



**NIRB File No.: 07EN017**  
AANDC File No.: N2007J0012  
NWB File No.: 2BE-MSX0712

July 3, 2012

Thomas Kabloona  
Chairperson, Nunavut Water Board  
c/o Phyllis Beaulieu, Manager of Licensing  
Nunavut Water Board  
Gjoa Haven, NU  
X0B 1J0

Via email: [licensing@nunavutwaterboard.org](mailto:licensing@nunavutwaterboard.org)

**Re: Application Exempt from the Requirement for Screening pursuant to Section 12.4.3 of the NLCA: Silvermet Corporation's "MacGregor Lake Area Exploration" project**

Dear Phyllis Beaulieu:

On June 14, 2012 the Nunavut Impact Review Board (NIRB or Board) received an application from the Nunavut Water Board (NWB) for an amendment to Silvermet Corporation's Type B water licence for its "MacGregor Lake Area Exploration" project proposal.

Please be advised that the original project proposal (NIRB File No.: 07EN017) was received by the NIRB from the Kitikmeot Inuit Association (KIA) on January 8, 2007 and from Indian and Northern Affairs Canada (INAC; now Aboriginal Affairs and Northern Development Canada or AANDC) on March 23, 2007. The project proposal was screened by the Board in accordance with Part 4, Article 12 of the Nunavut Land Claims Agreement (NLCA). On April 25, 2007 the NIRB issued the enclosed NLCA 12.4.4(a) screening decision to the Minister of INAC and the President of KIA which indicated that the proposed project could proceed subject to the NIRB's recommended project-specific terms and conditions.

On April 24, 2009 the NIRB received an application from INAC for an extension to the Land Use Permit for the above mentioned project. After a thorough assessment of the extension 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 April 25, 2007 screening decision report to the Minister of INAC on May 5, 2009.

The current NWB application, the original NIRB Screening Decision Report (NIRB File No.: 07EN017) and related file information are available from the NIRB's ftp site at the following

link: <http://ftp.nirb.ca/01-SCREENINGS/COMPLETED%20SCREENINGS/2007/07EN017-Silvermet%20Corporation/>.

#### PREVIOUSLY-SCREENED PROJECT PROPOSAL:

As previously screened by the NIRB (File No. 07EN017), the “MacGregor Lake Area Exploration” project was located within the Kitikmeot region, approximately 18 kilometres (km) north of the Coppermine River and 90 km south of the community of Kugluktuk. The Proponent indicated that it intended to conduct base metal exploration activities from 2007 to 2010.

The activities and components associated with the previously screened proposal as applied for under the original KIA Land Use Licence included:

- Fuel transportation and storage;
- Chemical storage of hydraulic oil, rod grease, Poly-drill fluids and calcium chloride;
- Equipment transportation supported by helicopter;
- Geochemical soil sampling;
- Ground geophysics surveys;
- Exploration drilling;
- Use of ski- and/or float-equipped aircraft for transportation to and from existing camp;
- Consumption of water for drilling purposes and generation of waste; and
- Clearing of surface ice for temporary airstrip on lake to accommodate aircraft landings.

The activities and components associated with the previously screened proposal as applied for under the INAC Land Use Permit included:

- Mobilization/demobilization of equipment, materials/wastes and personnel;
- Delivery of equipment, fuel and supplies required for program;
- Establishment of fuel cache at campsite with no more than 50 drums;
- Generation of waste and wastewater;
- Set up of temporary camping facilities on federal lands for 11 to 13 people;
- Consumption of water;
- Incineration of garbage and sewage; and
- Daily transportation of crew via helicopter to and from camp.

The activities and components associated with the previous April 24, 2009 extension included an extension to the INAC Land Use Permit for an additional year.

#### CURRENT APPLICATION:

Silvermet Corporation is proposing to amend its Type B water licence with the Nunavut Water Board to allow for the capping of drill holes if artesian conditions exist and where groundwater would seep out of the hole if it were not capped. The Proponent has also requested a renewal of its water licence to December 2012 in order to complete remediation of the 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 amendment and renewal do 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 April 25, 2007 Screening Decision Report (enclosed).

Although the proposed amendment does not require further screening by the NIRB, the Proponent is advised that the annual reports for all years of activity remain outstanding as required by item 10 of the project specific terms and conditions within the April 25, 2007 Screening Decision Report. By copy of this letter, the NIRB hereby requests that Silvermet remit all annual reports for 2008 – 2011 to the Board’s office at [info@nirb.ca](mailto:info@nirb.ca) or via fax to **(867) 983-2594** in order to satisfy the outstanding reporting requirements.

If you have any questions or concerns, please contact Sophia Granchinho, Technical Advisor, at (867) 793-4633 or [sgranchinho@nirb.ca](mailto:sgranchinho@nirb.ca).

Sincerely,



Ryan Barry  
Executive Director  
Nunavut Impact Review Board

cc: Rein Lehari, Silvermet Corporation  
Jeff Mercer, Aboriginal Affairs Northern Development Canada  
Tracey McCaie, Aboriginal Affairs Northern Development Canada  
Wynter Kuliktana, Kitikmeot Inuit Association

Enclosed: NIRB Screening Decision Report, File No.: 07EN017 (April 25, 2007)