to not disturb wildlife. Raptor nesting sites and concentrations of nesting or molting waterfowl should be avoided by aircraft at all times.
39. The Permittee shall ensure compliance with Section 36 of the Fisheries Act which requires that no person shall deposit or permit the deposit of a deleterious substance on any type in water frequented by fish or in any place under any conditions where the deleterious substance may enter such a water body.
40. The harmful alteration, disruption or destruction of fish habitat is prohibited under Section 35 of the Fisheries Act. No construction or disturbance of any stream/lake bed or banks of any definable watercourse is permitted unless authorized by DFO.

Environmental

41. The Permittee shall ensure that the land use area is kept clean and tidy at all times.
42. The Permittee shall prepare the site in such a manner as to prevent rutting of the ground surface.
43. The Permittee shall not do anything that will cause erosion of the banks of any body of water on or adjacent to the land and shall provide necessary controls to prevent such erosion.
44. The Permittee shall be required to undertake any corrective measures in the event of any damage to the land or water as a result of the Permittee's operation.
45. The Permittee shall not remove any material from below the ordinary high water mark of any waterbody.
46. The Permittee shall adopt such measures as required to control erosion by surface disturbance. Sediment and erosion control measures should be implemented prior to, and maintained during the work to prevent sediment entry into the water during a spring thaw.
47. The Permittee shall not move any equipment or vehicles unless the ground surface is in a state capable of fully supporting the equipment or vehicles without rutting or gouging.
48. The Permittee shall suspend overland travel of equipment or vehicles if rutting occurs.

Structure & Storage Facilities

49. The Permittee shall not erect structures or store material on the surface ice of lakes or streams.
50. The Permittee shall locate all structures and storage facilities on gravel, sand or other durable land.

Reclamation

51. The Permittee shall remove all scrap metal, discarded machinery and parts, barrels and kegs, buildings and building material upon abandonment.
52. The Permittee shall complete all clean-up and restoration of the lands used prior to the expiry date of the permit.
53. The Permittee shall plug or cap all bore holes and cut off any drill casings that remain above ground to ground level upon abandonment of the operation.

Other Recommendations

1. NIRB would like to encourage the proponent to hire local people and services, to the extent possible.
2. NIRB strongly advises proponents to consult with local residents regarding their activities in the region, and do community consultation on the project to keep the communities informed.
3. Any amendment requests deemed by NIRB to be outside the original scope of the project will be considered a new project.
4. The Environmental Protection Branch (DOE), Department of Fisheries and Oceans (DFO), Nunavut Impact Review Board (NIRB), should be advised of any material changes to plans or operating conditions associated with the project.

Validity of Land Claims Agreement

Section 2.12.2

Where there is any inconsistency or conflict between any federal, territorial and local government laws, and the Agreement, the Agreement shall prevail to the extent of the inconsistency or conflict.

Dated _____ at Cambridge Bay, NU.

Albert Ehaloak, A/Chairperson

NIRB ASSESSMENT AND DECISION

After a thorough assessment of all material provided to the Board (please see *Procedural History* and *Project Activities* in **Appendix A**), in accordance with the principles identified within Section 12.4.2 of the NLCA, the decision of the Board as per Section 12.4.4 of the NLCA is:

12.4.4 (a): the proposal may be processed without a review under Part 5 or 6; NIRB may recommend specific terms and conditions to be attached to any approval, reflecting the primary objectives set out in Section 12.2.5.

RECOMMENDED PROJECT-SPECIFIC TERMS AND CONDITIONS (pursuant to Section 12.4.4(a) of the NLCA)

The Board is recommending the following or similar project-specific terms and conditions be imposed upon the Proponent through all relevant legislation:

General

1. Dundee Precious Metals Inc. (the Proponent) shall maintain a copy of the Project Terms and Conditions at the site of operation at all times.
2. The Proponent shall forward copies of all permits obtained and required for this project to the Nunavut Impact Review Board (NIRB) prior to the commencement of the project.
3. The Proponent shall operate in accordance with all commitments stated in correspondence provided to Indian and Northern Affairs Canada (INAC Land Use Amendment and Extension Application, December 9, 2008) and the NIRB as follows:
 - a. NIRB Part 1 form (January 22, 2009), including non-technical summary (January 26, 2009)
 - b. NIRB Part 2 form, (January 22, 2009)
 - c. Abandonment and Restoration Plan (January 22, 2009)
 - d. Spill Contingency Plan (January 22, 2009)
 - e. Correspondence with additional information and maps (January 29, 2009)
4. The Proponent shall operate the site in accordance with all applicable Acts, Regulations and Guidelines.

