



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

July 20, 2015

Thomas Kabloona
Chairperson, Nunavut Water Board
c/o Phyllis Beaulieu, Manager of Licensing
Nunavut Water Board
P.O. Box 119
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Sent via email: phyllis.beaulieu@nwb.oen.ca; licensing@nwb.oen.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 Phyllis Beaulieu:

On June 8, 2015 the Nunavut Impact Review Board (NIRB or Board) received an application from the Nunavut Water Board (NWB) for an extension to its water licence 2BE-PBP1115 associated with Northquest Ltd.'s (Northquest or the Proponent) "Pistol Bay" project. On July 13, 2015 the NIRB received correspondence from the Nunavut Planning Commission (NPC) which indicated that the previous conformity determination still applied.

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 (INAC; now Aboriginal Affairs and Northern Development Canada). 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); a summary of the additional applications is presented in Table 1.

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

Authorization	Application Received by NIRB			NIRB Decision	
	Date Received	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 addition of claims and drill target.		
KIA Land Use Licence (KVL112B07)	October 2, 2012	New Land Use Licence	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, 2012 SDR
AANDC Land Use Permit (N2011C0014)	May 5, 2015	Extension	Continue exploration and camp activities.	May 29, 2015	Reissued August 16, 2012 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 NWB 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 wastes and garbage including hazardous wastes, to Whale Cove for disposal.

The activities 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 associated with the 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 associated with the 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 associated with the 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.

The components associated with the May 29, 2015 extension application for Land Use Permit (AANDC File No. N2011C0014) were to continue previously approved exploration activities.

CURRENT APPLICATION:

Northquest is currently proposing to extend its Type B water licence with the NWB for five years, from June 2015 to June 2020, to continue previously approved project activities.

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 Erika Zell, Assistant Technical Advisor, at (867) 983-4622 or ezell@nirb.ca.

Sincerely,



Tara Arko
Director, Technical Services

for

Ryan Barry
Executive Director
Nunavut Impact Review Board

cc: Dwayne Car, Northquest Ltd.
Tracey McCaie, Aboriginal Affairs and Northern Development Canada
Sean Joseph, 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)