

NEW DISCOVERY MINES LTD.



Mon Gold Property

Community Engagement Plan

MV2020C0003

MV2020L-0002

December 2020

Version 9

Version and Revision History

Version	Date	Revision/Comments
1	2012	First draft, following MVLWB Guidelines for Community Engagement Guidelines for Applicants and Holders of Water Licences and Land Use Permits, October 2012.
2	2013	Revised to incorporate MVLWB Policy Engagement and Consultation Policy” June 1, 2013.
3	2013	Incorporates Best Practices in Community Engagement Guidelines for Applicants and Holders of Water Licenses and Land Use Permits
4	2018	Review, no changes
5	2020	Review, no changes
6	2020	Review, no changes
7	2020	Revise Engagement Work Plan
8	2020	Revise Goals of Engagement, Engagement Techniques, Communicating the Engagement Plan, Implementing the Engagement Plan, and Follow-up Reporting.
9	December 2020	Reformat to conform to submission standards, adding title page, conformity table, expand on triggers for engagement.

Contents

NEW DISCOVERY MINES LTD. 1

Version and Revision History 2

Definitions..... 4

Conformity Table 5

Introduction 5

The Project..... 5

 Overview 5

 Location 6

 Resource and Reserves 6

Engagement with Affected Parties 7

 What is Engagement?..... 7

 Affected Communities 7

 What are the Benefits of Engagement? 10

 What Guides Engagement?..... 10

Engagement Plan Framework..... 10

 Goals of Engagement 11

 Party Identification..... 12

 Company Contacts 12

 Engagement Techniques..... 12

 Engagement Work Plan..... 13

 Communicating/Implementing the Engagement Plan..... 13

 Development-related Triggers 14

 Follow-up Reporting 14

 Engagement Plan Review 14

Definitions

Term	Definition
Aboriginal organization/ government	an organization representing the rights and interests of a First Nation (as defined in section 2 of the MVRMA) Métis, or Inuit community or region, a Tłı̨cho First Nation, or the Tłı̨cho Government.
affected community	a community that is affected, or is predicted to be affected, either adversely and/or beneficially, by a proposed project.
Boards	Land and Water Boards of the Mackenzie Valley, as established by the <i>Mackenzie Valley Resource Management Act</i> .
duty to consult	Practically, the duty to consult is the process of ensuring that Aboriginal people's rights are fairly considered in government conduct that could potentially affect those rights, particularly in the approval of developments involving land and resources. The duty to consult is an obligation of the government as a whole. In <i>Haida, Taku River</i> , and <i>Mikisew Cree</i> , the Supreme Court of Canada held that provincial and federal governments have a legal obligation to consult when the Crown contemplates conduct that might adversely impact potential or established Aboriginal or Treaty Rights.
engagement	the communication and outreach activities a proponent is required, by the Boards, to undertake with affected communities and Aboriginal organizations/governments prior to and during the operation of a project, including closure and reclamation phases.
engagement plan	a document that clearly describes how, when, and what engagement will occur with an affected community and Aboriginal organization/government at each stage during the life of the project.
engagement record	a record, including supporting documents, that details the engagement processes and outcomes between the proponent and the affected community and Aboriginal organization/government.
GLWB	Gwich'in Land and Water Board
MVLWB	Mackenzie Valley Land and Water Board
MVRMA	Mackenzie Valley Resource Management Act
NWT	Northwest Territories
project	any development that requires a land use permit or water licence.
proponent	applicant for, or holder of, land use permits and/or water licences.
public participation	a general term for any process that involves public input in decision making. It involves the process or activity of informing the public and inviting them to have input into the decisions that affect them
SLWB	Sahtu Land and Water Board

WLWB	Wek'èezhìi Land and Water Board
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Conformity Table

Revisions in this version are outlined below where the 69 comments received have been considered and responded to;

Revision	Page	Responds to
#67	14	Development-related triggers for reaching out and proactively engaging impacted communities should be outlined in the Engagement Plan and available for review and comment. These can relate to the development of new and updated management and monitoring plans, changes to Project design, the construction of infrastructure, the status of operations, etc.

