



NIRB File No.: 11EN027

AANDC File No.: N2011C0014

KIA File No.: KVL112B07

GN File Nos.: LUP06-608-012; LUP608-06-001

NWB File No.: 2BE-PBP1115

October 20, 2014

The Honourable Bernard Valcourt
Minister of Aboriginal Affairs and Northern Development
c/o Tracey McCaie
Manager Land Administration
Aboriginal Affairs and Northern Development Canada
P.O. Box 100
Iqaluit, NU X0A 0H0

Sent via email: tracey.mccaie@aandc.gc.ca; 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 Tracey McCaie:

On July 31, 2014 the Nunavut Impact Review Board (NIRB or Board) received an application from Aboriginal Affairs and Northern Development Canada (AANDC) for an extension to AANDC Land Use Permit No. N2011C0014 associated with Northquest Ltd.'s (Northquest or the Proponent) "Pistol Bay" project. On August 25, 2014 the NIRB received correspondence from the Nunavut Planning Commission which indicated that the extension request would not require a conformity determination and that the terms agreed to under the conformity determination for the original project proposal would continue to apply. On September 11, 2014 the NIRB received a request from the Government of Nunavut – Community and Government Services (GN) that the NIRB confirm whether changes to the proposal and to the Proponent's land use permit held with the GN for municipal lands would require additional assessment.

The NIRB received the original project proposal (NIRB File No.: 11EN027) from the Proponent and the Kivalliq Inuit Association (KIA) on March 14, 2011. On March 22, 2011 the NIRB received a positive conformity determination from the Nunavut Planning Commission for the file (Keewatin Regional Land Use Plan) and on May 20, 2011 the NIRB received 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 June 29, 2012 the NIRB received a referral from the NWB to assess the amendment request. On July 6, 2012 the NIRB received an application for an amendment to the Land Use Permit (No. N2011C0014) associated with the project from AANDC. The NIRB determined that activities 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 KIA for a new Type 1 Land Use Licence (No. KVL112B07) associated with the above mentioned project. After a thorough assessment of the Land Use Licence application 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 November 28, 2012.

On March 8, 2013 the NIRB received an application from the NWB for an amendment to the Type B Water Licence (No. 2BE-PBP1115) associated with the above mentioned project. On March 19, 2013 the NIRB also received an application from AANDC for an extension to the Land Use Permit (No. N2011C0014) for this file. On April 10, 2013 Northquest withdrew its request to amend the Water Licence associated with the project; therefore the NIRB did not consider the NWB amendment application. After a thorough assessment of the AANDC 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 screening decision report on May 3, 2013.

The current AANDC application, the original 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/.](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 activities and components associated with the originally screened proposal included:

- Materials and fuel brought to camp overland via cat-train;
- Construction of a permanent camp to house 17 people (including approximately 11 tents);
- Use of All-Terrain Vehicles for transportation of materials around site;
- Transport of supplies 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 stored at camp in “insta-berms” including:
 - 9225 litres of diesel (drummed);
 - 2050 litres gasoline (drummed);
 - 30,750 litres Jet B Fuel (drummed);
 - 100 bottles of propane (100 pounds each);
- Storage of oil, calcium chloride and drill additives at camp;
- Sewage to 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 June 26, 2012 amendment to Northquest’s Water Licence (NWB File No. 2BE-PBP1115) included:

- Increasing water allotment from 85 cubic metres to 120 cubic metres;
- Enlarging the base camp by three tents as well as bringing in an additional electric core saw and generator; and,
- Increasing the number of drills on site from one to two.

The activities and components associated with the previously approved July 6, 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.

In its October 2, 2012 application, 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 to fly out of the Whale Cove airport; and
- Refueling at Northquest’s Pistol Bay base camp.

The activities and components associated with the previously approved May 8, 2013 amendment to Northquest’s Water Licence (NWB File No. 2BE-PBP1115) included additional drill target areas and increasing the equipment at the campsite as follows:

- Two additional sleeping tents at the camp; and
- A new 4x4 truck added to the vehicles at site.

CURRENT APPLICATION:

Northquest is currently proposing to extend its Land Use Permit with AANDC for one year, from June 2014 to 2015, to continue exploration activities as previously approved, including additional drill target areas and the use of additional equipment.

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 extension and additional equipment usage 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 August 16, 2012 Screening Decision Report (enclosed).

If you have any questions or require additional clarification, please contact Heather Rasmussen, Technical Advisor, at (867) 983-4606 or hrasmussen@nirb.ca.

Sincerely,



Ryan Barry
Executive Director
Nunavut Impact Review Board

cc: Dwayne Car, Northquest Ltd.
Phyllis Beaulieu, Nunavut Water Board
Luis Manzo, Kivalliq Inuit Association
Ralph Ruediger, Government of Nunavut-Community & Government Services

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