



NIRB File No.: 11EN046

KIA File No: KVL311C03

AANDC File No.: N2012C0006

NWB File No.: 2BE-MRC1217

September 20, 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 X0A 0H0

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

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

Dear Jeff Mercer:

On August 24, 2012 the Nunavut Impact Review Board (NIRB or Board) received an application from Aboriginal Affairs and Northern Development Canada (AANDC) for an amendment to the Land Use Permit (No. N20012C0006) for Anconia Resources Corporation's (Anconia or the Proponent) "Victory Lake Area" project proposal. On August 28, 2012 the NIRB received notice from the Nunavut Planning Commission (NPC) that the current application did not change the scope of the originally submitted project proposal to an extent that would require an additional review by the NPC and that therefore, the previously issued April 26, 2012 positive conformity determination (Keewatin Regional Land Use Plan) would continue to apply.

Please be advised that the original project proposal (NIRB File No.: 11EN046) was received by the NIRB from the Kivalliq Inuit Association (KIA, File No. KVL311C03) 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 and the Minister of Aboriginal Affairs and Northern Development Canada which indicated that the proposed project could proceed subject to the NIRB's recommended project-specific terms and conditions.¹

¹ June 15, 2012 Letter of Erratum to NIRB Screening Decision Report, corrected the original March 5, 2012 NIRB Screening Decision Report which was distributed to, but not formally addressed to, the Minister.

On April 4, 2012 the NIRB received an application for a new Land Use Permit from AANDC (No. N2012C0006) for the above mentioned project. After a thorough assessment of the additional permit request, the NIRB determined that the application was exempt from the requirement for further screening pursuant to Section 12.4.3 of the NLCA, and reissued the enclosed screening decision report on April 13, 2012.

The current AANDC application, the original NIRB Screening Decision Report (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 originally 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;
- Transport personnel, drill equipment and supplies by 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.

The previous April 12, 2012 application for an AANDC Land Use Permit did not include any additionally proposed activities, but was submitted to obtain the AANDC Land Use Permit (No. 2012C0006) to conduct the project activities on Crown land as outlined in the original proposal.

CURRENT APPLICATION:

Anconia is proposing to amend its Land Use Permit (AANDC No. N2012C0006) to include the following additional components:

- Drill an additional 5-8 holes (totalling an additional 1500-1600 metres), and
- All site personnel (approximately 12-15 people during 2013) to be accommodated at existing fishing camp located at Quartzite Lake (approximately 65 kilometres from

exploration area) with use of helicopters for daily transport to and from site. Two tents will remain at the drill site as core shacks and emergency shelters.

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 amendment 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
Nunavut Impact Review Board

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)