ᑲᑎᕕᒃ ᓄᓇᒧᑦ ᐱᐅᓯᕐᓯᓯᐊᕐᓂᖓᑕ ᑲᑎᒪᔨᖏᑦ
COMMISSION DE LA QUALITÉ DE L'ENVIRONNEMENT KATIVIK
KATIVIK ENVIRONMENTAL QUALITY COMMISSION

KATIVIK ENVIRONMENTAL QUALITY COMMISSION

MINUTES OF PROCEEDINGS

OF THE

PUBLIC HEARINGS
CONCERNING THE NUNAVIK NICKEL PROJECT
BY CANADIAN ROYALTIES INC.

(DRAFT)

Puvirnituq – Salluit – Kangiqsujuaq
February 25, 26, 27 and 28, 2008

1. Summary

Public hearings concerning the Nunavik Nickel project by Canadian Royalties Inc. were held from February 25 to 28, 2008, in the communities of Puvirnituq, Salluit and Kangiqsujuaq jointly by the Kativik Environmental Quality Commission (KEQC) and the Environmental and Social Impact Review Panel (COFEX-North) (Appendix 1). In each community, Canadian Royalties Inc, the project proponent, presented the Nunavik Nickel project. Position papers were presented by the Northern villages of Salluit and Kangiqsujuaq as well as by the Nunaturlik and Qaqqalik landholding corporations. The position papers tabled stress each community's concerns about the environmental impacts of the project, specifically the impacts on traditional Inuit hunting, fishing and other harvesting activities. Members of the general public in the three communities were permitted to comment on the project. These residents generally reiterated the same concerns as their landholding corporation and Northern village representatives. These concerns include the environmental impacts observed and associated with current mining activities in the Deception Bay region at Xstrata Nickel's Raglan mine. For its part, the Kativik Regional Government made a presentation in each community, pointing out that the environmental impact study tabled by the project proponent was not complete. The Makivik Corporation tabled a position paper on the agreement between the Makivik Corporation and Canadian Royalties Inc. concerning the Nunavik Nickel project during the public hearing in Kangiqsujuaq. No representative of the Makivik Corporation was in attendance at the hearings held in Puvirnituq or Salluit.

2. Nunavik Nickel project presentation by Canadians Royalties Inc.

The Nunavik Nickel project by Canadian Royalties Inc., which has its headquarters in Val d'Or, targets nickel and copper deposits. The project is situated 20 km south of the Raglan mine, which is owned by Xstrata-Nickel, and north of Parc national des Pingualuit. Four open-pit mines will be operated, with the Expo site to be the largest of the four. The project represents an investment of $455,000,000 and will create roughly 300 jobs during the construction and operation phases. The project will include an industrial complex, a concentrator, a workers' residence, as well as new transportation infrastructure such as a port and an airstrip. The new infrastructure could be shared with other companies or users in the region. Canadian Royalties Inc. will use the existing road network to connect this new infrastructure with Deception Bay, where new marine infrastructure will be built. The company's environmental program aims to reduce water consumption for operations by ensuring that 85% of the water used is recycled. All wastewater from the different sites will be recovered and treated before being discharged into the natural environment. The waters of the Puvirnituq River and Pingualuk Lake will be protected and monitoring will be carried out. Mine tailings will be the consistency of paste and will be buried in a trench designed taking into account future climate change.

Most of the waste generated will be transported south for disposal. Canadian Royalties Inc. will promote employment for Inuit by offering on-going training for at least five individuals. All the jobs created during the construction and operation phases of the Nunavik Nickel project will be open to Inuit. An agreement negotiated with the Makivik Corporation provides for a minimum level of Inuit employment and a training program for Inuit. The agreement will also foster the awarding of contracts to Inuit businesses.

3. Northern village and landholding corporation presentations

3.1 Remarks made by Muncy Novalinga, mayor of the Northern Village of Puvirnituq

Muncy Novalinga, mayor of the Northern Village of Puvirnituq, spoke at the end of the public hearing held in his community. Mr. Novalinga stressed that the Puvirnituq River is the source of drinking water for his community. He indicated that he is worried about the quality of this water and the risk of chemical spills at the Nunavik Nickel project. Mr. Novalinga also stressed that the traditional Inuit way of life should be preserved even with the implementation of mining projects in the region.

3.2 Position paper submitted by the Qaqqalik Landholding Corporation and the Northern Village of Salluit (Appendix 2)

The Qaqqalik Landholding Corporation and the Northern Village of Salluit submitted a joint position paper to the KEQC. The position paper presents the potential environmental impacts of the construction and operation phases of the Nunavik Nickel project from an Inuit point of view. In particular, the position paper deals with an appendix of the proposed agreement with Canadian Royalties Inc. (Appendix 3). In the appendix, Canadian Royalties Inc. states that the construction and operation phases of the Nunavik Nickel project will have few impacts on air quality, soil quality, the hydraulic and sediment regime, the ground thermal and freezing regime, water quality and sedimentation, vegetation, aquatic and terrestrial wildlife, transportation, as well as land and resource use; most expected impacts are assessed as minor to moderate. For their part, the Qaqqalik Landholding Corporation and the Northern Village of Salluit are of the opinion that the impacts will be major for the Inuit in the region. Certain impacts will have long-term consequences on the natural and social environments. The Qaqqalik Landholding Corporation and the Northern Village of Salluit recommend that the KEQC impose very strict environmental monitoring requirements and that mitigation measures be implemented for all identified impacts. The Qaqqalik Landholding Corporation and the Northern Village of Salluit request that the KEQC postpone authorization for the Nunavik Nickel project until negotiations or discussions are undertaken concerning

mitigation and compensation measures and until the agreement negotiated by the Makivik Corporation can be ratified by the communities concerned.

3.3 Position paper submitted by the Nunaturlik Landholding Corporation (Appendix 4)

The position paper submitted by the Nunaturlik Landholding Corporation was presented by Lukasi Pilurtuut. In his presentation, Mr. Pilurtuut indicated that the Nunavik Nickel project is situated close to several hunting and fishing zones where several Inuit have cabins. He furthermore stated that the expected impacts of the project on the environment, including fish, caribou and goose wildlife resources, are worrisome. Current mining activities in the region (Xstrata Nickel's Raglan mine) seem to be scaring wildlife away from the region already. Mr. Pilurtuut underlined concerns that wildlife would abandon the territory altogether with the implementation of the Nunavik Nickel project. He stated that the environment should not be further altered and that it should be protected for generations to come.

3.4 Position paper submitted by the Northern Village of Kangiqsujuaq (Appendix 5)

The position paper submitted by the Northern Village of Kangiqsujuaq was presented by Pierre Phili. The position paper describes the main events in the history of the inhabitants of the region, noting in particular that Inuit have always shared their resources with the outside world (since the arrival of the Hudson's Bay Company) and that, with the Nunavik Nickel project, the world has again come knocking at their door. For Kangiqsujuaqmiut, the preservation of their traditional way of life is very important. The natural environment and their traditional way of life is essential to their physical and mental health. A large percentage of the population is young and unemployed. Xstrata Nickel's Raglan mine has created jobs for those living in the community and has improved the quality of life. The community hopes that the Nunavik Nickel project will also serve to further improve the quality of life, in particular through the creation of employment. Workers will need training in order to qualify for the best positions. Canadian Royalties Inc. will need to take steps to ensure that the workplace is suited to Inuit workers. The community is also aware of the socio-economic problems that can accompany mining development in the region: families separated due to work, access to traditional foods is more difficult for families separated due to work, as well as alcohol and drug abuse.

3.5 Position paper submitted by Bernie Adams (Appendix 6)

Bernie Adams submitted a position paper describing his main concerns about the Nunavik Nickel project. First, Mr. Adams dealt with the environmental impacts of the planned transportation infrastructure. He stated his opposition to the construction of a second port in the region due to the potential risk of contamination of marine mammals and the consequences of the contamination of this food source on residents. Mr. Adams discussed the potential impacts of mine tailings on blueberries, caribou and goose migration patterns, as well as the need for an emergency plan for hazardous materials. He also mentioned his concern about employment opportunities for Inuit and how Canadian Royalties Inc. plans to give Inuit access to the best jobs. Finally, Mr. Adams wondered what impact mine operations will have on tourism activities at Parc national des Pingualuit.

4. Questions and comments made by the general public

Most of the members of the general public who commented on the Nunavik Nickel project were not very interested in the opening of a second mine in the region. The communities of Salluit and Kangiqsujuaq have more than 10 years of experience with this type of economic activity, since the opening of Xstrata Nickel's Raglan mine in the region. Over the years, residents have observed the positive and negative impacts of mine operations in their socio-economic and bio-physical environments. Many of the residents' concerns about the Nunavik Nickel project are based on these past experiences. The Nunavik Nickel project is perceived as a threat to the environment and residents' traditional way of life. The general public is also bitter about the negotiations conducted by the Makivik Corporation and Canadian Royalties Inc., stressing that the communities should have been directly involved in these negotiations. If the Nunavik Nickel project is eventually implemented, fair compensation should be ensured.

4.1 Perception of possible impacts on the environment and the traditional Inuit way of life

Several residents are opposed to the Nunavik Nickel project while others are uncertain about it. Protection of the traditional Inuit way of life represents a major challenge and the project is perceived as detrimental. For some residents, Xstrata Nickel's Raglan mine has already had a negative impact on their way of life. Mine operations and infrastructure in the region have contributed, according to those who spoke, to changes in caribou migration patterns. Major concerns include fear that caribou will abandon the areas affected by the Nunavik Nickel project, areas that have been used by Inuit hunters for several generations. According to residents, hunters must now travel farther to reach harvesting areas. This situation involves higher costs and greater risk due

to the greater distances to be travelled. The residents of Salluit and Kangiqsujuaq perceive this situation as a threat to their access to food. Members of the general public who spoke stated that store-bought food is expensive and that certain residents, especially the unemployed, rely on traditional harvesting in order to feed themselves.

Other concerns were expressed about water quality, specifically the quality of water in the Puvirnituq River. Residents in Puvirnituq are concerned that mine operations will pollute the water of the river, which is the community's source for drinking water. Other residents are concerned about water quality in the lakes in the Deception Bay area due to calcium chloride dust contamination generated by road transportation activities and the wind, as well as due to the wastewater released into the natural environment at Xstrata Nickel's Raglan mine. Residents who harvest in the area around the mine stated that they no longer drink the water there, but prefer to travel with a supply of water from their village. The Nunavik Nickel project is perceived as a new source of contamination.

The preservation of quality fish stocks is another major concern of residents. Some residents spoke of the mass mortality of fish near existing marine infrastructure at Deception Bay and the mineral exploration zones operated by Canadian Royalties Inc. Other members of the general public mentioned that fish was less abundant than in the past. Residents stated that they were concerned about the increase in marine infrastructure in the Deception Bay area and about the possible impacts of this infrastructure on fish and marine resources.

The integrity of the environmental impact study prepared by Genivar for Canadian Royalties Inc. was also called into question by certain residents. It was noted that impacts identified in the study as minor have been underestimated. Other residents stated that they had not been properly informed of the expected impacts of the Nunavik Nickel project. Several residents speak neither English nor French and are therefore unable to read the study. Several members of the general public did not have a clear understanding of the Nunavik Nickel project nor the scope of its impacts. Residents need more time to grasp the complexities of the project and its potential impacts.

4.2 Compensation for negative impacts

The members of the general public who spoke at the public hearings perceive the implementation of the Nunavik Nickel project as a threat to the environment and their way of life. These residents stressed that local economies are extremely dependent on traditional activities. Many families rely on traditional food for subsistence since the cost of store-bought food is too high for unemployed individuals. Compensation or mitigation measures should be implemented, according to residents, to minimize the expected

negative impacts of the Nunavik Nickel project on their access to wildlife resources. Other members of the general public mentioned their fear of losing their culture and traditional knowledge with the transformation of their bio-physical and social environments. Others are concerned by the increase in social problems related to alcohol and drug abuse. As presented, the Nunavik Nickel project does not propose sufficient compensation to mitigate the perceived losses. Moreover, according to a resident from Akulivik, other communities including his own will be influenced by mine operations and should be compensated like the communities of Puvirnituq, Salluit and Kangiqsujuaq. Other residents are opposed to the project even though they would be eligible for compensation.

Even though the Nunavik Nickel project represents an opportunity to create employment for Inuit and permit the economic development of local communities, Inuit are not interested in working there. According to residents, several jobs are currently open at Xstrata Nickel's Raglan mine but many positions designated for Inuit remain vacant. According to a few residents, the local Inuit labour pool is not large enough to meet the needs of the Nunavik Nickel project. A few reasons were given to explain this situation: families are separated for several days during the workweek, Inuit are only eligible for low-level positions due to their lack of schooling and so forth. As well, for reasons related to work safety, only bilingual (French or English) Inuit are eligible for the available jobs.

The proposed increase in transportation infrastructure is also perceived as detrimental. To compensate for the presence of the new infrastructure, the project proponent has promised that they may be used by residents to access traditional harvesting areas. According to a few residents, the remoteness of the transportation infrastructure makes its of no use to residents.

4.3 Agreement between the Makivik Corporation and Canadian Royalties Inc.

An agreement was negotiated by the Makivik Corporation and Canadian Royalties Inc. A few members of the general public from the three communities where the public hearings were held indicated that these communities should have been involved in these negotiations. Negotiations should have been carried out with the communities and not solely with the Makivik Corporation. Some residents are opposed to the project if the communities are not to be involved directly in the negotiation of the agreement. A resident of Akulivik who was present at the public hearing held in Puvirnituq stressed that the members of his community will also be negatively affected by the Nunavik Nickel project since their traditional harvesting areas include the

Puvirnituq River basin; an agreement should therefore also be signed with the community of Akulivik.

5. Kativik Regional Government presentation (Appendix 7)

The Kativik Regional Government (KRG) attended the public hearings held in each of the three communities. The KRG underlined the importance of Section 23 of the *James Bay and Northern Québec Agreement* which requires the full involvement of Inuit communities in the environmental and social impact review and assessment procedure. At each of its presentations, the KRG stressed that the environmental impact study prepared by Genivar contains several errors that reflect a poor understanding of Nunavik and its institutions. In the opinion of the KRG, the environmental impact study is formed of many documents prepared separately, making it particularly difficult to analyze not to mention giving it the appearance of being incomplete. The KRG feels that the study should be completed and resubmitted in its entirety. As well, community residents should have been more fully consulted through the consultation process, and traditional knowledge should have been taken into account. The KRG raised the point that the proposed expansion of transportation infrastructure (roads, wharfs and airstrips) will have negative impacts on the environment. The KRG questioned Canadian Royalties Inc.'s ability to find Inuit labourers for the Nunavik Nickel project. The KRG also asked many questions about mine tailings, infrastructure, waste management, etc. (Appendix 7). Finally, the KRG stated its concerns about the impact of mine operations on Parc national des Pingualuit (light pollution, dust, aircraft traffic and incinerator smoke).

6. Position paper submitted by the Makivik Corporation (Appendix 8)

The Makivik Corporation presented its position paper at the public hearing in Kangiqsujuaq. The Makivik Corporation did not make presentations at the public hearings held in Puvirnituq and Salluit. The position paper summarizes the agreement negotiated by the Makivik Corporation and Canadian Royalties Inc. The agreement promotes employment and training for Inuit from Puvirnituq, Salluit and Kangiqsujuaq as well as the other communities of Nunavik. The agreement fosters the awarding of contracts to Inuit businesses. It also provides for mitigation measures to minimize negative impacts as well as for the creation of a Nunavik Nickel committee to encourage the sharing of information between Canadian Royalties Inc., the Makivik Corporation and the communities concerned. In its position paper, the Makivik Corporation stressed that Canadian Royalties Inc. recognizes that Makivik has neither the resources nor the means to analyze the impacts described in the environmental impact study and that it is obliged to rely on the post-mitigation impact assessment prepared by Genivar for Canadian Royalties Inc. (Appendix 3). The Makivik Corporation attempted as much as

possible to take into account the concerns of the communities of Puvirnituq, Salluit and Kangiqsujuaq in the negotiation of the agreement. Community representatives will be allowed to participate on the Nunavik Nickel committee, residents will be ensured priority hiring, and the communities concerned will receive at least 50% of the moneys generated under the agreement while the 11 remaining Nunavik communities will receive the other 50%.

Martin Tremblay
Executive Secretary
Kativik Environmental Quality Commission
April 3, 2008

Note: The public hearings held in Puvirnituq, Salluit and Kangiqsujuaq were digitally recorded in their entirety. The recordings are available at the office of the KEQC secretariat.

Appendices

Several position papers were tabled during the public hearings held in Puvirnituq, Salluit and Kangiqsujuaq between February 25 and 28, 2008. Position papers were submitted by the Qaqqalik Landholding Corporation and the Northern Village of Salluit, the Nunaturlik Landholding Corporation, the Northern Village of Kangiqsujuaq, Bernie Adams of Kangiqsujuaq, the Kativik Regional Government and the Makivik Corporation. These position papers are appended to these minutes of proceedings.

The position paper submitted by the Qaqqalik Landholding Corporation and the Northern Village of Salluit deals essentially with the potential environmental impacts of the construction and operation phases of the Nunavik Nickel project from an Inuit point of view (Appendix 2). The Qaqqalik Landholding Corporation and the Northern Village of Salluit are of the opinion that the impacts will be major for the Inuit of the region. The post-mitigation impact assessment prepared by Genivar for Canadian Royalties Inc. appears in Appendix 3. In that assessment, the bio-physical and social impacts of the project are deemed to be minor to moderate.

The position paper submitted by the Nunaturlik Landholding Corporation describes how the region is used by the Inuit of Kangiqsujuaq for their traditional harvesting activities (Appendix 4). The Nunaturlik Landholding Corporation is concerned that wildlife resources will abandon the region with the implementation of the Nunavik Nickel project.

The position paper submitted by the Northern Village of Kangiqsujuaq stresses that the Inuit of Kangiqsujuaq have always shared their resources with the outside world and, that with the Nunavik Nickel project, the world has again come knocking at their door. (Appendix 5). For Kangiqsujuaqmiut, the conservation of their traditional way of life is very important. The community hopes that the Nunavik Nickel project will also serve to further improve the quality of life through the creation of jobs.

The position paper submitted by Bernie Adams deals with the possible environmental impacts of mine operations on the region's wildlife and flora which are important sources of food for residents (Appendix 6). Mr. Adams also discussed the impacts of the Nunavik Nickel project on tourism activities at Parc national des Pingualuit and the types of jobs that will be open to Inuit.

The position paper submitted by the KRG following the public hearings requests additional information from the project proponent (Appendix 7). Among other things, the KRG asks Canadian Royalties Inc. to demonstrate that the environmental impacts of

mine operations will be minor. The KRG also asks the project proponent to clarify how it intends to fill the positions designated for Inuit under the project. The KRG criticizes the methodology used to prepare the environmental impact study. The project proponent did not take into account traditional knowledge and afforded little attention to the environmental impacts of the project from an Inuit point of view. The KRG finally asks several questions about mine tailings, infrastructure, waste management, and so forth.

The position paper submitted by the Makivik Corporation summarizes the agreement negotiated by the Makivik Corporation and Canadian Royalties Inc. (Appendix 8). The agreement provides for a Nunavik Nickel committee that will include representatives of the communities of Puvirnituq, Salluit and Kangiqsujuaq. The committee will be responsible for the sharing of information between the communities, the Makivik Corporation and the project proponent. The agreement ensures priority hiring for residents of the three communities during the construction and operation phases of the Nunavik Nickel project, and it ensures that the communities concerned will receive at least 50% of the moneys contemplated under the agreement while the 11 remaining Nunavik communities will receive the other 50%.

