



October 21, 2016

Dunnedin Ventures Inc.  
#1110, 1111 West Georgia St.  
Vancouver, BC V6E 3M4

Mr. Andrew Nakashuk  
Chairperson  
Nunavut Planning Commission  
Nunavut Planning Commission  
P.O. Box 1797  
Iqaluit, Nunavut X0A 0H0

Dear Mr. Nakashuk:

Re: Dunnedin Ventures Inc. Kahuna Diamond Project

NIRB file # 15EN028 KIA  
licence # KVL115B02  
INAC licence # N2015C0019  
NPC file # 148166

This letter and accompanying information is in response to the August 11, 2016 letter from Mr. Stephen Van Dine, Assistant Deputy Minister with Aboriginal Affairs and Northern Development Canada (AANDC) to Ms. Elizabeth Copland, Chairperson of the Nunavut Impact Review Board concerning the April 4, 2016 letter and Screening Decision to the Honourable Carolyn Bennett for NIRB File Number 15EN028.

In the August 11, 2016 letter, Mr. Van Dine states, "*After considering the Board's report and the record for the consultation meeting held between Natural Resources Canada, Indigenous and Northern Affairs Canada and the Board on July 15, 2016, my colleagues at Natural Resources Canada and I have decided, on behalf of our Ministers and pursuant to section 95 (a) (1), that the proposed Project should be returned to the proponent for*

*modification and resubmission to the Nunavut Planning Commission". Please consider this as Dunnedin Ventures Inc.'s resubmission with modifications.*

First of all, Dunnedin Ventures would like to thank all interested parties including the Nunavut Planning Commission (NPC), the Nunavut Impact Review Board (NIRB), Indigenous and Northern Affairs Canada (INAC), Transport Canada (TC), Natural Resources Canada (NRCan), the Department of Fisheries and Oceans (DFO), the Government of Nunavut (GN), the Kivalliq Inuit Association (KIA), the Aqigiq Hunters and Trappers Organization (HTO) for their advice, recommendations and willingness to work together on a solution.

1. In the June 18, 2016 letter to the NIRB, Dunnedin responded:

*Following the NIRB's Screening Decision pursuant to paragraph 91 of the NuPPAA that Dunnedin Ventures Inc.'s "Kahuna Diamond Project – 2016" project should be modified or abandoned, Dunnedin Ventures Inc. would like to take the opportunity to address concerns, and provide amendments to the original application.*

**CONCERNS:**

*Lack of community consultation and incorporation of Inuit Qaujimajatuqangit (IQ):*

*Raised by: KIA, INAC, HTO, KIA CLO,*

*Dunnedin Ventures Inc. held a community meeting in Chesterfield Inlet on April 12, 2016 and invited interested community members, the Hamlet Mayor, Council and Staff, the Kivalliq Inuit Association Director, Community Lands and Environment Committee members and the Community Liaison Officer as well as the Chair, Manager and Members of the Aqigiq Hunters and Trappers Organization. An apology for not coming into the community prior to the filing of the application was provided to everyone in attendance. The meeting was well attended and clarification on the location and proposed exploration activities provided. The meeting left on a good note and although the Mayor/Chair of the HTO was not in attendance, the company committed to coming back to the community prior to the start of exploration activities to seek broader feedback on the proposed Wildlife and Environment Monitoring and Mitigation Plan (WEMMP) provide additional clarification if required and to request support for the proposed activities.*

*Further meetings were held in Rankin Inlet on April 13, 2016 with interested community members, The Hamlet Mayor, Council and Staff, the Kivalliq Inuit Association officials, as well as the two local Members of the Legislative Assembly (MLA) invited. The meeting was attended by the Mayor and a Council member, the two MLA's, as well as an official with the Government of Nunavut, Department of Economic Development and Transportation (GN ED&T) in attendance. The presentation was well received and advice was provided to Dunnedin by the GN Dept of ED&T regarding road construction in Chesterfield Inlet to Josephine Lake.*

Not mentioned in the June 18 response, Chris Taylor, President of Dunnedin and Barney Aggark, Mayor of Chesterfield Inlet and Chair of the Aqigiq Hunters and Trappers

Organization spoke by phone on April 27. The purpose of the phone call was to have a conversation about the project and plans going forward. Mayor Aggark stated that he had heard good things about the meetings in the community and was looking forward to working together.

Since the June 18, 2016 letter to the NIRB, and since Mayor /HTO Chair Aggark was not available at the April meetings in Chesterfield Inlet, Denise Lockett (Dunnedin Ventures Community Relations Manager) travelled to Chesterfield Inlet on July 5, 2016 to meet face to face. The purpose of the meeting was to discuss the Project and solicit his and the HTO's feedback on the draft WEMMP. Mayor Aggark again mentioned the positive feedback he had received from the April 2016 meetings in the community and looked forward to working with Dunnedin.

