



NIRB File No.: 07EN031
INAC LUP No.: N2007C013

June 9, 2009

Honourable Chuck Strahl
Minister of Indian and Northern Affairs Canada
c/o Spencer Dewar
Manager, Land Administration
Indian and Northern Affairs Canada
Iqaluit, NU

Via email: Spencer.Dewar@inac-ainc.gc.ca

Re: Application Exempt from Screening under Section 12.4.3: North Arrow Minerals Inc.'s Paleface Lake Exploration project

Dear Spencer Dewar:

On June 9, 2009, the Nunavut Impact Review Board (NIRB) received an application from Indian and Northern Affairs Canada (INAC) for North Arrow Mineral's *Paleface Lake Exploration* project proposal. The application is for an extension to the Proponent's Land Use Permit (N2007C0013).

Please be advised that the original project proposal (NIRB File No.: 07EN031) was received by the NIRB from INAC on March 27, 2007. The original proponent for the project was Strongbow Exploration Inc., and on April 21, 2007, the NIRB received correspondence from INAC which indicated that the permit had been reassigned to North Arrow Minerals Inc. The proposal was screened in accordance with Part 4, Article 12 of the Nunavut Land Claims Agreement (NLCA). On May 9, 2007 the NIRB issued a 12.4.4(a) screening decision to INAC allowing the proposed project to proceed subject to project-specific recommended terms and conditions.

The INAC application, the original NIRB screening file and Screening Decision, 07EN031 are available from the NIRB's ftp site at the following link:

http://ftp.nirb.ca/SCREENINGS/COMPLETED%20SCREENINGS/ARCHIVE/2007_SCREENINGS/07EN031-Strongbow_Exploration_Inc/1-SCREENING/.

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, the NIRB is of the understanding that the application received from INAC 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 exempted from screening as per Section 12.4.3 of the NLCA and the activities therein remain subject to the terms and conditions recommended in the original May 9, 2007 Screening Decision Report (attached).

If you have any questions or concerns, feel free to contact the NIRB's Technical Advisor, Amanda Hanson, at 867-983-4615 or via email at ahanson@nirb.ca.

Best regards,

A handwritten signature in black ink, appearing to read 'Stephanie Autut', with a stylized, cursive script.

Stephanie Autut
Executive Director

cc: Gordon Clarke, North Arrow Minerals Inc.

Attachment: NIRB Screening Decision Report, File No.: 07EN031 (May 9, 2007)



SCREENING DECISION REPORT NIRB FILE NO.: 07EN031

NIRB File No.: 07EN031
INAC File No.: N2007C0013
KIA File No.: Pending

May 9, 2007

Honourable Jim Prentice. PC., MP.
Minister of Indian Affairs and Northern Development
Ottawa, ON
Via email: Prentice.J@parl.gc.ca

and

Donald Haviyak
President of Kitikmeot Inuit Association
Cambridge Bay, Nunavut
Via email: Donald@qiniq.com

Re: Screening Decision for Strongbow's Silvertip Campsite and Mining Exploration Project Proposal

Dear Honourable Mr. Prentice and Mr. Haviyak:

The primary objectives of the Nunavut Land Claims Agreement are set out in section 12.2.5 of the Land Claims Agreement. This section reads:

In carrying out its functions, the primary objectives of NIRB shall be at all times to protect and promote the existing and future well-being of the residents and communities of the Nunavut Settlement Area, and to protect the ecosystemic integrity of the Nunavut Settlement Area. NIRB shall take into account the well-being of the residents of Canada outside the Nunavut Settlement Area.

Section 12.4.4 of the Nunavut Land Claim Agreement states:

Upon receipt of a project proposal, NIRB shall screen the proposal and indicate to the Minister in writing that:

- a) the proposal may be processed without a review under Part 5 or 6; NIRB may recommend specific terms and conditions to be attached to any approval, reflecting the primary objectives set out in Section 12.2.5;
- b) the proposal requires review under Part 5 or 6; NIRB shall identify particular issues or concerns which should be considered in such a review;
- c) the proposal is insufficiently developed to permit proper screening, and should be returned to the proponent for clarification; or

- d) the potential adverse impacts of the proposal are so unacceptable that it should be modified or abandoned.

