



NIRB File No.: 15EN028

NPC File No.: 148367

Previous NPC File No.: 148166

KIA File No.: KVL115B02, KVL315B01, KVRW16F01

INAC File No.: N2015C0019

NWB File No.: 2BE-KDP-

December 8, 2016

Chris Taylor
Dunnedin Ventures Inc.
1110, 1111 West Georgia St.
Vancouver, B.C. V6E 4M3

Sent via email: ctaylor@dunnedinventures.com

Re: Notice of Screening for Dunnedin Ventures Inc.'s "Kahuna Diamond Project" project proposal

Dear Chris Taylor:

On November 9, 2016 the Nunavut Impact Review Board (NIRB or Board) received a referral to screen Dunnedin Ventures Inc.'s (Dunnedin) modified "Kahuna Diamond Project" project proposal from the Nunavut Planning Commission (NPC or Commission). The NPC noted within its correspondence that the modified project proposal conforms to the Keewatin Regional Land Use Plan and that past determinations issued April 28, 2015 and January 7, 2016 (NPC File No. 148166) for associated works and activities continue to apply. Pursuant to section 86 of the NuPPAA, the NIRB has commenced screening of the modified project proposal under the previous NIRB file number **15EN028**; please reference this file number in all future related correspondence.

The NIRB notes that the current project proposal is a modified version of the "Kahuna Diamond Project – 2016" project proposal (NIRB File No. 15EN028), previously referred to the NIRB on January 7, 2016 for screening pursuant to section 86 of the *Nunavut Planning and Project Assessment Act* (NuPPAA). On April 4, 2016 the NIRB issued a screening decision under NuPPAA subsection 92(1)(c) determining that due to specific concerns, the project should be modified or abandoned. As outlined in the Board's screening decision report, concerns raised during the NIRB's assessment of the original project proposal related to the lack of adequate community consultation during the project's development and corresponding issues with the project's potential impacts on wildlife and wildlife habitat; soil, water and air; culturally and archaeologically sensitive areas; and the cumulative impacts of past and ongoing mining activity. On August 15, 2016 the Minister of Indigenous and Northern Affairs (the Minister), on behalf of

the Responsible Ministers for the proposed project, accepted the Board's determination and directed the Proponent to clearly indicate any changes made to the project should they choose to submit a modified project proposal in the future which addresses the Board's concerns.

In accordance with the Minister's direction, the Proponent has indicated that the modified "Kahuna Diamond Project" project proposal contains various updated operational protocols, wildlife and environmental mitigation and monitoring measures, an archaeological assessment, letters of support, records of community consultations, and supplemental information to address concerns raised during the NIRB's assessment of the original project proposal. The Proponent has also indicated that the modified proposal and associated commitments were developed through consultation with community groups and representative bodies in Rankin Inlet and Chesterfield Inlet, with consideration provided for recommendations received from regulatory authorities during the NIRB's previous assessment.

INFORMATION REQUEST

Following a preliminary completeness check of the project proposal received on November 9, 2016, the NIRB determined that the proposal as submitted did not contain the necessary information for the NIRB to carry out its screening. On November 18, 2016 the NIRB requested that Dunnedin provide additional information in support of this proposal by December 1, 2016. By November 29, 2016 the NIRB received the requested additional information and commenced the screening pursuant to Part 3 of the NuPPAA.

PROJECT SCOPE

Modified Project Scope:

The *modified* proposed "Kahuna Diamond Project" is located within the Kivalliq region, approximately 54 kilometres (km) northeast of Rankin Inlet and 37 km southwest of Chesterfield Inlet. The Proponent intends to undertake a diamond exploration program on the Kahuna mineral claim, with periodic operations to take place from March 1, 2017 to March 1, 2019.

According to the project proposal, the scope of the project includes the following undertakings, works or activities:

- Diamond exploration activities including:
 - Prospecting, geological mapping, and rock, till, and soil sampling;
 - Geophysical studies including ground magnetic and gravity surveys;
 - Test pit trenching of up to 10 sites/year;
 - Diamond and/or reverse circulation drilling with hole depths averaging 75 metres (m) for a total drill program of 1,000 m/year to 2,500 m/year;
 - Bulk sampling at three (3) sample sites, including blasting, drilling, and excavation of up to 500 tonnes of sampling material/site, for a total bulk sampling program of up to 1,500 tonnes;
- Use of up to 100 cubic metres per day (m³/day) of water for site operations with disposal in sumps or natural depressions;
- Daily transportation of personnel, equipment, and materials during operational periods via helicopter from Rankin Inlet;

