

Minutes of the proceedings of the 206th meeting of the Kativik Environmental Quality Commission, held in Aupaluk August 27 - 29, 2013.

Present:	Daniel Berrouard Pierre-Michel Fontaine Marie-Ève Fortin Édith van de Walle	Putulik Papigatuk Eli Aullaluk Lisa Koperqualuk Charlie Arngak
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Absent : Peter Jacobs

Executive Secretary: Stéphane Cossette

The 206th meeting of the KEQC was held in Aupaluk from August 27 to 29, 2013. The agenda and the minutes of the 205th meeting were adopted. Members began by discussing the report on construction of the port infrastructure project in Deception Bay by Canadian Royalties. It was agreed that a letter would be sent to the Administrator saying that the proponent should be advised to submit a new schedule as well as any modifications to the project, if applicable. Next was a discussion about the fuel depot in Akulivik. FCNQ Petro has submitted a new proposal for a temporary project involving three storage tanks of 50,000 litres each. FCNQ Petro will continue efforts to relocate the permanent depot and will submit a new project sometime in the future. Commission members agreed that the temporary project is not subject to the social and environmental assessment process. The next item concerned the proposal from the Qaqqalik Landholding Corporation to use waste oil for energy production. This project will allow the corporation to use waste oil from various sources in the municipality to heat a garage. The members agreed that this project could be exempted from the social and environmental assessment process. Next up was a discussion on the 2012 environmental monitoring report for Raglan Mine. Some concerns were raised regarding surface water quality criteria exceedances observed in the monitoring program, and about the scientific fishing program. Members agreed that a letter would be sent to the Administrator expressing the Commission's concerns. Regarding the 2011 environmental monitoring program for the Nunavik Nickel mine project, members agreed to postpone discussion and preparation of comments until the next meeting. However, concerning the request for a modification to the certificate of authorization regarding the sampling frequency for monitoring acid mine drainage, members agreed that this needs to be validated with the experts before the letter is sent to the Administrator. The next discussion concerned the Ulittaniujalik national park project. Members made some minor corrections to the document containing the Commission's decision concerning creation of the park, and agreed that once these corrections were made, the document would be forwarded to the Administrator. This was followed by a brief discussion on the Katinniq wind farm project. An impact assessment was sent, but analysis is not yet complete. There were some concerns raised, particularly in regards to safety in connection with the hydrogen storage system. A preliminary document containing questions for the proponent will be sent to members before the next meeting. Finally, under other matters, a makeover of the website was discussed. It was decided that at a future meeting, a list should be prepared concerning the elements that members would like to see on the website so that a mandate can be given to a website company.

The purpose of holding the meeting of the Commission in Aupaluk was to become familiar with the site of the proposed Hopes Advance mining operation by Oceanic Iron Ore. A visit was made by road to one of the proposed pit sites, followed by a helicopter flyover, with the proponent, of all proposed sites in the project. There was also a meeting with representatives from the municipal council and the landholding corporation. Discussion focussed on the role of the Commission in authorization of the project, and the current status of the social and environment impacts procedure. The representatives from municipal council and the landholding corporation voiced their concerns about the project and the implications of signing an impact-benefit agreement (IBA).

1. Adoption of the agenda

Since Commission chairman Peter Jacobs was absent, Putulik Papigatuk proposed that Daniel Berrouard preside over the 206th meeting. Members agreed to this proposal. The agenda was amended to add a point to Item 8 concerning a request for modification to the certificate of authorization for the Nunavik Nickel mining project.

2. Adoption of the minutes of the 205th meeting

The minutes of the 205th meeting were adopted with amendments.

3. Matters arising from the last meeting

- a. **Canadian Royalties' Deception Bay port infrastructure project.** Canadian Royalties has informed certain individuals and organizations that its port infrastructure project in Deception Bay has been postponed until next year. In light of this, and the fact that the proponent has made a number of changes to the project, Commission members agreed that a letter should be sent to the Administrator asking that he inform the proponent of several points. Firstly, the proponent must inform the Commission on its new schedule and if modifications are made to the project, a final version must also be sent to the Commission. Secondly, the Commission wants to remind the proponent that the certificate of authorization includes specific conditions relating to any temporary closure of the mine and these obligations must be met if this is the case.