Water

5. The Proponent shall not extract water from any fish-bearing waterbody unless the water intake hose is equipped with a screen of appropriate mesh size to ensure that there is no entrapment of fish. Small lakes or streams shall not be used for water withdrawal.
6. The Proponent shall not use water, including constructing or disturbing any stream, lakebed or the banks of any definable water course unless approved by the Nunavut Water Board.

Waste

7. The Proponent shall incinerate all combustible wastes daily, and remove the ash from incineration activities and non-combustible wastes from the project site to an approved facility for disposal.
8. The Proponent shall keep all garbage and debris in bags placed in a covered metal container or equivalent until disposed of. All wastes shall be kept inaccessible to wildlife at all times.

9. The Proponent shall ensure that the disposal of combustible camp wastes comply with the *Canadian Wide Standards for Dioxins and Furans*, and the *Canadian Wide Standards for Mercury*.

Fuel and Chemical Storage

10. The Proponent shall locate all fuel and other hazardous materials a minimum of thirty-one (31) metres away from the high water mark of any water body and in such a manner as to prevent their release into the environment.
11. The Proponent shall store all fuel and chemicals in such a manner that they are inaccessible to wildlife.
12. The Proponent shall inspect and document the condition of all large fuel caches (in excess of 20 drums) on a weekly basis.
13. The Proponent shall ensure that appropriate spill kits are located at every fuel cache.
14. The Proponent shall remove and treat hydrocarbon contaminated soils on site or transport them to an approved disposal site.
15. The Proponent shall ensure that all on site personnel are properly trained in fuel and hazardous waste handling procedures as well as spill response procedures. All spills of fuel or other deleterious materials of any amount must be reported immediately to the 24 hour Spill Line at (867) 920-8130

Wildlife

16. The Proponent shall ensure that there is no damage to wildlife habitat in conducting this operation.
17. The Proponent shall not harass wildlife. This includes persistently worrying or chasing animals, or disturbing large groups of animals. The Proponent shall not hunt or fish, unless proper Nunavut authorizations have been acquired.
18. The Proponent shall not touch, feed or entice wildlife to approach by holding out or setting out decoys or any such devices, foodstuffs or bait of any kind.
19. The Proponent shall restrict aircraft/helicopter activity related to the project to a minimum altitude of 610 metres above ground level unless there is a specific requirement for low-level flying, which does not disturb wildlife and migratory birds.
20. The Proponent shall ensure that aircraft maintain a vertical distance of 1000 metres and a horizontal distance of 1500 metres from any observed groups (colonies) of migratory birds.
21. The Proponent shall ensure that aircraft/helicopter do not, unless for emergency, touch-down in areas where wildlife are present.
22. The Proponent shall not disturb or destroy the nests or eggs of any birds. If nests are encountered and/or identified, the Proponent shall take precaution to avoid further interaction and or disturbance.
23. The Proponent shall cease activities that may interfere with migration or calving of caribou or muskoxen, until the caribou or muskoxen have passed or left the area.
24. The Proponent shall not block or cause any diversion to caribou migration, and shall cease activities likely to interfere with migration such as airborne geophysics surveys, drilling or movement of equipment or personnel until such time as the caribou have passed.
25. The Proponent shall not construct, or operate any camp, or cache any fuel, near paths or crossings frequented by caribou.
26. The Proponent shall take all possible measures to avoid wildlife encounters. Any problem wildlife should be reported immediately to the Government of Nunavut, Department of Environment.

