



NIRB File No.: 12EN012

AANDC File No: N2012C0001

NWB File No.: 2BE-QIL1217 *formerly* 2BE-QIL0712

GN-CGS File No.: LUP06-607-014 and LUP 06-607-015

April 21, 2015

Robin Hopkins
VP Exploration
Stornoway Diamond Corporation
Unit 118-980 West 1st Street
North Vancouver, BC V7P 1H2

Sent via email: rhopkins@stornowaydiamonds.com

Re: Application Acknowledgement for Stornoway Diamond Corporation's Amendment and Renewal Request with NWB and GN-CGS for "Qilalugaq" Project

Dear Robin Hopkins:

On February 19, 2015 the Nunavut Impact Review Board (NIRB or Board) received an application from Stornoway Diamond Corporation¹ (Stornoway) for an amendment to their Water Licence with the Nunavut Water Board (NWB) 2BE-QIL1217 *formerly* 2BE-QIL0712 and a new Land Use Permit with Government of Nunavut-Community and Government Services (CGS) to replace LUP06-607-014 for the "Qilalugaq" project. On February 20, 2015 the NIRB received a referral from the NWB and on March 19, 2015 CGS referred the project to the Board. On April 1, 2015 the NIRB received a positive conformity determination (Keewatin Regional Land Use Plan) from the Nunavut Planning Commission (NPC) for this project proposal.

Please be advised that the original project proposal (NIRB File No.: 12EN012) was received by the NIRB from Aboriginal Affairs and Northern Development Canada (AANDC) on January 4, 2012. The NIRB also received a positive conformity determination (Keewatin Regional Land Use Plan) for the original proposal from the NPC on March 21, 2012. 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 4, 2012 the NIRB issued a 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. Project components/activities included the following:

¹ North Arrow Minerals Inc. is forming a joint venture agreement with Stornoway and will be transferring permits to their company once the agreement is complete.

- Bulk sample program to extract approximately 1,500 tonnes of material (trenching/excavation);
- Survey of select group of mineral claims (2012 only);
- Use of helicopter to:
 - Transport personnel and equipment to and from site daily
 - Transport contractors to conduct surveys on daily basis
 - Transport of tracked mini-excavator to site
 - Transport of filled mega bags from site to Repulse Bay; ~ 40 bags/day
 - Transport of fuel drums to and from site as required
- Use of accommodations and facilities at Repulse Bay;
- Transportation, storage and use of fuel on-site. Two options presented for storage of fuel:
 - 1) Storage of fuel at secure site in Repulse Bay (Naujaat) with minimal amount of fuel stored at site (one 205 litre drum of diesel fuel and one 205 litre drum of Jet-B fuel); or
 - 2) Storage of Jet-B fuel at site in a temporary berm (total of 58,220 litres) and diesel fuel on as needed basis (maximum of one 205 litre drum);
- Potential trenching activities to develop temporary fuel storage berms;
- Domestic waste to be hauled out each day; and
- Chemical and hazardous material storage on site.

On February 5, 2013 the NIRB received an application for a new Land Use Permit from CGS for the above mentioned project. After a thorough assessment of the new Land Use Permit, 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 February 20, 2013.

Amendment-

Stornoway is proposing to renew and amend Land Use Permit with CGS and amend their Type B Water Licence with the NWB to include the following additional components/activities to occur in 2015 and 2016:

- Diamond exploration to identify 20 to 30 targets and activities to include:
 - On land and on-ice drilling using two diamond drills;
 - Drilling proposed to be approximately 10,000 to 20,000 metres of drill core;
- Use of helicopter to transport personnel and drill equipment between proposed drill locations on a daily basis in the summer;
- Use of Snowcats or similar machines to transport personnel and drill equipment between proposed drill locations on a daily basis in the winter;
- Water withdrawal from 2 unnamed lakes for drilling purposes; and
- Archeological surveys.

The NIRB has determined that this request may result in a change to the original scope of the project.

The CGS and NWB applications and the original NIRB screening file, 12EN012 are available from NIRB's ftp site at the following link:

<http://ftp.nirb.ca/01-SCREENINGS/COMPLETED%20SCREENINGS/2012/12EN012-Stornoway-Qilalugaq%20Project/>.

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.”

The NIRB is of the opinion that the request for the renewal and amendment are not likely to significantly change the general scope of the original project activities. Therefore the NIRB is proposing to re-issue the same terms and conditions as those in the attached May 4, 2012 Screening Decision, along with any new terms and conditions the NIRB considers appropriate. The NIRB is copying parties and municipalities potentially affected by this project and we invite interested persons to comment directly to the NIRB by **May 1, 2015**.

The NIRB would like Parties to provide comments regarding:

- Whether the inclusion of the additionally proposed component(s) and/or activity(ies) would significantly modify the project;
- Any additional mitigation measures that are appropriate; and
- Any other matter of importance to the Party related to the project proposal.

Please send your comments directly to the NIRB at info@nirb.ca or via fax to **(867) 983-2594**.

If you have any questions or require clarification, please contact the undersigned at (867) 983-4619 or kgillard@nirb.ca.

Sincerely,



Kelli Gillard B.Sc., P.Ag.
Nunavut Impact Review Board

cc: Distribution List
Mike MacMorran, North Arrow Minerals Inc.
Phyllis Beaulieu, Nunavut Water Board
Luis Manzo, Kivalliq Inuit Association
Darren Flynn, Government of Nunavut-Community and Government Services
Tracey McCaie, Aboriginal Affairs and Northern Development Canada

Enclosures (3): Comment Forms (English and Inuktitut)
NIRB Screening Decision Report, File No.: 12EN012 (May 4, 2012)