NIRB Assessment and Decision

After a thorough assessment of all material provided to the Board (please see Appendix A), the decision of the Board as per section 12.4.4 of the NLCA is:

12.4.4 (a): the proposal may be processed without a review under Part 5 or 6; NIRB may recommend specific terms and conditions to be attached to any approval, reflecting the primary objectives set out in Section 12.2.5

The Board's decision was made based on specific considerations that reflect the primary objectives of the Land Claims Agreement and includes the following:

1. The Proponent will require a NWB licence for their project activities, and this licence will address many issues related to the water use and waste disposal. This Screening Decision will be forwarded to the NWB and they may incorporate some of NIRB's conditions in to the forthcoming license.
2. The INAC Land Use Permit to be issued typically addresses many mitigation measures designed to reduce environmental impact.
3. The KIA has the authority to issue conditions designed to mitigate environmental impacts.
4. The potential for significant adverse ecosystemic or socio-economic impacts from this project is minimal.

Recommendations and Recommended Conditions

Following review of all the material provided to the Board regarding this project proposal, the Nunavut Impact Review Board is making the recommendation that the following or similar project-specific terms and conditions be imposed upon the Proponent through all relevant legislation:

1. Strongbow Exploration Inc. (the Proponent) shall operate the project in accordance with all commitments and mitigation measures stated in all correspondence and documents to the NIRB, INAC, and KIA.
2. The Proponent must obtain a licence from the Nunavut Water Board (NWB) prior to commencement of activities.
3. The Proponent shall maintain a copy of this Screening Decision at the site of operation at all times.
4. The Proponent shall forward copies of all authorizations obtained for this project to NIRB prior to the commencement of the project.
5. The Proponent shall operate the site in accordance with all applicable Acts, Regulations and Guidelines.

6. The Proponent shall submit a comprehensive annual report with copies provided to the NIRB, INAC, the KIA, Environment Canada and GN-DOE by January 31st of each year following the calendar year reported. Annual reports must be provided until the project has been completed. The report must contain, but not be limited to, the following information:
 - a. A summary of activities undertaken for the year, including any progressive reclamation work undertaken, and a work plan for the following year –site photos should be provided where relevant;
 - b. A summary of how the Proponent has complied with NIRB conditions contained within the Screening Decision, and the conditions associated with all authorizations for the project proposal;
 - c. Wildlife monitoring observations, including:
 - i. description of any wildlife encounters and actions/mitigation taken
 - ii. maps of location of any sensitive wildlife sites
 - iii. timing of critical life history events
 - iv. potential impacts from the project
 - d. The results of environmental studies undertaken and plans for future studies;
 - e. A summary of local hires and initiatives;
 - f. A summary of community consultations undertaken and follow-up actions required to resolve any concerns expressed about the project proposal (if relevant);
 - g. A summary of site-visits by Land Use inspectors with results and follow-up actions;
 - h. A summary of site-visits with community members (if conducted); and
 - i. Efforts made to achieve compliance with the *Canadian Wide Standards for Dioxins and Furans*, and the *Canadian Wide Standards for Mercury*.
7. On or before May 30, 2007, the Proponent shall submit a revised Spill Contingency Plan to NIRB, INAC, KIA EC, and GN-DOE, whereby the Proponent must:
 - a. Provide a detailed disposal methods and disposal instructions plan for spilled and/or contaminated materials;
 - b. Provide a 24-hour point of contact for the persons responsible for activating the contingency plan;
 - c. Provide a central location for Material Safety Data Sheets (MSDS); and,
 - d. Update Northwest Territories-Nunavut spill report form.
8. During the period of May 15th to July 15th, if caribou are observed calving in the project area, the Proponent must suspend all project activity (i.e. blasting, low-altitude flights, use of ATV's and snowmobiles, and the movement of equipment) until the caribou and calves have moved one (1) kilometre (km) away from project area. Furthermore, if caribou are observed within 1 km of the project area, prior to May 15th or after July 15th, then drilling activities will be suspended until caribou leave the area.
9. The Proponent shall cease activities such as airborne geophysics surveys or movement of equipment that may interfere with caribou migration.
10. The Proponent must ensure that all aircraft maintain a flight altitude of at least 610 metres (m) during horizontal (point to point) flights at all times, particularly in bird nesting areas and when

there are observed groups of caribou, and maintain a vertical distance of 1000 m and minimum horizontal of 1500 m from any observed concentrations of birds.