Appendix 1: Schedule for the public hearing held in Puvirnituq, Salluit and Kangiqsujuaq from February 25 to 28, 2008

Programme des audiences publiques pour le projet Nunavik Nickel
Commission de la qualité de l'environnement Kativik et Comité fédéral d'examen

Lundi 25 février, Puvirnituq

13:30 Prière d'ouverture
Mots d'ouverture du Président et du maire
13:45 Présentation par Nunavik Nickel
14:30 Questions de clarification de la Commission et commentaires du public
14:45 Présentation par le Conseil municipal de Puvirnituq
15:15 Pause-café
15:30 Questions et commentaires du grand public
17:00 Fin de la première session
17:30 Souper
19:00 Présentation par l'Administration régionale Kativik
19:30 Question de la Commission et les commentaires du public
21:00 Fin de la deuxième session

Mardi 26 février, Salluit

13:30 Prière d'ouverture
Mots d'ouverture du Président et du maire
13:45 Présentation par Nunavik Nickel
14:30 Questions de la Commission et commentaires de public
14:45 Présentation par le Conseil municipal de Salluit et de la Corporation foncière Qaqqalik
15:15 Pause-café
15:30 Questions et commentaires du grand public (aussi de la radio)
17:00 Fin de la première session
17:30 Souper
19:00 Présentation par l'Administration régionale Kativik
19:30 Question de la Commission et les commentaires du public
21:00 Fin de la deuxième session

Mercredi 27 février, Kangiqsujuaq

13:30 Prière d'ouverture
Mots d'ouverture du Président et du maire
13:45 Présentation par Nunavik Nickel
14:30 Questions de la Commission et commentaires de public
14:45 Présentation par le Conseil municipal de Kangiqsujuaq
15:00 Présentation par la Corporation foncière Nunaturlik
15:15 Pause-café

15:30 Questions et commentaires du grand public
17:00 Fin de la première session

Jeudi 28 février, Kangiqsujuaq
10:00 Présentation par l'Administration régionale Kativik
10:30 Présentation par la Société Makivik
11:00 Question de la Commission et les commentaires du public
12:30 Fin de la deuxième session

Schedule of the public hearings for Nunavik Nickel project
Kativik Environmental Quality Commission and Federal Review Panel

Monday February 25, Puvirnituq
13:30 Opening Prayer
Opening Comments of the Chairman and the mayor
13:45 Nunavik Nickel Presentation
14:30 Questions of clarification from the Commission and public comments
14:45 Presentation from the Puvirnituq municipal council
15:15 Coffee break
15:30 Questions and comments from the general public
17:00 First Session ends
17:30 Supper
19:00 Presentation from Kativik Regional Government
19:30 Commission questions and public comments
21:00 Second Session ends

Tuesday February 26, Salluit
13:30 Opening Prayer
Opening Comments of the Chairman and the mayor
13:45 Nunavik Nickel Presentation
14:30 Questions from the Commission and public comments
14:45 Presentation from the Salluit municipal council and Qaqqalik Land Holding Corporation
15:15 Coffee break
15:30 Questions and comments from the general public (also from radio)
17:00 Second Session ends
17:30 Supper
19:00 Presentation from Kativik Regional Government
19:30 Commission questions and public comments
21:00 Second Session ends

Wednesday February 27, Kangiqsujuaq

13:30 Opening Prayer
Opening Comments of the Chairman and the mayor
13:45 Nunavik Nickel Presentation
14:30 Questions from the Commission and public comments
14:45 Presentation from the Kangiqsujuaq municipal council
15:00 Presentation from the Nunaturlik Land Holding Corporation
15:15 Coffee break
15:30 Questions and comments from the general public
17:00 First Session ends

Thursday February 28, Kangiqsujuaq

10:00 Presentation from Kativik Regional Government
10:30 Presentation from Makivik Corporation
11:00 Commission questions and public comments
12:30 Second Session ends

Appendix 2: Position paper submitted by the Qaqqalik Landholding Corporation and the Northern Village of Salluit

COMMUNITY CONCERNS REGARDING

THE SUMMARY OF

NUNAVIK NICKEL PROJECT MITIGATION MEASURES

(ANNEX 7 OF THE CANADIAN ROYALTIES PROPOSED AGREEMENT – TABLE 1)

Air quality

Construction Phase:

The listed impacts are related to increased airborne dust and exhaust emissions, and the significance is described as "minor".

The proposed increased level of airborne dust is of major significance to the Inuit that are directly affected in the Deception Bay area, and represents a serious health hazard and major impediment to people exercising traditional activities. Present levels of road traffic already represent impacts with greater than "minor" significance on the Inuit of Salluit in terms of dust. The proposed additional traffic, combined with present traffic from the Raglan Project, will double the dust generated.

We classify this as a ***major*** impact on the human milieu, and of major significance to the environment on either side of the road.

Operation Phase:

The listed impacts are related to increased airborne dust, greenhouse gas and pollutant emissions, and airborne tailings, and the significance is described as "minor".

The proposed increased level of airborne dust is of major significance to the Inuit that are directly affected in the Deception Bay area, and represents a serious health hazard and ongoing impediment to people exercising traditional activities. Present levels of road traffic already represent impacts with greater than "minor" significance on the Inuit of Salluit in terms of dust, and this will be compounded by another mining operation's long-term traffic on the same road. We also question some of the methods intended to reduce dust, such as the application of calcium chloride under dry, windy conditions, among others. Furthermore, Pangaliriaq lies within two (200) hundred feet from the access road used presently by Xstrata and proposed for use by Canadian Royalties. Any leaching of calcium chloride or other products foreign to the fresh water systems near by presents an unacceptable risk of long term impact

to the environment and the food chain. Rain and run off waters will wash any chemicals applied to roads, into the adjoining watersheds and river and lake systems.

We classify this as a ***major long-term*** impact on the human milieu, and of major long-term significance to the environment.

Soil

Construction Phase

The listed impacts are related to the risk of soil contamination and loss of soil, and the significance is described as "minor".

The construction of the wharf, which is against community wishes, will obliterate what remains of a fox den area that is still frequented by foxes. The risk of water and soil contamination at the wharf is of serious concern, being that the location of the wharf is exposed to certain winds, and may cause ship movement during cargo transfer during high winds. The proposed construction of a wharf is of major significance to the Inuit that are directly affected in the Deception Bay area, and represents a serious impediment to people exercising traditional activities.

We classify this as a ***major*** impact on the human milieu, and of ***major*** significance to the environment.

Operation Phase

The listed impacts are related to localized increase in metal concentrations on the soil surface, risk of soil slump, risk of soil contamination with hydrocarbons, and environmental liability that may affect long term soil use, and the significance is described as "moderate".

The transport of ore and concentrate, tailings, waste rock, and all general road traffic present risks to soil contamination. Although there are safety measures to minimize the spreading of contaminants into the environment in case of accidental spills, there is no protection afforded to the environment along the road to Deception Bay. In the event of an accident on that road, depending on the location, a major impact could occur to the environment. There are no preventive measures to ensure that contaminants would not leach into the local water shed under such circumstances.

The presence of four (4) open pit mines is already being forecast to be more than just four (4) open pits. These open pits will remain as permanent scars on the environment, and will eventually become serious environmental and ecological dangers.

We classify this as a ***major long-term*** impact on the human milieu, and of major long-term significance to the environment.

Hydraulic and sediment regimes

Construction Phase

The listed impacts are related to the risk of change in flow pattern during construction and change in sediment regime and the significance is described as "minor".

Although the construction of port infrastructure is listed as a source of impact in this section, it is not clear what mitigation measures will apply to minimize or eliminate impact on the sea bed and the sediments of the surrounding areas. We have no confidence in the efficacy of containment curtains such as have been employed in the last couple of years in Deception Bay. We have seen that these do not work in adverse weather. The location of the wharf presents more intrusion than ever by mining companies on our traditional beaching areas and is closer to the tidal zone, than the existing wharf. We will no doubt have to observe hunting restrictions in a new area not previously occupied by mining interests. Any fuel or metal concentrate spills, in the proposed dock area, as have already taken place at the existing dock, are certain to have greater impact on the tidal zone than previous spills due to its proximity. Such tidal zones are a source of mussels and clams and represent a fish habitat.

We would like to also bring to everybody's attention that as community, we have always opposed an additional wharf at Deception Bay.

The construction of a berm bridge and access roads will impact on the Puvirnituq River, a major river system to the Inuit of Northern Hudson Bay and Hudson Strait.

We classify this as a ***major*** impact on the human milieu, and of moderate to major significance to the environment in terms of inevitable incidents or accidents.

Operation Phase

The listed impacts are related to the risk of change in surface runoff patterns, and possible increase in erosion and sediment transport in streams, and the significance is described as "minor".

The Nunavik Nickel Project will impact on the Puvirnituq River at the top of the water shed in no uncertain terms. We are concerned that the fish and waters of the Puvirnituq River system will be put at undue risk. We (Sallumiut) use the Puvirnituq River system for fishing and hunting purposes. The largest Nunavik community of Puvirnituq lies directly downstream at the mouth of the Puvirnituq River and is placed further at risk because they use the water from that river system, as well as several species of fish, for human consumption. Furthermore, there is a regional hospital located in Puvirnituq. That regional institution, which serves the entire Hudson Bay coast from Salluit to Kuujjuaraapik, is also dependent on an assured quality of water. There will be continuous effluent from the mill and general site operations going into this river system. Mill effluent is subject to human error and technical problems that can cause contamination in the environment. We have already seen isolated instances of release of unacceptably high levels of metals and acids into the Deception river watershed, caused by mining activity, and do not agree that current practices justify putting an entire system as extensive as the Puvirnituq River, at risk.

We classify this as a ***major long-term*** impact on the human milieu, and of major long-term significance to the environment.

Thermal and ice regimes

Construction Phase

The listed impacts are related to shipping, and the change in ice cover from ship passage and the significance is described as "very minor".

Current traffic is approximately twelve to fifteen (12-15) voyages per season by Xstrata, which already represents significant obstacles and major inconveniences to Salluit hunters and fishers in the Deception Bay area. This is due partly to the presence of a ship track in the land fast ice necessitating the use of designated crossings, but also due to the policy of discouraging hunting and the use of firearms within a certain radius of the mines infrastructure. It is necessary to access the dock area in the spring, in order to negotiate the ship track and each snowmobile that passes by generally has a firearm. It must be realized that these infrastructure, including roads, are located immediately next to Category II lands and must be negotiated by traveling Inuit, in order to access such Category II lands. Contrary to statements made in the Environmental Impact Statement Summary (Section 6.2), the risk to the safety of Inuit is not of minor significance in the Deception Bay area, in relation to the shipping provisions of the proposed project. The initiation of the Nunavik Nickel project will, in effect, double the number of voyages to Deception Bay overall to about thirty (30) arrivals to the Bay by 2010, if it proceeds. This represents a combined effect to the Inuit hunters from Salluit of a nearly ever-present open track in the ice during ice covered months, which is in fact a danger to individual users of the bay and a greater level of risk of loss of property and life. More instances of traversing very recent ship tracks by other than designated crossings (which are always rough and dangerous) will become the norm, especially between December and March, and this is of serious concern to us. Ice bridges, as proposed, do not represent an adequate nor safe solution to this problem. In the event that Canadian Royalties departs from their planned inactive shipping period (March to June) as they have pre-positioned themselves to do in their proposed IBA to the affected parties, this will mean that the constant reopening of a track in the sea ice will not permit for the freezing of seawater during that crucial latter part of the winter/spring months.

We classify this as a ***major*** impact on the human milieu, and of major significance to the environment in terms of inevitable incidents or accidents.

Operation Phase

The listed impacts are related to the change in ice cover due to the ships passage, and the significance is described as "minor".

The proponent presents the scenario that the ice breaker will take only up to a half a day to reach the dock by using "an already established track". This is in reference to the track left by the MV Arctic which services the Xstrata mining operation. In fact, the MV Arctic, a class III vessel has always had trouble reaching the dock from the shear zone in less than two or three days. It has occasionally taken more than one week, at one point the MV Arctic became immobile and unable to move for several days, and suggestions were made by the SMRQ staff at the time, to put dynamite

charges in the ice to free the ship. Thankfully, this did not happen, and ultimately the ship did free it-self. This causes us some concern, for obvious reasons and would no doubt be a more serious problem for ships of a lesser class. Additionally, Canadian Royalties proposes to break ice further into the Bay than presently done through normally unbroken ice, and much closer to the tidal zone than would seem safe. The Raglan Project was preceded by a test voyage of the MV Arctic, a Canadian vessel, to prove the feasibility of shipping to and from Deception Bay during the winter months. We had the luxury of knowing in advance and participating in the first voyage with the exact vessel that would be making these voyages and were reasonably able to satisfy our concern that such ships would not place our environment at undue risk. With the Nunavik Nickel Project, we have no such assurances. Furthermore we have concerns that less environmentally concerned, and less regulated, foreign owned and operated ships may be employed by Canadian Royalties. It is not the case that the MV Arctic is able to execute the "S" shape track as planned in every instance, and it has proven difficult for this vessel to traverse this same track on the outbound journey from the dock, fully loaded with concentrate. There have been years where the sea ice was disturbed to a great degree with several divergent tracks evident in the ice. In the event that Canadian Royalties departs from their planned inactive shipping period between March and June, as they have pre-positioned themselves to do in their proposed IBA to the affected parties, this will mean that the constant reopening of a track in the sea ice will not permit for the freezing of seawater during that crucial latter part of the winter/spring months. This in turn will contribute to the early break up of the bay ice.

We classify this as a ***major*** impact on the human milieu, and of major significance to the environment.

Water and sediment quality

Construction Phase

The listed impacts are related to the risk of calcium chloride contamination of water during drilling, the temporary deterioration of water quality, risk of water and sediment contamination with hydrocarbons, and temporary deterioration of water and sediment quality in the marine environment; and the significance is described as "minor".

Dredging of the sea bed certainly will disturb/destroy marine habitat. We have no confidence in the measures we have seen employed to contain the dispersal of disturbed sediments, as they did not work well at all in mildly adverse wind-driven waves in the recent past. Further, we have concerns that such disturbed sediments are possibly contaminated to some degree, and would only become more dangerous once disturbed, both to the environment, and to the human food chain. The disposal of dredged material offshore represents what seems a major risk to the environment to us, in the event that such material is contaminated. As mentioned, the proposed site of the wharf is much closer to our summer beaching zone, and to the tidal zone which is fish habitat. The proximity of the projected wharf and fuel depot to the tidal zone presents certain risks of activity-generated contamination, from spills and so forth.

As mentioned earlier, the water quality of the Puvirnituq water system will be impacted to some degree by the construction of a berm bridge and other infrastructures. There is a planned temporary interruption of flow at the outlet of

Bombardier Lake, which will introduce any suspended particles and contaminants into the river once flow resumes. At times it is inevitable that hydrocarbons will be released into the environment eventually to make their way into the river. There is reference to higher levels of mercury that will be evident in the reservoir which we have cause for concern, will impact on the Puvirnituq river water shed, and thereby on the human population.

We classify this as a ***major*** impact on the human milieu, and of major significance to the environment in terms of inevitable incidents or accidents.

Operation Phase

The listed impacts are the risk of water and sediment contamination with hydrocarbons, and possible deterioration of water and sediment quality downstream of the mine drainage and final mine effluent outfalls during operation and the possible increases in suspended solids and chlorides downstream of crossing points; and the significance is described as "minor".

The Puvirnituq river water shed has never seen mine effluent to this date. The introduction of a mill effluent, a human waste water effluent however treated, and the industrial products and chemicals that will leach into the environment from machinery activity and the installation of infrastructure, as well as the flow from the man made dam all represent a new, as yet un-quantified impact on the Puvirnituq River. In addition, the processes involved in tailings treatment, the products used, and the long term stability of the tailings pile is of concern. Any failure of design or theory could represent a catastrophe to the environment and to the people.

We classify this as a ***major*** impact on the human milieu, and of major significance to the environment.

Vegetation

Construction Phase

The listed impacts are related to the loss of terrestrial and wetland habitats, and the significance is described as "minor".

On land, there are fox den areas that will be destroyed, being that such are directly in the proposed dock area. Although this is not classified as an endangered species, it is still a main source of furs to the Inuit and is valued by us. That particular area has long been frequented by foxes, despite a partial destruction of that specific habitat by miners many years previous. The present proposed project will obliterate it, this time. In addition, Canadian Royalties proposes a road construction from their main site to Purtuniq as well as the construction of an airport. According to hunters knowledgeable with the area this could entail the destruction of more fox den areas.

We classify this as a ***major*** impact on the human milieu, and of major significance to the environment.

Operation Phase

The listed impacts are related to the loss of terrestrial and wetland habitats, and the significance is described as "minor".

All forms of vegetation and wildlife to be found in Deception Bay are often found right next to the road, and are subject to the effects of dust and other pollutants. Such vegetation and wildlife are direct links to the human food chain. We have concerns regarding the destruction and contamination of vegetation and wildlife habitat, both on land and elsewhere. Taking present levels of road traffic and doubling that with the same number of traffic from Canadian Royalties, represents an unending production of road dust under dry circumstances. The road dust is already of serious concern to our health and of major impact to the environment on either side of the road. The access road leading from Deception Bay to the interior goes directly through wetland habitats. The constant dust accumulation on the sides of the road is killing the fragile growth next to it. Different species of birds, caribou and other land animals all use this area both for rearing young and for feeding. This reality will only be exacerbated by more traffic.

We classify this as a ***major*** impact on the human milieu, and of major significance to the environment.

Aquatic wildlife and sea mammals

Construction Phase

The listed impacts are related to the avoidance by fish of work areas in the water, temporary loss of aquatic habitat and temporary disturbance of aquatic habitat, the disturbance and potential injury of sea mammals; and the significance is described as "minor".

The avoidance of work areas by fish is of issue to the Inuit who fish in Deception Bay. The construction of infrastructure in the water represents a permanent loss, however limited, of fish habitat as opposed to temporary loss and disturbance of habitat only. Furthermore, the use of containment screens has been shown to be ineffective at times and only partially effective at the best of times. This represents an impact on the vicinity of work areas that is not properly acknowledged by the proponent.

We are concerned that the highly inappropriate example of the Saguenay fiord beluga population will be perceived by the EQC amongst others, as a legitimate indicator of beluga behaviours in Deception Bay, and in the arctic, in general. The Saguenay fiord beluga population is in its native environment and will remain in the vicinity regardless of the noise, because it is not hunted. The hunted arctic populations of beluga behave much differently towards noise and human activity, and will not frequent areas of undue noises and noise levels. We feel that this highlights a concern that there are too many inaccurate and misleading statements in the summary of the *Environmental Impact Statement (EIS)*, for it to be taken at face value. Another point of concern has to do with the inclusion of bowhead whales in the EIS, which, contrary to the implication of that document, do not frequent Deception Bay nor are used by the Inuit of Nunavik as a food source. This indicates to us that the authors of the EIS are quite unfamiliar with the environment, the wildlife and most importantly; the traditional activities and pursuits of the Inuit from this region.

We classify this as a ***major*** impact on the human milieu, and to be of major significance to the aquatic environment and to fish and marine mammals.

Operation Phase

The listed impacts are related to the mortalities and possible change of aquatic communities downstream of outfalls, loss and modification of fish habitats; increased fishing pressure near mine facilities and the occasional disturbance of fish and marine mammals in Deception Bay; and the significance is described as "minor".

Any mortality of fish in the Puvirnituq river as well as the Deception river, as a consequence of impacts by tailing storage sites, waste rock piles and mine pits and mine effluents, as well as future changes in aquatic communities downstream of outfalls are of major long term concern to the Inuit from Salluit to Puvirnituq and beyond. The long term impact of mining activities on marine mammals has become evident in Deception Bay, over the ten years of operation by the Raglan Project. Although seals are still to be found in Deception Bay during the winter, they are less common and less accessible than before the start of mining activities. This is information readily available from hunters in Salluit, who use the Deception Bay area for seal hunting purposes. The doubling of marine traffic will certainly compound this effect. The same comments provided for the construction phase of this section apply here also in regard to beluga. It is our belief that beluga will become more and more rare in Deception Bay over the long term due to mining activity. The incidents reported by individual Inuit witnesses of Canadian Royalties employees routinely ignoring existing fishing regulations is also cause for concern. Considering this lack of respect for regulations and of regard for the Inuit residents, we are concerned that any employee fishing program by this company will take advantage of the absence of conservation officers in the territory.

We classify this as a ***major*** impact on the human milieu, and of major significance to the environment and all fish and marine mammals.

Land mammals

Construction Phase

The listed impacts are related to the noise disturbance for several mammal species, and possible loss of Arctic fox dens; and the significance is described as "minor".