27. The Proponent shall ensure all project staff are trained in appropriate bear/carnivore detection and deterrent techniques. It is recommended the Proponent review the safety precautions contained within "*Safety in Grizzly and Black Bear Country*" which can be downloaded from the following link: <http://www.nwtwildlife.com/Publications/safetyinbearcountry/safety.htm>

Physical Environment

28. The Proponent shall not move any equipment or vehicles unless the ground surface is in a state capable of fully supporting the equipment or vehicles without rutting or gouging. The Proponent shall suspend overland travel of equipment or vehicles if rutting occurs.
29. The Proponent shall ensure that the land use area is kept clean and tidy at all times.

Drilling on Land

30. The Proponent shall not conduct any land based drilling or mechanized clearing within thirty-one (31) metres of the normal high water mark of a water body.
31. The Proponent shall not allow any drilling wastes to spread to the surrounding lands or water bodies.
32. If an artesian flow is encountered, the Proponent shall ensure the drill hole is immediately plugged and permanently sealed.
33. The Proponent shall ensure that all drill areas are constructed to facilitate minimizing the environmental footprint of the project area. Drill areas should be kept orderly with garbage removed daily to an approved disposal site.
34. The Proponent shall ensure that all sump/depression capacities are sufficient to accommodate the volume of waste water and any fines that are produced. The sumps shall only be used for inert drilling fluids, and not any other materials or substances.
35. The Proponent shall not locate any sump within thirty-one (31) metres of the normal high water mark of any water body. Sumps and areas designated for waste disposal shall be sufficiently bermed or otherwise contained to ensure that substances do not enter a waterway unless otherwise authorized.
36. The Proponent shall ensure all drill holes are backfilled or capped at the end of the project. The Proponent shall backfill and restore all sumps to match the natural environment prior to the end of project.

Drilling on Ice

37. If drilling on lake ice, the Proponent shall ensure that any return water is non-toxic, and will not result in an increase in total suspended solids in the immediate receiving waters above the Canadian Council of Ministers for the Environment (CCME) Guidelines for the Protection of Freshwater Aquatic Life (i.e. 10 mg/L for lakes with background levels under 100 mg/L, or 10% for those above 100 mg/L).
38. The Proponent shall ensure that drill muds and additives are not used in connection with holes drilled through lake ice unless they are re-circulated or contained such that they do not enter the water, or demonstrated to be non-toxic.
39. The Proponent shall ensure that all drill cuttings are removed from ice surfaces at the end of each day.

Camp

40. The Proponent shall not erect camps or store material on the surface ice of lakes or streams.

Restoration

41. The Proponent shall remove all garbage, fuel and equipment upon abandonment.

42. The Proponent shall complete all clean-up and restoration of the lands used prior to the end of each field season.

Other

43. The Proponent should, to the extent possible, hire local people and to consult with local residents regarding their activities in the region.
44. Any activity related to this application, and outside the original scope of the project as described in the application, will be considered a new project and should be submitted to the NIRB for Screening.

Monitoring and Reporting Requirements

In addition, the Board is recommending the following:

1. The Proponent shall maintain a record of wildlife observations while operating within the project area. The reports should include locations (i.e., latitude and longitude), species, number of animals, a description of the animal activity, and a description of the gender and age of animals if possible. Prior to conducting project activities, the Proponent should map the location of any sensitive wildlife sites such as denning sites, calving areas, caribou crossing sites, and raptor nests in the project area, and identify the timing of critical life history events (i.e., calving, mating, denning and nesting). Additionally, the Proponent should indicate potential impacts from the project, and ensure that operational activities are managed and modified to avoid impacts on wildlife and sensitive sites.

A copy of this wildlife record or report should be submitted annually at the end of the operational season to the following Government of Nunavut (Department of Environment) contacts:

- a. Dustin Fredlund, Wildlife Manager, (867) 982-7441 or dfredlund@gov.nu.ca
 - b. Allen Niptanatiak, Conservation Officer, (867) 982-7451 or kugwildlife2@qiniq.com
 - c. Mathieu Dumond, Regional Biologist, (867) 982-7444 or mdumond@gov.nu.ca
2. The Proponent shall update its Spill Contingency Plan to include the up to date emergency contact numbers for the Government of Nunavut-Department of Environment (867-975-7700) and the Manager of Pollution Control and Air Quality (867-975-7748). In addition, remove Cindy Parker as the Environment Canada contact in Section 7.1.

