



NIRB File No.: 11EN031
AANDC File No.: N2011C0016
KIA File No.: KVL312C01

February 13, 2012

David Ningeongan, President
Kivalliq Inuit Association
c/o Luis Manzo, Director of Lands
Kivalliq Inuit Association
Rankin Inlet, NU

Sent via email: dirlands@kivalliqinuit.ca

**Re: Application exempt from Screening pursuant to Section 12.4.3 of the NLCA:
IronOne Inc's "Maguse River" project**

Dear Luis Manzo:

On January 5, 2012 the Nunavut Impact Review Board (NIRB or Board) received an application from the Kivalliq Inuit Association (KIA) for access to Inuit Owned Lands (IOL) for IronOne Inc.'s (IronOne or the Proponent) "Maguse River" project proposal.

Please be advised that the original project proposal (NIRB File No.: 11EN031) was received by the NIRB from Aboriginal Affairs and Northern Development Canada (AANDC) on May 23, 2011 and was screened by the Board in accordance with Part 4, Article 12 of the Nunavut Land Claims Agreement (NLCA). On July 13, 2011 the NIRB issued the enclosed NLCA 12.4.4(a) screening decision to the Minister of Aboriginal Affairs and Northern Development which indicated that the proposed project could proceed subject to the NIRB's recommended project-specific terms and conditions.

The current KIA application, the original NIRB Screening Decision Report (11EN031) and related file information are available from the NIRB's ftp site at the following link:

<http://ftp.nirb.ca/01-SCREENINGS/COMPLETED%20SCREENINGS/2011/11EN031-IronOne%20Inc-Maguse%20River%20Project/>

PREVIOUSLY-SCREENED PROJECT PROPOSAL

As previously screened by the NIRB (File No. 11EN031), the "Maguse River" project was located within the Kivalliq region, approximately 70 kilometres (km) northwest of Arviat. The Proponent indicated that it intended to explore for the presence of iron in the Maguse River

Project area from July to October 2011, and then between March and October for the subsequent years until 2016. The initial exploration was expected to focus on Crown Land only with potential future surface exploration work to expand onto Inuit Owned Land.

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

- Exploration program to consist of geophysical surveys, prospecting, mapping, diamond drilling including:
 - Locating and sampling historical drill core and fresh bedrock sampling by drilling approximately 30-50 drill holes per year;
 - On land drilling to approximately 300 metres (m) in inclined boreholes;
 - Possible on-ice drilling in 2012;
- Establishment of temporary base camp to accommodate 15 to 20 people including:
 - 7-10 sleeping canvas tents with metal/wood frames;
 - One each kitchen, core logging, core cutting, cook/first aid, office tents and two dry tents;
 - Generator shack;
 - Incinerator;
 - Fuel cache;
 - Helicopter pad;
- Camp supplies to be brought in by helicopter or local fixed wing aircraft;
- Transportation, storage and use of fuel at camp site with small fuel caches located at drill sites (4-5 drums of diesel and 3-4 100 pound canisters of propane). Total amount of fuel to be stored at site include:
 - 175 drums (205 litres [L]) diesel;
 - 100 drums (205 L) aviation fuel;
 - 10 drums (205 L) gasoline;
 - 100 cylinders (100 pounds);
- Transportation, storage and use of chemicals and hazardous materials;
- Use of esker(s) for landing fixed wing aircrafts;
- Potential transportation of supplies and equipment overland between March and April from Arviat using Cat-train services. Route to utilize some rivers, lakes and frozen snow covered ground;
- Use of snowmobile, helicopter and/or fixed-wing aircraft to transport personnel and equipment to drill sites depending on season;
- Use of water for domestic and drilling purposes;
- Production of human, combustible, non-combustible and grey-water wastes;
- Incineration of combustible wastes; and
- Removal of non-combustible wastes to local landfill and removal of waste oil to approved waste facility.

CURRENT APPLICATION

IronOne is proposing to access Inuit Owned Land and to continue exploration activities as described in the original project proposal, and has applied to conduct the following additional components/activities:

- Conduct ongoing exploration activities on Inuit Owned Land;
- Use of one additional diamond drill.

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 current 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 July 13, 2011 Screening Decision Report (enclosed).

If you have any questions or concerns, please contact Tannis Bolt, Assistant Technical Advisor, at (867) 983-4603 or tbolt@nirb.ca.

Sincerely,



Ryan Barry
Executive Director

cc: Craig MacDougall, IronOne Inc.
Jeff Mercer, AANDC
Phyllis Beaulieu, NWB

Enclosed: NIRB Screening Decision Report, File No.: 11EN031 (July 13, 2011)