During the week of August 8, 2016, Chris Taylor, and Denise Lockett travelled to Chesterfield Inlet for pre-exploration season site inspections. Chesterfield Inlet Kivalliq Inuit Association Director for Chesterfield Inlet Peter Kattegatsiak, and Aqigiq Hunters and Trappers Organization representative Harry Aggark were included in the site inspections to obtain advice and recommendations on wildlife avoidance and timing of activities. Mayor/HTO Chair Aggark was invited, but was unavailable at the last moment.

Additional meetings were held in Chesterfield Inlet on August 9 with the Aqigiq HTO member and the KIA Community Lands and Resource Committee (CLARC) on the draft WEEMP and to discuss wildlife avoidance, wildlife monitors and timing of activities. A community meeting was held during the evening to seek advice and input on the proposed plans. Mayor/HTO Chair Aggark was unavailable.

#### (APPENDIX E – Community Consultation Log)

2. In the June 18, 2016 letter to the NIRB, Dunnedin stated:

*Following the NIRB's Screening Decision pursuant to paragraph 91 of the NuPPAA that Dunnedin Ventures Inc.'s "Kahuna Diamond Project – 2016" project should be modified or abandoned, Dunnedin Ventures Inc. would like to take the opportunity to address concerns, and provide amendments to the original application.*

#### **CONCERNS:**

*Potential negative impacts to caribou, fish and other wildlife, soil water and air: Raised by: KIA, GN, HTO*

*Dunnedin Ventures Inc. has sought advice and recommendations from possibly impacted stakeholders and strives to be a good corporate citizen. With this in mind, the Wildlife and Environment Monitoring and Mitigation Plan (ATTACHMENT 2) was developed in collaboration with stakeholders. This will be a living document for continued improvement by the company with ongoing advice and recommendations incorporated on an ongoing basis. These include:*

- *Avoidance of sensitive areas, and times,*
- *Monitoring and recording all wildlife sighting providing this information in an Annual Report which will be submitted to the KIA, NIRB, the GN, and INAC*

Since the June 18, 2016 letter to the NIRB:

Through meetings with stakeholders including interested community members of Chesterfield Inlet, Hamlet Council members, Aqigiq Hunters and Trappers Organization Members as well as the KIA Director, Community Liaison Officer and CLARC a draft Wildlife and Environmental Monitoring and Mitigation Plan (WEMMP) was reviewed and commented on.

Input was requested from the Government of Nunavut, Department of Environment. Their input and that of the community organization is further reflected in the modified draft. It is suggested that the document be a living document for review and comment as required.

(APPENDIX D – draft WEEMP incorporated into Environment and Wildlife Management Plan submitted in 2015)

3. In the June 18, 2016 letter to the NIRB, Dunnedin stated:

*Following the NIRB's Screening Decision pursuant to paragraph 91 of the NuPPAA that Dunnedin Ventures Inc.'s "Kahuna Diamond Project – 2016" project should be modified or abandoned, Dunnedin Ventures Inc. would like to take the opportunity to address concerns, and provide amendments to the original application.*

**CONCERNS:**

*Helicopter transport and support activities: Raised by INAC*

*In order to limit, reduce or avoid any possible impacts by helicopter transport or support activities, helicopter pilots will be instructed to stringently maintain recommended flight elevations and low level flights will only occur during takeoff and landing. They will also be instructed to avoid wildlife, as well as to monitor and record all wildlife sightings.*

Since the June 18, 2016 letter to the NIRB no further action is required by Dunnedin Ventures although reinforcement of terms and conditions as well as best industry practices will be implemented.

4. In the June 18, 2016 letter to the NIRB, Dunnedin stated:

*Following the NIRB's Screening Decision pursuant to paragraph 91 of the NuPPAA that Dunnedin Ventures Inc.'s "Kahuna Diamond Project – 2016" project should be modified or abandoned, Dunnedin Ventures Inc. would like to take the opportunity to address concerns, and provide amendments to the original application.*

**RECOMMENDATION:**

INAC's recommendation "to have flagging of the sample pit boundaries as necessary, should a safety hazard remain post contouring" will be adopted and Dunnedin thanks INAC for the recommendation.

Since the June 18, 2016 letter to the NIRB no further action is required by Dunnedin Ventures to respond to the recommendation.

5. In the June 18, 2016 letter to the NIRB, Dunnedin stated:

*Following the NIRB's Screening Decision pursuant to paragraph 91 of the NuPPAA that Dunnedin Ventures Inc.'s "Kahuna Diamond Project – 2016" project should be modified or abandoned, Dunnedin Ventures Inc. would like to take the opportunity to address concerns, and provide amendments to the original application.*

**RECOMMENDATION:**

The Government of Canada's Department of Fisheries and Oceans (DFO) recommendation that Dunnedin following their guidelines. • Comment: the recommendation is reasonable and will be undertaken.

