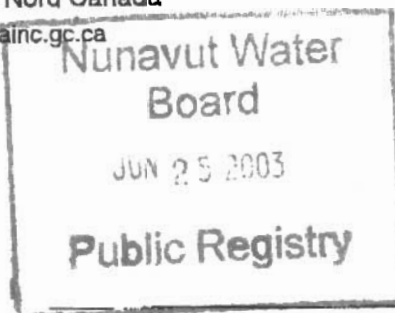




Indian and Northern  
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Land Administration  
P.O. Box 100  
Iqaluit, NU X0A 0H0  
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Your file - Votre référence

Our file - Notre référence

June 24, 2003

Nunavut Impact Review Board  
P.O. Box 2379  
Cambridge Bay, NU X0E 0C0

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360-6369	975-4286		

Dear Ms. Copland:

**Re: Application for Federal Crown Land Numbers:**

76J/12-2	76J/12-5
76J/12-3	76J/12-6
76J/12-4	76E/8-7

Pursuant to Article 12.3.5 of the Nunavut Land Claim Agreement, I am forwarding the above Land Applications for screening purposes.

All future correspondence produced by your office should be copied to this office and should also refer to the above application numbers.

It is in our opinion that the applications submitted by the Bathurst Inlet Port and Road Joint Venture Ltd contain sufficient information to proceed to screening. Areas of concern from a land use perspective surround the use of quarries detailed in the project description. As stated in Section 2.4 of the project description a total of 19 pits and quarries would be required on crown land, while the accompanying drawings detailed 27. The project description also lacks the individual volume and footprint size of each quarry. It is recognized that these discrepancies will need to be addressed as the project moves forward through the environmental assessment stage.

Please keep us informed of NIRB's decision on further developments regarding the screening of these applications.

Yours truly,

Spencer Dewar  
Lands Administrator Specialist  
Land Administration

cc: RMO, NWB, DFO, EC, Proponent

Canada

## EXECUTIVE SUMMARY

### Bathurst Inlet Port and Road Project Description

This Project Description describes the construction and operation of the Project and the interactions of the Project with the environment.

The Project consists of a port on Bathurst Inlet connected to the Izok mineral deposit by a 211 km all weather road to Contwoyto Lake, the existing winter ice road and a summer barge system to Lupin Mine, and a 79 km all weather road from Lupin to Izok.

The Project lies entirely within the Kitikmeot region of Nunavut. This Project Description is submitted to the Kitikmeot Inuit Association and the Department of Indian and Northern Affairs, as the landowners in the Project area, for an environmental review under the Nunavut Land Claims Agreement, Article 12 Part 5.

The Project proponents are the Kitikmeot Corporation and Nuna Logistics Limited, both Inuit owned companies, who will form a Joint Venture corporation to build and operate the Project. As a shareholder in Nuna Logistics, the Kitikmeot Corporation will own 62.75% of the Project.

### Project Construction

The Project requires the use of Federal Crown Lands and Inuit Owned Lands. The port is located on Crown Land and requires 150 hectares of space and 700,000 cubic meters of quarried materials for construction. The port site will include:

- a wharf to serve 50,000 tonne ice class vessels delivering fuel and bulk cargo and shipping out base metal concentrates from Izok;
- a dock to handle barges serving the Kitikmeot communities of Kugluktuk, Bathurst Inlet, Cambridge Bay, Umingmaktok, Gjoa Haven and Taloyoak;
- a 200 person camp and services;
- a 220 million litre diesel fuel tank farm;
- a truck and trailer maintenance shop;
- a 1,200 meter airstrip.

Port construction will begin in September 2004 and be completed on September 2006.

The 290 km all-weather road passes over 148 km of Inuit Owned Land and 140 km of Crown Land. Road construction materials will be obtained from quarries adjacent to the roadway. Fifty-one quarries are proposed, 29 on Inuit Owned Land and 22 on Crown Land.

Road construction will occur in three phases; at the port it will begin in October 2004 and work toward Contwoyto Lake, at Contwoyto Lake it will begin in February 2005 and work toward the port. Lupin to Izok road construction will begin in February 2006 from Lupin and work toward the Izok Project. Road construction will be complete in October 2006.