4. Upgrades to the Akulivik fuel depot by FCNQ-Petro

The Commission sent a request for additional information on July 2, 2013. However, the most recent correspondence from the proponent explained that the project has been modified and now involves the installation of three temporary storage tanks with a capacity of 50,000 litres each. This modification of the project followed a request from the community of Akulivik that the fuel depot be relocated. Until the analysis of the relocation of the depot is completed, the three temporary storage tanks will supply the fuel needs of the population. Members agreed that this plan can be exempted from the social and environmental impacts process. However, the members felt that the proponent should provide information about the proposed schedule for the fuel depot and what will be done with the existing equipment once the new depot is operational. The letter to the Administrator is to include these points.

Action: Advise the Administrator of the decision to exempt this project from the social and environmental reviews procedure.

5. Project from the Qaqqalik Landholding Corporation of Salluit to use waste oil for energy production

The Qaqqalik Landholding Corporation of Salluit wants to use waste oil to produce energy to heat a maintenance garage for heavy machinery. The barrels of waste oil will be stored in a

purpose-built building with a waterproof floor that will contain any possible spills. Commission members agreed that this project can be exempted from the social and environmental review procedure.

Action: Advise the Administrator of the decision to exempt this project from the social and environmental reviews procedure

6. Raglan Mine – Environmental monitoring report for 2012

The 2012 annual report on the environmental monitoring of Raglan Mine was forwarded to the Commission for comment in April of 2013. Following an analysis of the document, the members expressed concerns, in particular, about surface water quality criteria exceedances that have been observed over time for some parameters. A second concern was raised regarding the scientific fishing program that monitors the confined population of Arctic char. In 2011, Raglan Mine asked to change its methodology so that it could carry out non-lethal catches. The Commission asked some questions about this, but has received no response to date, although the proponent used this method for its monitoring in 2012. Moreover, still on the subject of the scientific fishing program, members had concerns about the participation of Inuit communities in this program. The Inuit should be actively involved.

Action: Send a letter to the Administrator detailing the concerns of the Commission regarding the environmental monitoring program.

7. Nunavik Nickel mine –2011 environmental monitoring report and request for modification to the certificate of authorization

Following a misunderstanding regarding the transmission of the English version of the 2011 environmental monitoring report and its summary, it was decided to postpone this matter until the next meeting. The request for modification to the certificate of authorization involves the environmental monitoring program, and more specifically, the monitoring of acid mine drainage. In its program, the proponent had proposed the daily sampling of water in the catch basin during the discharge period. However given that there are only two flights per week between Donaldson and southern Quebec, it would be difficult for the proponent to fulfill this commitment because the holding time for the samples would be exceeded for some parameters. Thus, the proponent has proposed weekly sampling instead. It is not clear in the analysis report whether this modification can be authorized. It was proposed that this be validated and sent to the members and that the decision could then be forwarded to the Administrator.

Action: Forward the decision regarding authorization to the Administrator once information has been validated.

8. MDDEFP –Monts-Pyramides national park project

A final version of the document containing the decision of the Commission concerning the creation of Ulittaniujalik national park was sent to members before the meeting. Members

proposed some minor corrections to the text. Members agreed that the amended document could be forwarded to the Administrator.

Action: Send the decision regarding authorization of the project to the Administrator.

9. Raglan Mine - Katinniq wind farm project

The proponent submitted a social and environmental impact study for their wind farm project. Initially, Deception Bay was studied as a possible site, but given its importance to the Inuit communities, the proponent decided to propose only the Katinniq site. The project includes two phases; one wind turbine will be installed the first year, and five the following year. The plan also calls for a hydrogen storage and hydrogen fuel cell system. Analysis of this project is not yet complete, but Commission members had particular comments concerning the safety of the fuel storage system, and about the sites that will supply the granular materials required for building the access road. It was decided that a draft document of questions for the proponent will be sent to members before the next meeting.

Action: None.