Since the June 18, 2016 letter to the NIRB no further action is required by Dunnedin Ventures to respond to the recommendation and will follow DFO's suggested guidelines.

6. In the June 18, 2016 letter to the NIRB, Dunnedin stated:

*Following the NIRB's Screening Decision pursuant to paragraph 91 of the NuPPAA that Dunnedin Ventures Inc.'s "Kahuna Diamond Project – 2016" project should be modified or abandoned, Dunnedin Ventures Inc. would like to take the opportunity to address concerns, and provide amendments to the original application.*

**CONCERNS:**

Archaeological Sites:

Raised by: KIA, GN, HTO

The Government of Nunavut's comments and concerns regarding archaeological sites has also been noted. Dunnedin appreciates the information that there is high potential for archaeological sites and is currently undertaking a literature review to determine if any previous explorers have conducted archaeological studies. Any information from the Government of Nunavut's Department of Culture and Heritage would be appreciated in this regard. In addition, at this very early stage, no drill site have been chosen, and no camp is proposed. Following the proposed till sampling program this year, and pending results from that work, drill locations could be chosen. Once the number of drill holes and their locations is confirmed, this information will be shared with the Department of Culture and Heritage for their advice on archaeological sites. Dunnedin will abide and respect the advice concerning the protection of heritage resources and archaeological sites.

**Comment: Currently a literature review is being undertaken to determine if any previous explorers have conducted an archaeological assessment. Dunnedin Ventures Inc. requests that if the Government of Nunavut Department of Culture and Heritage has any information on a previous archaeological assessment, that they please inform the company to avoid costly duplication. If it is determined that none has previously been done, and once the company determines the number and locations of possible drill sites, the information will be shared with the Department of Culture and Heritage to determine if an archaeological overview is required.**

Since the June 18, 2016 letter to the NIRB, a preliminary archaeological assessment of proposed exploration sites has been conducted by Golder and Associates. Once available, the report will be sent directly to the Government of Nunavut Department of Culture and Heritage.

7. In the June 18, 2016 letter to the NIRB, Dunnedin stated:

*Following the NIRB's Screening Decision pursuant to paragraph 91 of the NuPPAA that Dunnedin Ventures Inc.'s "Kahuna Diamond Project – 2016" project should be modified or abandoned, Dunnedin Ventures Inc. would like to take the opportunity to address concerns, and provide amendments to the original application.*

CONCERNS:

Explosives Permit

Raised by Natural Resources Canada

Natural Resources Canada (NRCan) commented that an Explosives Permit be required for storage of explosives.

**Comment: This has been noted.**

Since the June 18, 2016 letter to the NIRB Dunnedin Ventures has instructed its contactors to ensure that the permit is applied for and once approved, ensure that all terms and conditions are adhered to.

Dunnedin Ventures Inc. operates with a high regard for the environment and will not tolerate harassment of wildlife by any employees or contractors. In addition, there is a strict no drugs or alcohol policy for all employees and contractors. We regret getting off on the wrong foot, especially in not consulting with the community prior to the application for permits and licences and hopes that by working together, we can once again move forward in a positive manner.

In follow up to the above listed concerns, Dunnedin Ventures would like to take the opportunity to outline modifications and work done to date and ongoing commitments for the Kahuna Diamond Project.

So as not to change the scope of work applied for, and in order to ensure the documents reviewed are current and correct, small errors and omissions have been corrected (identified in a separate color than the original submission).

In addition, given the time frame for exploration is now March 2017 to March 2018, extensions will have to be applied for once the current applied for amendments are approved.

I look forward to hearing from you, and once again, appreciate all the advice and recommendations.

Sincerely,

DUNNEDIN VENTURES INC.



Chris Taylor  
President

#### Attachments

1. NIRB - Part 1 - Modified
2. NIRB - Screening Part 2 Form PSIR - Modified
3. Appendix A - Project Description and Work Plan - Modified
4. Appendix B - Non- Technical Summary - Modified
5. Appendix C - Abandonment and Reclamation Plan - Modified
6. Appendix D - Environment and Wildlife Monitoring Plan - Modified
7. Appendix E - Consultation Log - Modified
8. Appendix F - Spill Contingency Plan - Modified
9. Appendix G - Overland Winter Trail Application - Modified
10. KIA Land Use Licence KVL 115B02, expiry July 16, 2018 & Class III Licence Application
11. INAC Land Use License N20150019, expiry July 16, 2017 & Amendment Application
12. List of Claims
13. NWB Licence Application

New documents that were not provided in the original submission, but were requested in the comments are also included:

1. Archaeological Assessment
2. Letter of support from the Hamlet of Chesterfield Inlet
3. Motion passed at the May 31, 2016 Kivalliq Inuit Association, Chesterfield Inlet meeting
4. Table of Modifications to original applications