



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

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

On May 5, 2015 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 May 21, 2015 the NIRB received correspondence from the Nunavut Planning Commission which indicated that the extension request would not require a conformity determination.

Please be advised that the original project proposal (NIRB File No. 11EN027) was received by the NIRB 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 Indian and Northern Affairs Canada (now AANDC). The Proposal was screened by the Board in accordance with Part 4, Article 12 of the Nunavut Land Claims Agreement (NLCA) and on June 8, 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.

Additional authorization and extension requests associated with the “Pistol Bay” project have also been reviewed by the NIRB following screening of the original project proposal (File No. 11EN027). In each instance the NIRB confirmed that the applications were exempt from the requirement for further screening pursuant to Section 12.4.3 of the NLCA and the activities therein remained subject to the terms and conditions recommended in the original June 8, 2011 Screening Decision Report along with additional terms and conditions as issued on August 16, 2012. A summary of the additional applications associated with NIRB File No. 11EN027 is presented in Table 1.

Table 1: Additional applications associated with NIRB File No. 11EN027

Authorization	Application			NIRB Decision	
	Date Received by NIRB	Type	Reason for Application	Date Issued	Type
NWB Water Licence (2BE-PBP1115)	June 29, 2012	Amendment	Continue exploration activities with increase of base camp and on-site water usage.	August 16, 2012	Reissued June 8, 2011 SDR with <i>additional</i> terms and conditions.
AANDC Land Use Permit (N2011C0014)	July 6, 2012	Amendment	Continue exploration activities with inclusion of additional four claims and drill target.		
KIA Type 1 Land Use License (KVL112B07)	October 2, 2012	New Land Use Application	Conduct exploration activities on IOL.	November 28, 2012	Reissued August 16, 2012 SDR
NWB Water Licence (2BE-PBP1115)	March 8, 2013	Amendment	<i>Withdrawn</i> by Proponent on April 10, 2013		
AANDC Land Use Permit (N2011C0014)	March 19, 2013	Extension	Continue exploration activities with additional drill target areas.	May 3, 2013	Reissued August 16, 2012 SDR
AANDC Land Use Permit (N2011C0014)	July 31, 2014	Extension	Continue exploration activities with additional drill targets.	October 20, 2014	Reissued August 16, 2015 SDR

Notes: AANDC = Aboriginal Affairs and Northern Development Canada; IOL = Inuit Owned Lands; KIA = Kivalliq Inuit Association; GN = Government of Nunavut; NIRB= Nunavut Impact Review Board; NWB = Nunavut Water Board; SDR= Screening Decision Report

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/>.

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 29, 2012 amendment to Northquest's Water Licence (NWB File No. 2BE-PBP1115) included:

- Increasing water allotment from 85 cubic metres (m³) to 120 m³;
- 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 metres (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 March 19, 2013 extension to Northquest's Land Use Permit (AANDC File No. N2011C0014) 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.

The activities and components associated with the previously approved July 31, 2014 extension to Northquest's Land Use Permit (AANDC File No. N2011C0014) included the continuation of exploration activities as previously approved, including additional drill target areas and the use of additional equipment.

CURRENT APPLICATION:

Northquest is currently proposing to extend its Land Use Permit with AANDC for one year from August to September 2015 to continue exploration activities as previously approved.

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 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,

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.
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)