The loss of arctic fox dens represents a loss of part of population specific to harvesting for economic purposes, by Kangirsujuamiut. This does not represent a minor impact in terms of this sector of traditional activity. Once those particular den areas are gone, the foxes will necessarily go elsewhere, but not necessarily remain in their former range. Noise disturbance of land mammals such as caribou will begin with the construction stage. Unlike humans, caribou will not distinguish between construction and operation noises and this will contribute to the avoidance of certain areas by them, over the long term. This in turn will make it harder to harvest caribou, for the Inuit of the area.

We classify this as a ***major*** impact on the human milieu, and of major significance to the environment and all land mammals.

Operation Phase

The listed impacts are related to the habitat loss for all land animals and arctic fox behavior modification, possible change in caribou migration patterns, and the significance is described as "minor".

The fact that all mine facilities rest entirely in either the traditional hunting areas for the communities of Salluit or Kangirsujuaq, or both, means that any change in caribou migration patterns will negatively impact on such communities. It is a fact that there are caribou calving grounds in the general areas surrounding Deception and Puvirnituq rivers. In the event that caribou begin to avoid these areas, it will become increasingly harder to obtain this important food resource for the Inuit. In light of past experience with the existing transportation company, the caribou has been hit on several occasions, this type of incidents bound to increase due to more traffic. We remind all that the entire region is immediately adjacent to the category II lands of Salluit and Kangirsujuaq as well as a national park that will rely partly on the presence of wildlife as a feature of that park.

We classify this as a very ***major*** impact on the human milieu, and of major significance to the environment and all land mammals.

Birds

Construction Phase

The listed impacts are related to the disturbance of breeding pairs and migrating birds near construction sites and along roads, and the significance is described as "minor".

The disturbance of breeding pairs of rare and migrating birds as all other impacts on wildlife will be compounded by the introduction of a new mining project involving the doubling of present day levels of land and air traffic. Goose hunting is an important seasonal activity and source of food for many. People from the community of Salluit will find it increasingly harder to harvest wild fowl. There is also a marked effect on such things as geese migration patterns when human activity persists. The increased dusting of feeding and breeding habitat especially near the road represents a risk to migratory birds as mentioned earlier. Known pairs of endangered birds of prey presently reside near the proposed mining site of Mequillon. A continued presence of humans in the vicinity will force these birds to move.

We classify this as a ***major*** impact on the human milieu, and of major significance to the environment and all birds.

Operation Phase

The listed impacts are related to breeding and feeding habitat loss, disturbance of breeding and migrating birds near mining facilities, and the significance is described as "minor".

All mining facilities and/or activities as well as land, air and sea transportation will have a long term impact on breeding and feeding habitat and habits for birds. This represents impacts that extend well beyond the footprint of the mining infrastructures as the effect on birds of interest to hunting, will extend well away from the sources of disruption.

We classify this as a very ***major*** impact on the human milieu, and of major significance to the environment and all birds.

Health and nutrition

Construction Phase

The listed impacts are related to the risk of work related accidents and to a potential health risk for workers, and the significance are described as "very minor".

The asbestos present on the site where port facilities are intended to be constructed will be disturbed. The spraying of the soil to minimize airborne asbestos particles may be inadequate over the short and long term to prevent impacts on the Inuit camping nearby; hunting, fishing and gathering, as well as those using the area on a regular basis. Construction activities in the Deception Bay area could therefore affect the health of non-workers.

We classify this as a ***major*** impact on the human milieu, and of major significance to the environment.

Operation Phase

The listed impacts are related to risk of accidents and disease to workers, risk of drinking water contamination, possible increase in reservoir fish mercury levels, Inuit lifestyle and diet changes, and the significance is described as "moderate".

Although measures are taken to ensure the health and safety of workers, numerous work place based accidents have occurred at the Raglan Mine project such as at the mill, on the road and everywhere there is mining activity. Again, the Puvirnituq river water shed has never seen mine effluent to this date. The introduction of a mill effluent, a human waste water effluent however treated, and the industrial products and chemicals that will leach into the environment from machinery activity and the installation of infrastructure, as well as the flow from the man made dam all represent a new, as yet un-quantified impact on the Puvirnituq River. An increased level of mercury in reservoir fish will no doubt mean the risk of increased mercury release into the marine environment. The proposed reservoir sits at the top of the Puvirnituq water shed. In addition, the processes involved in tailings treatment, the products used, and the long term stability of the tailings pile is of concern due to the cumulative effect on the river. Furthermore, any failure of design or theory in the berm bridge construction, reservoir construction and design, etc., could represent a catastrophe to the environment and to the people.

The presence of all mining infrastructures and activities in general, represent impacts on the environment which is the primary source of country food to the Inuit. Open pits, tailings, roads, airstrips, reservoirs, mills, wharves, complexes, power stations; represent permanent loss of habitat for local wildlife species and taken together represent huge impacts to sources of free, healthy and nutritious food and water resources.

We classify this as a very ***major*** impact on the human milieu, and of major long term significance to the environment.

Transportation and communications

Construction Phase

The listed impacts are related to the increased access to the territory by miners, disrupted travel in Deception Bay and the significance is described as "very minor".

The increased access to the territory in our opinion is mostly beneficial to miners. After all, we access the same general areas for entirely different purposes. From our perspective, this increased access to the territory represents an increased area of potential negative impacts from mining. The disruption to travel in Deception Bay as mentioned is of great significance to the community of Salluit and of potential risk to human life (ie: open ice track).

We classify this as a ***major*** impact on the human milieu, and of major significance to the environment.

Operation Phase

Again, the listed impacts are related to the increased access to the territory by miners, disrupted travel in Deception Bay and the significance is described as "very minor".

The increased access to the territory, in our opinion, is mostly beneficial to miners. After all, we access the same general areas for entirely different purposes. From our perspective, this increased access to the territory represents an increased area of potential negative impacts from mining. The disruption to travel in Deception Bay as already mentioned, is of great significance to the community of Salluit and of potential risk to human life (ie: open ice track).

We classify this as a ***major*** impact on the human milieu, and of major significance to the environment.

Land and resource management / use

Construction and operation phases

The listed impacts are related to the "maintenance of resource sustainability and waste production, disruption of traditional Inuit activities inland and in Deception Bay, and the significance is described as "minor".

The impacts of the sea transportation on resource access, and that of long-haul activities in the Deception Bay area have already been explained. It is our contention that a continuous open track in the sea ice of Deception Bay will result from the authorization of this project, once the non-shipping period provisions of the proposed IBA have been done away with, which will likely occur as soon as market conditions, foreign refinery needs for nickel feed, and/or financial planning requirements dictate it, or upon the outset of the operations phase.

In point of fact, the presence of any mining company is incompatible with hunting and fishing, being that such mining activities are by nature extremely destructive to

the environment. The presence of more mining infrastructure and sites increases the footprint of mining in and around our hunting and fishing areas, representing a larger zone where hunting is not permitted, and where firearms possession is restricted. This is a severe problem in that the mine sites are located in our prime hunting and fishing areas. The fact that Canadian Royalties intends to relocate Inuit owned camps (Kangirsujuamiut) is another illustration of the imposition of mining on our traditional activities. Such camps as exist in the Deception Bay area (Tasialurjuaq, Pangaligiaq, Avaalak and Deception Bay and the Deception River) and inland have been installed at relatively great effort and cost, by individual Inuit and families; for the reason that those areas are of ancestral and personal importance. A high percentage of Sallumiut are in fact, originally from the Deception Bay area.

We classify this as a ***major*** impact on the human milieu, and of major significance to the environment.

Other comments

Deception Bay has historically been and continues to be considered as a potential relocation area for the community of Salluit. Studies currently underway within the community of Salluit (Laval University) have yet to conclude but indications are that some of the community could potentially be at risk because of permafrost thaw. If global warming continues, we could ultimately be forced to consider such drastic measures as relocation, and Deception Bay is the only alternative for our community. We would like to protect Deception Bay from undue risk such as presented by mining to the greatest possible extent. It is our view that another dock facility, complete with fuel depots is a negative development for the environment and we had already stated our opposition to Canadian Royalties, last year (2007). Nevertheless, Canadian Royalties proceeded to deposit fuel, equipment and mining products in Deception Bay last summer, after we voiced our objections to their plans. Such fuel supplies were seen to be already leaking into the environment, without mitigating measures, upon arrival. All were destined for inland sites such as Expo and it is presumed that these fuel tanks leaked all the way there. We feel that this is indicative of a cavalier attitude within Canadian Royalties, towards the environment, environmental regulations, and most of all; to Inuit and their status as stakeholders with a preceding right.

The physical impact of the Canadian Royalties project on the Inuit reality, taken by itself, is equivalent to that of the Raglan project. Taken together, both projects magnify the impact of the other on the Inuit. Strictly in economic terms, the projected benefits back to the community from the Canadian Royalties project pale in comparison to that currently received from the Raglan project. On that basis alone, it seems unjustified for us to accept the proposed IBA. We feel that accepting such a lower return will only weaken our position in dealing with Xstrata whom will expand their project by 2013 and as well as other major mining companies.

In terms of employment, it is hard to see a significant positive impact on the communities when Xstrata is also planning an expansion to their own project, and have already secured government funding to train hundreds of Inuit for employment at their mine. Considering that the level of able and willing Inuit workers in the mining industry in Nunavik seems to have reached a plateau, and taking into account Xstrata's plans to increase Inuit employment which seem much more advanced than Canadian Royalties, it is hard to see how a significant number of Inuit will actually end up working for Canadian Royalties.

The fact that Canadian Royalties does not intend to outsource contracts for open pit mining and long distance haul (section 6.2 of the IBA), both areas of activity in which community mining businesses exist; limit the potential for economic spin off and create further disincentive for us to accept the proposed IBA. We appreciate that Inuit designated businesses and Inuit owned companies such as NEAS and AIL are considered for direct negotiations for contracts, but not enough other incentive exists in terms of local or regional business development under this project.

Conclusion

Canadian Royalties version of the significance of residual impacts is taken from the miner's perspective. It is further skewed by the fact that the authors of the EIS, the proposed IBA are not the impacted parties and as such, are prone to downplaying the significance of their impacts. The community version is based on an entirely different perspective, that of a renewable resource dependent stakeholder in the same area of land and sea. We stress the fact that Xstrata's impacts are already unreasonably high in our view, and that the imposition of substantially more activity will prove unsustainable to our way of life and our land and resource rights.

As mentioned earlier in the document, the sources cited in the summary document of the shipping impacts are of serious doubt being that improper examples of wildlife are used, unqualified individuals cited from the community and inferences made that do not reflect reality, such as there being no risk from the shipping activities to people from Salluit; simply on the basis that our community is many kilometers away. In point of fact, we still have individuals in our midst who have experienced the nomadic lifestyle of our forefathers, and maintain year round camps at Deception Bay. There are many individuals in Salluit who regularly use the Deception bay area for subsistence purposes and so we are always present in that area.

We reiterate our request that the KEQC impose a strict monitoring and remedial measures assessment regime to address all areas of our expressed concerns.

In closing, we would like to inform you that we would have voiced our objections to this project much sooner, had we known the implications involved at the appropriate time of the MOU reached between Makivik and Canadian Royalties in 2006. The fact that we have been led to believe the Canadian Royalties Project will be permitted to proceed regardless of our objections has necessitated that we take a proactive approach in deciding to work with Makivik on this file as of late. We have held discussions that have resulted in the understanding that the affected communities of Salluit, Kangirsujuaq and Puvirnituq will indeed be party to any IBA that may be realized. However, many parts of the proposed IBA remain to be accepted by the communities and we need more time to properly address all of the issues. Therefore, again, we strongly urge the members of the KEQC to delay the authorization of this project until such time as a meaningful, inclusive and informed negotiation or dialogue has taken place particularly with regard to our outstanding concerns in relation to the environmental mitigation measures and benefits proposed, business development provisions, amongst others; and a full acceptance of the IBA by the communities concerned has been obtained by Canadian Royalties.

Appendix 3: Environmental impact study included in the agreement between the Makivik Corporation and Canadian Royalties Inc.

Component Affected	Project Phase	Source of Impact	Description of Impact	Source[1]	Mitigation Measures	Significance of Residual Impact	Follow-up
Air quality	Construction	Road traffic, use of generators, equipment traffic and soil stripping	Increased airborne dust and exhaust emissions	EA: p. 307	***General:*** **AIR1**: Vehicles, to the extent possible, shall not be left running when not in use. **AIR2**: Dust reducers (calcium chloride or water) shall be sprayed on certain areas in dry, windy weather. **AIR3**: Machinery used shall comply with Environment Canada emission standards.	Minor	General monitoring and follow-up during construction
	Operation	Road traffic, equipment traffic, mine pits, mineral processing plant and concentrate transshipment at Deception Bay	Increased airborne dust	EA: p. 309	***General:*** **AIR2**: Dust reducers (calcium chloride or water) shall be sprayed on certain areas around the industrial complex in dry, windy weather. **AIR4**: Crushers and grinders shall be equipped with dust collectors leading to a dust extractor. **AIR5**: Generators used shall have low contaminant emissions. **AIR6**: Prior and regular inspection of machinery shall be performed to ensure that it is in good condition and working properly. ***Specific:*** **AIR7**: Expo mine tailings shall be covered progressively. **AIR8**: Dikes shall be built on three sides of the tailings pile to shelter tailings from wind, and waste rock shall be piled on top of the tailings once at their maximum height. **AIR9**: Conveyors used shall be enclosed. **AIR10**: The chute for loading concentrates into the bulk-ore carrier hold shall be canvas-covered.	Minor	Monitoring of dust emissions (EA: p. 532); Monitoring and control of asbestos fibres inside the crushing and grinding unit (EA: p. 532–533)
		Tailings and waste rock storage site	Airborne tailings				
		Producing power with generators, incinerating wastes and blasting	Greenhouse gas and pollutant emissions				
Soil	Construction	Road traffic, equipment traffic and fuel depots	Risk of soil contamination	EA: p. 320–321	***General:*** **SOL1**: Prior and regular inspection of machinery shall be performed to ensure that it is in good condition and working properly (not leaking hydrocarbons). **SOL2**: An emergency kit for recovering petroleum products and hazardous materials shall be readily accessible at all times. **SOL3**: Non-acid-generating waste rock shall be used as granular material during the operational phase in order to minimize encroachment upon eskers. ***Specific:*** **SOL4**: Soil stripped and material excavated in building port land facilities shall be largely reused to build the wharf pier, reducing the use of borrow pit material.	Minor	General monitoring and follow-up during construction
		Soil stripping and borrow pit operation	Loss of soil usable for other purposes				
	Operation	Transport of ore and concentrate, tailings and waste rock storage, and concentrate handling	Localized increase in metal concentrations on the soil surface	EA: p. 323	***General:*** **SOL5**: To prevent subsidence due to the soil heating, major buildings shall rest on piles and lighter buildings shall be on ventilated foundations. **SOL6**: Metal concentrates shall be handled outdoors within enclosures. **SOL7**: Tailings water content shall be kept around 27%, and tailings shall be pumped to minimize spreading to the environment. ***Specific:*** **SOL8**: Dikes shall be built on three sides of the tailings pile to shelter tailings from wind, and waste rock shall be piled on top of the tailings once at their maximum height. **SOL9**: The final cover shall include an impervious membrane and an erosion protection layer. **SOL10**: Measures shall be taken when building major civil structures to prevent permafrost from thawing.	Moderate	Monitoring of dust emissions (EA: p. 532)
		Industrial complex and access roads	Risk of soil slump				
		Road traffic, equipment traffic, fuel depot and waste incineration	Risk of soil contamination with hydrocarbons				
		Presence of four open-pit mines	Environmental liability that may affect long-term soil use				

Table 1 (cont.) Summary of Nunavik Nickel Project mitigation measures.

Component Affected	Project Phase	Source of Impact	Description of Impact	Source[1]	Mitigation Measures	Significance of Residual Impact	Follow-up
Hydraulic and sediment regimes	Construction	Access roads, berm-bridge and port infrastructure Laying culverts, building the berm-bridge and building port infrastructure	Change in flow pattern during construction Change in sediment regime	EA: p. 326 Addendum No. 2: p. 22	***General:*** **RHS1**: Culverts shall be laid during the summer low-flow period (July to September). **RHS2**: Drainage ditches along the planned road shall stop a few metres above the natural high-water level of streams crossed. ***Specific:*** **RHS4**: A geomembrane shall be installed downstream of crossings and around work areas in order to catch particles that are stirred up. **RHS5**: A containment curtain shall be installed in the water if granular material is taken less than 75 m from a lake. **RHS6**: Road banks at stream crossings shall be covered with a geomembrane and riprap. ***Specific:*** **RHS3**: A sedimentation pond shall be built at the end of the roadside ditch on the left (west) bank of the Puvirnituq berm-bridge.	Minor	General monitoring and follow-up during construction
	Operation	Berm-bridge, reservoir, roads, mine pits, waste rock piles, tailings storage site and port infrastructure Berm-bridge, reservoir, bridge, roads and port infrastructure	Change in surface runoff pattern Possible increase in erosion and sediment transport in streams	EA: p. 330–331 Addendum No. 2: p. 21	***General:*** **RHS8**: Stones removed during grading earthwork shall be reused to stabilize banks and hollows. **RHS9**: Resuspension of material shall be minimized when adding or removing material in water. **RHS10**: Earth removed and fill shall be stored outside the buffer strip. **RHS2**: Drainage ditches along the planned road shall stop a few metres above the natural high-water level of streams crossed. **RHS11**: Culverts shall be large enough to not significantly reduce the flow cross-section at stream crossings. **RHS14**: A drainage system shall be built on the port infrastructure site. ***Specific:*** **RHS6**: Road banks at stream crossings shall be covered with a geomembrane and riprap. **RHS13**: During earthwork on steep slopes, the bottom of ditches shall be progressively stabilized with a cover of well-drained granular material and riprap. ***Specific:*** **RHS12**: Adequate instream flow shall be maintained in the Puvirnituq River between June and September for the fish pass to work properly. **RHS7**: A 1.1-m^3/s instream flow shall be maintained in spring when filling the reservoir upstream of the berm-bridge.	Minor	Monitoring of the stability of culverts and the free circulation of fish (EA: p. 533–534)
Thermal and ice regimes	Construction	Shipping in Deception Bay	Change in the ice cover from ship passage	EA: p. 336 Navigation: p. 35, 37–38, 42	***Specific:*** **RTG1**: Shipping in Deception Bay shall be avoided during the break-up period from mid-March to mid-June (period of seal pupping and increased hunting by Inuits). ***Specific:*** **RTG2**: Ships shall not travel at speeds exceeding 7 knots in Deception Bay.	Very minor	General monitoring and follow-up during construction
	Operation	Reservoir Shipping in Deception Bay	Change in thermal regime Change in the ice cover from ship passage	EA: p. 338 Navigation: p. 35–39, 42–43, 61	***Specific:*** **RTG1**: Shipping in Deception Bay shall be avoided during the break-up period from mid-March to mid-June (period of seal pupping and increased hunting by Inuits). ***Specific:*** **RTG2**: Ships shall not travel at speeds exceeding 7 knots in Deception Bay. **RTG3**: Only two trips shall be made during the ice period unless agreements are negotiated with the community of Salluit. **RTG4**: Ships shall always take the same route in Deception Bay, i.e., the Xstrata shipping route, in order to minimize the impact on pack ice. **RTG5**: Ships shall travel along an S-shaped route in Deception Bay in winter to fragment the ice less.	Minor	Monitoring of shipping in Deception Bay (Navigation: p. 61)

Office of the Chairman
Faculté de l'Aménagement – School of Landscape Architecture
P.O. Box 6128, Station Centre-ville
Montreal QC H3C 3J7
E-mail: peter.jacobs@umontreal.ca

Office of the Secretariat
P.O. Box 930
Kuujjuaq QC J0M 1C0
Tel.: 819-964-2961, Fax: 819-964-2910
E-mail: mtremblay@krg.ca

Component Affected	Project Phase	Source of Impact	Description of Impact	Source[1]	Mitigation Measures	Significance of Residual Impact	Follow-up
		Exploration work	Risk of calcium chloride contamination of water during drilling		***General:***		
					QES1: Precautions shall be taken to avoid spills near boreholes and to recover any residual chemicals should a spill still occur.		
					QES2: Inspections shall be performed to ensure that land and sea machinery (clamshell and barge), as well as temporary tanks are in good condition.		
					QES3: Any machinery that must cross a stream outside the winter period shall be inspected and cleaned.		
		Berm-bridge, roads, bridge and soil stripping	Temporary deterioration of water quality		**QES4**: Heavy machinery shall only be used within the road right-of-way and borrow pit access roads.		
					QES5: Excavated material shall be disposed of in a way that minimizes the spread of suspended solids.		
					QES6: Stones removed during grading earthwork shall be reused to stabilize banks and hollows.		
					QES7: Drainage ditches along the planned road shall stop a few metres above the natural high-water level of streams crossed.		
					QES8: Machinery parking, washing and maintenance areas shall be at least 60 m from any stream, and machinery shall be refuelled under constant supervision at least 30 m from any stream.		
					QES9: Culverts shall be laid during the summer low-flow period (July to September).		
Water and sediment quality	Construction	Road traffic, equipment traffic and fuel depots	Risk of water and sediment contamination with hydrocarbons	EA: p. 340–342	**QES10**: A clamshell dredge shall be used to reduce the proportion of sediment released during dredging.	Minor	General monitoring and follow-up during construction
					QES11: Clay shall be handled with care during dredging operations to minimize liquefaction.		
					QES12: The clamshell shall be raised and lowered at speeds of less than 0.6 m/s.		
					QES13: The imperviousness of hopper barge compartments shall be monitored during dredging operations.		
					QES14: The hopper barge shall be filled to only 90% of its capacity to reduce the risk of any overflow.		
					QES15: The hopper barge shall be monitored for smooth operation during dredging.		
		Dredging and backfilling for the wharf, and disposal of material dredged offshore	Temporary deterioration of water and sediment quality in the marine environment		***Specific:***		
					QES16: A geomembrane shall be installed downstream of crossings and around work areas in order to catch particles that are stirred up.		
					QES17: Road banks at stream crossings shall be covered with a geomembrane and riprap.		
					QES18: A containment curtain shall be installed in the water if granular material is taken less than 75 m from a lake.		
					QES33: A 3-m strip shall be kept intact between the drainage ditches and the bank of the highly productive stream next to the Mequillon waste rock pile.		
					Specific:		
				CEAA: MPQ27	**QES32**: A containment curtain shall be installed in Deception Bay around the wharf during construction to control the spreading of suspended solids.		