Introduction

This Community Engagement Plan (CEP) has been developed to ensure continuing consultation with affected communities in a progressive manner as the Mon Gold Mine project develops. The CEP is based upon the guidelines published by the Mackenzie Valley Land and Water Board (WVLWB), October 2012 “Community Engagement Guidelines for Applicants and Holders of Water Licences and Land Use Permits”, “Engagement and Consultation Policy” June 1, 2013, and extracts from draft exploration agreements developed by the Yellowknife Dene First Nation.

The CEP recognizes the statutory requirement for consultation and attempts to make it proactive, inclusive and effective.

The CEP is prepared to accommodate an application for small scale mining; however it anticipates further work that will require additional consultations. New Discovery Mines (NDM) is committed to ensuring that the CEP is reviewed at least annually or as needed of either project phase implementation or on recommendations provided by the affected parties. This plan is not intended to be a static document and will evolve throughout the life of the project.

The Project

Overview

It is planned to complete underground sampling of an inferred extension to a mine that was effectively operated in the 1990's (Mon Gold Mine). This would be the first phase and if successful would follow with applications for continued mining and to re-install a 100 tonnes

per day milling circuit to process this material and subsequently developed material. Property-wide exploration will be conducted from the same camp (Mon Mine).

Location

The Mon Gold Mine is located within the Yellowknife Greenstone Belt, 50 km north of Yellowknife. It was discovered in 1937 by prospectors under contract to Cominco Ltd. Cominco sunk a shaft in 1938 and 1939, completed diamond drilling in 1947, 1950, 1963, and between 1965 and 1975 allowed a local prospector, Jack Stevens to high-grade the surface exposures. In 1986 Cominco optioned the property to Troymin Resources who completed 11 diamond drillholes. In 1987, Troymin and partner Coronado Resources drilled another 12 holes and allowed the option to lapse. In 1988 Dave Webb optioned the Mon Property and with partner Can-Mac Exploration completed six diamond drillholes identifying a small resource. In 1989 Webb completed 49 meters of decline and 15.5 meters of raising on an east-dipping vein. A total of 2,300 tonnes of material was stoped from this vein and the material was custom milled at the Ptarmigan Mill in Yellowknife. In 1990 the property was leased to Ger Mac Construction Ltd and a 37 m crosscut was driven from a new adit (central adit) and 77m of vein was developed for mining.

Can-Mac defaulted on the option and the property reverted back to Webb, and between 1991 and 1997, Ger Mac Construction Ltd extracted an estimated 10,000 tonnes and processed this through a 100 tpd crush / grind / gravity mill on site. Mining ceased in 1997 and all equipment was removed and the tailings containment area was graded, capped with a plastic liner and covered with 35 cm of gravel.

Upon completing of the Ger Mac operations the properties Mining Leases were moved into a holding company which later became New Discovery Mines Ltd. New Discovery Mines Ltd. optioned the property to Sixty North Gold Mining Ltd.

New Discovery Mines Ltd applied for permits and licenses to reinstall the mine and mill and after discussions with the affected communities conceded to make the application in two parts. The permits and licenses to install the camp and related infrastructure and to commence mining the next level of the Mon Mine was made to the MVLWB and Land Use Permit (MV2013C0021) and Water License (MV2014L2-0002) was received in July 3, 2014. Consultations with the affected communities continued to seek support and input on the current milling application.

Resource and Reserves

There are no NI 43-101 Reserves or Resources at the Mon Gold Mine. NI 43-101 governs a company's public disclosure of scientific and technical information about its mineral projects.

It is believed that the previously completed mining has established a mineralized trend that can be assessed by diamond drilling or additional underground development. A cost-benefit analysis indicates that the underground development is the best way to proceed.

Engagement with Affected Parties

What is Engagement?

Engagement is defined by the MVLWB as “the communication and outreach activities a proponent is required, by the Boards, to undertake with affected communities and Aboriginal organizations/governments prior to and during the operation of a project, including closure and reclamation phases.” One might also believe engagement should go beyond this to communicate with the affected communities on all matters, even those not directly related to the project to get a perspective on what might be material in the future and to add substance to what decisions are made.

