



**NIRB File No.: 11EN027**

**KIA File No.: KVL112B07**

**AANDC File No.: N2011C0014**

**NWB File No.: 2BE-PBP1115**

May 3, 2013

The Honourable Bernard Valcourt  
Minister of Aboriginal Affairs and Northern Development  
c/o Jeff Mercer  
Manager, Land Administration  
Aboriginal Affairs and Northern Development Canada  
Iqaluit, NU

*Sent via email: [jeff.mercer@aandc.gc.ca](mailto:jeff.mercer@aandc.gc.ca) and [landsmining@aandc.gc.ca](mailto:landsmining@aandc.gc.ca)*

**Re: Application Exempt from the Requirement for Screening pursuant to Section 12.4.3 of the NLCA: Northquest Ltd.'s "Pistol Bay" project, Kivalliq Region**

Dear Jeff Mercer:

On March 8, 2013 the Nunavut Impact Review Board (NIRB or Board) received an application from the Nunavut Water Board (NWB) for an amendment to the Type B Water Licence (NWB No. 2BE-PBP1115) associated with Northquest Ltd.'s (Northquest) "Pistol Bay" project. On March 19, 2013 the NIRB also received an application from Aboriginal Affairs and Northern Development Canada (AANDC) an extension to the Land Use Permit (AANDC No. N2011C0014) associated with the Pistol Bay project. On April 10, 2013 Northquest withdrew its request to amend the Water Licence associated with the project, therefore the NIRB is not considering the NWB amendment as part of the current application.

Please be advised that the original project proposal (NIRB File No.: 11EN027) was received by the NIRB from Northquest on March 15, 2011. On May 6, 2011 the NIRB received a positive conformity determination from the Nunavut Planning Commission for the file (Keewatin Regional Land Use Plan) as well as a referral for screening from AANDC. The proposal was screened in accordance with Part 4, Article 12 of the Nunavut Land Claims Agreement (NLCA) and on June 8, 2011 the NIRB issued a 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.

On June 26, 2012 the NIRB received an application from Northquest for an amendment to the NWB Type B Water Licence (No. 2BE-PBP1115) associated with the Pistol Bay project and on July 6, 2012 the NIRB received an application for an amendment to the AANDC Land Use

Permit (No. N2011C0014) associated with the project. The NIRB determined that the activities included within these amendment applications had not been previously assessed and as such, the Board screened the amendment applications in accordance with Part 4, Article 12 of the NLCA. On August 16, 2012 the NIRB issued a 12.4.4(a) screening decision to the Minister of Aboriginal Affairs and Northern Development and to the Chairperson of the NWB indicating that the proposed project could proceed subject to the NIRB's originally recommended project-specific terms and conditions as well as the *additional* terms and conditions as provided within the Screening Decision Report (enclosed).

On October 2, 2012 the NIRB received an application from the Kivalliq Inuit Association (KIA) for a new Type 1 Land Use Licence (File No. KVL112B07) for the above mentioned project. After a thorough assessment of the Land Use Licence, 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 August 16, 2012.

The current AANDC application, the NIRB Screening Decision Report (File No. 11EN027) and related file information are available from the NIRB's online public registry at the following location:

<http://ftp.nirb.ca/01-SCREENINGS/COMPLETED%20SCREENINGS/2011/11EN027-Northquest-Pistol%20Bay/>.

#### PREVIOUSLY-SCREENED PROJECT PROPOSAL:

As previously screened by the NIRB (File No. 11EN027), the "Pistol Bay" project was located within the Kivalliq region, approximately 20 kilometres (km) north of Whale Cove. The proposed project involved conducting initial stage exploration activities to assess the potential for gold occurring in areas north and northwest of Whale Cove. The program was proposed to take place between June and September 2011 with further the possibility of work to remain ongoing until June 2013 subject to results from the initial field season.

The project activities included:

- Materials and fuel brought to camp overland via cat-train;
- Construction of a permanent camp to house 17 people (six 14' by 16' frame tents, one 14' by 16' office tent, one 14' by 16' core logging tent, one 14' by 16' core cutting tent, one 14' by 16' wash tent and one 14' by 32' kitchen tent);
- Use of All-Terrain Vehicles for transportation of materials around site;
- Transport of groceries and personnel to site via truck and helicopter;
- Transportation of crew and equipment between drill sites and camp via helicopter;
- Prospecting and mapping activities including airborne magnetic surveys;
- Rock sampling;
- Diamond drilling;
- Fuel [45 drums (9225 litres) of diesel, 10 drums (2050 litres) gasoline, 100 100lb bottles of propane and 150 drums (30,750 litres) jet B Fuel] stored at camp in "insta-berms";
- Oil, calcium chloride and drill additives also stored at camp;
- Sewage will be disposed of in pits and/or sumps; and,

- Backhaul of all wastes and garbage (including hazardous wastes) to Whale Cove for disposal.

The activities and components associated with the previously approved 2012 amendment to Northquest's Land Use Permit (AANDC File No. N2011C0014) included the addition of four mineral claims to the project area and an additional drill target.

Northquest's 2012 application to amend its Water Licence (NWB File No. 2BE-PBP1115) included the following activities:

- Increase water allotment from 85 cubic metres to 120 cubic metres;
- Enlarge the base camp by two new sleeping tents and one core cutting tent as well as bringing in an additional electric core saw and generator; and,
- Increase the number of drills on site from one to two.

Northquest proposed to conduct exploration activities on Inuit Owned Lands adjacent to the original project area that was not screened as part of the previous proposal. The proposed project activities included:

- Conducting magnetometer surveys by helicopter at 50 meters (m) altitude and 50 m intervals over the area;
- Helicopter and personnel based out of the Whale Cove airport; and
- Refueling at Northquest's Pistol Bay base camp.

#### CURRENT APPLICATION:

Northquest Ltd. is proposing to extend its AANDC Land Use Permit to include additional drill target areas. Northquest is also proposing to increase the equipment at the campsite as follows:

- Two new 14' by 16' sleeper tents at the camp for a total of 10; and
- A new 4x4 truck added to the vehicles at 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 extension requests 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 August 16, 2012 Screening Decision Report.

If you have any questions or require additional clarification, please contact Kelli Gillard, Technical Advisor, at (867) 983-4619 or [kgillard@nirb.ca](mailto:kgillard@nirb.ca).

Sincerely,

A handwritten signature in black ink that reads "Ryan Barry". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Ryan Barry  
Executive Director  
Nunavut Impact Review Board

cc: Dwayne Car, Northquest Ltd.  
Tracey McCaie, Aboriginal Affairs and Northern Development Canada  
Phyllis Beaulieu, Nunavut Water Board  
Luis Manzo, Kivalliq Inuit Association

Enclosure: NIRB Screening Decision Report, File No.: 11EN027 (August 16, 2012)