Other NIRB Concerns and Recommendations

Please note that some components/activities associated with the current project proposal may have been screened previously by the NIRB under the following file numbers: 02EN013, 02EN021, 06QN027, 06QN028 and 06EN033. While information from these files were considered in the current screening, the NIRB noted that certain activities previously screened under these file numbers were not included in the current project proposal. These previous activities include quarry activities (06QN027, 06QN028) and winter haul roads (06QN027, 06QN028). If the proponent wishes to conduct any of these other activities in the future, the NIRB recommends that new applications be completed and forwarded to the appropriate authorizing agencies for review and to the NIRB for screening.

In addition to the project-specific terms and conditions, the Board is recommending the following:

General

All Authorizing Agencies shall notify the NIRB of any changes in operating plans or conditions associated with this project prior to any such change.

Indian and Northern Affairs Canada

Indian and Northern Affairs Canada (INAC) impose mitigation measures, conditions and monitoring requirements pursuant to the Federal Land Use Permit, which require the Proponent to respect the sensitivities and importance of the area. These mitigation measures, conditions and monitoring requirements should be in regard to the location and area; type, location, capacity and operation of facilities; use, storage, handling and disposal of chemical or toxic material; wildlife and fisheries habitat; and petroleum fuel storage.

INAC should also consider the importance of conducting regular Land Use Inspections, pursuant to the authority of the Federal Land Use Permit, while the project is in operation. The Land Use Inspections should be focused on ensuring the Proponent is in compliance with the conditions imposed through the Federal Land Use Permit.

Regulatory Requirements

The Proponent is also advised that the following legislation may apply to the project:

1. The Proponent is advised that the *Canadian Environmental Protection Act* (<http://laws.justice.gc.ca/en/C-15.31/>) lists calcium chloride (CaCl) as a toxic substance. The Proponent should assess alternatives (including biodegradable and non-toxic) to drill additives prior to the use of CaCl and try to avoid the use of CaCl.
2. The *Fisheries Act* (<http://laws.justice.gc.ca/en/showtdm/cs/F-14///en>).
3. The *Nunavut Waters and Nunavut Surface Rights Tribunal Act* (<http://www.canlii.org/ca/sta/n-28.8/whole.html>).
4. The *Migratory Birds Convention Act* and *Migratory Birds Regulations* (<http://laws.justice.gc.ca/en/showtdm/cs/M-7.01>).
5. The *Species at Risk Act* (<http://laws.justice.gc.ca/en/showtdm/cs/S-15.3>). Attached in **Appendix B** is a list of Species at Risk in Nunavut.
6. The *Nunavut Wildlife Act* which contains provisions to protect and conserve wildlife and wildlife habitat, including specific protection measures for wildlife habitat and species at risk.
7. The *Nunavut Act* (<http://laws.justice.gc.ca/en/showtdm/cs/N-28.6>). The Proponent must comply with the proposed terms and conditions listed in the attached **Appendix C**.
8. The *Transportation of Dangerous Goods Regulations*, *Transportation of Dangerous Goods Act* (<http://www.tc.gc.ca/tdg/menu.htm>), and the *Environmental Protection Act* (<http://laws.justice.gc.ca/en/C-15.31/text.html>) The Proponent must ensure that proper shipping documents accompany all movements of dangerous goods. The Proponent must register with the GN-DOE Manager of Pollution Control and Air Quality at 867-975-7748.

Validity of Land Claims Agreement

Section 2.12.2

Where there is any inconsistency or conflict between any federal, territorial and local government laws, and the Agreement, the Agreement shall prevail to the extent of the inconsistency or conflict.

Dated March 3rd, 2009 at Sanikiluaq, NU.



Lucassie Arragutainaq, A/Chair

Appendix A

Procedural History and Project Activities

Procedural History

On December 9, 2008 the Nunavut Impact Review Board (NIRB or Board) received an application for a Land Use Permit extension and amendment for Dundee Precious Metals Inc.'s (Dundee) "Beechey Lake Area Mineral Exploration" project from Indian and Northern Affairs Canada (INAC). The NIRB assigned this project proposal file number 08EA084. The project is located in the Kitikmeot region and does not require a conformity determination from the Nunavut Planning Commission.

