

NIRB File No.: 11EN040 KivIA File No.: KVL311C02 AANDC File No.: N2011C0023 NWB File No.: 2BE-SIP1114

April 16, 2012

Everett Makela Vale Exploration Canada Ltd. Highway 17 West Copper Cliff, ON P0M 1N0

Via email: Everett.Makela@vale.com

Re: Notice of Part 4 Screening for Vale Exploration Canada Ltd.'s "Southampton Island Nickel Exploration" project proposal

Dear Everett Makela:

On March 12, 2012 the Nunavut Impact Review Board (NIRB or Board) received an amendment application for Vale Exploration Canada Ltd.'s (Vale) "Southampton Island Nickel Exploration" project proposal from the Nunavut Water Board (NWB). On April 10, 2012 the NIRB received confirmation from the Nunavut Planning Commission that the previous July 13, 2011 conformity determination (Keewatin Regional Land Use Plan) continues to apply to the activities proposed in Vale's recent NWB amendment application.

Original Project:

Please be advised that the original project proposal (NIRB File No. 11EN040) was received by the NIRB from the Kivalliq Inuit Association (KIA) on July 5, 2011 and screened in accordance with Part 4, Article 12 of the Nunavut Land Claims Agreement (NLCA). On September 13, 2011 the NIRB issued the enclosed 12.4.4 (a) screening decision to the Minister of Aboriginal Affairs and Northern Development and the Interim President of the KIA, indicating the proposed project could proceed subject to NIRB's recommended project-specific terms and conditions. The NIRB's original screening considered activities as listed in Appendix A to this letter.

Current Amendment:

The current water licence application (NWB File No. 2BE-SIP1114) includes the following *additional* project activities:

- Update to location of proposed camp as well as operation extending into the winter;
- Camp personnel increased from approximately 10 people to approximately 20 people;
- Addition of winter drilling and on-ice drilling;

- Updated method of waste incineration from modified burn barrel to two-stage portable incinerator;
- Increase water usage rages rates from 16 cubic metres per day to 100 cubic metres per day for camp and drilling operations during the period of operation;
- Increase to amount of fuel stored on site from 19 drums of diesel to a maximum 100 drums of diesel fuel (total diesel on site of 20,500 litres) plus 100 drums of Jet B fuel (total Jet fuel on site of 20,500 litres) as well as 10 propane cylinders of 100 lbs. (pounds) each.

All documents received and pertaining to this project proposal can be obtained from the NIRB's ftp site at:

http://ftp.nirb.ca/01-SCREENINGS/COMPLETED% 20SCREENINGS/2011/11EN040-Vale% 20Exploration% 20Canada% 20Inc.-Southampton% 20Island% 20Project/including:

- *NWB Amendment Application and Referral for Screening,*
- Cover Letter from Proponent,
- Maps,
- Non technical Project Proposal summary in English and Inuktitut,
- *Updated Closure and Reclamation Plan,*
- Updated Spill Plan,
- Email from NPC re No Conformity Determination Required.

Pursuant to Part 4, Article 12 of the Nunavut Land Claims Agreement (NLCA), the NIRB shall proceed to screen this project proposal. The NIRB may request additional information at any time during the process. The NIRB will copy you on screening process related correspondence and upload related documents to the above ftp site for public access.

Be advised that the NIRB is copying parties and municipalities potentially affected by this project proposal. Interested parties are encouraged to comment directly to the NIRB by May 7, 2012.

The NIRB would like parties to provide comments regarding the *additional* activities listed as part of the **current amendment application**, and in doing so, to give consideration to the following:

- 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.

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

If you have any questions or concerns, feel free to contact me directly at 867-983-4611 or tarko@nirb.ca.

Sincerely,

Tara Arko

Technical Advisor

Nunavut Impact Review Board

cc: Distribution List

Sarah Gagne, Golder Associates

Danielle Leger, Vale Exploration Canada Ltd. Barrett Elliot, Vale Exploration Canada Ltd. Michelle Plouffe, Vale Exploration Canada Ltd.

Jeff Mercer, Aboriginal Affairs and Northern Development Canada Tracey McCaie, Aboriginal Affairs and Northern Development Canada

Luis Manzo, Kivalliq Inuit Association Phyllis Beaulieu, Nunavut Water Board

Attached: Appendix A: Previously Screened Project Activities

Enclosures (2): Comment Forms (English and Inuktitut)

NIRB Screening Decision Report, File No. 11EN040 (September 13, 2011)

APPENDIX A: PREVIOUSLY SCREENED PROJECT ACTIVITIES

As the following activities have been previously screened by the NIRB and were allowed to proceed pursuant to the Board's recommended terms and conditions contained in its September 13, 2011 Screening Decision Report, these are *not* being considered by the Board in its current assessment of the NWB amendment application:

- 2011 exploration activities:
 - On site for 2-3 weeks in the fall;
 - Conduct geophysical surveying;
 - o Potentially conduct exploration drilling using 1 diamond drill;
 - o Cache up to 19 drums of diesel fuel onsite;
 - Daily transport of crew by helicopter to and from Coral Harbour each day, with additional use of helicopter to move the drill rig as required;
 - o Crew accommodations in Coral Harbour;
 - o Waste oil shipped in sealed containers to Coral Harbour for disposal;
- 2012 exploration activities:
 - o Exploration using 1 diamond drill transported by helicopter;
 - o Potentially construct a temporary camp for seasonal use by approximately 10 people during the summer or fall;
 - Use of helicopter to move drill equipment, and Twin Otter or equivalent aircraft to deliver camp equipment;
 - Camp sewage contained using incinerating Pacto toilet or equivalent units, with the resulting ash and grey water deposited in a natural depression or sump at a minimum of 30 metres from the high water mark of any water body.