

NIRB File No.: 04EN022
AANDC File No.: N2010C0012
NWB File No.: 2BE-NAD0813
Previous QIA File No.: Q07L3C03

August 2, 2012

The Honourable John Duncan
Minister of Aboriginal Affairs and Northern Development
c/o Jeff Mercer, Manager Land Administration
Aboriginal Affairs and Northern Development Canada
P.O. Box 100
Iqaluit, NU X0A 0H0

Via email: Jeff.Mercer@aandc.gc.ca; landsmining@aandc.gc.ca

Re: Application Exempt from the Requirement for Screening pursuant to Section 12.4.3 of the NLCA: Commander Resources Ltd.'s "Baffin Gold" project, Qikiqtaaluk Region

Dear Jeff Mercer:

On April 25, 2012 the Nunavut Impact Review Board (NIRB or Board) received an application from Aboriginal Affairs and Northern Development Canada (AANDC) for an extension to the AANDC Land Use Permit (No. N2010C0012) associated with Commander Resources Ltd.'s (Commander; the Proponent) "Baffin Gold" project proposal. After conducting a preliminary completeness check on the application, the NIRB found that the application as submitted did **not** contain sufficient information to permit proper screening; therefore on May 10, 2012 the NIRB requested additional information from the Proponent, as well as any outstanding annual reports, be submitted by May 24, 2012. After requesting an extension on this initial deadline, the Proponent provided the requested information on May 30 and 31, 2012.

Please be advised that the original project proposal (NIRB File No.: 04EN022) for Land Use Permit No. N2004C0004 was received by the NIRB from Indian and Northern Affairs Canada (INAC; now AANDC) on March 15, 2004 and was screened by the Board in accordance with Part 4, Article 12 of the Nunavut Land Claims Agreement (NLCA). On April 1, 2004 the NIRB issued a NLCA 12.4.4(a) screening decision to the Minister of INAC which indicated that the proposed project could proceed subject to the NIRB's recommended project-specific terms and conditions.

Additional authorization and extension requests for the INAC Land Use Permit (No. N2004C0004) associated with this project have also been reviewed by the NIRB following

screening of the original project proposal. In each instance the NIRB confirmed that the applications were exempt from the requirement for further screening pursuant to Section 12.4.3 of the NLCA and the activities therein remained subject to the terms and conditions recommended in the original April 1, 2004 Screening Decision Report.

Authorization	Application			Correspondence Issued by NIRB
	Date Received by NIRB	Type	Reason for Application	
Land Use Permit N2004C0004	April 27, 2008	1-year Extension	Continue exploration	Exemption Letter May 1, 2008
Land Use Permit N2004C0004	March 11, 2009	1-year Extension	Continue exploration	Exemption Letter March 17, 2009

On March 25, 2010 the NIRB received an application for a new Land Use Permit (No. N2010C0012) which would replace the previously issued Land Use Permit No. N2004C0004 for the above mentioned project. After reviewing the INAC application as well as other project related materials received from the Proponent, the updated project proposal was screened by the Board in accordance with Part 4, Article 12 of the Nunavut Land Claims Agreement (NLCA). On April 30, 2010 the NIRB issued a NLCA 12.4.4(a) screening decision to the Minister of INAC which indicated that the proposed project could proceed subject to the NIRB's previously issued project-specific terms and conditions as well as *additional* terms and conditions.

The current AANDC application, the original NIRB Screening Decision Report (No. 04EN022) and related file information are available from the NIRB's ftp site at the following link: <http://ftp.nirb.ca/01-SCREENINGS/COMPLETED%20SCREENINGS/2004/04EN022-Commander%20Resources/>.

PREVIOUSLY-SCREENED PROJECT PROPOSAL:

As previously screened by the NIRB (File No. 04EN022), the "Baffin Gold" project was located on Baffin Island within the South Baffin region, approximately 250 kilometres southwest of the community of Clyde River. The gold exploration project began operations in April 2004 and involved ground geophysics, prospecting, rock sampling, geological mapping, and diamond drilling on both Crown and Inuit Owned Land (IOL).

The activities and components associated with the previously screened proposal included:

- Operation of an existing camp at Dewar Lake (previously established by BHP);
- Fuel storage;
- Solid waste and waste water disposals;
- Airstrip use at Fox 3 Dew Line Station;
- Helicopter use for mobilization of personal, drills and supplies;
- Airborne and ground based magnetic and electromagnetic geophysical surveys;
- Diamond drilling; and
- Trenching for rock sampling by a hand-held, gas-powered rock saw.

Activities and components associated with the previous March 25, 2010 application to replace Land Use Permit N2004C0004 with N2010C0012 include:

- Continue exploration activities annually from April into September each year from 2010 through to 2012, including:
 - Ground magnetic and electromagnetic surveys, prospecting, geological mapping;
 - Soil and sediment sampling;
 - Diamond drilling (both land based and on ice); and
 - Trenching and rock sampling by a hand-held, gas-powered rock saw.
- Refurbish existing Dewar Lake camp, situated on Crown Land;
- Establish new camp (including an ice strip) at Malrok Lake, situated on IOL;
- Continued use of airstrip at Fox 3 Dew Line Station;
- Fixed wing and helicopter aircraft use for mobilization of personal, drills and supplies;
- Fuel storage;
- Snow mobile and other vehicle use;
- Winter road use;
- Solid waste and waste water disposal.

CURRENT APPLICATION:

Commander Resources Ltd. is proposing to extend its Land Use Permit (No. N2010C0012) for one additional year in order to continue with previously permitted exploration activities and to maintain the existing camp.

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 in support of the current application, the NIRB is of the understanding that the proposed extension 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 exempt from the requirement for screening pursuant to Section 12.4.3 of the NLCA and the activities therein remain subject to the terms and conditions recommended in the April 30, 2010 Screening Decision Report (enclosed).

Although the proposed extension does not require further screening by the NIRB, the Proponent was advised in correspondence dated May 10, 2012 that a number of its reporting requirements to the NIRB remained outstanding. Specifically, there are several documents that were requested in the April 30, 2010 Screening Decision Report which remain outstanding. These include:

- Outstanding Annual Reports for 2010 and 2011 as outlined in the NIRB Screening Decision Report dated April 30, 2010 (enclosed);

- Confirmation that the current application for extension includes activities as have been previously assessed and a detailed description of any new activities being proposed which were not previously assessed and/or permitted; and,
- Shape files for all project activities.

The NIRB recognizes that the requested 2010 and 2011 Annual Reports were submitted to our office on May 30, 2012 and May 31, 2012, respectively. On July 6, 2012 the NIRB also received an email from Commander Resources Ltd. indicating that no project activities would occur this year beyond what has already occurred. By copy of this letter, the Proponent is reminded that it is required to submit shape files for the general area of operations as they become available, to info@nirb.ca.

If you have any questions or concerns, please contact Tara Arko, Technical Advisor, at 867-983-4611 or tarko@nirb.ca.

Sincerely,



Ryan Barry
Executive Director
Nunavut Impact Review Board

cc: Steve Potts, Commander Resources Ltd.
Phyllis Beaulieu, Nunavut Water Board
Tracey McCaie, Aboriginal Affairs and Northern Development Canada
Bernie MacIsaac, Qikiqtani Inuit Association

Enclosed: NIRB Screening Decision Report – *additional* Terms and Conditions, File No.: 04EN022 (April 30, 2010)