

NIRB File No.: 08EA041
AANDC File No.: N2012C0013
QIA File No.: Q10L3C009
NWB File No.: 2BE-RBP1116
NRI File No.: 02 009 13R-M

March 31, 2014

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

Sent via email: jeff.mercer@aandc.gc.ca; landsmining@aandc.gc.ca

Re: Application Exempt from the Requirement for Screening pursuant to Section 12.4.3 of the NLCA: Advanced Explorations Inc.'s "Roche Bay Magnetite" Project, Qikiqtani (South Baffin) Region

Dear Jeff Mercer:

On March 13, 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.: N2012C0013) for Advanced Explorations Inc.'s (AEI) "Roche Bay Magnetite" project proposal. The Board notes that a conformity determination from the Nunavut Planning Commission was not required for this file, as the proposed project is located within a region that does not currently have an approved land use plan in place (South Baffin Region).

Please be advised that on July 30, 2007 the NIRB received the original project proposal (NIRB File No.: 07EN058) from Indian and Northern Affairs Canada (INAC; now AANDC) and proceeded to screen the proposal in accordance with Part 4, Article 12 of the Nunavut Land Claims Agreement (NLCA). On September 6, 2007 the NIRB issued a 12.4.4(a) screening decision to the Minister of INAC indicating that the proposed project could proceed subject to the NIRB's recommended project-specific terms and conditions.

On February 15, 2008 the NIRB received an application for an amendment from INAC to the Land Use Permit (No.: N2007C0033) for the aforementioned project. After a thorough assessment of the amendment 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 September 6, 2007 screening decision report on March 3, 2008.

On April 2, 2008 the NIRB received an additional application to amend the Land Use Permit (No.: 2007C0033) associated with AEI's "Roche Bay Magnetite" project to include additional components and activities. On April 7, 2008 the NIRB received an application for access to Inuit Owned Lands from the Qikiqtani Inuit Association (QIA) for the above mentioned project. As the activities were significantly beyond the scope of what had originally been assessed, the NIRB consolidated these new applications under NIRB File No. **08EA041** and screened the project proposal in accordance with Part 4, Article 12 of the NLCA. On May 16, 2008 the NIRB issued a 12.4.4(a) screening decision to the Minister of INAC, allowing the proposed project to proceed subject to additional recommended project-specific terms and conditions.

Additional amendment and extension requests associated with the "Roche Bay Magnetite" project have also been reviewed by the NIRB following screening of the amended project proposal (NIRB File No.: 08EA041). 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 May 16, 2008 Screening Decision Report along additional terms and conditions issued on May 23, 2012 (enclosed). A summary of the additional applications associated with NIRB File No. 08EA041 is presented in Table 1.

Table 1: Additional applications associated with NIRB File No. 08EA041

Authorization	Application			NIRB Decision	
	Date Received by NIRB	Type	Reason for Application	Date Issued	Type
INAC Land Use Permit (N2007C0033)	April 2, 2008	Amendment to original NIRB File No. 07EN058	Undertake magnetite exploration program	May 16, 2008	New SDR issued
QIA Land Use Licence (Q07L3C04)	April 7, 2008				
INAC Land Use Permit (N2007C0033)	June 30, 2008	Amendment	Conduct geotechnical drilling	July 18, 2008	Reissued May 16, 2008 SDR
QIA Land Use Licence (Q08L3C03)	April 28, 2009	QIA permit to access IOL	Conduct exploration on IOL land	May 14, 2009	Reissued May 16, 2008 SDR
INAC Land Use Permit (N2007C0033)	June 23, 2009	Extension	Continue exploration activities for an additional year	June 24, 2009	Reissued May 16, 2008 SDR
INAC Land Use Permit (N2007C0033)	March 17, 2010	Extension and Amendment	Continue exploration activities for an additional year and to move the Roche Bay camp	April 9, 2010	Reissued May 16, 2008 SDR

INAC Land Use Permit (N2007C0033)	July 13, 2011	Extension	Continue exploration activities for an additional year	July 20, 2011	Reissued May 16, 2008 SDR
AANDC Land Use Permit (N2012C0013)	April 13, 2012	New Permit and Amendment	Continue exploration activities and upgrade infrastructure	May 23, 2012	Reissued May 16, 2008 SDR with <i>additional</i> terms and conditions
QIA Land Use Licence (Q10LC009)	March 6, 2013	Renewal	Continue exploration activities	April 18, 2013	Reissued May 23, 2012 SDR

Notes: AANDC = Aboriginal Affairs and Northern Development Canada; INAC = Indian and Northern Affairs Canada; IOL = Inuit Owned Lands; NIRB= Nunavut Impact Review Board; QIA = Qikiqtani Inuit Association; SDR= Screening Decision Report

Please note that AEI's "Roche Bay Magnetite" project (NIRB File.: 08EA041) and Roche Bay PLC and West Melville Metals' "Fraser Bay 1-3 Property" project (NIRB File No.: 11EN035), have an agreement in place to use the same water sources for their respective camps and exploration activities which was approved as an amendment to the original water licence on March 28, 2011 (NWB Licence 2BE-RBP1116).