After undertaking a preliminary completeness check, the NIRB determined that Dundee's project proposal did not contain sufficient information for the NIRB to conduct an environmental screening. On December 17, 2008 the NIRB sent formal correspondence to Dundee, requesting submission of the required information by January 6, 2009. In email correspondence to NIRB dated January 5, 2009, Dundee requested an extension to the deadline for providing the requested information, to January 21, 2009. The NIRB deemed this request reasonable and subsequently granted the extension.

On January 16, 2009, the NIRB requested additional time from the Minister of INAC to complete the screening of this project proposal. By January 26, 2009, Dundee provided all the required information for the NIRB to conduct the environmental screening.

This application was distributed to the communities of Bathurst Inlet, Cambridge Bay, Gjoa Haven and Taloyoak, to interested Federal and Territorial Agencies, and Inuit Organizations. NIRB requested that interested Parties review the application and provide NIRB with comments by February 23, 2009 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.

On or before February 24, 2009, NIRB received comments from the following interested Parties (see Comments and Concerns):

- Government of Nunavut, Department of Culture, Language, Elders and Youth (GN-CLEY)
- Environment Canada (EC)
- Kitikmeot Inuit Association (KIA)
- Government of Nunavut, Department of Environment (GN-DoE)

All comments provided to NIRB regarding this project proposal can be viewed on NIRB's ftp-site, at the following location: <http://ftp.nirb.ca/SCREENINGS/COMPLETED%20SCREENINGS/>

Project Activities

The project is located in the Kitikmeot region approximately 160 kilometre (km) south-south east of the community of Bathurst Inlet and approximately 400 km south of Cambridge Bay. The proposed project activities include mining exploration on claims within the Back River Area on both Crown Land and Inuit Owned Land (IOL). The claims will include the "Wishbone" area, (Wishbone, Del Lake, Lovechild,

Mahna Mahna, and Malley claims) and the “Core Properties” area (Goose Lake, George Lake, Boot Lake and Boulder Pond claims).

Exploration activities are proposed to occur March 1, 2009 to September 30, 2009 and continue in 2010. Dundee proposes to prospect areas to the north and south of the “Wishbone” area in 2009, once the areas have been awarded and appropriately defined by the Mining Recorder. These claim areas will be considered as part of the “Wishbone” area. Potential drilling may follow in 2010 or 2011 in these areas.

The project activities include:

- 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 assisted drill program, including daily transportation of field crew to drill sites.
- Potential use of snowmachines around the Goose Lake area.
- Temporary storage of small 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, greywater and waste production related to camp operation.
- Incineration of sewage and combustible waste.
- Use of Goose Lake for site access via charter aircrafts. In winter, an ice-strip will be used on Goose Lake.
- Potential use of esker strip at George Lake camp or gravel strip northwest of Goose Lake during breakup period in spring.

Appendix B SPECIES AT RISK IN NUNAVUT

This list includes species listed on one of the Schedules of SARA (*Species at Risk Act*) and under consideration for listing on Schedule 1 of SARA. These species have been designated as at risk by COSEWIC (Committee on the Status of Endangered Wildlife in Canada). This list may not include all species identified as at risk by the Territorial Government.

- Schedule 1 is the official legal list of Species at Risk for SARA. SARA applies to all species on Schedule 1. The term “listed” species refers to species on Schedule 1.
- Schedule 2 and 3 of SARA identify species that were designated at risk by the COSEWIC prior to October 1999 and must be reassessed using revised criteria before they can be considered for addition to Schedule 1.
- Some species identified at risk by COSEWIC are “pending” addition to Schedule 1 of SARA. These species are under consideration for addition to Schedule 1, subject to further consultation or assessment.

Schedules of SARA are amended on a regular basis so it is important to periodically check the SARA registry (www.sararegistry.gc.ca) to get the current status of a species.