The proponent is currently Planning to commence more substantial activities. These consultations have primarily been by phone calls, emails, and in some instances face to face. It is proposed to commence activities in early 2021.

Affected Communities

The project lies within the Yellowknife Dene First Nations traditional lands, on traditional lands identified as Monfwi Gogha De Niitlee lands, and on Metis lands (Figure 1).

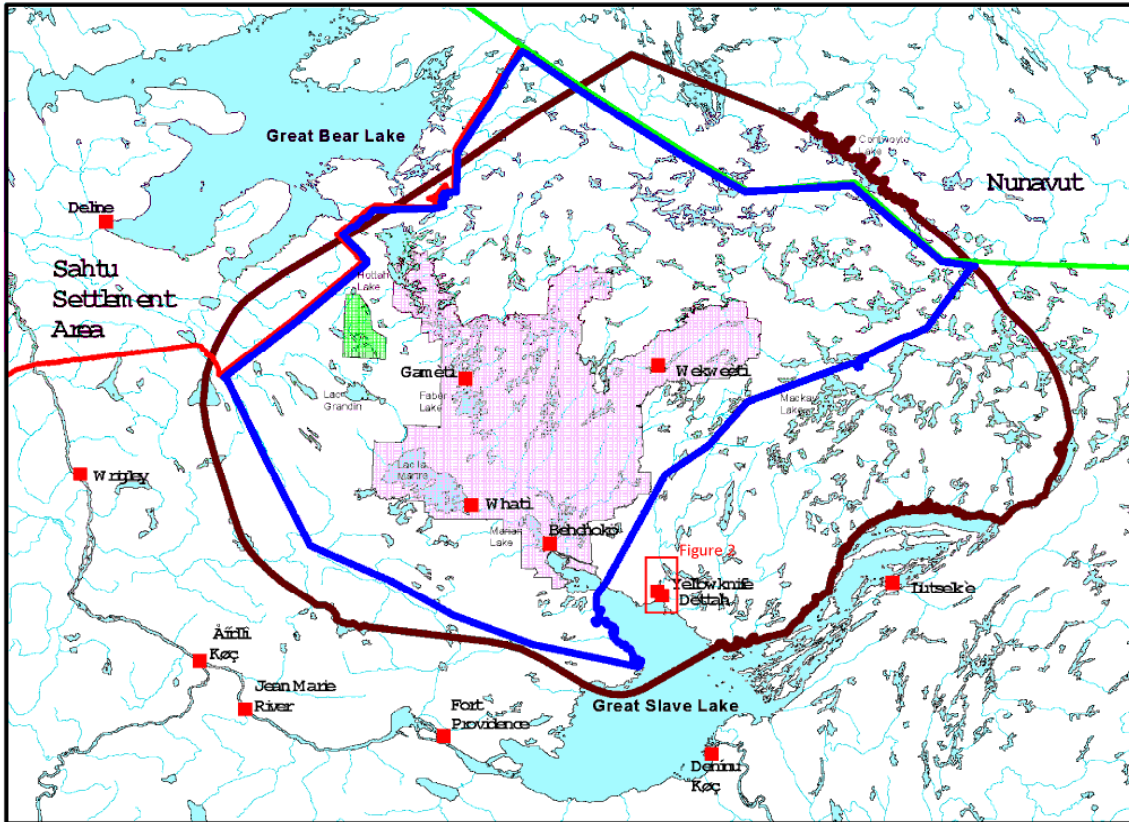


Figure 1. Location of Project Area and inset of Figure 2.