11. The Proponent shall ensure that there is no damage to wildlife habitat in conducting this operation. Deliberate feeding of any wildlife is absolutely prohibited. The Proponent shall ensure that there is not hunting or fishing, unless proper Nunavut authorizations have been acquired.
12. The Proponent shall comply with *Transportation of Dangerous Goods Regulations*, the *Environmental Protection Act*, and the Part 3.6 of the *Guideline for the General Management of Hazardous Waste in Nunavut* when handling, storing, and managing hazardous wastes, fuel and contaminated material. A waste manifest must accompany all movements of hazardous waste. The Proponent must register with GN-DOE by contacting Robert Eno at 867-975-7748 or reno@gov.nu.ca.
13. The Proponent shall be advised that calcium chloride (CaCl) is listed as a toxic substance under the *Canadian Environmental Protection Act* and the Proponent shall ensure that if CaCl is used as a drill additive; all sumps containing CaCl are properly constructed and located to ensure that the contents will not enter any water body.
14. The Proponent shall ensure that disposal of combustible wastes comply with the *Canada-wide Standards for Dioxins and Furans* and the *Canada-wide Standard for Mercury*. Efforts made to achieve compliance shall be reported to the NIRB as part of the annual report.
15. The Proponent shall incinerate all combustible wastes daily, and remove the ash from incineration activities and non-combustible wastes from the project site to an approved facility for disposal.
16. The Proponent shall consult with community residents of the Kitikmeot region, conduct regular information meetings to ensure that residents are kept aware of the activities and progress of the project and its phases.
17. The Proponent shall confirm to EC's, INAC's, KIA's and GN-DOE's satisfaction that the entire site has been reclaimed, as much as possible, to its previous condition during the abandonment and restoration stage of the project. Depending on the results of confirmation sampling, the need for post closure monitoring will be re-evaluated.

OTHER NIRB CONCERNS AND RECOMMENDATIONS

In addition to the project specific conditions, the Board is recommending the following:

Indian and Northern Affairs Canada

1. Indian and Northern Affairs Canada (INAC) impose mitigation measures, conditions and monitoring requirements pursuant to the Federal Land Use Permit, which require the Proponent to respect the sensitivities and importance of the area. These mitigation measures, conditions and monitoring requirements should be in regard to the location and area; type, location, capacity and operation of facilities; use, storage, handling and disposal of chemical or toxic material; wildlife and fisheries habitat; and petroleum fuel storage.
2. INAC should consider the importance of conducting regular Land Use Inspections, pursuant to the authority of the Federal Land Use Permit, while the project is in operation. The Land Use Inspections should be focused on ensuring the Proponent is in compliance with the conditions imposed through the Federal Land Use Permit.

Kitikmeot Inuit Association

1. The Kitikmeot Inuit Association (KIA) impose strict mitigation measures and/or conditions upon the Proponent pursuant to the Inuit Owned Lands License in regard to fuel and chemical storage, drilling, water conditions, ground disturbance and wildlife on Inuit owned land.

The Proponent

The Proponent will be advised that the following legislation may apply to the project:

1. The Proponent shall ensure compliance with Section 36(3) of the *Fisheries Act* (<http://laws.justice.gc.ca/en/showtdm/cs/F-14//en>) which states that no person shall deposit or permit the deposit of a deleterious substance in any type in water frequented by fish or in any place under any conditions where the deleterious substance may enter such a water body.
2. The Proponent shall ensure compliance with the *Migratory Birds Convention Act* (<http://laws.justice.gc.ca/en/showtdm/cs/M-7.01>) which states that no person disturb or destroy the nests or eggs of migratory birds. If nests containing eggs or young are encountered, the Proponent shall avoid these areas until nesting is complete and the young have left the nest.
3. The Proponent shall ensure compliance with the *Species at Risk Act* (<http://laws.justice.gc.ca/en/showtdm/cs/S-15.3>). Attached in **Appendix B** is a list of Species at Risk in Nunavut. The Proponent should consult the Species at Risk Public Registry (<http://www.sararegistry.gc.ca/>) to identify any Species at Risk within the project location. Further, the Proponent shall develop monitoring plans for each relevant Species at Risk in accordance with any applicable status reports, recovery strategies, action plans, and management plans posted on the Species at Risk Public Registry and in consultation with the Government Organization with Primary Management Responsibility. Monitoring plans should record the locations and frequency of observing species of special concern and note any actions taken to avoid contact or cause disturbance to the species, its residence, or its critical habitat.
4. The Proponent shall ensure compliance with the *Nunavut Act* (<http://laws.justice.gc.ca/en/showtdm/cs/N-28.6>) which requires that no person alter or disturb any palaeontological site in Nunavut unless permission is first granted through the permitting process. If any archaeological or palaeontological sites are found they should remain undisturbed and their location should be reported to the Government of Nunavut Department of Culture, Language, Elders and Youth. The Proponent must comply with the proposed terms and conditions listed in the attached **Appendix C**.

Validity of Land Claims Agreement

Section 2.12.2

Where there is any inconsistency or conflict between any federal, territorial and local government laws, and the Agreement, the Agreement shall prevail to the extent of the inconsistency or conflict.

Dated May 9, 2007 at Sanikiluaq, NU.

A handwritten signature in black ink, appearing to read 'Lucassie Arragutainaq', written on a light blue background.

Lucassie Arragutainaq, Acting Chairperson

APPENDIX A – FILE HISTORY

On March 27, 2007 the Nunavut Impact Review Board (NIRB or Board) received Strongbow Exploration's (Strongbow) Silvertip Campsite and Mining Exploration project proposal from Indian and Northern Affairs Canada (INAC) and the Kitikmeot Inuit Association (KIA).

On April 16, 2007, NIRB commenced the Notice of Part 4 Screening for the mining exploration project proposal.

The application was distributed to Kitikmeot HTO, Bathurst Inlet Port and Road Committee, World Wildlife Fund and to interested Federal and Territorial Agencies. NIRB requested that Parties provide comments by May 8, 2007 regarding:

- Whether the project proposal is likely to arouse significant public concern; and if so, why;
- Whether the project proposal is likely to cause significant adverse eco-systemic and socio-economic effects; and if so, why;
- Whether the project is of a type where the potential adverse effects are highly predictable and mitigable with known technology, (please provide any recommended mitigation measures); and
- Any matter of importance to the Party related to the project proposal.

On April 19, 2007, NIRB advised Parties that the May 8, 2007 comment date had been revised to April 30, 2007.

On or before April 30, 2007, NIRB received comments from the following interested Parties:

- Environment Canada
- The Government of Nunavut Department of Environment

PROJECT ACTIVITIES

The proposed exploration program for the 2007 season will be conducted over approximately 12 to 16 weeks through the months of June to September. The project is located in the Kitikmeot Region, located 257 km south of Bathurst Inlet and 460 km southeast of Kugluktuk

The project activities include:

- Exploration and drilling on land to test several targets with about 8 to 10 drill holes - approximately 2000 metres.
- Geochemical soil sampling
- Ground geophysical surveys conducted on foot and supported by helicopter
- Geological mapping and prospecting, sampling and stacking
- Mobilization/demobilization of equipment, materials and personnel
- Set up of temporary camping facilities for 10 to 12 people
- Consumption of water and generation of wastes
- Incineration of garbage
- Daily transportation of crew via helicopter to and from camp
- Fuel storage including diesel, gasoline, and aviation fuel
- Chemical storage including Poly-drill fluids and calcium chloride

REGULATORY REQUIREMENTS

The Proponent has applied to the Nunavut Water Board (NWB) for a water license. This license has not been issued as yet. The NWB water license typically includes conditions related to the use of water and the deposition of wastes. The NWB will be forwarded a copy of the Board's Screening Decision.

The Proponent has applied for an Inuit Land Use License III and Water Use Licence III with the Kitikmeot Inuit Association (KIA). The licence typically includes conditions related to fuel and chemical storage, drilling, water conditions, ground disturbance and wildlife on Inuit owned land.