Component Affected	Project Phase	Source of Impact	Description of Impact	Source[1]	Mitigation Measures	Significance of Residual Impact	Follow-up
Water and sediment quality (cont.)	Operation	Road traffic, equipment traffic, fuel depots and fuel transshipment Tailings storage site, waste rock piles, pit water and mine pits Presence of roads and their maintenance	Risk of water and sediment contamination with hydrocarbons Possible deterioration of water and sediment quality downstream of the mine drainage and final effluent outfalls during operation Possible increase in suspended solids and chlorides downstream of crossing points	EA: p. 345–347	***General:*** **QES19**: The top of mine tailings and waste rock piles shall be kept at a 1% to 3% gradient to minimize infiltration. **QES20**: Water in the sedimentation ponds downgradient of the waste rock piles at the Ivakkak, Mequillon and Mesamax mines, and Expo industrial complex process water shall be treated by adding lime and flocculants before entering the final effluent. **QES21**: Solids shall be removed from domestic sewage using a mobile biodisc treatment unit and the waste water shall be disinfected using ultraviolet treatment. **QES22**: Temporary ore storage sites shall rest on a compacted gravel base surrounded by a collecting ditch to channel drainage water to the sedimentation pond, from which it shall be pumped into the process water tank. **QES23**: The kitchen shall be equipped with oil and grease traps. **QES24**: Only phosphate-free soaps and detergents shall be used. **QES25**: Special care shall be taken to avoid spilling ammonium nitrate beside blast holes when loading them, an operation always done using equipment to inject the explosives directly into the blast holes. **QES26**: Abrasives and de-icing chemicals shall only be spread on dangerous locations or during ice-storms. **QES7**: Drainage ditches along the planned road shall stop a few metres above the natural high-water level of streams crossed. **QES2**: Prior and regular inspections of machinery and tanks shall be performed. **QES27**: Fuel tanks shall be surrounded by a berm high enough to contain a spill equal to the largest capacity tank plus 10%. **QES31**: Fuel transshipment facilities shall be equipped with automatic valves detecting fuel leaks and off-shore hydrocarbon recovery gear shall be available at all times. ***Specific:*** **QES28**: Acid-generating waste rock (Mequillon, Expo and Mesamax) shall be covered with neutral granular material and an impervious membrane. **QES29**: Geomembranes shall be placed beneath mine tailings cells, on dike walls and on the top of tailings and waste rock piles. **QES17**: Road banks at stream crossings shall be covered with a geomembrane and riprap. **QES30**: During earthwork on steep slopes, the bottom of ditches shall be progressively stabilized with a cover of well-drained granular material and riprap.	Minor	Monitoring of final effluent and receiving water quality (EA: p. 527–529); Sediment quality monitoring (EA: p. 531)
Vegetation	Construction and operation	Presence of mine and port facilities	Loss of terrestrial and wetland habitats	EA: p. 372–372	***General:*** **VEG1**: Machinery shall not circulate outside work area boundaries (unless otherwise authorized) and a fence shall be put up around the protection perimeter. **VEG2**: Habitats next to jobsites shall be protected, particularly close to stream banks.	Minor	General monitoring and follow-up during construction

Office of the Chairman
Faculté de l'Aménagement – School of Landscape Architecture
P.O. Box 6128, Station Centre-ville
Montreal QC H3C 3J7
E-mail: peter.jacobs@umontreal.ca

Office of the Secretariat
P.O. Box 930
Kuujjuaq QC J0M 1C0
Tel.: 819-964-2961, Fax: 819-964-2910
E-mail: mtremblay@krg.ca

Table 1 (cont.) Summary of Nunavik Nickel Project mitigation measures.

Component Affected	Project Phase	Source of Impact	Description of Impact	Source[1]	Mitigation Measures	Significance of Residual Impact	Follow-up
Aquatic wildlife and sea mammals	Construction	Construction in or near water (culvert, berm-bridge, bridge, wharf, etc.)	Avoidance by fish of areas around work in water	EA: p. 376–377, 398–399 Navigation: p. 35–37, 42, 61	***General:*** **FAQ1**: Culverts shall be laid during the summer low-flow period (July to September). **FAQ2**: Vehicle and construction machinery traffic shall be avoided within 20 m of a perennial stream or within 5 m of an intermittent stream and, if such traffic is unavoidable, any water flowing into ruts shall be diverted to an area of vegetation located at least 20 m from a stream. **FAQ3**: The berm-bridge shall be built in winter or in the summer low-water period. **FAQ4**: Blasting on and near the shores of Deception Bay shall comply with the limits set out by Wright and Hopky (1998), taking appropriate measures to limit to 100 kPa the intensity of shock waves in the aquatic environment. **FAQ5**: A clamshell dredge shall be used to reduce the proportion of sediment released during dredging. **FAQ6**: Clay shall be handled with care during dredging operations to minimize liquefaction. **FAQ7**: The clamshell shall be raised and lowered at speeds of less than 0.6 m/s. **FAQ8**: The imperviousness of hopper barge compartments shall be monitored during dredging operations. **FAQ9**: The hopper barge shall be filled to only 90% of its capacity to reduce the risk of any overflow. **FAQ10**: The hopper barge shall be monitored for smooth operation. ***Specific:*** **FAQ11**: A 3-m strip shall be kept intact between the drainage ditches and the bank of the highly productive stream next to the Mequillon waste rock pile. **FAQ47**: Shipping in Deception Bay shall be avoided during the break-up period from mid-March to mid-June (period of seal pupping and increased hunting by Inuits). **FAQ48**: All dredging operations shall be interrupted if a cetacean is seen within 200 m of a dredge site, disposal site or barge. **FAQ50**: Ships shall not travel at speeds exceeding 7 knots in Deception Bay.	Minor	General monitoring and follow-up during construction; Monitoring of shipping in Deception Bay (Navigation: p. 61)
		Berm-bridge construction	Temporary loss of aquatic habitat				
		Shipping, dredging and disposal of dredged material at sea to build the wharf	Temporary disturbance of aquatic habitat				
		Building of temporary structures	Temporary loss of aquatic habitat	CEAA: MPO42	***General:*** **FAQ20**: The free movement of fish shall be ensured at all times when a stream is temporarily diverted. **FAQ21**: The diversion channel and its banks shall be stabilized using riprap or a geomembrane. **FAQ22**: Clean granular material shall be used for cofferdams (imperviousness preferably being achieved using non-granular material). **FAQ23**: Temporary structures shall be stabilized using a geomembrane or riprap. **FAQ24**: Fine particle transport shall be prevented in the aquatic environment beyond the immediate work area. **FAQ25**: Areas disturbed by earthwork (e.g., slopes and banks) shall be stabilized progressively as work is completed. **FAQ26**: Surplus material shall be disposed of at a specially designated site. **FAQ27**: Vehicle maintenance and refuelling, and hydrocarbon storage and handling, shall be at a distance of more than 30 m from the natural high-water level. **FAQ28**: Machinery shall be prohibited from fording streams. **FAQ29**: Vehicle traffic shall be restricted to designated and clearly identified roadways. **FAQ30**: Hydrocarbon-absorbing floating booms shall be installed downstream of work in streams, as well as in lakes and areas with low flow. **FAQ31**: Machinery shall be moved away from streams as soon as possible. **FAQ32**: Machinery used shall be clean and in good condition. **FAQ33**: Waste oil from machinery shall be taken to a specially designated site. **FAQ34**: Emergency gear shall be on hand in case of spills and workers shall know how to use it. **FAQ35**: The diversion channel shall be backfilled and restored to its original condition. **FAQ36**: Areas of streams affected by construction shall be restored to their initial characteristics (substrate, width, depth and vegetation).		
		Erosion and resuspension of sediment	Temporary disturbance of aquatic habitat				
		Use of machinery	Temporary disturbance of aquatic habitat				
		Site restoration	Temporary disturbance of aquatic habitat				

Office of the Chairman
Faculté de l'Aménagement – School of Landscape Architecture
P.O. Box 6128, Station Centre-ville
Montreal QC H3C 3J7
E-mail: peter.jacobs@umontreal.ca

Office of the Secretariat
P.O. Box 930
Kuujjuaq QC J0M 1C0
Tel.: 819-964-2961, Fax: 819-964-2910
E-mail: ntremblay@krg.ca

Table 1 (cont.) Summary of Nunavik Nickel Project mitigation measures.

Component Affected	Project Phase	Source of Impact	Description of Impact	Source[1]	Mitigation Measures	Significance of Residual Impact	Follow-up
Aquatic wildlife and sea mammals (cont.)	Construction (cont.)	Blasting near Deception Bay	Disturbance of and potential injury to sea mammals	CEAA: MPO18	***Specific:*** **FAQ39**: Blasting shall only be performed at low tide. **FAQ40**: A sea mammal exclusion zone shall extend up to 1 km from the work area and blasting shall only be performed after having confirmed that no sea mammals are present in that zone. **FAQ41**: An observer shall be posted to watch for sea mammals in the exclusion zone. **FAQ42**: Care shall be taken not to frighten sea mammals that may be found in the exclusion zone. **FAQ43**: Buoys shall be used to mark out the exclusion zone.	Minor	General monitoring and follow-up during construction; Monitoring of shipping in Deception Bay (Navigation: p. 61)
		Pile driving and drilling in Deception Bay	Disturbance of sea mammals	CEAA: MPO30	***Specific:*** **FAQ44**: Work related to pile driving and drilling shall only be performed when no sea mammals are within 600 m. **FAQ45**: An observer shall be posted during pile driving and drilling to ensure that no sea mammals are within 600 m. **FAQ46**: The buoys used to mark out the exclusion zone (FAQ43) shall not be installed at night.		
	Operation	Tailings storage site, waste rock piles, mine pits and mine effluents	Mortalities and possible change in aquatic communities downstream of outfalls	EA: p. 382–383, 398–399	***General:*** **FAQ12**: Culverts shall be installed so as not to impede the flow of water (base of culverts set beneath the natural stream bed, riprap used for stabilization, etc.). **FAQ13**: A mobile mine drainage treatment unit shall be installed downgradient of Ivakkak, Mequillon and Mesamax waste rock piles and a permanent treatment unit shall be used to purify process water at the Expo industrial complex. **FAQ14**: Solids shall be removed from domestic sewage using a mobile biodisc treatment unit and the waste water shall be disinfected using ultraviolet treatment. ***Specific:*** **FAQ16**: Culverts shall be laid at the same slope as the natural stream bed and baffles shall be installed if flow exceeds 1.2 m/s. **FAQ17**: Culverts shall be laid in steps to concentrate flow during the low-water period. **FAQ18**: No measures shall be taken to accommodate fishermen (e.g., transportation, preserving catches) in order to reduce fishing pressure. **FAQ19**: A fishing program shall be established to provide guidelines for fishing in a number of bodies of water. **FAQ47**: Shipping in Deception Bay shall be avoided during the break-up period from mid-March to mid-June (period of seal pupping and increased hunting by Inuits).	Minor	Monitoring fish populations (EA: p. 530); Monitoring benthic invertebrate communities (EA: p. 530–531); Toxicity tests (EA: p. 531–532); Monitoring of fish catches by mine employees (EA: p. 534); Monitoring of the stability of culverts and the free circulation of fish (EA: p. 533–534); Monitoring of shipping in Deception Bay (Navigation: p. 61)
		Berm-bridge, reservoir, port infrastructure and access roads	Loss and modification of fish habitat				
		Workforce	Increased fishing pressure near mine facilities				
		Port facilities and shipping	Occasional disturbance of fish and sea mammal activity in Deception Bay	Addendum No. 2: p. 21 Navigation: p. iv, 35–37, 42	***Specific:*** **FAQ15**: Adequate instream flow shall be maintained in the Puvirnituq River between June and September for the fish pass to work properly. **FAQ37**: A 1.1-m^3/s instream flow shall be maintained in spring when filling the reservoir upstream of the berm-bridge. **FAQ38**: The berm-bridge shall have a fish pass to ensure the free movement of fish. **FAQ49**: Ships serving the mine complex shall, to the extent possible, be equipped with propellers designed to minimize cavitation (reducing noise and air bubbles). **FAQ50**: Ships shall not travel at speeds exceeding 7 knots in Deception Bay. **FAQ51**: Only two trips shall be made during the ice period unless agreements are negotiated with the community of Salluit. **FAQ52**: The tonnage of ships shall be maximized to minimize the number of trips required.		
Land mammals	Construction	All construction work and air transport	Noise disturbance for several mammal species	EA: p. 398–399	***General:*** **MTR1**: Prior and regular inspection of machinery shall be performed to ensure that it is in good condition and working properly. **MTR2**: Machinery traffic shall be limited to work areas. ***Specific:*** **MTR3**: A survey of Arctic fox dens shall be conducted in all eskers likely to be used during mine construction.	Minor	General monitoring and follow-up during construction
		Borrow pit operation	Possible loss of Arctic fox dens				

Office of the Chairman
Faculté de l'Aménagement – School of Landscape Architecture
P.O. Box 6128, Station Centre-ville
Montreal QC H3C 3J7
E-mail: peter.jacobs@umontreal.ca

Office of the Secretariat
P.O. Box 930
Kuujjuaq QC J0M 1C0
Tel.: 819-964-2961, Fax: 819-964-2910
E-mail: ntremblay@krg.ca

Table 1 (cont.) Summary of Nunavik Nickel Project mitigation measures.

Component Affected	Project Phase	Source of Impact	Description of Impact	Source[1]	Mitigation Measures	Significance of Residual Impact	Follow-up
Land mammals (cont.)	Operation	All mine facilities Road system, road traffic, machinery operation, mine pits and service buildings	Habitat loss for all land animals and Arctic fox behaviour modification Possible change in caribou migration patterns	EA: p. 403–404 KEQC: p. 81	***General:*** **MTR4**: Workers shall be prohibited from feeding Arctic foxes and informed of the consequences that might have. **MTR5**: Household waste shall be stored in closed containers before being incinerated. **MTR1**: Prior and regular inspection of machinery shall be performed to ensure that it is in good condition and working properly (minimizing noise). **MTR2**: Machinery traffic shall be limited to work areas. ***Specific:*** **MTR6**: A wildlife and flora protection plan shall be developed.	Minor	Monitoring wildlife (collision with large animals) (EA: p. 534)
Birds	Construction	All exploration activities and construction work	Disturbance of breeding pairs and migrating birds near construction sites and along roads	EA: p. 407–408	***General:*** **FAV1**: Traffic shall be limited to work areas. **FAV2**: Habitats next to jobsites shall be protected. **FAV3**: The extent of stripping and levelling shall be limited. ***Specific:*** **FAV4**: It shall be prohibited to fly over the cliffs southwest of Mequillon from June to September (peregrine falcon and golden eagle breeding period).	Minor	General monitoring and follow-up during construction
	Operation	All mine facilities and ore-mining activities Land, air and sea transportation	Breeding and feeding habitat loss Disturbance of breeding pairs and migrating birds near facilities	EA: p. 410	***General:*** **FAV1**: Traffic shall be limited to work areas. **FAV2**: Habitats next to jobsites shall be protected. ***Specific:*** **FAV4**: It shall be prohibited to fly over the cliffs southwest of Mequillon from June to September (peregrine falcon and golden eagle breeding period).	Minor	General follow-up

Table 1 (cont.) Summary of Nunavik Nickel Project mitigation measures.

Component Affected	Project Phase	Source of Impact	Description of Impact	Source[1]	Mitigation Measures	Significance of Residual Impact	Follow-up
Health and nutrition	Construction	All construction activities Presence of asbestos on the site where port facilities will be built	Risk of work-related accidents Potential health risk for workers	EA: p. 423	***General:*** **SAN1**: An occupational health and safety program shall be introduced. **SAN2**: Awareness shall be promoted among workers and training given to them regarding this issue. ***Specific:*** **SAN3**: At Deception Bay, the soil shall be sprayed before stripping to minimize airborne asbestos.	Very minor	General monitoring and follow-up during construction
	Operation	All routine mine activities Machinery operation and traffic, open-pit mines Berm-bridge and reservoir Mine activities	Risk of accidents and disease for workers Risk of drinking water contamination Possible increase in reservoir fish mercury levels Inuit lifestyle and diet changes	EA: p. 425–426	***General:*** **SAN1**: An occupational health and safety program shall be introduced. **SAN2**: Awareness shall be promoted among workers and training given to them regarding this issue. **SAN4**: Special measures shall be taken to protect workers exposed to asbestos fibre. **SAN5**: Equipment shall be used to protect employees against copper and nickel dust if the time-weighted average exposure value exceeds 1 mg/m^3). **SAN6**: A workplace hazardous materials information system (WHMIS) shall be implemented. ***Specific:*** **SAN7**: Crushers and grinders shall be equipped with dust collectors leading to a dust extractor. **SAN8**: Filter canisters used shall be designed so that they are sealed inside a bag when they are removed or, if of another design, shall be used in conjunction with appropriate safety gear.	Moderate	Monitoring and control of asbestos fibres inside the crushing and grinding unit (EA: p. 532–533); Monitoring of drinking water quality (EA: p. 533), Monitoring of dust emissions (EA: p. 532)
Transport-ation and communicat-ions	Construction	Road system Shipping	Increased access to the territory Disrupted travel in Deception Bay	EA: p. 436 Navigation: p. 35, 37, 42, 61	***General:*** **TRC1**: The road shall be marked and traffic signs put up where snowmobile and ATV trails intersect the road. ***Specific:*** **TRC2**: Shipping in Deception Bay shall be avoided during the break-up period from mid-March to mid-June (period of seal pupping and increased hunting by Inuits). ***Specific:*** **TRC5**: Ships shall not travel at speeds exceeding 7 knots in Deception Bay.	Very minor	General monitoring and follow-up during construction; Monitoring of shipping in Deception Bay (Navigation: p. 61)

Office of the Chairman
Faculté de l'Aménagement – School of Landscape Architecture
P.O. Box 6128, Station Centre-ville
Montreal QC H3C 3J7
E-mail: peter.jacobs@umontreal.ca

Office of the Secretariat
P.O. Box 930
Kuujjuaq QC J0M 1C0
Tel.: 819-964-2961, Fax: 819-964-2910
E-mail: ntremblay@krg.ca

Table 1 (cont.) Summary of Nunavik Nickel Project mitigation measures.

