



Date: December 8, 1999

Dear Mr. Kudloo:

Authority:

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.

Primary Objectives:

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.

The decision of the Board in this case 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;

Reasons for Decision:

NIRB's decision is based on specific considerations that reflect the primary objectives of the Land Claims Agreement. Our considerations in making this decision included:

- the impact of drilling activities on the ecosystem;
- disposal of drill cuttings and waste water;
- impact to water quality, aquatic habitat and wildlife and fish populations from chemicals, drill waste, drill fluids and potential fuel spills;
- storage and disposal of chemicals, fuel, garbage, sewage, and gray water, and impact of these on the ecosystem;
- the impact of noise from drilling activities and their disturbance to wildlife and traditional users of area;
- the impact of campsite and equipment on terrain;
- the impact of exploration activities on archaeological sites or cultural landmarks in the area; and
- clean up/restoration of the campsite and drilling locations upon abandonment.

Terms and Conditions:

That the terms and conditions attached to this screening report will apply.

Drill Sites

1. The Licensee shall not conduct any land based drilling within thirty (30) metres of the normal high water mark of a water body.
2. The Licensee shall conduct any the lake-based winter drilling, in accordance with the Interim Guidelines for On-Ice drilling.
3. The Licensee shall ensure that all drill cuttings are removed from ice surfaces.
4. The Licensee shall not use drilling muds or additives in connection with drill holes unless they are recirculated or contained such that they do not enter the water, or are certified to be non-toxic.
5. The Licensee shall ensure that any drill cuttings and waste water that cannot be re-circulated be disposed of in a properly constructed sump or an appropriate natural depression that does not drain into a waterbody.
6. The Licensee shall ensure that drilling wastes do not enter any water body. The use of biodegradable, salt free drill additives is encouraged over non-biodegradable types.
7. The Licensee shall ensure that the sump/depression capacity is sufficient to accommodate the volume of wastewater and any fines that are produced so that there will be no additional impacts.
8. The Licensee shall not locate any sump within thirty (30) metres of the normal high water mark of any water body.

9. The Licensee shall ensure that disturbance of vegetation from deposit of drill fluids/cuttings is restricted to the area of the sump and the ground prepared for revegetation upon abandonment.
10. The Licensee shall not use mechanized clearing within 30 meters of the normal high water mark of a watercourse in order to maintain a vegetative mat for bank stabilization.
11. The Licensee shall, where flowing water from bore holes is encountered, plug the bore hole in such a manner as to permanently prevent any further outflow of water. The occurrence shall be reported to the Nunavut Water Board and Land Use Inspector within 48 hours.

Water

12. The Licensee shall ensure that all water intake hoses are equipped with a screen with an appropriate mesh size to ensure that there is no entrapment of fish.

Fuel and Chemical Storage

13. The Licensee shall ensure that fuel storage containers are not located within thirty-one (31) metres of the ordinary high water mark of any body of water.
14. The Licensee shall ensure that any chemicals, fuels or wastes associated with the project do not spread to the surrounding lands or enter into any water body.
15. The Licensee shall construct an impermeable dyke around each stationary fuel container or group of stationary fuel containers where one container has the capacity exceeding 4,000 litres.
16. The Licensee shall take all reasonable precautions to prevent the possibility of migration of spilled petroleum fuel or chemicals over the ground surface.
17. The Licensee shall have one extra fuel storage container on site equal to, or greater than, the size of the largest fuel container.
18. The Licensee shall examine all fuel and chemical storage containers daily for leaks. All leaks should be prepared immediately.
19. The Licensee shall seal all container outlets except the outlet currently in use.
20. The Licensee shall mark all fuel containers with the Licensee's name.
21. The Licensee shall dispose of all combustible waste petroleum products by incineration and removal from the site.
22. The Licensee shall have approved emergency response and spill contingency plans in place prior to the commencement of the operation.
23. The Licensee shall immediately report all spills of petroleum and hazardous chemicals to the twenty-four (24) hour spill report line at (867) 920-8130.