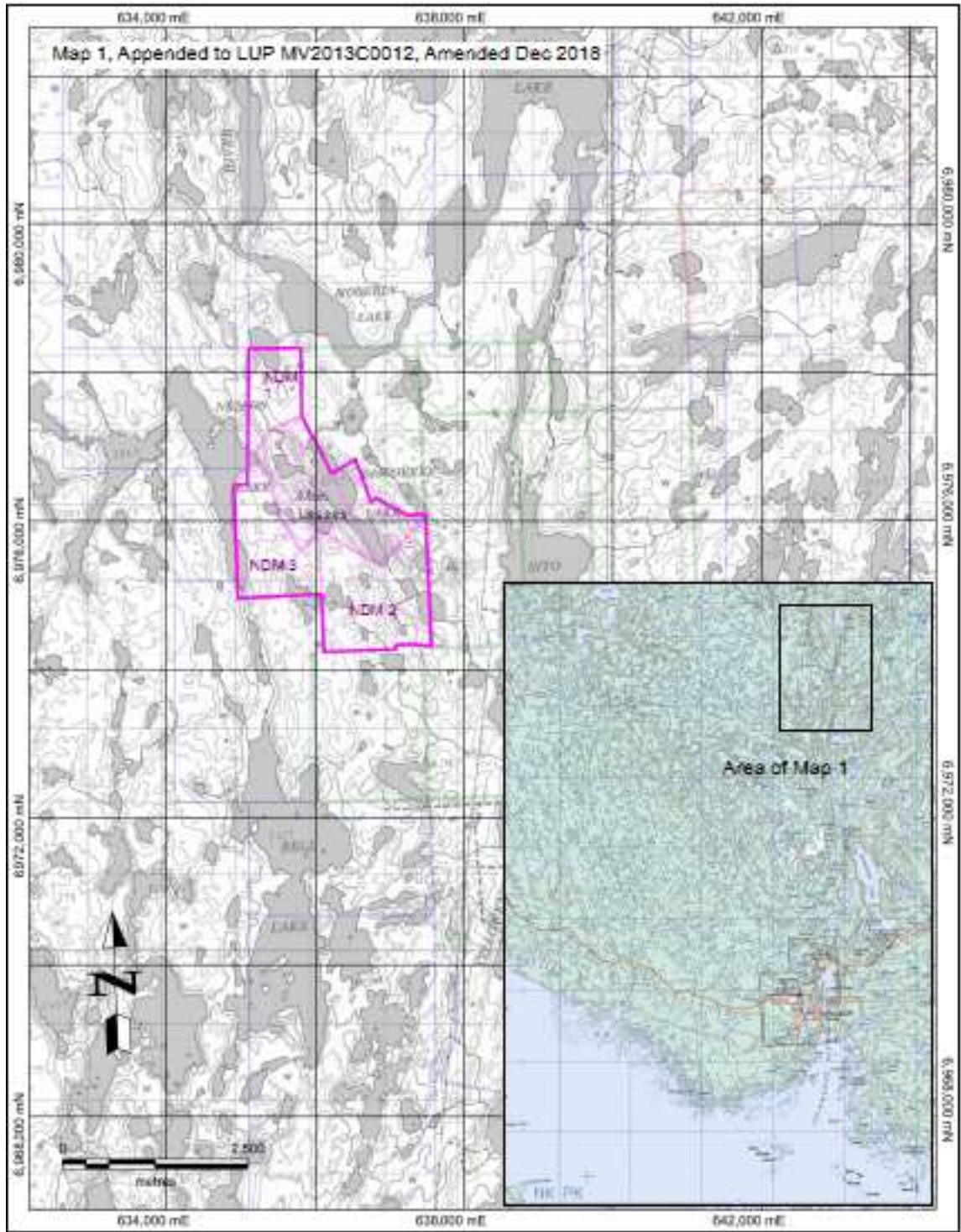


Figure 2. Location of Project Area

What are the Benefits of Engagement?

Engagement provides an opportunity to make sure all affected parties are aware of a proponent's operational objectives and the proponent can in turn learn of and action the affected parties concerns. Ideally, all concerns can be accommodated proactively and in mutually satisfactory manners. Projects that are unacceptable to the affected parties, either by location, or process with no reasonable hope of accommodation can be avoided. This benefits all parties.

A structure can be created to deal with anticipated and unanticipated concerns so collaboration, rectification and/or accommodation can be rapid and completed in a predetermined manner.

What Guides Engagement?

