



**NIRB File No.: 11EN019**  
AANDC File No.: N2011C0011  
NWB File No.: 2BE-KLG1116

February 26, 2015

The Honourable Bernard Valcourt  
Minister of Aboriginal Affairs and Northern Development  
c/o Tracey McCaie, Manager Land Administration  
Aboriginal Affairs and Northern Development Canada  
P.O. Box 100  
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**Re: Application Exempt from the Requirement for Screening pursuant to Section 12.4.3 of the NLCA: Northern Empire Resources Corp.'s "Kivuk Lake" Project, Kivalliq Region**

Dear Tracey McCaie:

On January 19, 2015 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 N2011C0011 for Northern Empire Resources Corp.'s (formerly Prosperity Goldfields Corp.) "Kiyuk Lake" project.

Please be advised that the original project proposal (NIRB File No.: 11EN019) the application was issued a positive conformity determination (Keewatin Regional Land Use Plan) by the Nunavut Planning Commission. An application was received by the NIRB from Indian and Northern Affairs Canada (INAC; now AANDC) on April 1, 2011 and was screened by the Board in accordance with Part 4, Article 12 of the Nunavut Land Claims Agreement (NLCA). On May 31, 2011 the NIRB issued a screening decision report to the Minister of INAC in accordance with NLCA Section 12.4.4(a), recommending that the project be allowed to proceed subject to the project-specific terms and conditions issued therein.

Additional authorization and extension requests associated with the "Kiyuk Lake" project have also been reviewed by the NIRB following screening of the original project proposal (File No.: 11EN019). A summary of the additional applications associated with NIRB File No.: 11EN019 is presented in Table 1.

**Table 1: Additional Applications Associated with NIRB File No.: 11EN019**

Authorization	Application Received by NIRB			NIRB Decision	
	Date Received	Type	Reason for Application	Date Issued	Type
AANDC LUP (N2011C0011), NWB Water Licence (2BE-KLG1116)	December 2, 2011	Amendment	Expansion of drilling program	December 15, 2011	Reissued May 31, 2011 SDR
AANDC LUP (N2011C0011)	July 4, 2012	Amendment	Expansion of drilling program	August 22, 2012	Reissued May 31, 2011 SDR
AANDC LUP (N2011C0011), NWB Water Licence (2BE-KLG1116)	December 5, 2012	Amendment	Expansion of drilling program	March 25, 2013	Reissued May 31, 2011 SDR
AANDC Quarry Permit	April 22, 2013	New Permit	Extraction of 5,700 m <sup>3</sup> of sand to build new airstrip	June 13, 2013	Reissued May 31, 2011 SDR with additional terms and conditions
AANDC LUP (N2011C0011)	October 17, 2013	Extension	Continue exploration	November 15, 2013	Re-issued June 13, 2013 SDR

Notes: AANDC=Aboriginal Affairs and Northern Development Canada; LUP=Land Use Permit; NWB=Nunavut Water Board; SDR=Screening Decision Report.

The current AANDC application, the original NIRB Screening Decision Report (File No.: 11EN019) 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/2011/11EN019-Prosperity%20Goldfield%20Corp%20-%20Kiyuk%20Lake/>.

#### PREVIOUSLY-SCREENED PROJECT PROPOSAL:

As previously screened by the NIRB (File No.: 11EN019), the "Kiyuk Lake" project was located within the Kivalliq region, approximately 350 kilometres (km) southwest of Arviat and 100 km north of the Manitoba border. The program was proposed by Prosperity Goldfield Corporation to take place from the spring of 2011 through the fall of 2016 with the goal of evaluating the Kiyuk Lake Gold deposit.

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

- Overland transport of construction materials, supplies, and wastes using snow machines and a treaded tractor for approximately six trips per season;
- Use of treaded tractor to clear an ice strip for fixed wing aircraft support;
- Construction of an esker airstrip for summer fixed wing aircraft support;
- Transportation of bulk fuel and supplies by fixed wing aircraft and helicopter;
- Construction of a 20 person temporary camp;

- Installation of five double-walled, 4,540 Litre (L) bulk fuel storage tanks near the camp;
- Establish and use of fuel caches to support drilling;
- Drilling program consisting of one diamond drill, 22 holes, each hole a maximum 250 metres (m) deep;
- Movement of drill by tractor and helicopter;
- Estimated water usage of 55 cubic metres (m<sup>3</sup>) per day.

The additional activities associated with the December 2, 2011 amendment to AANDC Land Use Permit (No. N2011C0011) and NWB water licence (No. 2BE-KLG1116) included:

- Increase on-site fuel and fuel storage capacity to 11 tanks totalling 49,940 L;
- Increase the size and function of the camp by adding buildings and infrastructure;
- Expansion of exploration activities to include:
  - Additional drill and associated equipment;
  - Increase drilling from 22 holes at 250 m depth to 60 holes at 200 m depth;
- Increase overall water use to 100 m<sup>3</sup> per day.