The Proponent has applied for the Class A Land Use Permit from Indian and Northern Affairs Canada (INAC). The licence typically includes conditions related to type, location, capacity and operation of facilities; storage, handling and disposal of chemical or toxic material; wildlife and fisheries habitat, petroleum fuel storage.

The following acts, regulations and guidelines apply to the project proposal:

- NWB - Water Licensing in Nunavut - Interim Procedures and Information Guide for Applicants
- NWB - Interim Rules of Practice and Procedure for Public Hearings
- NWTWB - Guidelines for the Discharge of Treated Municipal Wastewater in the NWT
- NWTWB - Guidelines for Contingency Planning
- DFO - Freshwater Intake End of Pipe Fish Screen Guideline
- Fisheries Act - s.35, 36
- RWED - Environment Protection- Spill Contingency Regulations
- Canadian Drinking Water Quality Guidelines
- Public Health Act Camp Sanitation Regulations
- Public Health Act Water Supply Regulations
- Territorial Land Use Act and Regulations
- Canada Mining Regulations

COMMENTS AND CONCERNS

The following is a *summary* of the main concerns:

- potential impacts to water quality and to waterbodies from land based drilling
- fuel and chemical storage
- spill containment management
- hazardous waste storage, disposal and transportation
- waste tracking or waste manifesting
- potential for soil contamination from fuel storage and proper disposal
- use of drill mud/polymer and calcium chloride (CaCl) as a drill additives and proper disposal in sumps
- potential for impacts to air quality related to incineration of wastes
- lack of information in the Spill Contingency Plan, such as appropriate disposal methods for contaminated materials
- lack of information in the Waste Management Plan
- potential impacts on migratory birds
- potential impacts to species at risk

- potential impacts to caribou from drilling, geophysical surveys, unavoidable low-level flights, and aircraft activities
- potential impacts to caribou during calving season and migration
- potential human-wildlife encounters resulting in injury or death to either
- potential impacts to wildlife

EC recommends several conditions that the Proponents should abide by throughout all stages of the project. GN-DOE believes the project will not result in significant adverse effects on the environment although the potential for negative environmental impacts do exist.

PROPONENT COMMITMENTS

In correspondence, Strongbow has committed to a number of operational procedures, as outlined in Strongbow's submissions to NIRB, namely:

1. Indian and Northern Affairs Canada Application for a Land Use Permit, Class A.
2. Kitikmeot Inuit Association Application for a Land Use Licence III.
3. Project Specific Requirements, Part 2 Form
4. Spill Contingency Plan
5. Abandonment and Restoration Plan

APPENDIX B SPECIES AT RISK IN NUNAVUT

This list includes species listed on one of the Schedules of SARA (*Species at Risk Act*) and under consideration for listing on Schedule 1 of SARA. These species have been designated as at risk by COSEWIC (Committee on the Status of Endangered Wildlife in Canada). This list may not include all species identified as at risk by the Territorial Government.

- Schedule 1 is the official legal list of Species at Risk for SARA. SARA applies to all species on Schedule 1. The term “listed” species refers to species on Schedule 1.
- Schedule 2 and 3 of SARA identify species that were designated at risk by the COSEWIC prior to October 1999 and must be reassessed using revised criteria before they can be considered for addition to Schedule 1.
- Some species identified at risk by COSEWIC are “pending” addition to Schedule 1 of SARA. These species are under consideration for addition to Schedule 1, subject to further consultation or assessment.

Schedules of SARA are amended on a regular basis so it is important to periodically check the SARA registry (www.sararegistry.gc.ca) to get the current status of a species.

Updated: October 17, 2006

Species at Risk	Category of Concern	Schedule of SARA	Government Organization with Primary Management Responsibility ¹
Peregrine Falcon (subspecies tundrius)	Special Concern	Schedule 3	Government of Nunavut
Short-eared Owl	Special Concern	Schedule 3	Government of Nunavut
Grizzly Bear	Special Concern	Pending	Government of Nunavut
Wolverine (Western Population)	Special Concern	Pending	Government of Nunavut

¹ Environment Canada is the competent Minister under SARA for terrestrial species and as such, has a national role in the conservation and recovery of these species in Canada. However, day to day management of terrestrial species except migratory birds is primarily under the responsibility of the Territorial Government. Populations that exist in National Parks are also managed under the authority of the Parks Canada Agency.

