



Affaires autochtones et
Développement du Nord Canada

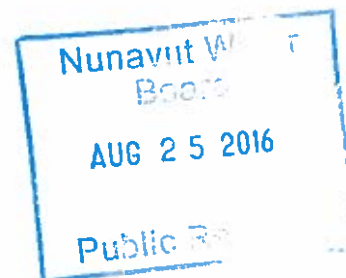
Aboriginal Affairs and
Northern Development Canada

Sous-ministre adjoint

Assistant Deputy Minister

Ottawa, Canada
K1A 0H4

11 AUG 2016



Ms. Elizabeth Copland
Chairperson
Nunavut Impact Review Board
PO BOX 1360
CAMBRIDGE BAY NU X0B 0C0

Via e-mail: ecoplанд@nirb.ca; info@nirb.ca; rbarry@nirb.ca

Dear Ms. Copland:

Thank you for your Screening Decision Report of April 4, 2016 addressed to the Honourable Carolyn Bennett, regarding Dunnedin Ventures Inc.'s "Kahuna Diamond Project-2016" project proposal, NIRB File Number 15ENO28. The screening decision report indicates that the Nunavut Impact Review Board (the Board) has determined that the project proposal as currently designed has caused significant public concern, and is likely to result in significant adverse ecosystemic and socio-economic impacts, and has recommended that the project proposal should be modified or abandoned in accordance with paragraph 91 of the *Nunavut Planning and Project Assessment Act*.

Of primary importance to the Board in making its screening decision were the potential negative impacts to wildlife and wildlife habitat; soil, surface and ground water; historical, cultural and archeological sites; and, hunting and traditional land use activities. The Board also noted that community consultation was inadequate, and that the proponent failed to incorporate Traditional Knowledge and Inuit Qaujimaningit into the project proposal.

The lack of adequate consultation resulted in significant public concern, which centred on a number of key issues. These include potential impacts to sensitive wildlife habitat, in particular areas used by the Qamanirjuaq and Lorillard caribou herds; the culturally important and archeologically sensitive Josephine River and Lake area; potential impacts to air, water and soil quality; and concern relating to cumulative impacts of past and ongoing mining activity in the area; including incomplete remediation of past exploration sites.

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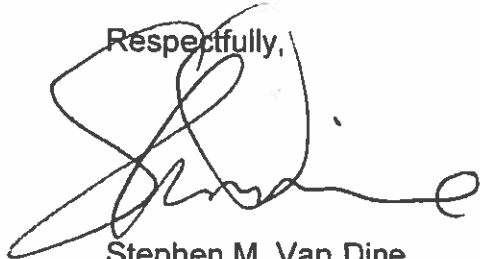
Under section 95 of the *Nunavut Planning and Project Assessment Act*, the responsible Ministers (Indigenous and Northern Affairs and Natural Resources) have three decision options to consider after consultation with the Board: return the proposal to the proponent for modification and resubmission to the Board; refer the Project proposal for a review under section 94 (1)(a)(i),(ii),(iii),(iv) or inform the proponent that the Project should be abandoned.

After considering the Board's report and the record for the consultation meeting held between Natural Resources Canada, Indigenous and Northern Affairs Canada and the Board on July 15, 2016, my colleagues at Natural Resources Canada and I have decided, on behalf of our Ministers and pursuant to section 95 (a) (i), that the proposed Project should be returned to the proponent for modification and resubmission to the Nunavut Planning Commission.

We are pleased to hear that Dunnedin Ventures Inc. has already taken steps to address the concerns raised by the Board in its Screening Decision Report, including engaging in community consultation activities, and that it plans to submit a revised Project proposal. Prior to submitting a modified proposal, we encourage Dunnedin Ventures Inc. to carefully review the Board's Screening Decision Report, and to continue working with interested parties to address the issues of concern. Also, it would be useful to the Board if Dunnedin Ventures Inc. clearly indicates to the Board where changes have been made in the modified submission to address the Board's concerns.

Once again, together with my colleagues at Natural Resources Canada, I would like to thank the Board for its efforts in screening the Project.

Respectfully,

A handwritten signature in black ink, appearing to read 'Stephen M. Van Dine', written over the word 'Respectfully,'.

Stephen M. Van Dine
Assistant Deputy Minister, Northern Affairs

c.c.

Mr. Thomas Kabloona
Mr. David Ningeongan
Ms. Julie Boyer