

NIRB File No.: 11EN046 KIA File No: KVL311C03 AANDC File No.: N2012C0006 NWB File No.: 2BE-MRC----

April 13, 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 XOA 0H0

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

Re: <u>Application Exempt from the Requirement for Screening pursuant to Section 12.4.3</u> of the NLCA: Anconia Resources Corporation's "Victory Lake Area" project

Dear Jeff Mercer:

On April 4, 2012 the Nunavut Impact Review Board (NIRB or Board) received an application from Aboriginal Affairs and Northern Development Canada (AANDC) for a new Land Use Permit (No. N2012C0006) for Anconia Resources Corporation's (Anconia or the Proponent) "Victory Lake Area" project proposal. On March 26, 2012 the NIRB received notice from the Nunavut Planning Commission that the proposal had previously received a positive conformity determination (Keewatin Regional Land Use Plan), and that the previous terms as issued continue to apply to this application.

Please be advised that the original project proposal (NIRB File No.: 11EN046) was received by the NIRB from the Kivalliq Inuit Association (KIA) on July 29, 2011 and was screened by the Board in accordance with Part 4, Article 12 of the Nunavut Land Claims Agreement (NLCA). On March 5, 2012 the NIRB issued the enclosed NLCA 12.4.4(a) screening decision to the President of the KIA 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. 11EN046) and related file information are available from the NIRB's ftp site at the following link:

http://ftp.nirb.ca/01-SCREENINGS/COMPLETED%20SCREENINGS/2012/11EN046-Anconia%20Resources-Marce%20Claims/.

PREVIOUSLY-SCREENED PROJECT PROPOSAL:

As previously screened by the NIRB (File No. 11EN046), the "Victory Lake Area" project was located within the Kivalliq region, approximately 190 kilometres (km) south of Baker Lake, 180 km west of Rankin Inlet, and 150 km west of Whale Cove. The program was proposed to take place from April 2012 to October 2012 and intended to evaluate the Marce Claims at Victory Lake for base and precious metals including copper, lead, zinc, silver, and gold.

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

- Prospecting, staking and sampling activities;
- Geophysical mapping and surveying, including airborne magnetic and electromagnetic and ground geophysics;
- Use of one (1) diamond drill to conduct shallow drilling of 23 holes totalling about 3,000 metres on ground and ice, using 1,000 kilograms of Calcium chloride;
- Temporary seasonal camp for up to 20 personnel, including domestic water consumption of 2.0 cubic metres per day;
- Transportation of personnel, drill equipment and supplies using helicopter and fixed wing aircraft;
- On-site fuel storage of 16,400 litres of diesel, 820 litres of gasoline, 12,300 litres of aviation fuel, as well as propane and oil; and
- Sewage and combustible wastes to be incinerated and all the resulting ash along with the non-combustible wastes transported to an approved facility for disposal.

CURRENT APPLICATION:

Anconia is currently proposing to conduct exploration on Crown land as part of their original project proposal and has applied for the Land Use Permit (No. N2012C0006) as required to carry out this project activity.

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 AANDC application 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 March 5, 2012 Screening Decision Report (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

cc: Jason Brewster, Anconia Resources Corporation

Denise Lockett, Lockett Consultation Services Incorporated

Luis Manzo, Kivalliq Inuit Association Phyllis Beaulieu, Nunavut Water Board

Tracey McCaie, Aboriginal Affairs and Northern Development Canada

Enclosed: NIRB Screening Decision Report, File No.: 11EN046 (March 5, 2012)