Waste Disposal

24. The Licensee shall not discharge or deposit any refuse substances or other waste materials in any body of water, or on the banks thereof, which will impair the quality of the waters of the natural environment.
25. The Licensee shall not locate any sumps or areas designated for waste disposal within thirty (30) metres of the ordinary high water mark of any body of water, and be sufficiently

bermed or otherwise contained to ensure that these substances do not enter a waterway unless otherwise authorized.

26. The Licensee, prior to the discharge of fluids from any sump, shall carry out an analysis of the fluid in a manner prescribed by the NWB.
27. The Licensee shall treat greywater and sewage according to the terms and conditions outlined in the NWB approval.
28. The Licensee shall backfill and recontours all sumps to match the natural environment prior to the expiry date of the license.
29. The Licensee shall incinerate all combustible and food wastes daily. The Licensee shall use as a minimum incineration method a 45-gallon drum modified to form a more efficient incinerator.
30. The Licensee shall keep all garbage and debris in a covered metal container until disposed of.
31. The Licensee shall ensure that all wastes generated through the course of the operation are backhauled and disposed of in an approved dumpsite.
32. The Licensee shall deposit all scrap metal, discarded machinery and parts, barrels and kegs, at an approved disposal site.

Wildlife

33. The Licensee shall ensure that there is no damage to wildlife habitat in conducting this operation.
34. The Licensee shall not feed wildlife.
35. The Licensee use the latest bear detection and deterrent techniques to minimize man-bear interactions and shall report any Man-Bear Interactions to the nearest Renewable Resource Officer or contact (867) 873-7181.
36. The Licensee shall ensure that the drill sites avoid known environmentally sensitive areas (denning, nesting etc.) by a minimum of 250 metres.
37. The Licensee shall not locate any operation so as to block or cause substantial diversion to migration of caribou.
38. The Licensee shall cease activities that may interfere with migration or calving, such as airborne geophysics surveys or movement of equipment, drilling activities until the caribou and their calves have vacated the area.
39. The Licensee shall not conduct any activity associated with the land use operation during critical periods of wildlife cycles (e.g. caribou migration, calving, fish spawning or raptor nesting).
40. That the Licensee shall ensure that there is no hunting by employees of the company or any contractors hired.
41. That the Licensee remove any carcasses along the roadway to prevent attraction by scavengers, preventing further road kills.
42. The Licensee shall ensure that aircraft pilots adhere to recommended flight altitudes of greater than 300 m above ground level as to not disturb wildlife. Raptor nesting sites and concentrations of nesting or molting waterfowl should be avoided by aircraft at all times.
43. The Licensee shall ensure compliance with Section 36 of the Fisheries Act which requires that no person shall deposit or permit the deposit of a deleterious substance on any type in

water frequented by fish or in any place under any conditions where the deleterious substance may enter such a water body.

44. The harmful alteration, disruption or destruction of fish habitat is prohibited under Section 35 of the Fisheries Act. No construction or disturbance of any stream/lake bed or banks of any definable watercourse is permitted unless authorized by DFO.
45. The Licensee shall not detonate explosives within fifteen (15) metres of any body of water which is not completely frozen to the bottom.