The additional activities associated with the July 4, 2012 amendment to AANDC Land Use Permit (No. N2011C0011) included:

- Addition of one 4,540 L bulk fuel storage tank to existing bulk fuel storage;
- Addition of one tent to existing camp infrastructure;
- 6-week exploration program including airborne geophysics of the property (approx. 1200 square kilometres), prospecting, mapping, and sampling of rock, till, soil, and vegetation.

The additional activities associated with the December 5, 2012 amendment to AANDC Land Use Permit (No. N2011C0011) included:

- Increase on-site fuel storage by adding two 30,000 L bulk fuel storage tanks for an updated total capacity of on-site bulk fuel storage of 120,368 L;
- Addition of two fuel transport tanks (each with 500 gallon capacity);
- Increase water usage to 160 m<sup>3</sup> per day;
- Increase camp infrastructure to accommodate 50 people;
- Expand the drilling exploration program to include one additional drill and increasing to 135 holes; and,
- Additional machinery on site.

The additional activities associated with the April 22, 2013 application for a new quarry permit with AANDC were to support construction of an all-weather airstrip that included:

- Collection of 5,700 m<sup>3</sup> of sand to construct the all-weather airstrip;
- Use of heavy equipment to flatten sand;
- Removal of 6,000 square metres (m<sup>2</sup>) of trees and shrubs; and
- Use of the removed timber to support on-site infrastructure (e.g., footings for buildings or drill pads and helicopter landing pad).

The comprehensive scope of the project, included with the June 13, 2013 Screening Decision Report outlined the following project activities and components:

- On site bulk fuel storage with total capacity of 120,368 L;
- two fuel transport tanks (each with 500 gallon capacity);

- water usage of 160 m<sup>3</sup> per day;
- Overland transport of construction materials, supplies, and wastes to and from camp and drill sites using snow machines and a treaded tractor for approximately six trips per season;
- Use of treaded tractor to clear an ice strip for winter use by fixed wing aircraft support;
- Construction of an esker airstrip for summer use by fixed wing aircraft support;
- Camp infrastructure to accommodate 50 people;
- Exploratory drilling of 135 holes to approximately 200 m depth using 3 drills;
- Airborne geophysics surveys, prospecting, mapping, and sampling of rock, till, soil, and vegetation;
- Use of heavy equipment (bulldozer, excavator and tip-trailer) and collection of 5,700 m<sup>3</sup> of sand to construct an all-weather airstrip;
- Removal of 6,000 m<sup>2</sup> of trees and shrubs; and
- Use of the removed timber to support on-site infrastructure (e.g., footings for buildings or drill pads and helicopter landing pad).

On October 17, 2013 Prosperity Goldfields Corp. requested to extend its AANDC Land Use Permit (No. N2011C0011) for an additional year to continue previously approved exploration activities at the Kiyuk Lake site.

#### CURRENT APPLICATION:

Northern Empire Resources Corp. is proposing to extend its Land Use Permit (No. N2011C0011) for an additional year to continue previously approved exploration activities at the Kiyuk Lake project site.

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 June 13, 2013 Screening Decision Report (enclosed).

As noted in the previous November 15, 2013 correspondence, the NIRB continues to be aware of the continued level of public interest in the activities being undertaken for the Kiyuk Lake

project, and would like to reiterate the issues previously raised<sup>1</sup> relating to land use in the Kivalliq region, the potential for cumulative effects associated with this and other ongoing or proposed developments, and the increasing pressures placed upon caribou herds within the area. The NIRB continues to recommend that steps be taken to ensure land use designations and caribou management and protection measures are reflective of these concerns, and that government agencies coordinate to identify and protect species and regions of particular importance to Nunavummiut and others within Canada who may depend upon these areas or caribou herds for their livelihood, traditional purposes, and subsistence lifestyles.

In conclusion, the NIRB cautions the Proponent and AANDC that the progressive amendments and extensions to the physical and temporal scope of the Kiyuk Lake project since the conclusion of the original NIRB assessment in July, 2011 may cause concern for potential additive effects not contemplated during the original assessment and associated development of management plans by the Proponent. Additional proposed changes to the Project could warrant a new screening by the NIRB of all associated activities.

If you have any questions or require additional clarification, please contact Kelli Gillard, Technical Advisor, at (867) 983-4619 or [kgillard@nirb.ca](mailto:kgillard@nirb.ca).

Sincerely,



Ryan Barry  
Executive Director  
Nunavut Impact Review Board

cc: Jim Paterson, Northern Empire Resources Corp.  
Sharon Ehloak, Nunavut Planning Commission  
Phyllis Beaulieu, Nunavut Water Board  
Luis Manzo, Kivalliq Inuit Association  
Agnes Simonfalvy, Government of Nunavut

Enclosure: NIRB Screening Decision Report, File No.: 11EN019 (*June 13, 2013*)

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<sup>1</sup> The Nunavut Planning Commission, the Kivalliq Inuit Association, AANDC, and the Government of Nunavut were notified of the increasing concern by the NIRB through recommendations provided in correspondence and Screening Decision Reports for projects proposed within the Kivalliq region, including 11EN031, 11EN046, 12YN015, 08EN052, 12EN012.