10. Oceanic Iron Ore Corp – Update on the project and the status of the social and environmental impact study

One of the purposes for holding the meeting of the Commission in Aupaluk was so that Commissioners could discuss concerns about the Hopes Advance mining project by Oceanic Iron Ore with members of the municipal council and of the Landholding Corporation. It also made it possible to visit the sites the proponent has planned for installation of the equipment. Part of this site visit took place August 28, by truck with the municipal mayor, to the site of the pit at Bay Zone C. The rest of the site visit was a helicopter flyover with the proponent. The flight lasted about an hour and allowed us to see the planned site for the construction of port infrastructure and also the site for the planned airport. An old airstrip will be upgraded to serve the mine. The flight continued to the sites where the pits, concentrator, tailings sites and waste rock piles are to be located. Annex 2 of the minutes contains photos of these sites. According to the proponent, work is under way to acquire the data needed for the impact study. The assessment should be submitted in the autumn of 2014.

On the morning of August 29, commissioners met with members of the municipal council, the landholding corporation and the local representative for Makivik Corporation. To begin the meeting, Putulik Papigatuk explained the role of the Commission, the purpose of our visit to Aupaluk, and where we are currently in the analysis of the project. There seemed to be some confusion among the population as to whether this project is going to happen. The proponent insisted that the project would go ahead, while Makivik Corporation pointed out that iron prices are low and it would be unrealistic to believe that the project will go forward in the short term. Main points raised by participants at the meeting included the signing of an impact-benefit

agreement (IBA) so as to get the most possible benefit from the project, as well as determining when to begin negotiations on such an agreement. According to Makivik Corporation, it is not yet time to start negotiating such an agreement. By building on the experience with Raglan and Canadian Royalties, the agreement can be improved. Moreover, even though the project is located on Category III lands, it lies within territory that is important to the community. According to community members, these lands should have been included in Category I lands, but it was not possible to include them at the time due to their mining potential. Other concerns raised related to the possible increase in the population of Aupaluk, as well as the potential impact of the mine for visitors to the Parc national de la Baie-aux-Feuilles project. One member of the Commission pointed out that if the mining project is authorized, this can include conditions, and that modifications can be requested.

Action: None

11. Other business

There was a discussion about upgrading the website. It was mentioned that it would be better if the site were more interactive, and that a website company should be given a mandate to develop a new site. As a first step, it was proposed that at a future meeting, the members of the Commission should put together a list of what they would like to see included in a new website.

12. Next meeting

The next meeting will be held in Montreal on October 15, 2013.

Stéphane Cossette
November 20, 2013

**August 27, 4pm to 5pm : Preliminary meeting with the Northern members /
27 août, 16 :00 à 17 :00 Rencontre préliminaire avec les membres du Nord**

Meeting 206th / 206^e réunion

Wednesday August 28, 2013– Mercredi le 28 août 2013

9:00

Northern Village of Aupaluk / Village nordique d'Aupaluk

AGENDA / ORDRE DU JOUR

1. Adoption of the agenda / Adoption de l'ordre de jour
2. Adoption of the minutes of the 205th meeting / Adoption du compte rendu de la 205^e réunion
3. Matters arising from the last meeting / Affaires découlant de la dernière réunion
 - a) Marine infrastructures in Deception Bay by Canadian Royalties / Infrastructures maritimes à baie Déception par Canadian Royalties
4. Upgrade of the tank farm in Akulivik by FCNQ-Petro / Amélioration du dépôt pétrolier à Akulivik par FCNQ-Petro
Task : Decide if this project must require an environmental and social impact assessment / Tâche : Décider si le projet doit être assujéti à la procédure d'évaluation des impacts sur l'environnement et le milieu social.
5. Burning of used oils for energy purpose in Salluit by Qaqqalik Landholding Corporation / Projet d'utilisation d'huiles usées à des fins énergétiques par la corporation foncière Qaqqalik de Salluit
Task : Decide if this project must require an environmental and social impact assessment / Tâche : Décider si le projet doit être assujéti à la procédure d'évaluation des impacts sur l'environnement et le milieu social.
6. Raglan mine – Construction of a wind farm at Katinniq/ Mine Raglan - Projet d'éoliennes à Katinniq
Task : Draft questions to be sent to the proponent/ Tâche : Préparer les questions à envoyer au promoteur.
7. Raglan mine – 2012 environmental monitoring report / Mine Raglan – Rapport annuel de suivi environnemental 2012.
Task : Finalize comments on the documents/ Tâche : Finaliser les commentaires à propos du document.
8. Nunavik Nickel mine - 2011 environmental monitoring report / Mine Nunavik Nickel – Rapport de suivi environnemental 2011
Task : Finalize comments on the documents/ Tâche : Finaliser les commentaires à propos du document.
9. MDDEFP – Monts-Pyramides park project/ MDDEFP – Projet de parc national des Monts-Pyramides
Task : Finalize the decision to be sent to the Administrator/ Tâche : Finaliser la décision à envoyer à l'Administrateur.
10. Oceanic Iron Ore Corp – Update on the project and the production of the environmental and social impact statement / Oceanic Iron Ore Corp – Mise-à-jour à propos du projet et de la réalisation de l'étude d'impact sur l'environnement et le milieu social
11. Varia
12. Next meeting / Prochaine réunion