APPENDIX C
Archaeological and Palaeontological Resources Terms and Conditions for Land Use Permit Holders



BACKGROUND: Archaeology

As stated in Article 33 of the Nunavut Land Claims Agreement:

The archaeological record of the Inuit of Nunavut is a record of Inuit use and occupancy of lands and resources through time. The evidence associated with their use and occupancy represents a cultural, historical and ethnographic heritage of Inuit society and, as such, Government recognizes that Inuit have a special relationship with such evidence, which shall be expressed in terms of special rights and responsibilities. [33.2.1]

The archaeological record of Nunavut is of spiritual, cultural, religious and educational importance to Inuit. Accordingly, the identification, protection and conservation of archaeological sites and specimens and the interpretation of the archaeological record is of primary importance to Inuit and their involvement is both desirable and necessary. [33.2.2]

In recognition of the cultural, spiritual and religious importance of certain areas in Nunavut to Inuit, Inuit have special rights and interests in these areas as defined by Article 33 of the Nunavut Land Claims Agreement. [33.2.5]

BACKGROUND: Palaeontology

Under the Nunavut Act¹, the federal Government can make regulations for the protection, care and preservation of palaeontological sites and specimens in Nunavut. Under the *Nunavut Archaeological and Palaeontological Sites Regulations*², it is illegal to alter or disturb any palaeontological site in Nunavut unless permission is first granted through the permitting process.

Definitions

¹ s. 51(1)

² P.C. 2001-1111 14 June, 2001

As defined in the *Nunavut Archaeological and Palaeontological Sites Regulations*, the following definitions apply:

“archaeological site” means a place where an archaeological artifact is found.

“archaeological artifact” means any tangible evidence of human activity that is more than 50 years old and in respect of which an unbroken chain of possession or regular pattern of usage cannot be demonstrated, and includes a Denesuline archaeological specimen referred to in section 40.4.9 of the Nunavut Land Claims Agreement.

“palaeontological site” means a site where a fossil is found.

“fossil” includes:

- (a) natural casts
- (b) preserved tracks, coprolites and plant remains; and
- (c) the preserved shells and exoskeletons of invertebrates and the eggs, teeth and bones of vertebrates.

Terms and Conditions

- 1) The permittee shall not operate any vehicle over a known or suspected archaeological or palaeontological site.
- 2) The permittee shall not remove, disturb, or displace any archaeological artifact or site, or any fossil or palaeontological site.
- 3) The permittee shall immediately contact the Department of Culture, Language, Elders and Youth (867) 934-2046 or (867) 975-5500 or 1 (866) 934-2035 should an archaeological site or specimen, or a palaeontological site or fossil be encountered or disturbed by any land use activity.
- 4) The permittee shall immediately cease any activity that disturbs an archaeological or palaeontological site encountered during the course of a land use operation, until permitted to proceed with the authorization of the Department of Culture, Language, Elders and Youth, Government of Nunavut.
- 5) The permittee shall follow the direction of the Department of Culture, Language, Elders and Youth and DIAND in restoring disturbed archaeological or palaeontological sites to an acceptable condition.
- 6) The permittee shall provide all information requested by the Department of Culture, Language, Elders and Youth concerning all archaeological sites or artifacts and all palaeontological sites and fossils encountered in the course of any land use activity.
- 7) The permittee shall make best efforts to ensure that all persons working under authority of the permit are aware of these conditions concerning archaeological sites and artifacts, and palaeontological sites and fossils.
- 8) The permittee shall avoid the known archaeological and/or palaeontological sites listed in Attachment 1.

9) The permittee shall have an archaeologist or palaeontologist perform the following functions, as required by the Department of Culture, Language, Elders and Youth:

- a. survey
- b. inventory and documentation of the archaeological or palaeontological resources of the land use area
- c. assessment of potential for damage to archaeological or palaeontological sites
- d. mitigation
- e. marking boundaries of archaeological or palaeontological sites
- f. site restoration

The Department of Culture, Language, Elders and Youth shall authorize by way of a Nunavut Archaeologist Permit or a Nunavut Palaeontologist Permit, all procedures subsumed under the above operations.

