

the **BATHURST INLET**
PORT AND ROAD PROJECT

May 13, 2003



Ms. Stephanie Briscoe
Executive Director
Nunavut Impact Review Board
PO Box 2379
Cambridge Bay, Nunavut
X0B 0C0

Dear Ms. Briscoe:

RE: BATHURST INLET PORT AND ROAD PROJECT

Further to our letter to you of April 30, 2003, we are now pleased to enclose herewith the revised Project Description, as requested both by your Board and by the Minister of Indian and Northern Affairs Canada. An electronic version will be shipped to you within a few days.

The Project entails construction of a port on Bathurst Inlet connected to the mines and mineral deposits in Nunavut and Northwest Territories by a new 211 km all-weather road to Contwoyto Lake, and the existing "Tibbitt to Contwoyto" winter road. The Project will also provide a barge transportation link between the port on Bathurst Inlet and the Kitikmeot communities.

The Project proponents are the Kitikmeot Corporation and Nuna Logistics Limited, both Inuit owned companies, who have formed a Joint Venture Corporation to build and operate the Project. Kitikmeot Corporation is wholly owned by the Kitikmeot Inuit Association, a Designated Inuit Organization as defined in the Nunavut Land Claims Agreement (NLCA).

This Project Description has also been submitted to the Kitikmeot Inuit Association and the Department of Indian and Northern Affairs, as the landowners in the Project area, and the Nunavut Water Board for an environmental review under the Nunavut Land Claims Agreement, Article 12 Part 5. The Project lies entirely within Nunavut and so we expect that it will be examined by the Nunavut Impact Review Board (NIRB) in the manner set out in the NLCA.

In April 2002, the Proponent submitted a Project Description for a Project with a larger scope. This larger Project included, in addition to the foregoing, an all-weather road from the existing Lupin gold mine to the Izok base metal deposit and a summer barge and winter ice road across Contwoyto Lake, connecting the Bathurst-Contwoyto road with the proposed Lupin-Izok road. The former Project also included a larger camp and larger fuel tank farm at the Bathurst Inlet Port Site.

The Nunavut Impact Review Board (NIRB) sent the Project to the Minister of Indian and Northern Affairs, Canada (INAC) on July 8, 2002 for a decision on the review process (Part 5 or Part 6) as required by the NLCA. On November 27, 2002 the Proponent notified NIRB and INAC that the Izok Project had been put on hold, due to low base metal prices. As a result, the

Proponent reduced the Project scope to that described in this submission. This scope change recognizes the fact that, while metal concentrates from Izok will one day become an important source of revenue for the Project, the capital expense of construction of the Lupin to Izok road should be delayed until the road and related facilities are required

The estimated capital construction cost of the Project is \$164 million. The Project will be financed and developed as a Public Private Partnership (P3), where the cost and risks of the Project can be shared between the public and private sectors. The Project is technically practical, economically sustainable and viable under a P3 arrangement. While the economic effects of the Project in the Kitikmeot Region are reduced, they are still very substantial.

In our view, this reduction in scope supports the position which we have expressed to you in our letter of April 30, 2003, which is that the appropriate level of review is a Part 5 review before your Board. Our reasoning is that the revised Project Description is more Nunavut focused. While there are still cross-border considerations, those that remain are within the mandate of NIRB to review. The concerns expressed by the Minister associated with shipping, which were covered in our letter of April 30, should be much reduced now that the shipment of concentrates is no longer part of the Project. The re-supply of Arctic communities with barges, as is proposed in this project, is nothing new. With respect to the two remaining transborder considerations, migrating caribou and the economic impact of the change and direction of re-supply routes to Northern Canada, these are matters well within the capacity of your Board to assess.

For the foregoing reasons, as well as those previously enunciated in our letter to you of April 30, 2003, we would ask that, in the re-screening of the revised Project Description, serious consideration be given to recommending a Part 5 review.

Yours truly,

the **BATHURST INLET PORT AND ROAD PROJECT JOINT VENTURE LTD.**



 Charlie Lyall,
Chairman



 Mervyn Hempenstall
President

cc: J. Kaniak, KIA
C. McLean, INAC
J. DeGroot, DFO
T. Kudloo, NWB