Component Affected	Project Phase	Source of Impact	Description of Impact	Source[1]	Mitigation Measures	Significance of Residual Impact	Follow-up
Transport-ation and communicat-ions (cont.)	Operation	Road system Shipping	Increased access to the territory Disrupted travel in Deception Bay	EA: p. 438 Navigation: p. 35–39, 42–43, 61	***General:*** **TRC1**: The road shall be marked and traffic signs put up where snowmobile and ATV trails intersect the road. ***Specific:*** **TRC2**: Shipping in Deception Bay shall be avoided during the break-up period from mid-March to mid-June (period of seal pupping and increased hunting by Inuits). **TRC3**: A prior agreement shall be negotiated with the Inuit if CRI needs to bring ships into the bay during the break-up period. **TRC4**: A warning protocol shall be established for ships travelling in Deception Bay. ***Specific:*** **TRC5**: Ships shall not travel at speeds exceeding 7 knots in Deception Bay. **TRC6**: Only two trips shall be made during the ice period unless agreements are negotiated with the community of Salluit. **TRC7**: Ships shall always take the same route in Deception Bay, i.e., the Xstrata shipping route, in order to minimize the impact on pack ice. **TRC8**: Ships shall travel along an S-shaped route in Deception Bay in winter to fragment the ice less. **TRC9**: An information program shall make local communities aware of the open ice cover in order to minimize the risks and its impact on hunting and fishing. **TRC10:** An ice bridge with adequate signage shall be maintained off Pointe Noire, if needed, to reduce the detour for snowmobilers (via the Xstrata ice bridge at the port).	Minor	General follow-up; Monitoring of shipping in Deception Bay (Navigation: p. 61)
Land and resource manage-ment	Operation	Mine facilities and activities	Maintenance of resource sustainability and waste production	EA: p. 441	***General:*** **GTR1**: Possession of firearms shall be prohibited on the mine site. **GTR2**: No measures shall be taken to accommodate fishermen (e.g., transportation, preserving catches) in order to reduce fishing pressure. **GTR3**: Waste shall be disposed of in containers provided for that purposes to avoid having debris thrown into the water. **GTR4**: A waste management program shall be implemented, based on the 4R-D principle (reuse, reduction, recovery, recycling and disposal). ***Specific:*** **GTR5**: A fishing program shall be established to provide guidelines for fishing in a number of bodies of water (fishing rotated between two or three lakes, and possibly Deception Bay as well).	Minor	Monitoring of fish catches by mine employees (EA: p. 534); Monitoring wildlife (collision with large animals) (EA: p. 534)
Land and resource use	Construction	All construction activities Construction of a sea port and shipping	Disruption of traditional Inuit activities inland Disruption of traditional Inuit activities in Deception Bay	EA: p. 445–446 Navigation: p. 61	***General:*** **URT1**: No measures shall be taken to facilitate sports fishing (e.g., no transportation by helicopter). **URT2**: Possession of firearms on the mine site shall be prohibited (except with a special approval for protection against polar bears). **URT3**: Prior and regular inspection of machinery shall be performed to ensure that it is in good condition and working properly (to avoid producing excessive noise). ***Specific:*** **URT4**: Lakes used by the residents of Salluit and Kangiqsujuaq shall remain accessible. **URT5**: No measures shall be taken to accommodate fishermen (e.g., transportation, preserving catches) in order to reduce fishing pressure. **URT6**: A fishing program shall be established to provide guidelines for fishing in a number of bodies of water. **URT7**: Shipping in Deception Bay shall be avoided during the break-up period from mid-March to mid-June (period of seal pupping and increased hunting by Inuits).	Minor	General monitoring and follow-up during construction; Monitoring of shipping in Deception Bay (Navigation: p. 61)

Office of the Chairman
Faculté de l'Aménagement – School of Landscape Architecture
P.O. Box 6128, Station Centre-ville
Montreal QC H3C 3J7
E-mail: peter.jacobs@umontreal.ca

Office of the Secretariat
P.O. Box 930
Kuujjuaq QC J0M 1C0
Tel.: 819-964-2961, Fax: 819-964-2910
E-mail: mtremblay@krg.ca

Table 1 (cont.) Summary of Nunavik Nickel Project mitigation measures.

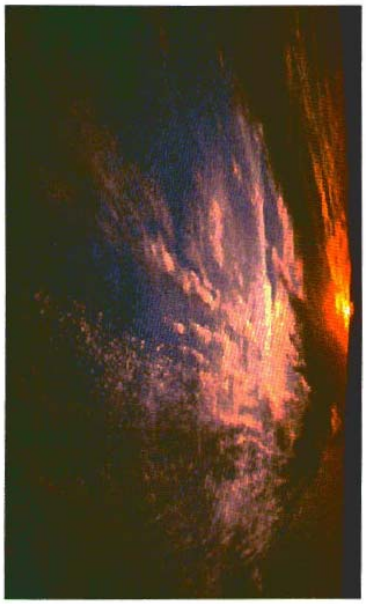
Component Affected	Project Phase	Source of Impact	Description of Impact	Source[1]	Mitigation Measures	Significance of Residual Impact	Follow-up
Land and resource use (cont.)	Operation	Mine facilities and activities Shipping	Disruption of traditional Inuit activities inland Disruption of traditional Inuit activities in Deception Bay	EA: p. 448–449 Navigation: p. 61	***General:*** **URT3**: Prior and regular inspection of machinery shall be performed to ensure that it is in good condition and working properly (to avoid producing excessive noise). **URT1**: No measures shall be taken to facilitate sports fishing (e.g., no transportation by helicopter). **URT2**: Possession of firearms shall be prohibited on the mine site. ***Specific:*** **URT6**: A fishing program shall be established to provide guidelines for fishing in a number of bodies of water. **URT5**: No measures shall be taken to accommodate fishermen (e.g., transportation, preserving catches) in order to reduce fishing pressure. **URT4**: Lakes used by the residents of Salluit and Kangiqsujuaq shall remain accessible. **URT7**: Shipping in Deception Bay shall be avoided during the break-up period from mid-March to mid-June (period of seal pupping and increased hunting by Inuits). **URT8**: Local communities shall be advised of the arrival and itinerary of ships in Deception Bay. **URT9**: A prior agreement shall be negotiated with the Inuit if CRI needs to bring ships into the bay during the break-up period.	Minor	Monitoring of fish catches by mine employees (EA: p. 534); Monitoring wildlife (collision with large animals) (EA: p. 534); Monitoring of shipping in Deception Bay (Navigation: p. 61)
Recreation and tourism	Operation	Air transport	Possible nuisance for users of Pingualuit National Park	EA: p. 451	*No mitigation measures are planned*	Minor	No follow-up is planned
Archaeo-logy and heritage	Construction	All construction activities	Discovery of archaeological or historic remains during construction	EA: p. 453	***General:*** **ARC1**: If remains of importance are discovered, the site supervisor shall be informed immediately and measures taken to protect the site.	Minor	General monitoring and follow-up during construction
Ambient noise	Construction	All construction activities	Increased noise level around the construction site	EA: p. 455	***General:*** **SON1**: Prior and regular inspection of machinery shall be performed to ensure that it is in good condition and working properly (to avoid producing excessive noise). **SON2**: Machinery traffic shall be limited to work areas. **SON3**: The main sources of noise shall be insulated with a sound-absorbing material, when possible. **SON4**: It shall be mandatory for workers to wear hearing protectors if they are exposed to prolonged noise exceeding 85 dB.	Minor	General monitoring and follow-up during construction
	Operation	All mining activities	Increase noise level within the industrial complex, and near mine facilities and roads	EA: p. 457	***General:*** **SON1**: Prior and regular inspection of machinery shall be performed to ensure that it is in good condition and working properly (to avoid producing excessive noise). **SON2**: Machinery traffic shall be limited to work areas. **SON3**: The main sources of noise shall be insulated with a sound-absorbing material, when possible. **SON4**: It shall be mandatory for workers to wear hearing protectors inside very noisy buildings (e.g., the crushing and grinding unit).	Minor	Monitoring of noise level inside the plant (EA: p. 533)
Landscape	Construction	Presence of construction sites and storage areas	Deterioration of surrounding scenery	EA: p. 459	***General:*** **PAY1**: Stripping, clearing, excavation, backfilling and grading shall be minimized to maintain the natural topography. **PAY2**: When construction is completed, work areas shall be rehabilitated and restored so that they blend in as much as possible with the natural landscape (regrowth of vegetation).	Minor	General monitoring and follow-up during construction
	Operation	All mine facilities	Deterioration of surrounding scenery	EA: p. 461	***General:*** **PAY3**: The waste rock and tailings piles shall be rounded so that they blend in better with the surrounding landscape. **PAY4**: After the mine closes, disturbed sites shall be rehabilitated and restored by encouraging plant growth so they blend in with the natural landscape as much as possible, and mine facilities shall be dismantled and taken back south.	Minor	General follow-up

1 – Sources: EA = Environmental Assessment Main Report (Genivar, 2007)
CEAA = Document with answers to questions asked by the Canadian Environmental Assessment Agency (November 2007) (in French only)
KEQC = Document with answers to questions asked by the Kativik Environmental Quality Commission (October 2007)
Addendum No. 2 = Construction of a Berm-Bridge at Bombardier Outlet (Genivar, October 2007)
Navigation = Study on Maritime Navigation in Deception Bay (Genivar, November 2007)

Office of the Chairman
Faculté de l'Aménagement – School of Landscape Architecture
P.O. Box 6128, Station Centre-ville
Montreal QC H3C 3J7
E-mail: peter.jacobs@umontreal.ca

Office of the Secretariat
P.O. Box 930
Kuujjuaq QC J0M 1C0
Tel.: 819-964-2961, Fax: 819-964-2910
E-mail: mtremblay@krg.ca

Appendix 4: Position paper submitted by the Nunaturlik Landholding Corporation

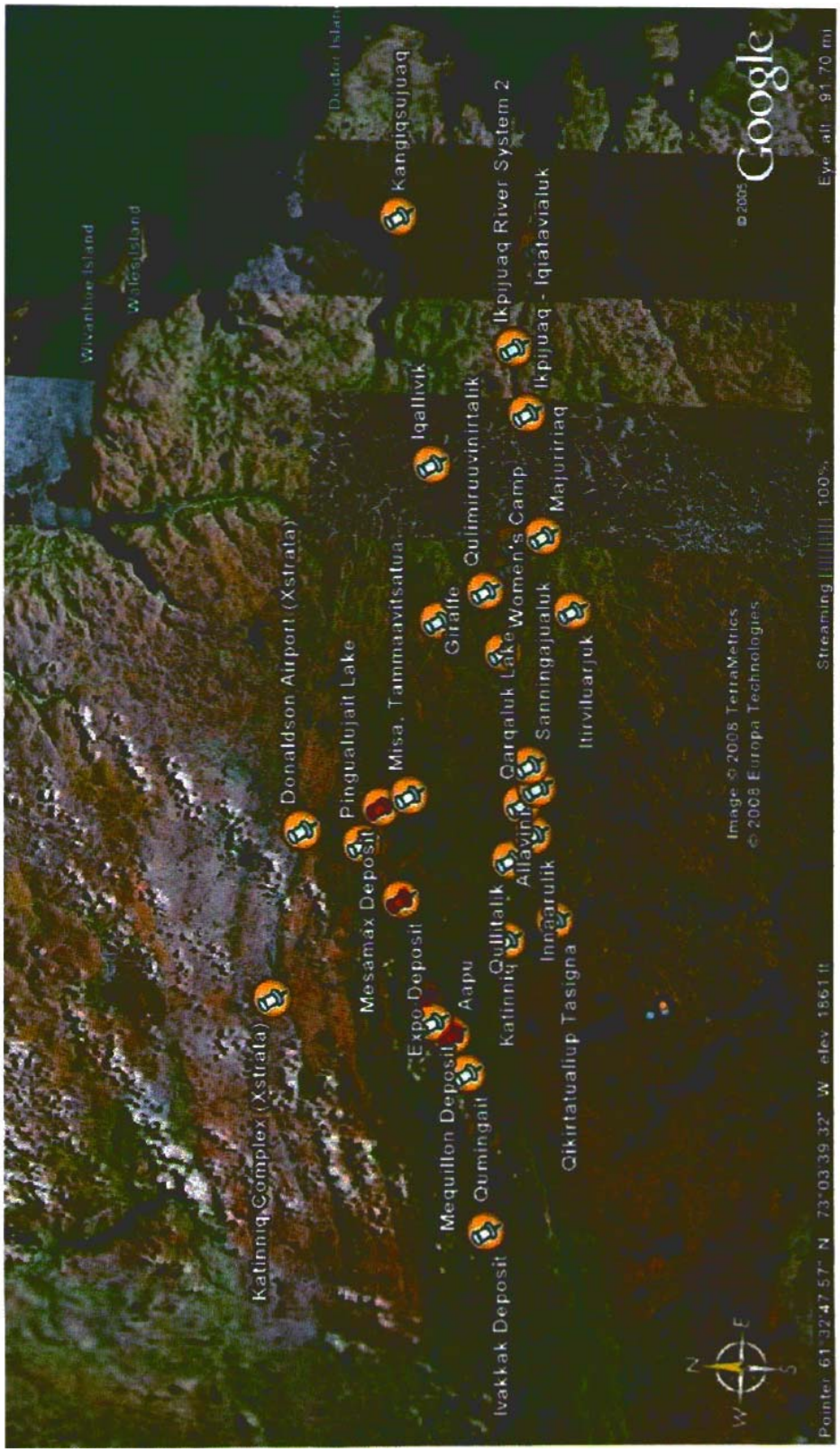


Nunaturlik Landholding Corporation Of Kangiqsujuaq

Concerns of the community in regards to the proposed Nunavik Nickel Mine by Canadian Royalties Inc.

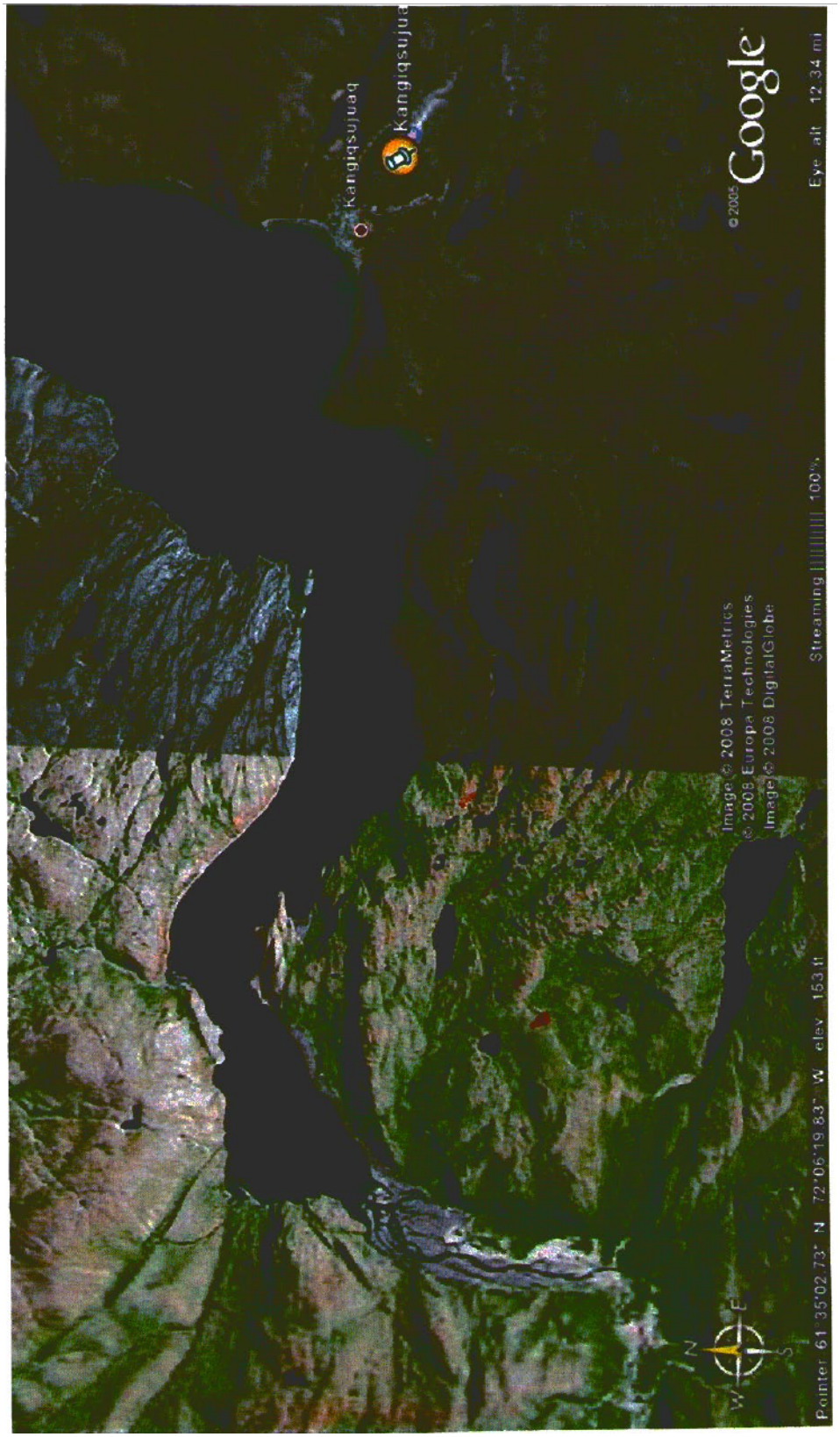
27 FEV. 2008
KANGIQSUJUAQ

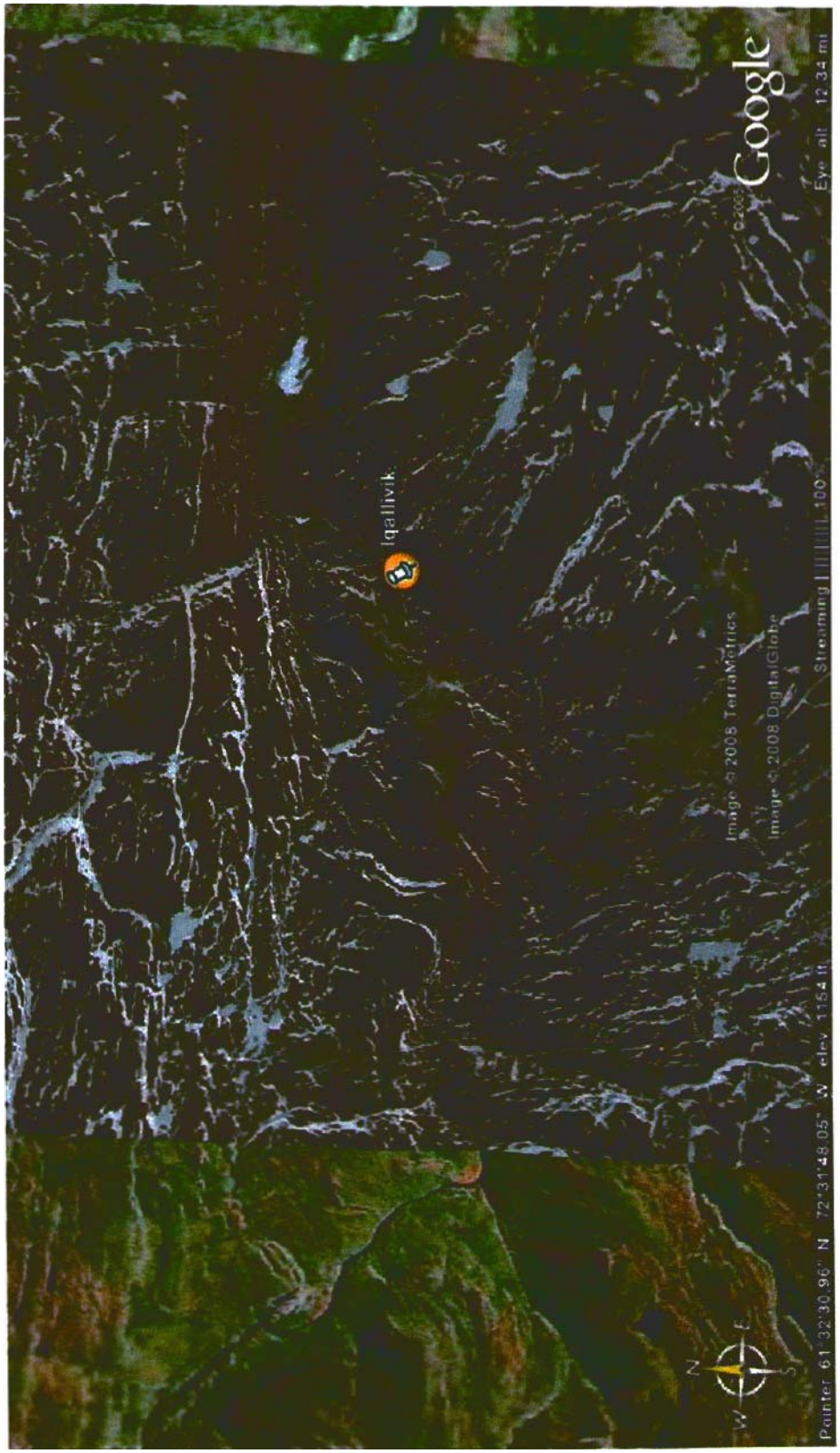
This region has been used for generations and is still in use by the local hunters to harvest our country food, namely, the caribou and the fish. When Nunavik Nickel Mine opens, there will be direct impact on our traditional hunting and fishing.