Updated: January 3, 2007

Species at Risk	COSEWIC Designation	Schedule of SARA	Government Organization with Lead Management Responsibility ¹
Eskimo Curlew	Endangered	Schedule 1	EC
Ivory Gull	Endangered ²	Schedule 1	EC
Peregrine Falcon (subspecies anatum)	Threatened	Schedule 1	Government of Nunavut
Ross's Gull	Threatened	Schedule 1	EC
Harlequin Duck (Eastern population)	Special Concern	Schedule 1	EC
Felt-leaf Willow	Special Concern	Schedule 1	Government of Nunavut
Peregrine Falcon (subspecies tundrius)	Special Concern	Schedule 3	Government of Nunavut
Short-eared Owl	Special Concern	Schedule 3	Government of Nunavut
Fourhorn Sculpin	Special Concern	Schedule 3	DFO
Peary Caribou	Endangered ³	Pending	Government of Nunavut
Beluga Whale (Eastern Hudson Bay population)	Endangered	Pending	DFO
Beluga Whale (Cumberland Sound population)	Threatened	Pending	DFO
Beluga Whale (Western Hudson Bay population)	Special Concern	Pending	DFO

Beluga Whale (Eastern High Arctic – Baffin Bay population)	Special Concern	Pending	DFO
Bowhead Whale (Hudson Bay-Foxe Basin population)	Threatened ⁴	Pending	DFO
Bowhead Whale (Davis Strait-Baffin Bay population)	Threatened ⁴	Pending	DFO
Porsild's Bryum	Threatened	Pending	Government of Nunavut
Atlantic Walrus	Special Concern	Pending	DFO
Narwhal	Special Concern	Pending	DFO
Rusty Blackbird	Special Concern	Pending	Government of Nunavut
Barren-ground Caribou (Dolphin and Union population)	Special Concern ³	Pending	Government of Nunavut
Grizzly Bear	Special Concern	Pending	Government of Nunavut
Polar Bear	Special Concern	Pending	Government of Nunavut
Wolverine (Western Population)	Special Concern	Pending	Government of Nunavut

¹ Environment Canada has a national role to play in the conservation and recovery of Species at Risk in Canada, as well as responsibility for management of birds described in the Migratory Birds Convention Act (MBCA). Day-to-day management of terrestrial species not covered in the MBCA is the responsibility of the Territorial Government. Populations that exist in National Parks are also managed under the authority of the Parks Canada Agency. EC = Environment Canada, DFO = Department of Fisheries and Oceans

² Designated as Endangered by COSEWIC in April 2006 and it is expected that the category of concern in SARA will also be changed from Special Concern to Endangered.

³ Peary Caribou was split into three separate populations in 1991: Banks Island (Endangered), High Arctic (Endangered) and Low Arctic (Threatened) populations. The Low Arctic population also included the Barren-ground Caribou - Dolphin and Union population. In May 2004 all three population designations were de-activated, and the Peary Caribou, Rangifer tarandus pearyi, was assessed separately from the Barren-ground Caribou (Dolphin and Union population), Rangifer tarandus groenlandicus. The subspecies pearyi is composed of a portion of the former "Low Arctic population" and all of the former "High Arctic" and "Banks Island" populations, and it was designated Endangered in May 2004. Although SARA lists Peary Caribou on Schedule 2 as three separate populations, the most current designation is the COSEWIC designation of the subspecies pearyi as Endangered.

⁴ The "Eastern and Western Arctic populations" of Bowhead Whale were given a single designation of Endangered in April 1980 by COSEWIC. These were split into two populations to allow separate designations in April 1986. The Eastern population was not re-evaluated in April 1986, but retained the Endangered status of the original "Eastern and Western Arctic populations". The Eastern Arctic population was further split into two populations (Hudson Bay-Foxe Basin population and Davis Strait-Baffin Bay population) in May 2005, and both these populations were designated as Threatened. Both these populations are under consideration for addition to Schedule 1. Although SARA lists the Eastern Arctic population as Endangered (Schedule 2), the most current designation is the COSEWIC designations of the Hudson Bay-Foxe Basin and Davis Strait-Baffin Bay populations as Threatened.