- Seasonal development of a winter road between the community of Rankin Inlet and the project area to transport personnel, equipment, and materials during winter months using up to four (4) snow machines, a Caterpillar Challenger, a Bombardier Snowcat, and hauling sleighs;
- Use of heavy machinery and equipment, including winter hauling machinery, snow machines, an excavator, mineral exploration drills, generators, water pumps, and a helicopter, to support site and exploration operations;
- Transportation of fuel, oil, and chemicals with storage and use at each bulk sampling site;
- Use of facilities and accommodations for up to 25 personnel in Rankin Inlet;
- Collection and storage of sewage, combustible, non-combustible, and hazardous wastes for transportation and disposal at accredited facilities in Rankin Inlet;
- Incineration of select combustible wastes, such as untreated wood and cardboard, on-site;
- Remediation, including backfilling and re-contouring, of exploration sites; and
- Hiring of local residents for various project components including wildlife monitoring.

At this time, the NIRB has identified no additional works or activities in relation to the project proposal. As a result, the NIRB will proceed with screening the project based on the scope as described above.

REQUEST FOR COMMENTS

All documents received and pertaining to this project proposal can be obtained from the NIRB's online public registry at www.nirb.ca by using any of the following search criteria:

- Project Name: Kahuna Diamond Project
- NIRB File No.: 15EN028
- Application No.: 125023

The documents received include:

- *NPC Screening Referral, Conformity Determination, and Application*
- *NIRB's Online Application Form (formerly the NIRB Part 1 Form and Part 2 PSIR Form in English)*
- *NIRB Part 1 Form in Inuktitut*
- *Non-technical Project Proposal summary in English and Inuktitut (document versions)*
- *Various compressed mapping shapefiles*
- *Maps of exploration areas, proposed winter road route, and fuel caches*
- *Various community letters of support including letters from the Aqigiq Hunters and Trappers Organization and the Hamlet of Chesterfield Inlet*
- *Letters from Dunnedin to the Kivalliq Inuit Association and the Aqigiq Hunters and Trappers Organization*
- *Modified 2015/16 Community Consultation and Service Providers Report*
- *Kivalliq Inuit Association CLARC and KIA Lands May 31, 2016 Meeting Minutes*
- *Dunnedin Ventures Inc. Kahuna Claim List*
- *Kivalliq Inuit Association Access to Inuit Owned Land Permit and Terms and Conditions Document (KVL115B02)*
- *Kivalliq Inuit Association Application for Access to Inuit Owned Land (KVRW16F01)*
- *Indigenous and Northern Affairs Canada Land Use Permit (N2015C0019)*
- *Indigenous and Northern Affairs Canada Land Use Permit Amendment Application*

- *Nunavut Water Board General Water Use Licence Application*
- *Modified Overland Winter Trail Application Document*
- *Modified Abandonment and Restoration Plan*
- *Modified Environment and Wildlife Management Plan*
- *Modified Spill Prevention and Response Plan*
- *Modified Project Description Document*
- *Archaeology Summary Document*
- *Proponent correspondence*

The NIRB will copy you on screening process related correspondence and upload related documents to the NIRB's online registry for public access. The NIRB may request additional information at any time during the process.

The NIRB is copying parties and municipalities potentially affected by Dunnedin's project proposal with this letter, and invites interested parties to provide comments directly to the NIRB. In recognition of seasonal closures for various agencies through this holiday period, the NIRB has provided additional time for interested parties to provide comments; please send comments directly to the NIRB by **January 13, 2017**.

The NIRB would like parties to provide comments regarding:

- Whether the *modified* project proposal is likely to arouse significant public concern; and if so, why;
- Whether the *modified* project proposal is likely to cause significant adverse eco-systemic or socio-economic effects; and if so, why;
- Whether the *modified* project is likely to cause significant adverse impacts on wildlife habitat or Inuit harvest activities; if so, why;
- Whether the *modified* 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.

CONTACT INFORMATION

Please send your comments to the NIRB via email at info@nirb.ca, via fax at (867) 983-2594 or via the individual project dashboard for this assessment on the NIRB's online public registry at www.nirb.ca by using any of the following search criteria:

- Project Name: Kahuna Diamond Project
- NIRB File No.: 15EN028
- Application No.: 125023

If you have any questions or require clarification, please contact the undersigned at (867) 983-4615 or at dstpierre@nirb.ca.

Sincerely,



Davin St. Pierre
Technical Advisor II
Nunavut Impact Review Board

cc: Distribution List
 Denise Lockett, Lockett Consultation Services Inc.
 Karén Kharatyan, Nunavut Water Board
 Luis Manzo, Kivalliq Inuit Association
 Tracey McCaie, Indigenous and Northern Affairs Canada
 Lee Ann Pugh, Indigenous and Northern Affairs Canada

Enclosures (4): Public Notice of Screening (English and Inuktitut)
 Comment Forms (English and Inuktitut)