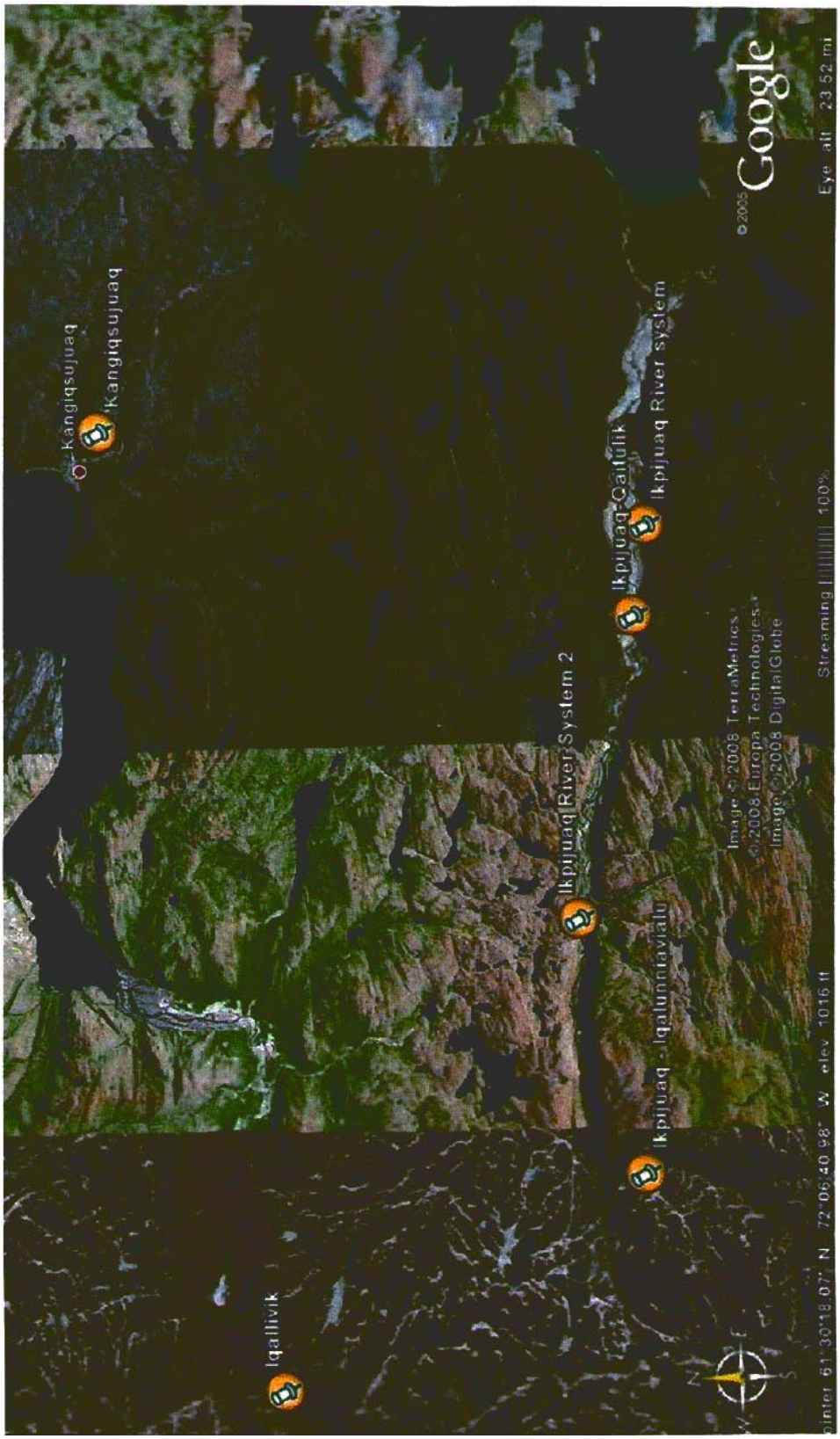


Office of the Chairman
Faculté de l'Aménagement – School of Landscape Architecture
P.O. Box 6128, Station Centre-ville
Montreal QC H3C 3J7
E-mail: peter.jacobs@umontreal.ca

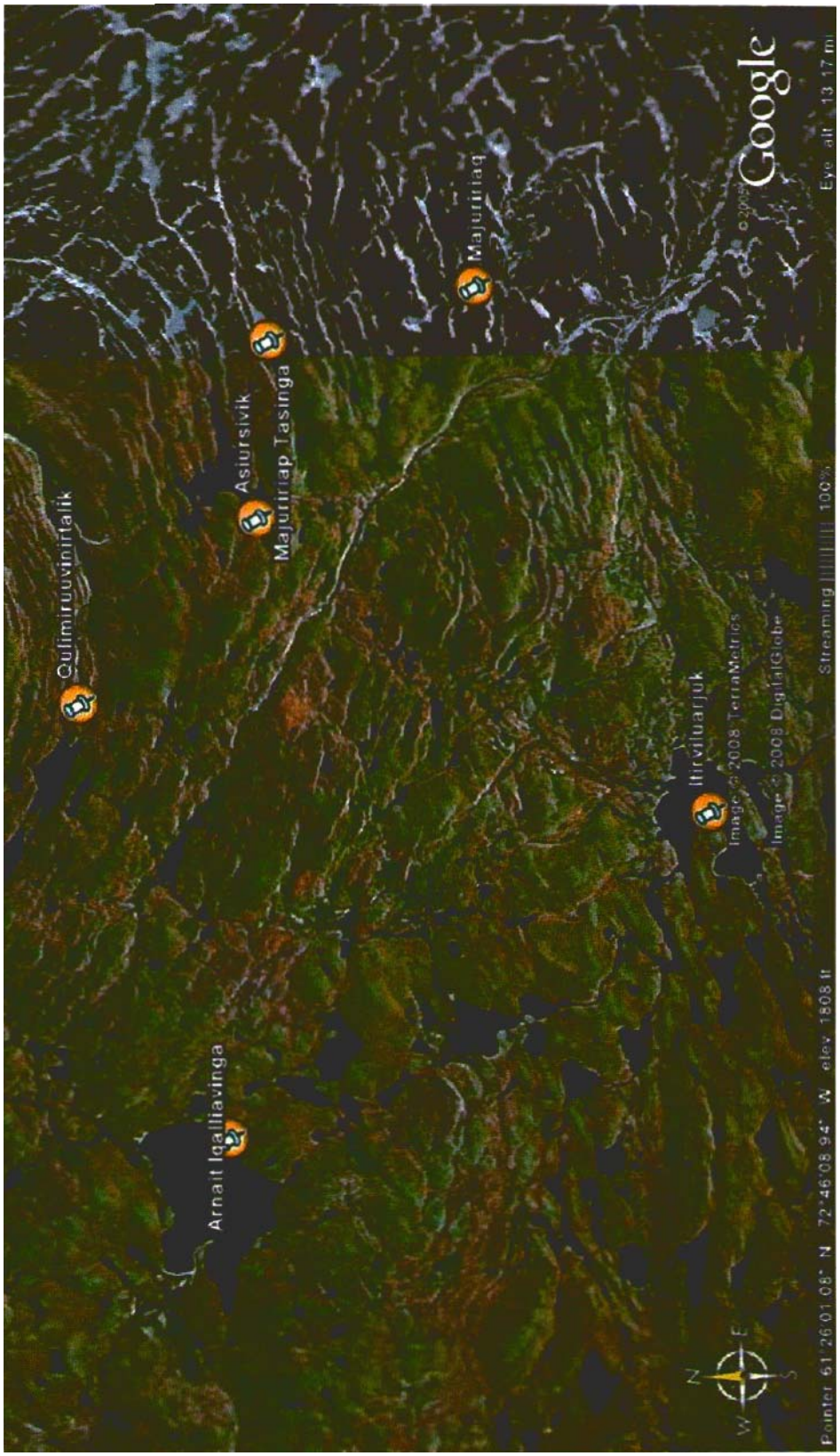
Office of the Secretariat
P.O. Box 930
Kuujjuaq QC J0M 1C0
Tel.: 819-964-2961, Fax: 819-964-2910
E-mail: mtremblay@krg.ca


Kangiqsujuaq
Kangiqsujuaq
Image © 2008 TerraMetrics
© 2008 Europa Technologies
Image © 2008 DigitalGlobe
Streaming 100%
© 2005 Google
Eye alt 12.34 mi
Pointer 61°35'02.73" N 72°06'19.83" W elev 153 ft


Iqaliuvik
Image © 2008 TerraMetrics
Image © 2008 DigitalGlobe
Google
Pointer 61°32'30.96" N 72°31'48.05" W elev 1154 ft
Eye alt 12.34 mi


Kangiqsujuaq
Kangiqsujuaq
Iqaliivik
Ikpijuaq River System 2
Ikpijuaq River system
Google
Eye alt 23.52 mi

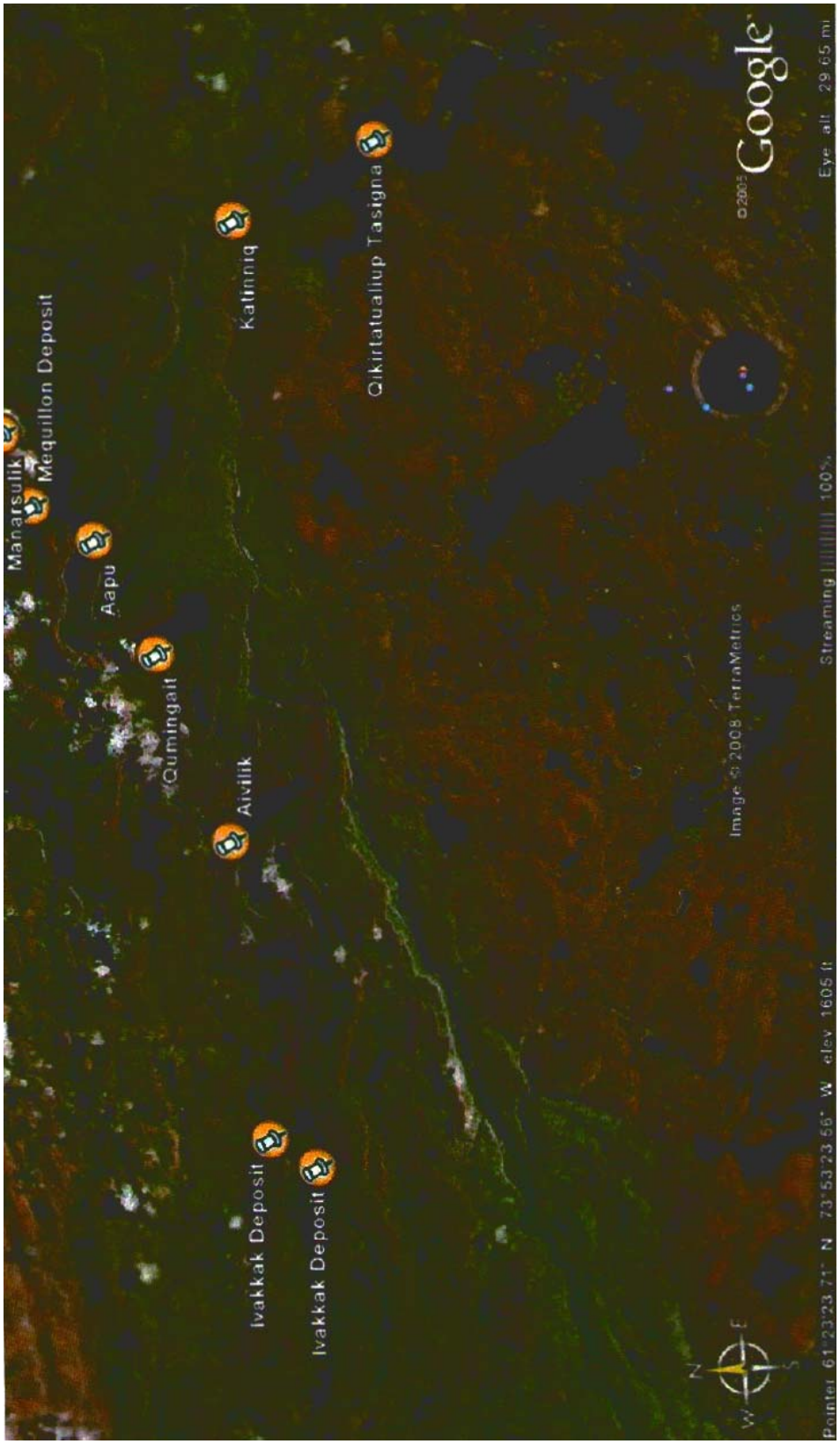

Majuritiap Tasinga
Majuritiaq
Ikpijuaq-Iqiatavialuk
Image © 2008 TerraMetrics
Image © 2008 DigitalGlobe
Streaming 100%
Google
Eye alt 13.58 mi


Qulimiruuvinirtalik
Asiursivik
Majuriiap Tasinga
Majuriiaq
Arnait Iqalliavinga
Itirvituarjuk
Google


Pingualujait
Mesamax Deposit
Misa, Tammaavitsatua
Giraffe
Pointer 61°33'38.27" N 73°02'42.81" W elev 1957 ft
Image © 2008 TerraMetrics
Image © 2008 DigitalGlobe
Streaming 100%
Google
Eye alt 16.87 mi


Donaldson Airport (Xstrata)
Pingualujaat Lake
Pingualujaat
Mesamax Deposit
Image © 2008 TerraMetrics
© 2008 Google


Pointer 61°34'45.62" N 73°30'37.77" W elev 1658 ft
Image © 2008 TerraMetrics
Expo Deposit
Streaming 100%
©2005 Google


Manarsulik
Mequillon Deposit
Aapu
Qumingait
Katinniq
Aivilik
Qikirtatualiup Tasigna
Ivakkak Deposit
Ivakkak Deposit
Image © 2008 TerraMetrics
Google

Appendix 5: Position paper submitted by the Northern Village of Kangiqsujuaq

Presentation made at the Kativik

Environmental Quality Commission

February 2008

By

Corporation of the Northern Village of Kangirsujuaq

Even if the village of Kangirsujuaq is incorporated since February 2 1980, the researches have shown that the Inuit were getting together around here long time before the arrival of the first Qallunaat. Several archeological studies have taugh us that the first Inuit have arrived in this area of Nunavik more than 4000 years before today.During traditional time the Kangirsujuaq area was occupied by a group called Tarqamiut, a sub-group of the Eskimos of the Ungava : that specific group of Inuit, which might have consisted of about 250 people, were living on the 700 kilometers coast between Cap Wolstenholme (west) and Cap Hopes Advence (east). We believe, today, that more than half of the Tarqamiut were living around Kangirsujuaq. All these Inuit were probably very attracted by the richness of that specific territory of the Hudson strait.

Since the beginning of the 1960's, at the start of the sedentary period, when the different governmental services began to be imposed to the Inuit, the inhabitants of the region have learned to travel without even moving. They have left the place where they were forced to live, the Kangirsujuaq area, they went through Wakeham Bay and Maricourt, before finally arriving to Kangirsujuaq. It was not really something new for the Kangirsujuamiut, simply because they were previously told, after 1867 and especially after

the Extension Act of 1912, that they were all Quebec citizens, just few years after learning that the territory that they have occupied for thousands of years was only a part of Canada. The Small government and the Big government knew so much how to mix everything. The Inuit, on their side, never asked anything else than just being themselves.

The protestant Hudson Bay Company and the Catholic Révillon Frères had also taugh them that their territory was so rich, like if the Kangirsujuamiut did not already know that. Since sharing was not an unusual practice in Nunavik, these people insisted to share the renewable resources with the Inuit; resources that have kept them alive since the beginning of time. Because these nice newcomers were thinking so much about their lovely wifes they convinced our ancestors that it would be nice to barter with them. Everything seemed to go so well, except that the ladies lost interest and started to disregard our lovely furs. A little bit later we were learning that our resources were not as renewable as they were supposed to be. But this is another story, or could it be the same story that is repeating itself. Our teritory seem to be so rich again, and since the Inuit are so well known for their generosity, the outsiders are once again asking for more. The needs of these people have changed but the place where they can get

everything is still the same. When we are telling you that we are living in paradise… We have everything, a lot of non-renewable resources and even more renewable resources that are still allowing us to continue to practice our traditional activities. But these last resources might not stay renewable if we are not carefully exploiting the non-renewable resources.

You have probably heard for so long that the Nunavimiut are doing everything to keep their traditional ways of living alive. Their actions will be successfull only if the quality of the environment is preserved in such a way that it will allow a healthy reproduction of the plants and of the animals. Everything has to be said and done if we want to make sure that the Kangirsujuamiut continue to stay physically and mentally healthy.

When we are talking about the environment we have to include all the following components : physical, social, cultural and economical. From now on we will try to inform you on a number of changes that have happen in the life of the Kangirsujuamiut and we will try to explain how their identity has been redefined constantly during the last 50 years or so. That population has shown so many times that they can adapt to difficult situations, in a way to stay alive, and it will continue until the end of time.

They will fight to make sure that the next generations have access to a quality of life that will be even better than the one experimented by their parents and ancestors.

When the Inuit were forced to settle at the end of the 1950's and at the beginning of the 1960's, the different clans, that would form the Kangirsujuamiut, had to leave behind some ancestral ways of life and the territories that have supported and nourrished many generations of Inuit. That relocation was an obliged one and it was done in a way that was not acceptable; we just have to think that the governmental help, the family allowance for example, was given only to the families that were sending their children to school. Before they started to live in the village the Inuit were getting all together only for short periods of time : during the Christmas season for example, or during the collective hunts. For the first time the Inuit had to share constantly the same piece of land. Nobody was stopping their regular or occasional hunting trips, but the seasons were no longer dictating the types of gatherings or the different migration patterns. The Kangirsujuamiut had to accept to live with all the others and had to accept a new geographical identity.

When the Inuit settled in Kangirsujuaq the government had to replace or improve the services that were already given by the « Big three » : the church, the company and the police. Different services were put into place in a way to respond to the new needs that were created by the sedentary life. It was at proximity of an old trading post established in 1910 by the french company Révillon Frères, trading post that was followed in 1914 by its english competitor, the Hudson Bay Company, that the new houses, the school, the health center, the power house and the airstrip were built. To make sure that the quality of life of the inhabitants was satisfactory, a local administration started to offer some municipal services : water delivery, collecting the garbage and the human waste (« honey bags »), oil delivery and the maintenance of the roads.

The concentration of all the Inuit of the region at the same place was done in such a way that it forced the Kangirsujuamiut to change drastically their lifestyle. A new way of living was created. The inauguration of the federal school in 1960 had for objective to transform the Inuit into normal canadian citizens. The teaching was done in a second language, in english, and the curriculums or programs used in school were corresponding to the one used down south. The first nursing station opened its door in

Kangirsujuaq in 1961 and had for mandate to replace gradually the services offered at the CD Howe. That ship was visiting all the northern villages once a year.Even though the catholic mission was existing in our village since 1935, an anglican church was built in 1963, and also a pentacostal church at the beginning of the 1980's. The Inuit were able to practice the religion of their choice. In 1970 the locale cooperative started its activities and for the first time since the 30's, when Révillon Frères left Kangirsujuaq, the Hudson Bay Company had competition (that english company had never been shy to close or to move its trading posts even when the inuit population was starving to death). For the Kangirsujuamiut the 1960's were announcing a lot of changes.