Environmental

46. The Licensee shall ensure that the land use area is kept clean and tidy at all times.
47. The Licensee shall prepare the site in such a manner as to prevent rutting of the ground surface.
48. The Licensee shall not do anything that will cause erosion of the banks of any body of water on or adjacent to the land and shall provide necessary controls to prevent such erosion.
49. The Licensee shall minimize approach grades in the construction of any winter stream/lake crossings to access drill sites. The use of material other than ice or snow to construct a temporary crossing over any ice-covered stream is prohibited under section 11 of the Northwest Territories Fishery Regulations, unless authorized by a Fishery Officer. All temporary crossings shall be removed prior to spring breakup in a manner and to the satisfaction of a Fishery Officer.
50. The Licensee shall prior to the selection of stream/lake crossing locations, provide details of the fish habitat in the area of the proposed crossings and outline the methods that will be employed to mitigate any adverse effects on this habitat or areas downstream, and include a construction schedule.
51. The Licensee shall be required to undertake any corrective measures in the event of any damage to the land or water as a result of the Licensee's operation.
52. The Licensee shall not remove any material from below the ordinary high water mark of any waterbody.
53. The Licensee shall slope the sides of excavations and embankments except in solid rock to 2:1 (two horizontal to one vertical) unless otherwise approved in writing by a land use inspector.
54. The Licensee shall adopt such measures as required to control erosion by surface disturbance.
55. The Licensee shall ensure that a minimum undisturbed buffer zone of at least one hundred (100) metres in width between the proposed quarry operation and any public roads or navigable waterways.
56. The Licensee may only excavate and stockpiles in areas designated
57. The Licensee shall not move any equipment or vehicles unless the ground surface is in a state capable of fully supporting the equipment or vehicles without rutting or gouging.
58. The Licensee shall suspend overland travel of equipment or vehicles if rutting occurs.

Structure & Storage Facilities

- 59. The Licensee shall not erect structures or store material on the surface ice of lakes or streams.
- 60. The Licensee shall locate all structures and storage facilities on gravel, sand or other durable land.
- 61. The Licensee shall use existing housing and operational facilities.
- 62. The Licensee shall ensure that non-acid generating materials are used for the construction of roads and ore pads. It is recommended that a summary of all testing be compiled, and a plan provided for preliminary testing of rock used in lay-downs, roads, etc. for acid generation potential.
- 63. The Licensee shall complete leachate and acid generation tests on ore and waste rock in a manner approved by the NWB. All test results shall be submitted to NIRB.

Archaeological Sites

- 64. The Licensee shall follow all terms and conditions for the protection and restoration of archaeological resources as outlined by the Prince of Wales Northern Heritage Centre (PWNHC) in attached letter.
- 65. The Licensee shall contact the Arctic Archaeologist at the Prince of Wales Northern Heritage Centre (867-873-7551) should an archaeological or historical site be disturbed by any land use activity or support activity. The Licensee shall proceed on the stipulation/advice of the Archaeology Programme.

Reclamation

- 66. The Licensee shall remove all scrap metal, discarded machinery and parts, barrels and kegs, buildings and building material upon abandonment.
- 67. The Licensee shall complete all clean-up and restoration of the lands used prior to the expiry date of the permit.
- 68. The Licensee shall undertake ongoing restoration for any land or improvements which are no longer required for the Licensee's operation on the land.
- 69. The Licensee shall plug or cap all bore holes and cut off any drill casings that remain above ground to ground level upon abandonment of the operation.

Monitoring

- 70. The Licensee shall monitor the impacts to wildlife by maintaining a log of wildlife observed (species, number, date, time, location observed) and their behavior (i.e. avoidance, segregation, disturbance/stress, alteration of migration patterns or movements by wildlife).
- 71. The Licensee shall submit to the NWB and NIRB a summary report of activities undertaken and any abandonment and restoration of the site.

Other Recommendations

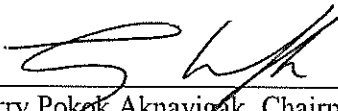
1. NIRB would like to encourage the proponent to hire local people and services, to the extent possible.
2. NIRB advises proponents to consult with local residents regarding their activities in the region. It has been a long time since Ulu has given a presentation in the communities.
3. Any amendment requests deemed by NIRB to be outside the original scope of the project will be considered a new project.
4. The Environmental Protection Branch (DOE), Department of Fisheries and Oceans (DFO), Nunavut Impact Review Board (NIRB), and the Nunavut Water Board (NWB) should be advised of any material changes to plans or operating conditions associated with the project.

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 Dec. 08/99 at Cambridge Bay, NT



Larry Pokok Aknavigak, Chairperson