Appendix C
Archaeological and Palaeontological Resources Terms and Conditions for Land Use Permit Holders



BACKGROUND: Archaeology

As stated in Article 33 of the Nunavut Land Claims Agreement:

The archaeological record of the Inuit of Nunavut is a record of Inuit use and occupancy of lands and resources through time. The evidence associated with their use and occupancy represents a cultural, historical and ethnographic heritage of Inuit society and, as such, Government recognizes that Inuit have a special relationship with such evidence, which shall be expressed in terms of special rights and responsibilities. [33.2.1]

The archaeological record of Nunavut is of spiritual, cultural, religious and educational importance to Inuit. Accordingly, the identification, protection and conservation of archaeological sites and specimens and the interpretation of the archaeological record is of primary importance to Inuit and their involvement is both desirable and necessary. [33.2.2]

In recognition of the cultural, spiritual and religious importance of certain areas in Nunavut to Inuit, Inuit have special rights and interests in these areas as defined by Article 33 of the Nunavut Land Claims Agreement. [33.2.5]

BACKGROUND: Palaeontology

Under the Nunavut Act¹, the federal Government can make regulations for the protection, care and preservation of palaeontological sites and specimens in Nunavut. Under the *Nunavut Archaeological and Palaeontological Sites Regulations*², it is illegal to alter or disturb any palaeontological site in Nunavut unless permission is first granted through the permitting process.

¹ s. 51(1)

² P.C. 2001-1111 14 June, 2001

Definitions

As defined in the *Nunavut Archaeological and Palaeontological Sites Regulations*, the following definitions apply:

“archaeological site” means a place where an archaeological artifact is found.

“archaeological artifact” means any tangible evidence of human activity that is more than 50 years old and in respect of which an unbroken chain of possession or regular pattern of usage cannot be demonstrated, and includes a Denesuline archaeological specimen referred to in section 40.4.9 of the Nunavut Land Claims Agreement.

“palaeontological site” means a site where a fossil is found.

“fossil” includes:

- (a) natural casts
- (b) preserved tracks, coprolites and plant remains; and
- (c) the preserved shells and exoskeletons of invertebrates and the eggs, teeth and bones of vertebrates.

Terms and Conditions

- 1) The permittee shall not operate any vehicle over a known or suspected archaeological or palaeontological site.
- 2) The permittee shall not remove, disturb, or displace any archaeological artifact or site, or any fossil or palaeontological site.
- 3) The permittee shall immediately contact the Department of Culture, Language, Elders and Youth (867) 934-2046 or (867) 975-5500 or 1 (866) 934-2035 should an archaeological site or specimen, or a palaeontological site or fossil be encountered or disturbed by any land use activity.
- 4) The permittee shall immediately cease any activity that disturbs an archaeological or palaeontological site encountered during the course of a land use operation, until permitted to proceed with the authorization of the Department of Culture, Language, Elders and Youth, Government of Nunavut.
- 5) The permittee shall follow the direction of the Department of Culture, Language, Elders and Youth and DIAND in restoring disturbed archaeological or palaeontological sites to an acceptable condition.
- 6) The permittee shall provide all information requested by the Department of Culture, Language, Elders and Youth concerning all archaeological sites or artifacts and all palaeontological sites and fossils encountered in the course of any land use activity.
- 7) The permittee shall make best efforts to ensure that all persons working under authority of the permit are aware of these conditions concerning archaeological sites and artifacts, and palaeontological sites and fossils.

- 8) The permittee shall avoid the known archaeological and/or palaeontological sites listed in Attachment 1.
- 9) The permittee shall have an archaeologist or palaeontologist perform the following functions, as required by the Department of Culture, Language, Elders and Youth:
 - a. survey
 - b. inventory and documentation of the archaeological or palaeontological resources of the land use area
 - c. assessment of potential for damage to archaeological or palaeontological sites
 - d. mitigation
 - e. marking boundaries of archaeological or palaeontological sites
 - f. site restoration

The Department of Culture, Language, Elders and Youth shall authorize by way of a Nunavut Archaeologist Permit or a Nunavut Palaeontologist Permit, all procedures subsumed under the above operations.