Population of Kangirsujuaq and its surroundings

1941 = 68
1951 = 75
1961 = 112
1971 = 216
1981 = 306
1991 = 390
2001 = 500
2008 = 625

Like everywhere else in Nunavik the Kangirsujuamiut are relatively young. More than 47% of them have less than 20 years old (comparatively to 23% in Québec) and only 2% have more than 65 years old (comparatively to 13% in Quebec). There is around 50% of the village population that have the age to work From that 311 persons (february 2008) aged between 20 and 65 years old, 166 (53%) have a full-time job and 146 (47%) are without a full-time job. Some young people and several adults (40 beneficiaries) have a part-time job (for example : as cashiers at the three corner stores of the village, at the Northern store, at the gymnasium , at the arena, or are working as janitors somewhere for the different organizations of the village).

The main employers for the beneficiaries living in Kangirsujuaq are :

1) C.N.V. of Kangirsujuaq : 36 beneficiaries (22% of the 166 full-time workers);
2) Arsaniq school : 35 beneficiaries (21%);
3) Xstrata : 26 beneficiaries (16%);
4) Coop : 15 beneficiaries (9%);
5) Nursing station : 10 beneficiaries (9%);
6) Day Care : 10 beneficiaries (9%);

7) Landholding corporation : 7 beneficiaries (4%);

8) Northern store : 6 beneficiaries (4%).

Since almost half of the 20 years old and more do not have a full-time job and since we are having in this village as much as 136 young persons aged between 10 and 20 years old, we believe that it is urgent to offer, especially to the young adults that are still single, a chance to get a permanent job. For example, 26 Kangirsujuamiut are actually working for Xstrata, and for most of them, and that is including their families, their quality of life has improved. It is the same for the local economy. We hope that Canadian Royalties will also be able to offer some jobs to the members of our community.

We do not have to forget that today's education system have appeared in Kangirsujuaq only at the beginning of the 1960's, with the federal school, and that Kativik school Board exist only since 1978. Today, in Nunavik, only 18% of the students graduate with a secondary 5 diploma; and less than 1% are succeeding at the college level (CEGEP). The actual school system will not be able to train enough students for the qualified jobs.Since so few Kangirsujuamiut can be considered as qualified workers, we hope

that Canadian Royalties will be able to offer training on the site or in some villages of Nunavik. And this has to happen with or without the help of Kativik school Board and Kativik Regional Government. We know that it will be a lot easier to offer jobs that need no specific qualifications but we would appreciate if some effort is made to train as many Inuit as possible. Qualified one day, qualified for very long time, even after the closure of the mine. Canadian Royalties should also inform regularly KRG and the municipalities if there is some job opening on the site. Another thing, everybody involved in the mining project will have to respect the Nunavik Nickel Agreement. By doing so, the Kangirsujuamiut will be the first ones to go to if there is a job opening. Also, all contracts will have to be offered first to companies or contractors that are own by Inuit beneficiaries.

It is easy to believe that such a mining project can provide a better quality of life to the Kangirsujuamiut that are working at the site (because of the salaries). If we add to the salaries the financial compensation received in exchange for the utilization of the territory by the mining companies, the result means more money for the development of our community : the workers have more money to spend locally; new infrastructures are built with the financial compensations (gymnasium, hotel); new jobs are created

in the village. Employment creates employment, even in Nunavik. The different stores make more profit; more people are able to purchase goods (ordinary goods or equipments that are related to traditional activities); more people can travel outside the region; there is more money to help the poorest of the village.

Working at the mine can help to improve someone's finance and it can also be good for the self esteem of the person. But the working conditions, the relations with the bosses or with the co-workers are not always as good as they should be. Some efforts will have to be made to make sure that the Inuit will work in an environment that is respecting everybody. The distance from the village, the absence of the family, the loneliness, a different working environment, the use of a foreign language at the job, long days of work, a lack of education, all these factors are sometimes encouraging the departure of the inuit workers. The employer will always have to keep in mind these variables when he will evaluate the production, the attitude or the capacity of learning of his inuit employees.

For sure, a job at the mine does not interest everybody, but we believe that Canadian Royalties can be seen as a nice alternative for the ones who are

interested by that kind of challenge. But, it is always hard to see these people leaving for work. Most of them are leaving behind their families, husbands, wifes or children, simply because, economicaly speaking, they have sometime no other choices. The families are missing them; the children do not have as much attention as they deserve; the spouse that is left behind has more than its share of the work in the household; the family might miss traditional food and has to compensate with store bough food that is a lot less nutritive; the traditional knowledge has less chance to be transmitted to the next generation because of the lack of frequent contacts; the children might receive less supervision and it can bring them to deliquency; and the money received as salary might accentuate the consumption of drug and alcohol and can provoque unacceptable behaviours.

We understand that it is not the role of Canadian Royalties to make sure that the Kangirsujuamiut behave in an appropriate manner when they are in the village. What we can hope is that the company takes care of the security of its employees on the site and we believe that the policy « 0 tolerance » with the consumption of drug and alcohol is more than acceptable. When the beneficiaries will return in the community it will be their own

responsability to act in a respecful way. Canadian Royalties will never be judged responsable for the behaviour of its employees when they are not working on the site.

To conclude, we would like you to be aware of the result of a study that was done here in Kangirsujuaq few years ago. At that time we were asking the population to give their own definition to : the inuit culture. When you will be reading that definition you will probably imagine the inuit population travelling through time. For the Kangirsujuamiut the past, the present and the future are simply connected and there is no reason to try to believe differently.

According to the Kangiqsujuamiut, the Inuit culture is dependent on the northern environment. It is this same environment which has dictated to them over the centuries the behaviours most likely to keep them alive. Also, the various seasons determined as well the location and types of dwellings; the kinds of clothes to be made; the game hunted, trapped or fished; how food was to be prepared; as well as the relationships to be maintained among the Inuit themselves. The animals of Nunavik which provided them with food, clothes, tools, fuel and means of transportation were highly respected since without them their culture would have long been extinct. The history of the Inuit of Nunavik shows us that this culture was one of survival and that it was based among other things on a great many traditional values that had been transmitted from generation to generation: the importance of mutual cooperation; the sharing of food; love for the family; respect for elders and ancient customs, etc. Their language, Inuttitut, allowed them to communicate among themselves (only orally before the arrival of the Qallunaat); to identify places and landmarks; to transmit knowledge through legends; to teach the young so that they, in turn, could adapt to the environmental conditions and survive. When the Qallunaat came, the Inuit and the environment were one. They who had always lived in harmony with the various components in their surroundings and who made sure that a certain balance (ecological, demographical, psychological and social) be maintained were from then on provided with new instruments that would allow them to establish a new relationship with their living environment. For the first time, they seemed to have the power to "control" their life experience: the distance, the temperature, their diet, illnesses, communications (oral or written), their future life, etc. The Inuit population had no choice but to fit in as well they could with this mutation process, this transition which called for, and is still calling for, new knowledge to be secured. New technologies were making obsolete the tools and techniques that nevertheless had guaranteed the survival of many generations of Inuit. These also tended to affect the relationships Inuit had among themselves and to upset the fragile balance that had always existed between the various (living and nonliving) components of the northern environment. The movement from a culture adapted to/by the environment towards a more "western" culture has its ups and downs but, if one is to believe the Nunavimiut, the process was irreversible. Is the Inuit culture in a state of crisis, having to contend with new adaptation problems? The people of Kangiqsujuaq believe that a better life in Nunavik now depends on the coming generations taking over the labour market, of a better education and access to various decision-making positions that will empower them and allow them to establish the kinds of relationships they wish to see emerge between the various components that give life to Nunavik.

Appendix 6: Position paper submitted by Bernie Adams

1

? What harm of the environment will come from building a new road from the airport to the new camp?

C ~~What~~
I donot agree with having another docking wharf being built at Deception Bay because of the off shore marine traffic of ships harming the marine mammal.

? What seasons of the year will ship be travelling to and leaving Deception Bay with a full shipment of concentrate?
Have this Company seen the effects of travelling ships in the St. Lawrence rivers on the Beluga population?

? If there is an emergency at the dome of Deception Bay while loading the cargoship and the pipe burst, will there be professional emergency workers be at the site to guarantee the safety of the environment?

C I have seen first hand on the harm that "Concentrate" does to the environment when the pipe line bursts at the Dome.
I have seen tons of raw concentrate

2

floating then sinking into the Deception Bay.
There was a slight wind and the concentrate was being drifted on shore to the middle of the bay.
What effects does this raw concentrate have on marine mammals and fish?

? Will these contaminants harm the human population who depend on these mammals and fish for survival?

? If there is an emergency & where concentrate has to be sent back to the main mine site for storage, will the Company have covered vehicles that will not allow the concentrate to be blown off the trucks from the Dome Site to the main mill?

? What harmful effects will blown concentrate or tailings have on the grounds of berry picking, caribou and goose migration.
The harmful effects trying to be mentioned is the moss, algae and plant life.

? With all the pollutants that are being used at the mine to make the concentrate, what harm will come from

3

"465000,00"
what is the profit over the 20 years that the company will make?

A leakage of dangereous substances.
what will the second emergency measure be if the first response does not work?

~~I hear that the resources will help the people of Kangirsujuaq for the immediate moment, profit sharing will most likely be handed over to Makivik, KRG and Land Holding instead of the population of Kangirsujuaq.~~

C I agree of hiring Inuit people to better their lives, what I do not agree with is All the outsiders/southern's being the people who will have the best jobs compared to basic jobs for Inuit?

? How will this be changed compared to the present Mining Company at Katinnaq.
where 85% are Francophone compared to 14.5% of Inuit.
while having been employed by S.M.R.Q., Kiewit on 3 occassions I have first hand faced discrimination.
what measures will this company have to stop the discrimination towards the Inuit?

4

C

I do not agree with the mining company opening up near the newly formed Provincial Park.
The tourists who will spend large amount of money to see the crater "Ungaluit Park" not to see pollution coming from the smoke stacks of the mine site.

?

When environmental test are being done for environmental issues, will the mining company ~~have th~~ be using their own experts or will there be outside environmentalist be given access to contaminated issues.
~~The~~ A person will not be
A person who will not be employed by Cdn. Royalties.

BERNIE ADAMS
338 3252
1177

Appendix 7: Questions and additional information request submitted by the KRG

08-03-28

Submission to the Kativik Environmental Quality Commission

From the Kativik Regional Government

Questions and requests for additional information concerning the Environmental and Social Impact Study for the Raglan South Nickel Project

---

The following questions and requests for additional information have been developed by the Kativik Regional Government (KRG) subsequent to the 25-28 February 2008 public hearings held in Puvirnituq, Salluit and Kangiqsujuaq concerning the proposed Raglan South Nickel Project (the Project). They are based on a review of the documents provided by the MDDEP as part of the environmental and social impact assessment process, as well as from presentations made during the public hearings.

Project Justification

The primary argument presented in the Environmental and Social Impact Assessment (the Study) to justify the Project is profitability given the global shortage of base metals, increasing demand and rising prices. The proponent states that the Raglan Mine had demonstrated that there is a great potential for mining and that it is possible to extract minerals in a way that is both profitable and respectful of the fragile Arctic environment. Presentations made by community representatives during the public hearings have presented examples of where this has not been the case.

- The proponent should be required to provide clear support and evidence for this conclusion.

A further argument is presented based on employment opportunities for Inuit and other economic spin-offs for local communities. Again, experience with the Raglan Mine has shown that the expectations have not been met. (To be further dealt with below) Additionally, projected job numbers only have meaning to local people if they can actually be filled by local people. Simply, there are only so many employable Inuit available. In the meantime, the jobs will be filled by other people, leading to frustration and disappointment. It is therefore simplistic to state job numbers to merely justify the Project without an assessment of the available Inuit labor pool now and into the future.

1

- The proponent should be required to provide clear support for using direct and indirect employment creation in Nunavik as a justification for the Project.

Methodology for Assessing Potential Impacts

The area affected by the Project is part of the Territory covered by the James Bay and Northern Quebec Agreement. Section 23 of this Agreement establishes a very strict and precise regime for how development will take place north of the 55th parallel, and the role of Inuit in this process. By definition, the process requires their full involvement at all stages of the review process, including the development of impact study reports, if their views, knowledge, and information are to be meaningfully included.

If development is to be sustainable and appropriate for Nunavik and its residents, then the information base upon which a development project is being assessed has to be appropriate. Such an information base is one that draws on all available sources of information and knowledge systems – Inuit knowledge is one such system.

The Study presents no evidence of efforts to create an 'Inuit lens' through which potential impacts can be assessed. This deficiency was eloquently addressed by several community-based submissions during the public hearings. Nevertheless, the Study generally concludes that any impacts on the use of the land, perceptions of landscape and values associated with the land to be minor.

For example, in response to KEQC Q42, the proponent suggests that "*Truck, airplane and helicopter traffic does not represent a concern given that these activities will occur far from the village (about 80 km) in an area that is seldom used for fishing and hunting.*" This is not supported in representations made by Inuit during the public hearings.

Further, the Study dismisses the input from their already limited efforts to solicit Inuit input (as described in Section 6) as opinion and sentiment rather than valuable information.

The concerns and expectations presented in this section correspond with opinions that participants expressed during the various meetings that were held. No judgment was made nor added by the experts. Although some of the participants' comments or observations may have no scientific value, they nonetheless demonstrate how the participants feel about the project. (pg.98)

During the public hearings, Inuit raised matters related to contamination of the food chain, particularly regarding fish and caribou. The written brief, prepared and presented by the Qaqqalik Landholding Corporation (Salluit) goes into great

Office of the Chairman
Faculté de l'Aménagement – School of Landscape Architecture
P.O. Box 6128, Station Centre-ville
Montreal QC H3C 3J7
E-mail: peter.jacobs@umontreal.ca

Office of the Secretariat
P.O. Box 930
Kuujjuaq QC J0M 1C0
Tel.: 819-964-2961, Fax: 819-964-2910
E-mail: mtremblay@krg.ca

detail. We are persuaded by their questions, many of which are based on 'real time' experiences with the Raglan Mine and at Deception Bay.

Finally, the Study, on several important occasions, demonstrates a serious lack of understanding of Inuit land use and their attachment to the land, landscapes and their harvesting practices. We saw firsthand during the public hearings how erroneous these conclusions are.

As examples:

Page 514 states that "*Thanks to ATVs and snowmobiles, contemporary Inuit enjoy greater mobility, so it is now easier for them to practice their traditional activities over a larger area. Therefore, the actions, projects and events identified have a smaller impact on the way in which the Inuit use the land.*" This is used to justify a conclusion of minor cumulative impact on Inuit land use and harvesting from the Project.

Page 288 regarding landscape and landscape sensitivity analysis states that *"It should be noted, however, that even though [landscape] is an important element in Inuit culture, little social value is attributed to the natural landscape, as on the whole it is homogenous and only offers a few sites of interest."*

- The proponent should be required to review all anticipated impacts with knowledgeable Inuit identified in each of the affected communities, review and confirm the results with the communities. The results of this effort should be integrated into the Study and provided to the KEQC and affected communities for further review.

Environmental Matters

Tailings and Water Quality

- Following the closure of the mine, natural drainage will continue to produce acidic water. The proponent is concluding that after mine closure, the drainage water from the mine tailings and the waste rock storage and the open pits will not require treatment. Is this correct?

- Is the proposed water quality monitoring program adequate?

- Most of the tailings and waste rock will be covered with a waterproof membrane. A 10-year follow up is required around tailing sites. It seems that the proponent is taking for granted that this membrane will never deteriorate. What is the life expectancy for this material? Are there existing experiences to draw from?

3

- The Expo open pit might be used as a disposal site for tailings from the Mequillon site beginning in year 11. If exploitation is to begin with the Expo open pit, would it be possible to also use it for other sites?

Infrastructure

- CRI will build a 50-km road to connect its four mining sites. As well, the road built in 2007 between Katinniq and Expo will be widened. New short sections apparently will also be built at some strategic locations. No schedule is provided. Information provided is incomplete.

- In 2004 CRI built a 15 km road between Donaldson airport and the Mesamax site. Will this road be used during the operation of the mine? If abandoned, will there be monitoring? Who will be responsible for maintenance?

- Who will be responsible for monitoring and maintaining roads, and very importantly, culverts, after mine closure?

- The main report states that negotiations are underway between Xstrata Nickel and Canadian Royalties concerning their joint use of the Donaldson airport. An addendum concerning the construction of a new airport was made in July 2007, with construction to take place at the current Berbegamo mineral exploration camp, located between the Donaldson airport and Mesamax. In February 2008, a second document submitted to the KEQC indicated that Canadian Royalties now plans to construct its new airport on the road connecting Katinniq and Douglas Harbour, roughly 10 km northeast of the Donaldson airport. This is a major change, and the KRG has received no notification. What will happen to this part of the road network? Will these be considered as public roads?

- If the dam and fish ladder at Bombardier Lake are left in place after mine closure, who will be responsible for monitoring and maintenance?

- Bombardier Lake is an important fishing area for Inuit. At the closure of mining operations it is proposed that the new dam remain in place with no modification. It is not clear whether the fish passage will be monitored after closure.

- New potential spawning grounds have been identified near the shoreline of Bombardier Lake. It is not clear however the extent to which spawning grounds will be impacted by the rise in water levels. It is going to result in habitat gain or loss?

Office of the Chairman
Faculté de l'Aménagement – School of Landscape Architecture
P.O. Box 6128, Station Centre-ville
Montreal QC H3C 3J7
E-mail: peter.jacobs@umontreal.ca

Office of the Secretariat
P.O. Box 930
Kuujjuaq QC J0M 1C0
Tel.: 819-964-2961, Fax: 819-964-2910
E-mail: mtremblay@krg.ca

- Are the storage hangar and pipeline linking the tank farm to the wharf at risk from avalanches or landslides?

- What is the justification for burying solid waste, such as vehicles and possibly tires as opposed to specific measures to encourage sorting and recycling by removing and transporting waste materials south?

- CRI has chosen to construct a second wharf in Deception Bay. This decision was based on maritime traffic calculations (Study on Marine Navigation in Deception Bay). However, the proponent is still trying to reach an agreement with Xstrata fro the use of the existing wharf. Therefore we believe that the traffic argument may not stand. What report should be considered authoritative?

- The proponent should be required to develop a comprehensive environmental monitoring program, including an environmental quality management plan that complies with, for example, ISO 9001:2000 protocols. These plans should be shared with communities and Nunavik's institutions.

- External independent environmental monitors, paid for by the proponent should be required in order to perform compliance audits. These individuals should have stop work authority.

Socio-economic Matters

We have concerns with the conclusions of the studies. Regarding the human environment, the economy, employment and training – all issues that were raised in the 'public hearings' – are identified as having major socio-economic value. It is expected that between 250 and 400 people will be employed during construction and 220 permanent jobs at the operations stage.

The proponent is basing employment goals on statistics from the Raglan Mine, without 'looking behind' those statistics to understand why the level of Inuit employment is much lower than what was anticipated or hoped for. There are many reasons for this. Studies are and have been conducted by the Raglan Committee to better understand the situation. Simply tagging along with the Raglan outcomes at this stage is not acceptable.

The Qaqqalik Landholding Corporation brief to the public hearing stated (from experience) that:

Considering that the level of able and willing Inuit workers in the mining industry in Nunavik seems to have reached a plateau, and taking into account Xstrata's plans to increase Inuit employment which seem much more advanced than

Office of the Chairman
Faculté de l'Aménagement – School of Landscape Architecture
P.O. Box 6128, Station Centre-ville
Montreal QC H3C 3J7
E-mail: peter.jacobs@umontreal.ca

Office of the Secretariat
P.O. Box 930
Kuujjuaq QC J0M 1C0
Tel.: 819-964-2961, Fax: 819-964-2910
E-mail: mtremblay@krg.ca

Canadian Royalties, it is hard to see how a significant number of Inuit will actually end up working for Canadian Royalties.