The current AANDC application, the original NIRB Screening Decision Report (File No.: 08EA041) 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/2008/08EA041-Advanced%20Explorations%20Inc/.](http://ftp.nirb.ca/01-SCREENINGS/COMPLETED%20SCREENINGS/2008/08EA041-Advanced%20Explorations%20Inc/)

PREVIOUSLY-SCREENED PROJECT PROPOSAL:

As previously screened by the NIRB (File Nos.: 07EN058 and 08EA041), the "Roche Bay Magnetite" project was located within the South Baffin region, approximately 65 kilometres (km) northeast of Hall Beach. The Proponent indicated that it intended to conduct exploration, as well as baseline and feasibility studies in support of developing a mine at a later date.

The following activities and components associated with the July 30, 2007 project proposal and February 15, 2008 amendment that have previously been screened and were allowed to proceed subject to the terms and conditions recommended by the NIRB within its September 6, 2007 Screening Decision Report for NIRB File No. 07EN058 included:

- Fuel storage (to a maximum of 700,000 litres [L]);
- Calcium chloride storage (200 tonnes [t]);
- Landing sites for two sealifts;
- Increase in the amount of fuel storage (additional 300,000 L);
- Increase in the amount of calcium chloride storage (additional 300 t);
- New location for fuel and calcium chloride storage;

- Inclusion of a location for on-ice airplane landing (30 flights, mid-March to mid-April); and,
- Addition of the storage facility and ore storage (previously permitted per AANDC Land Use Permit No.: N2006J0018).

The following activities and components associated with the April 2, 2008 amendment that have also been previously screened and were allowed to proceed subject to the terms and conditions recommended by the NIRB within its May 16, 2008 Screening Decision Report for NIRB File No. 08EA041 included:

- Drilling of approximately 20 holes of up to 30 metres (m) each in depth, on sea ice;
- Bathymetry surveys during the summer of 2008;
- Camp facilities for 60 people;
- Drilling of 25,000 – 30,000 m of core and chip samples;
 - 5 Boart Longyear LF-70 Drills
 - Approximately 120 holes
- Use of 2 Polaris Ranger utility vehicles, 5 Honda All-Terrain Vehicles, 3 Argos, and 8 snowmobiles;
- Use of 2 Helicopters and 2 fixed wing aircraft;
- Transport of fuel from Hall Beach to camp site via skid and bulldozer;
- Storage of fuel to include: 550,000 L diesel; 50,000 L gasoline; 240,000 L aviation fuel; and 10,000 pounds of propane;
- Storage of 500 t calcium chloride; and,
- Geotechnical on-land drilling within the project area of roughly 20 holes up to 30 m in depth.

The activities and components associated with the previous June 30, 2008 Land Use Permit amendment (No.: N2007C0033) included geotechnical drilling on the peninsula of roughly 20 holes up to 30 m in depth, with the following objectives:

- Determine and evaluate foundation conditions underlying the proposed plant site facilities;
- Evaluate the general quality of the limestone bedrock for possible quarrying/crushing to provide materials for plant site and airstrip development;
- Obtain limestone samples for chemical analysis to evaluate suitability for use in the magnetite processing operations; and
- Save excess sample material for future testing for non-geotechnical purposes.

The activities and components associated with the previous March 17, 2010 Land Use Permit amendment (No.: N2007C0033) included relocating a portion of the current exploration camp to the Peninsula area. The Roche Bay camp was to be moved from IOL land to Crown Land.

On April 13, 2012, AEI applied for a *new* Land Use Permit (No.: N2012C0013) with a request to include the following activities and components:

- Use of granular materials occurring at the surface of areas that were previously disturbed;
- Gravel airstrip maintenance;

- Create an additional temporary barge offloading and laydown area; and
- Grading of terrain/cobbles for select ATV trails to allow light trucks to travel along the existing trails throughout the project area.

After a thorough assessment of the project proposal, the *new* Land Use Permit application and comments received, the NIRB determined that this request would result in a change to the original scope of the project. On May 23, 2012 the NIRB re-issued the original Screening Decision Report with *additional* terms and conditions (enclosed).

CURRENT APPLICATION:

AEI is currently proposing to extend its Land Use Permit with AANDC (No.: N2012C0013) for one year to continue activities as previously approved including ongoing baseline studies and storage of equipment, calcium chloride and fuel.

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 May 23, 2012 Screening Decision Report (enclosed).

If you have any questions or require additional clarification, please contact Heather Rasmussen, Technical Advisor, at (867) 983-4060 or hrasmussen@nirb.ca.

Sincerely,

A handwritten signature in black ink that reads "Ryan Barry". The signature is written in a cursive style with a long horizontal line extending from the end of the name.

Ryan Barry
Executive Director
Nunavut Impact Review Board

cc: Gary Williams, Advanced Explorations Incorporated
Bernie MacIsaac, Qikiqtani Inuit Association
Phyllis Beaulieu, Nunavut Water Board
Tracey McCaie, Aboriginal Affairs and Northern Development Canada

Enclosure: NIRB Screening Decision Report, File No.: 08EA041 (*May 23, 2012*)