SCHEDULE 1 – ANNEXE 1

Administrative follow-up – Suivi administratif des dossiers

- a) Kuururjuaq National Park – Request of modification to the certificate of authorization regarding the park zoning, MDDEFP / Parc national Kuururjuaq – Demande de modification au certificate d'autorisation concernant le zonage du parc.

Status: The Commission has sent its decision to the Administrator (June 11, 2013) / Statut : La Commission a envoyé sa décision à l'Administrateur (11 juin 2013)

- b) Kativik Regional Government: installation of culverts in Kangirsuk / Administration régionale Kativik: Installation de ponceaux à Kangirsuk.

Status: The Commission has sent its decision to the Administrator (June 11, 2013) / Statut : La Commission a envoyé sa décision à l'Administrateur (11 juin 2013)

- c) XStrata Nickel: Wind farm project at Katinniq / Xstrata Nickel : Projet d'éoliennes à Katinniq.

Status: The Commission has received the environmental and social impact statement from the Administrator (June 13, 2013) / Statut : La Commission a reçu l'étude d'impact sur l'environnement et le milieu social de la part de l'Administrateur (13 juin 2013)

- d) Nunavik Nickel: Request of modification to the certificate of authorization for the construction of a wharf in Deception Bay / Nunavik Nickel: Demande de modification au certificat d'autorisation concernant la construction d'infrastructures portuaires dans la baie Déception.

Status: The Commission has sent its decision to the Administrator (June 17, 2013) / Statut : La Commission a envoyé sa décision à l'Administrateur (17 juin,2013)

- e) Xstrata Nickel: Bombardier beach jetty modification project/ Xstrata Nickel: Projet de modification de la jetée de la plage Bombardier.

Status : The Commission has sent its decision to the Administrator (June 17, 2013) / Statut : La Commission a envoyé sa décision à l'Administrateur (17 juin 2013)

- f) XStrata Nickel: Concentrator production capacity upgrade and mine waste rock maximum storage upgrade project / XStrata Nickel : Projet d'augmentation de la capacité de production du concentrateur et d'augmentation de la capacité maximale d'entreposage des stériles miniers.

