

June 19, 2023

Pierre Philie Chairperson Kativik Environmental Quality Commission P.O. Box 15 Kangiqsujuaq, QC J0M 1K0

Subject: The KEAC's concern regarding the amendment to Canadian Royalties Inc.'s certificate of authorization for Phase 2b (Delta) of the Nunavik Nickel mining project

Dear Mr. Philie,

On March 3, 2023, the Kativik Environmental Advisory Committee (KEAC) sent a letter to the Provincial Administrator of Section 23 of the James Bay and Northern Quebec Agreement (JBNQA) Ms. Marie-Josée Lizotte, concerning an application to amend Canadian Royalties Inc.'s (CRI) certificate of authorization for Phase 2b (Delta) of the Nunavik Nickel mining project. A copy of this letter was forwarded to you.

The Committee's concerns relate to the operation of a new sector (Delta), including the creation of a new open pit site, the construction of several kilometers of new road, a worker's camp, as well as water treatment and production facilities, in addition to other infrastructure developments. It is also important to note that these developments would occur in the vicinity of a caribou calving ground.

In her response dated April 13, 2023, the Provincial Administrator confirmed that the Ministère de l'Environnement, de la Lutte contre les changements climatiques, de la Faune et des Parcs (MELCCFP) intends to analyze Phase 2b (Delta) as an amendment to the current certificate of authorization and therefore does not consider it a project requiring a new certificate of authorization. While the KEAC understands the administrative imperatives driving the MELCCFP to treat the application as such, the members remain concerned about compliance with the provisions of Section 23 of the JBNQA in the analysis of this phase of the project.

Section 23.3.12 of the JBNQA stipulates that "all developments listed in Schedule I shall automatically be subject to the impact assessment and review procedures provided for herein" and the KEAC is of the opinion that this leaves no room for further interpretation. Schedule I clearly states with regards to all mining developments that "Any significant additions, alterations or modifications to existing mining developments" must be subject to the environmental impact assessment process. The KEAC members consider the scale and proposed infrastructural elements of Phase 2b (Delta) of the Nunavik Nickel mining project to indeed be "significant" in nature. The KEAC is concerned that treating this new phase as an amendment to CRI's current

certificate of authorization represents a circumvention of the legal provisions under the JBNQA and may set a precedent for future mining projects.

Furthermore, there is good reason to question access to information in the context of this application for a modification to a certificate of authorization. Currently, documents produced by proponents (e.g. impact studies) for projects subject to the environmental and social impact assessment and review procedure are published in the MELCCFP's Environmental Assessment Registry (EAR) pending the written consent of the proponent. As such, the public has access to all the necessary documentation at the time of filing the impact study. On the other hand, when an application to amend a certificate of authorization is filed, this documentation is only available on the EAR after the amendment has been approved and issued.

The KEAC members are also concerned that the present modification request by CRI could set a precedent where proponents might wish to submit several smaller applications for amendments to certificates of authorization, rather than having to go through the full environmental and social impact assessment and review procedure. This makes it more difficult to understand the real impact of projects that undergo major modifications.

Faced with these concerns, the members of the KEAC would like to discuss this matter with you in greater detail.

Best Regards,

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Raymond Mickpegak Chairperson, KEAC