



NIRB File No.: 12EN018
AANDC File No.: N2012C0008
KIA File No.: KVL312C02
NWB File No.: 2BE-MVP

May 22, 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
Iqaluit, NU X0A 0H0

Sent via email: Jeff.Mercer@aandc.gc.ca and landsmining@aandc.gc.ca

Re: Application Exempt from the Requirement for Screening pursuant to Section 12.4.3 of the NLCA: Vale Exploration Canada Ltd.'s "Melville Peninsula" project, Kivalliq and Qikiqtani Regions

Dear Jeff Mercer:

On May 15, 2012 the Nunavut Impact Review Board (NIRB or Board) received a Land Use Permit application from Aboriginal Affairs and Northern Development Canada (AANDC) for Vale Exploration Canada Ltd.'s (Vale) "Melville Peninsula" project proposal.

Please be advised that the original project proposal (NIRB File No.: 12EN018) was received by the NIRB from the Kivalliq Inuit Association (KIA) on February 15, 2012. On March 14, 2012 the NIRB received a positive conformity determination (Keewatin Regional Land Use Plan) from the Nunavut Planning Commission (NPC) for this file. Further, on March 28, 2012 the NIRB received a Land Use Licence application from the Qikiqtani Inuit Association (QIA) associated with the Melville Peninsula project proposal. The project proposal was screened by the Board in accordance with Part 4, Article 12 of the Nunavut Land Claims Agreement (NLCA) and on May 16, 2012 the NIRB issued the enclosed NLCA 12.4.4(a) screening decision to the Minister of AANDC, the President of KIA and the President of QIA 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 (File No. 12EN018) 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/>

PREVIOUSLY-SCREENED PROJECT PROPOSAL:

As previously screened by the NIRB (File No. 12EN018), the “Melville Peninsula” project was located within the Kivalliq and Qikiqtani (South Baffin) regions near the communities of Repulse Bay, Kugaaruk (though activities were not proposed in the Kitikmeot region), Hall Beach and Igloolik. The closest community was Repulse Bay, located approximately 172 kilometres (km) southeast of the Melville Peninsula project. The Proponent indicated that it intended to conduct early exploration for nickel from May 2012 to December 2017.

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

- Nickel exploration program to include:
 - Geological mapping, prospecting, staking, geophysical surveys (ground and airborne), soil sampling and sediment sampling;
 - On land drilling using 2 diamond drills;
 - Possible on-ice drilling if prospective areas are identified;
 - Use of calcium chloride (CaCl_2) and potential use of bentonite as drill additive;
- Setup of camp facilities for up to 30 people. Two options presented for camp facilities:
 - Potential use of former Mackar Inlet/CAM-5 DEW line station as camp facility including the use of the existing airstrip (*requires approval from the Government of Canada*); or
 - Setup of temporary weatherhaven camp facility (camp to be set up if approval not received from the Government of Canada for use of DEW line station) – location of camp to be determined after field season in 2012. Facility to include kitchen/dry, office, core cutting, core logging, toilet block, office, medic facility, helicopter facility and 6 sleepers.
- Transportation, storage and use of fuel at camp site with fuel caches located at drill sites. Total amount of fuel to be stored at site include:
 - 400 drums of 205 litres [L] for a total of 82000 L diesel;
 - 10 drums of 205 L for a total of 2050 L gasoline;
 - 400 drums of 205 L for a total of 82000 L aviation fuel;
 - 60 cylinders (100 pounds);
- Transportation, storage and use of chemicals and hazardous materials;
- Use of snowmobile and All-Terrain Vehicle to load and unload aircraft;
- Camp supplies and personnel to be brought in by fixed wing aircraft;
- Use of helicopter to transport equipment to drill sites;
- Use of water for domestic and drilling purposes;
- Production of human, combustible, non-combustible and grey-water wastes;
- Incineration of combustible wastes and solid sewage; and
- Removal of non-combustible wastes and incinerated ash to local landfill (Hall Beach or Repulse Bay) and removal of hazardous waste to an approved waste facility.

CURRENT APPLICATION:

Vale Exploration Canada Ltd. has applied for a Class A Land Use Permit with AANDC (File No. N2012C0008). The current application includes a camp location that had not been identified in the applications submitted to the NIRB as part of the original proposal, however it is recognized

that the scope and scale of camp activities has not been altered from that which was originally proposed.

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 application for an AANDC Land Use Permit and clarified camp location 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 May 16, 2012 Screening Decision Report (enclosed).

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

Sincerely,



Ryan Barry
Executive Director
Nunavut Impact Review Board

cc: Jason Rickard, Vale Exploration Canada Ltd.
Sarah Gagné, Golder Associates Ltd.
Veronica Tattuinee, Kivalliq Inuit Association
Salamonie Shoo, Qikiqtani Inuit Association
Tracey McCaie, Aboriginal Affairs and Northern Development Canada
Phyllis Beaulieu, Nunavut Water Board

Enclosed: NIRB Screening Decision Report, File No.: 12EN018 (May 16, 2012)