- The proponent should be required to provide a comprehensive assessment of employment issues at the Raglan Mine. This will require detailed interviews with Inuit employees (past and present), on-site non-Inuit company personnel (past and present), the Inuit liaisons and personnel from the KRG's Employment and Training Department and the Kativik School Board who were involved in developing and delivering training programs. This will also require a discussion on the impact on Inuit employees if the site becomes unionized.

Parc national des Pingualuit

Based on real time observations by Pingualuit park personnel of light, dust and smoke from the Raglan mine we conclude that the Study seriously underestimates and trivializes the potential impacts of the Project on the park. These events are observed from the Raglan Mine and the CRI Project will be that much closer to the park.

Over the last two years, employees of the Park have observed frequent air traffic directly over the Park. This, in our view can have a direct impact on the quality of visitor experiences. The Study suggests that air traffic is "likely to be a nuisance for visitors" and concludes that no mitigation measures are planned.

- The proponent should be required to present further information and details on how air traffic is to be regulated and monitored both during construction and operation. During the public hearings, we recommended, for example, prohibiting flyovers at altitudes of less than 2000 feet.

The study makes no mention of light pollution. Park personnel have clearly observed a dome of light in the night sky produced by the Raglan Mine. The CRI site will be situated closer to the Park. This will have a direct impact on the quality of visitor experiences. Similarly, Pingualuit park wardens have observed a green cloud of dust surrounding the Raglan mine. Photos have been sent to the KEQC. We also have concerns, based on the Raglan experience, with the visual impact of incinerator emissions.

- The proponent should be required to provide details on if or how this can be mitigated both during construction and operation.

- The proponent should be required to provide a more thorough portrait and assessment of the impacts of a mining project co-existing so closely to a Park.

Office of the Chairman
Faculté de l'Aménagement – School of Landscape Architecture
P.O. Box 6128, Station Centre-ville
Montreal QC H3C 3J7
E-mail: peter.jacobs@umontreal.ca

Office of the Secretariat
P.O. Box 930
Kuujjuaq QC J0M 1C0
Tel.: 819-964-2961, Fax: 819-964-2910
E-mail: mtremblay@krg.ca

Cumulative Effects

- The proponent should be required to provide a more comprehensive assessment of cumulative impacts. For example, the Raglan Mine has been in operation now for over 10 years. There is much to be learned from this experience both from an environmental and social perspective. There are other similar experiences in Nunavut and the Northwest Territories that could also contribute valuable information to such a discussion.

- Xstrata has announced its intention of expanding operations. How will this, when combined with the environmental and socio-economic impacts of the Project, affect the Inuit and the region?

Archeology

- The Avataq Cultural Institute has an important role to play in determining the impacts of a development project regarding archeology and Inuit cultural history. There is no evidence in the Study that Avataq has been involved in the determination of impacts. Their involvement is required and a prerequisite for determining impacts and mitigation measure. The KEQC should ensure that Avataq is fully engaged.

Abandonment Cost

Inuit and the region are assuming much of the environmental and social risks associated with this Project. What happens if the company has underestimated costs, or unforeseen events occur and the Project is prematurely abandoned?

Similarly no information has been provided concerning final abandonment costs. Demobilization, disposal of hazardous waste, monitoring and permanent containment of landfills, infrastructure abandonment costs and long term monitoring all have significant financial implications. We require assurance that the company is capable of providing adequate security deposits and confirmation of a long term commitment to environmental monitoring and inspection.

It must be concluded that CRI should prepare a comprehensive document incorporating the Environmental and Social Impact Study April 2007 with the project modifications, the required corrections, answers provided to the KEQC, responses to the concerns raised in the public hearings and responses to the KRG questions. This revised Environmental and Social Impact Study should then be presented to the communities of Puvirnituq, Salluit and Kangirsujuaq as well as the concerned regional entities for comments before any decision on environmental authorization is made.

7

Appendix A

Documents Respecting the Project Received by KRG from the MDDEP.

- Main report
- Annexe de cartes
- Annexe de plans
- Annexe photographique
- Executive summary
- Building together (document promotionnel)
- Study on maritime navigation in Deception Bay: Impacts on marine mammals and traditional Inuit activity
- Addendum: Airport construction
- Addendum 2: Construction of a berm-bridge at Bombardier outlet
- Addendum 3: Quarry operation
- Rapport sectoriel final: Inventaire archéologique
- Rapport sectoriel final: Inventaire de la flore vasculaire, de la végétation et des plantes rares
- Rapport sectoriel final: Climatologie et hydrologie
- Rapport sectoriel final: Milieu humain
- Rapport sectoriel final: Qualité de l'air ambient
- Rapport sectoriel final: Inventaires complémentaires dans la Baie Déception
- Rapport sectoriel final: Qualité de l'eau, des sédiments et communauté d'invertébrés benthiques
- Rapport sectoriel final: Inventaire de la faune aviaire
- Rapport sectoriel final: Caractérisation des sols et des roches
- Rapport sectoriel final: Inventaire des poissons
- Answers to KEQC questions: Volume 1
- Tailings and waste rock disposal facilities (Golder Associates Ltd.)
- Deception Bay surveys in 2006 and 2007

8

Appendix 8: Position paper submitted by the Makivik Corporation

Société Makivik
Makivik Corporation

SUBMISSION

by Makivik Corporation

to the Kativik Environmental Quality Commission

regarding the Nunavik Nickel Project of Canadian Royalties

Presented at:
Kangiqsujuaq, Nunavik, Québec
on the 28th day of February 2008

Submission by Makivik Corporation to the Kativik Environmental Quality Commission regarding the Nunavik Nickel Project of Canadian Royalties
February 2008

TABLE OF CONTENTS

	PAGE
Background	1
Nunavik Nickel Agreement	2
Summary of the Nunavik Nickel Agreement	3
Environmental consequences	7
Community Concerns	8
Additional infrastructure	10
Conclusion	11

Submission by Makivik Corporation (hereinafter 'Makivik') to the Kativik Environmental Quality Commission (hereinafter the 'KEQC') regarding the Nunavik Nickel Project of Canadian Royalties

Background

On April 9, 2002 Makivik, the Kativik Regional Government (hereinafter the 'KRG') and the Gouvernement du Québec entered into a Partnership Agreement on Economic and Community Development in Nunavik known as the 'Sanarrutik Agreement'.

In the preamble of the Sanarrutik Agreement, which forms an integral part thereof, Makivik, KRG and Québec indicated that they consider the economic and community development of Nunavik as a priority, that they recognize that there is a strong potential of human and economic resources in Nunavik, and they expressed a strong will to develop these resources and to promote economic development, job creation and economic spin-offs for Nunavik Inuit and the population of Québec.

For the purpose of fulfilling these above referred to intentions in section 1 of the Sanarrutik Agreement, Makivik, KRG and Québec agreed, among other things, to accelerate the development of the hydroelectric *mining* and tourism potential of Nunavik. *(for emphasis)*

Regarding mining development, section 2.3 of the Sanarrutik Agreement provides as follows:

2.3 Mining Development

The geological context of the territory of Nunavik is conducive to the presence of minerals and there are intensive exploration activities to that effect.

If any mining projects were to take place, Québec undertakes to encourage and facilitate the signing of agreements between Makivik and the mining companies concerning remedial measures and monitoring, financial arrangements, employment and contracts.

As contemplated in Schedule 1 of Section 23 of the JBNQA, mining development on the Nunavik territory will be subject to the applicable environmental and social protection regimes.

Nunavik Nickel Agreement

Taking into account the Sanarrutik Agreement, Canadian Royalties undertook in 2006 to negotiate an impact and benefit agreement with Makivik in the event that it decided to build and operate a mine at what is now known as the Nunavik Nickel Project Site.

Negotiations of such an impact and benefit agreement commenced in the spring of 2007 and accelerated during late autumn resulting in a draft text being recommended to the board of directors of Makivik for approval by early 2008. This agreement which is entitled the 'Nunavik Nickel Agreement' has now been approved by the board of directors of Makivik who has authorized the President to sign it on or before March 21st, 2008. Canadian Royalties and Makivik are prepared until this date to have any of the Qarqalik Landholding Corporation of Salluit, the Northern Village of Puvirnituq, or the Nunaturlik Landholding Corporation of Kangiqsujuaq join as full signatories of the agreement and would amend the agreement in consequence to reflect this. Recent discussions with

representatives the Qarqalik Landholding Corporation of Salluit, the Northern Village of Puvirnituq, the Nunaturlik Landholding Corporation of Kangiqsujuaq lead us to believe that they will become signatories to this agreement.

Canadian Royalties and Makivik agreed from the outset to model the impact and benefit agreement on the Raglan (1995) Agreement entered into between Makivik, the Qarqalik Landholding Corporation of Salluit, the Northern Village Corporation of Salluit, the Nunaturlik Landholding Corporation of Kangiqsujuaq, the Northern Village Corporation of Kangiqsujuaq and Société Minière Raglan du Québec Ltéé on the 28th day of February 1995 (hereinafter the 'Raglan Agreement') and, in consequence, the Nunavik Nickel Agreement reflects the terms and conditions of the Raglan Agreement.

Summary of the Nunavik Nickel Agreement

In the Nunavik Nickel Agreement, Canadian Royalties has undertaken as its employment goal at the Nunavik Nickel Project Site to have as many positions at the mine ultimately filled by qualified Nunavik Inuit beneficiaries to the *James Bay and Northern Québec Agreement* (hereinafter the 'JBNQA') and have agreed, if necessary, to establish the appropriate affirmative action programs.

It is presently projected that there will be 237 positions to be filled at the Nunavik Nickel Project Site; 59 of which are earmarked from the start to be filled with Nunavik Inuit beneficiaries. Moreover, Canadian Royalties has undertaken at all times during the Operations Phase of the project to hire at least 5 Nunavik Inuit beneficiaries on full employee salaries receiving onsite training that would then lead to full-time jobs.

It is foreseen that Canadian Royalties shall hire and fill all vacancies at the Nunavik Nickel Project Site in the following order:

(a) Nunavik Inuit Beneficiaries residing in Salluit, Kangiqsujuaq and Puvirnituq;
(b) Nunavik Inuit Beneficiaries residing in the other Northern Villages or elsewhere; and
(c) Southerners residing in Nunavik and elsewhere.

Canadian Royalties shall hire and train two (2) Nunavik Inuit Beneficiaries for the position of Inuit Employment and Training Officer who shall work in cross-shifts and who shall, in conjunction with other management staff, be responsible for the hiring, training and orientation of all Inuit workers. The Inuit Employment and Training Officers shall work closely with the KRG regarding the identification of candidates for consideration for jobs at the Nunavik Nickel Project Site.

Canadian Royalties has undertaken as a goal to utilize Inuit enterprises whenever work is outsourced by them during the Development or Operations Phases subject to terms and conditions similar to those in the Raglan Agreement. They have further committed to enter into good faith direct contract negotiations with Inuit enterprises for air transportation, cargo shipping and diamond drilling services.

In preparing the design of the work (goods and/or services) it will outsource, Canadian Royalties shall, when feasible, structure such work into component parts that would allow Inuit enterprises to have access to obtain such component work.

In consideration of ensuring that Nunavik Inuit beneficiaries to the JBNQA derive benefits from the Nunavik Nickel Project and ensuring the support of Makivik for the development and operation of the Nunavik Nickel Project, Canadian Royalties shall make certain monetary payments based on operating results and the price of nickel. Subsection 7.1 of the Nunavik Nickel Agreement reads as follow:

> 7.1 Payment
>
> In consideration of ensuring that Inuit Beneficiaries derive benefits from the Nunavik Nickel Project and securing the support of Makivik for the development and operation of the Nunavik Nickel Project as described herein, Canadian Royalties shall pay Money Transfers described in sub-subsection 7.2.2 and subsection 7.3 to Makivik and the Qarqalik Landholding Corporation of Salluit ('Qarqalik'), the Northern Village of Puvirnituq ('NV of Puvirnituq'), and the Nunaturlik Landholding Corporation of Kangiqsujuaq ('Nunaturlik'), to be divided pursuant to a written agreement between Makivik and Qarqalik, the NV of Puvirnituq and Nunaturlik to be delivered to Canadian Royalties on or before April 1st, 2010. In the event that no agreement is reached between Makivik and Qarqalik, the NV of Puvirnituq and Nunaturlik and delivered to Canadian Royalties by April 1st, 2010, Canadian Royalties shall pay the Money Transfers described in sub-subsection 7.2.2 and subsection and 50% jointly to Qarqalik, the NV of Puvirnituq, and Nunaturlik.

As with the Raglan Agreement, a summary of the foreseen impacts of the Nunavik Nickel Project as determined by Genivar, on behalf of Canadian Royalties, their cause and the significance of residual impacts after mitigation has been made and is incorporated as an annex to the Agreement. (This annex reflects the summary of potential impacts found in the Executive Summary to the Canadian Royalties Environmental and Social Impact Assessment prepared by Genivar in April - May 2007). In order to minimize or avoid impacts from the

project, Canadian Royalties has undertaken to perform or cause to be performed a series of mitigating measures that are defined in the Agreement. For example, there will be no shipping taking place in Deception Bay from mid-March to mid-June and there will only be two trips made during the winter ice period unless agreements to increase that number are negotiated directly with the community of Salluit. In addition, Canadian Royalties is prepared to make a separate undertaking to work in conjunction with Xstrata in determining a long-term solution that would allow hunters to circumvent Deception Bay rather than having to cross on the winter ice.

If there are impacts that have not been described or in the event that the significance of a foreseen impact is materially greater than described therein, Canadian Royalties shall carry out such additional mitigating work as may be required to reduce or diminish such impact. In the event that there is not appropriate mitigating work to reduce or diminish such impact, Canadian Royalties and Makivik shall negotiate other appropriate and mutually satisfactory measures including additional compensatory measures.

In order to have a forum for communications between Canadian Royalties, Makivik and the communities that may be impacted by the project, a Nunavik Nickel Committee similar to the Raglan Committee and with a similar mandate is to be created.

Expenses for the Committee will be borne by Canadian Royalties and an annual budgeted amount will be set aside by Canadian Royalties to defray the cost of experts who may be invited to attend at Nunavik Nickel Committee meetings.

In order to ensure proper implementation of the agreement, Canadian Royalties shall engage on a full-time basis a stakeholder/communications officer whose duties are to ensure the implementation of the Nunavik Nickel Agreement for both parties who will report directly to the general manager of the project and who shall be named as one of the reps appointed by Canadian Royalties to the Nunavik Nickel Committee. The stated intention of Canadian Royalties is that this position will be filled by an Inuk.

The Nunavik Nickel Agreement further provides for a dispute resolution mechanism similar to the one in the Raglan Agreement and foresees operating procedures to the mine site similar to those in place at the Raglan Project.

Environmental consequences

It should be noted that in the Nunavik Nickel Agreement Canadian Royalties has acknowledged that Makivik does not have the resources or means to do an indepth analysis of the impacts described in the environmental impact study and that, in consequence, Makivik is relying on the evaluation of the significance of residual impacts after mitigation as described in annex 7 to the agreement prepared by Genivar, on behalf of Canadian Royalties, which, as previously noted, reflects the summary of potential impacts described in the Canadian Royalties environmental and social impacts assessment to the KEQC.

The Nunavik Nickel Project is not only in close proximity to the Raglan Project it is also similar in nature. Almost all of the mining components of the two projects are the same. Of the three members named to date to represent Makivik on the Raglan Committee, two of them were directly involved in the negotiations of the

Nunavik Nickel Agreement. The knowledge gained by these members on the Raglan Committee assisted them in comparing what was being proposed by Canadian Royalties to what had been experienced at the Raglan Project. It was noted by them that monitoring studies and community testimonials to date confirm that the Xstrata operation has not resulted in any impacts that had not been identified in the Raglan Agreement or which were greater than as defined therein; other than concerns raised regarding the tailings and waste rock management and dust on the road between Deception Bay and Lac François-Malherbe. The tailings issue has been subsequently and substantially dealt with now by Xstrata and we further understand that Xstrata, pursuant to recent discussions at the Raglan Committee, is prepared to put down during the summer months additional amounts of calcium chloride as dust suppressant on the road between Deception Bay and Lac François-Malherbe.

However, given the issue of mine tailings and waste rock management experienced at the Raglan Project, the Corporation sought out external expertise on this issue and was advised that the methods being proposed by Canadian Royalties regarding mine tailings and waste rock management are consistent with current mining practices and do take into account recent experience gained at the Raglan site.

Community concerns

As you are no doubt aware, the communities of Salluit, Kangiqsujuaq and Puvirnituq have all indicated concerns to us related to the Nunavik Nickel Project and the Corporation has attempted as fully as possible to take these concerns into account in finalizing the Nunavik Nickel Agreement.

We realize that the community of Puvirnituq is concerned with the potential impact on the Puvirnituq river were there to be leaching of acidity from tailings or waste rock into the Puvirnituq water shed and it is for that reason that we wished to be assured regarding the way Canadian Royalties is proposing to manage its mine tailings and waste rock.

We realize that the community of Kangiqsujuaq has raised concerns regarding open pit mining as compared to underground mine and believe again that this is related to waste rock management from open pit work.

We realize that Salluit is concerned with additional shipping in Deception Bay and additional traffic on the road between Deception Bay and Katinniq exacerbating potentially the dust problem on the road. We have indicated above some of the measures that Canadian Royalties (or, in the case of dust suppression, Xstrata) is prepared to use to mitigate these problems. Moreover, Canadian Royalties has indicated in writing to us that it is prepared to work in conjunction with Xstrata, and provided Xstrata is also willing to do so, to undertake a biological and environmental monitoring study of the marine environment in Deception Bay for a circumscribed area around the Xstrata and Canadian Royalties wharves.

Makivik has attempted to favour Salluit, Kangiqsujuaq and Puvirnituq relative to the region of Nunavik in a number of ways in the Nunavik Nickel Agreement:

1- by including representatives of the three communities specifically on the Nunavik Nickel Committee;

2- by listing these communities in priority to the other communities of Nunavik in terms of employment; and

3- by allocating to these three communities at least 50% of the money benefits being paid by Canadian Royalties relative to 50% for the balance of the 11 communities of Nunavik (including Chisasibi).

Finally, as we have attempted to explain to representatives of the three communities, impact and benefit agreements are a way of benefiting the region in which a development takes place and is not compensation for perceived or potential damages. The Nunavik Nickel Agreement provides that nothing in the agreement shall prevent any claims by an Inuit beneficiary, an Inuit enterprise, a landholding corporation or Makivik or affect any liability of Canadian Royalties, for any specific loss or damages arising out of the construction or operation of the Nunavik Nickel Project where such loss or damages have not been specifically provided for in this agreement. As well as previously indicated, if there are impacts that are not foreseen or impacts that are greater than foreseen, the parties to the Nunavik Nickel Agreement shall negotiate appropriate mitigating measures or compensation, as the case may be.

Additional infrastructure

When the Corporation signed the Sanarrutik Agreement it realized that if there were to be mining activities there would be a need for additional infrastructure like wharves, roads and airstrips. We acknowledge that for Canadian Royalties to have the Nunavik Nickel Project succeed there will be a need for them to have a wharf at Deception Bay, a road network linking their mine sites and linking them to the public road to Deception Bay and access to an airstrip. If the only

available airstrips are private ones to which Canadian Royalties cannot have access, then the company will need to have its own airstrip.

It should be noted that the Nunavik Nickel Agreement provides that Canadian Royalties shall allow third parties to use the wharf it intends to construct at Deception Bay and the airstrip it intends to construct near the existing Donaldson airstrip for a fee based on the operating costs and amortization of such facilities pro-rated among all users.

Conclusion

The KEQC was established as a consequence of the JBNQA as an autonomous institution of public government. As previously noted, section 2.3 of the Sanarrutik Agreement provides, on the one hand, that impact and benefit agreements will be encouraged but, on the other hand, that any project will still be subject to the applicable environmental and social protection regimes contemplated in schedule 1 of section 23 of the JBNQA.

We believe that having an impact and benefit agreement should simplify the Commission's evaluation of the social consequences of the project. However, as an independent body, the KEQC still has the job of evaluating and assessing the environmental consequences of this project and, while we fully support the proponent of the project, we should not be confused as *being* the proponent of the project.

Makivik is appreciative that Canadian Royalties entered into good faith negotiations which has led to the Nunavik Nickel Agreement.