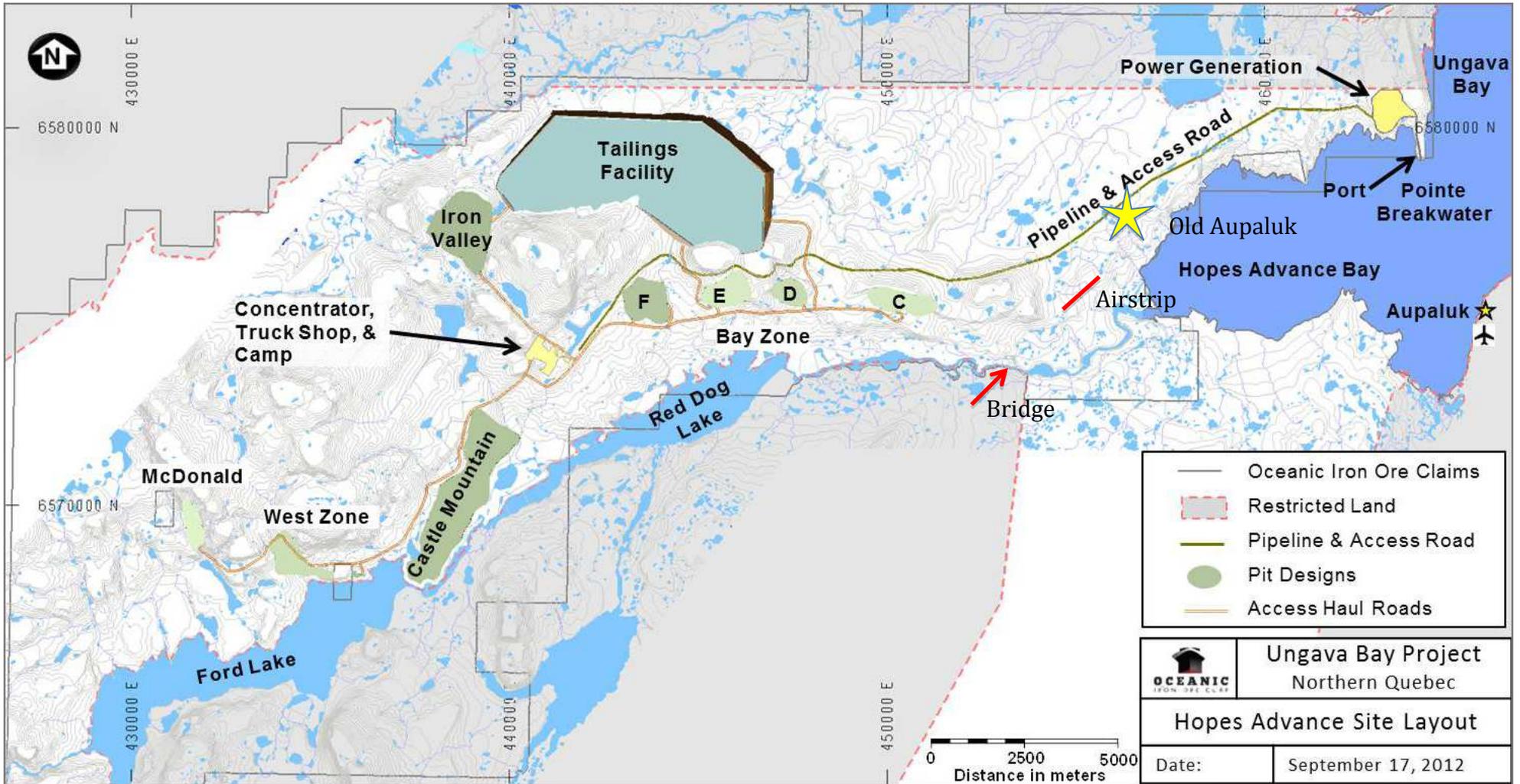
Status: The Commission has sent its decision to the Administrator (June 17, 2013) / Statut : La Commission a envoyé sa décision à l'Administrateur (17 juin 2013)

- g) Qaqqalik Landholding Corporation: Burning of used oils for energy purpose in Salluit / Corporation foncière Qaqqalik : Projet d'utilisation d'huiles usées comme source d'énergie.

Status: The Commission has receive preliminary information from the Administrator (August 2, 2013) / Statut : La Commission a reçu des renseignements préliminaires de la part de l'Administrateur (2 août 2013)

- h) FCNQ Petro: Upgrade of the tank farm in Akulivik / FCNQ Petro : Projet d'amélioration du dépôt pétrolier à Akulivik.

Status: The Commission has receive supplementary information from the Administrator (May 30, 2013 and August 2, 2013) / Statut : La Commission a reçu des renseignements préliminaires de la part de l'Administrateur (30 mai 2013 et 2 août 2013)





Village of Aupaluk and Breakwater point on the other side of the Bay



Red Dog river, looking East



Red Dog River, looking West



View of Aupaluk from Bay zone C



Breakwater Point, location of the proposed marine infrastructures



View of Aupaluk from Breakwater point



Old Aupaluk



Proposed location of the airstrip, looking West



Bay Zone C, looking West. Red Dog Lake on background



Bay Zone D, looking West



Red Dog Lake, looking South-West



Area of the concentrator



Castle Mountain area



Zone 4 and Ford Lake, looking South-West



Zone 2, looking South



Iron Valley, looking North. This lake will disappear