Two barge terminals will be constructed on Contwoyto Lake. The terminal at kilometer 211 on the southeast shore of the lake will include a 20 person camp, a small maintenance shop and a truck parking area. The other terminal will be located at Lupin Mine on the northwest shore of the lake.

**Project Operations**

The Project's annual operating schedule will reflect the seasons of the arctic environment. Marine shipping will be completed between mid-July and late October. In the period, from six to ten round trips by 50,000 tonne ships will bring in approximately 225,000 tonnes of fuel and supplies for operating mines served by the Project and remove 300,000 to 470,000 tonnes of lead/zinc/copper concentrate from the Izok Project. Ice breaker support may be required as with other arctic projects, however, this shipping schedule can be accomplished without ice breaking to extend the normal open water season. Marine operations will also supply diesel fuel and general cargo to the Kitikmeot communities with three round trips by tug and barge from the port during the summer shipping season.

Road operations will also follow the arctic seasons. Winter road operations will run from January through April and connect with the existing Lupin winter road from Yellowknife to haul 185,000 tonnes of fuel and supplies to Ekati and Diavik Diamond Mines in the NWT. Accommodation and meals for drivers will be provided by the camp at the port. Operating the barge on Contwoyto Lake will permit hauling to Lupin and Izok in winter and summer. Fuel and supplies from the port to Lupin and Izok combined are 45,000 tonnes per year. The concentrate from Izok will range from 300,000-470,000 tonnes per year in the first ten years of Project operations. Summer barge operations will occur for 90 days in the mid-July to mid-October ice-free period. No hauling will occur during spring break-up from the end of April to mid-July and fall freeze-up from the end of October to January.

**Project Interactions with the Environment**

Project construction will require disturbance to approximately 670 hectares of terrestrial habitat, 2.3 hectares of marine habitat at the port, and 0.3 hectares of lake bottom in Contwoyto Lake for summer barge terminals. The road will cross 119 streambeds; 82 are intermittent streams (with no fish) that will be crossed with arched culverts or single span bridges that will not affect the normal stream channel. Support for the bridges will encroach into the stream channel at only three crossings. The effect of road construction on fish habitat will be negligible. On the land, animals will always have the right of way over traffic on the road. The most common animal in the Project area is caribou of the Bathurst caribou herd. During spring migration almost all of the animals in the herd could move through the Project area. No heavy hauling will be done in May and June so there will not be any significant interaction between traffic on the road and caribou during spring migration. The number of caribou along the road will be much less during the summer and winter hauling seasons. If hauling encounters periods of heavy caribou migration, hauling will be suspended until the migration has passed. Hunting by Project workers along the road or at the port will not be permitted. Recreational fishing by workers will be governed by the terms of the West Kitikmeot Land Use Plan.

The Project will be built and will operate in safe and clean ways that protect the animals and environment. The Project will also develop effective plans to protect the environment and animals from the effects of accidents that might occur at the port and along the road.

**Economic Effects of the Project in the Kitikmeot Region**

Project construction will occur over a 26 month period and create 3,600 man-months of employment and a payroll of \$34.5 million. Project operations will create 800 man-months of employment every year (300 in summer and 500 in winter) and produce a payroll of approximately \$3.5 million. The services of contracted truck drivers will add an additional payroll of \$9 million per year. Much of the new employment opportunities can go to the workforce resident in the Kitikmeot Region; with aggressive training for the employment needs of the Project, most of the payroll money can stay in the region.

At current world fuel prices, the cost of fuel landed in Cambridge Bay from the port in Bathurst Inlet could be reduced by up to 35% of the 2002 price of fuel from Hay River. The cost of freight from the south by truck to the port on winter road and barge to Cambridge Bay would be competitive with freight costs via Hay River but the goods could arrive in the community three to five weeks earlier. The freight cost of the same goods shipped to Cambridge Bay from eastern Canada or Europe via the port would be less expensive by up to 70%.

These savings show the potential for the Project to reduce the cost of fuel and supplies for any commercial venture in the Kitikmeot communities, especially a mine in the Project area. It is expected that the Project will stimulate new mineral exploration and production in the Kitikmeot Region of Nunavut and so create many new employment and business opportunities for the residents and businesses of the region.