Engagement will focus on the proponents and affected parties concerns. The first steps in the process would be for the proponent to identify the potentially affected communities/lands and to introduce themselves and operational plans to these communities. The communities will then inform the rest of the process with the proponent responding and providing appropriate guidance where possible.

1. Proponent Identify and Define the Project
2. Proponent Identify and Introduce themselves and the Project to the Communities
3. Communities respond with:
 - a. Requests for further information
 - b. Requests for meetings
 - c. Identify Issues of concern
4. Together, the Proponent and Concerned Communities work to accommodate issues
 - a. Proponent and Concerned Communities develop a communication and action structure to deal with issues that are of concern.

Engagement Plan Framework

Expected WL Term: The Water License is currently for a seven-year term and is expected to be renewed if warranted.

Expected LUP Term: The Land Use Permit is currently for a five-year term and is expected to be renewed if warranted.

Goals of Engagement

Initially NDM proposes four strategies to successfully engagement with affected parties.

1. Inform

We will communicate plans, contingencies, and estimated effects on the communities/lands honestly, accurately and in advance of implementation.

2. Build Relationships

We will follow up those initial submissions, clarify the key contact person for the duration of the LUP/WL and discuss acceptable checkpoints. I.e. Planning stages of Summer/Winter Programs, Renewal of Licensing and Permitting, Designing monitoring programs, Significant operational changes, decommissioning, monitoring, etc)

We will further gain understanding of how often the affected party meets with membership, elders, council, and youth to better understand when, where and how we can stay engaged with the community. Where possible we can be proactive and plan in advance. I.e. Attend fall, spring membership meetings to present updates. Annually submit reports and offer presentations to quarterly chief and council meetings. Offer to visit career fairs, school learning days and/or forums to educated affected parties of the activities/opportunities at the Mon Mine.

3. Listen

We will make ourselves available to listen to any/all concerns, whether presented at face to face meetings, virtual meeting, through emails, phone calls or a general inquiry that may arise at public consultations.

4. Be Knowledgeable

We will further solidify our relationship with the affected parties by taking the time to reflect, and research as needed. We will familiarize ourselves with the land claim agreements, the duty to consult, the traditional land uses for this project area, the history of the territory and its people and any best practices successfully negotiated through existing socio-economic agreements. We will ensure we are available, approachable, and knowledgeable in our presentations to the affected parties.

Party Identification

Initial reviews have considered the groups to be potentially affected by the Proponent's plans.

These have been contacted as shown on the logs.

Company Contacts

All discussions concerning the Proponent can be directed to:

Dave R. Webb
President

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Email: dave@drwgcl.com

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Dave Webb obtained his B.A.Sc. and Engineering degree from the University of Toronto in Toronto, Ontario, an M.Sc. in Geological Science from Queens' University in Kingston, Ontario, and a Ph.D. in Geological Sciences from the University of Western Ontario in London, Ontario. He is a registered Professional Geologist and Professional Engineer by NAPEG in the Northwest Territories. His graduate studies were on the Con Mine and Yellowknife gold belt, and he has worked as a consulting geologist in the NWT since 1981. He staked and optioned the Nicholas Lake Property to Chevron Minerals Ltd in the mid 1980's. He co-authored the qualifying report for Fortune Minerals Ltd in the acquisition of the Nico Property in the early 1990's. Webb optioned the Mon Property from Cominco Ltd. in 1988, bulk sampled it in 1989 and had it lease mined by private interests until 1997. He formed New Discovery Mines Ltd with a partner, acquired the Discovery Mine Property in the early 1990's and optioned it to a junior mining company. Webb subsequently optioned the property in to Tyhee Gold Corp which he ran from 2003 to 2012.

Engagement Techniques

All engagement will be person to person, either face to face, by telephone, or in written communication by post, fax, or email.

As we are all limited right now due to the global pandemic and regional public health orders, we commit to leveraging virtual meetings, and other technologies where needed to stay engaged.

Where possible given the travel restrictions and other public health recommended protocols, in person meetings will be at venues acceptable to all participants and appropriate

for the discussions at hand. These may be on the proponent's project site or other location as mutually decided.

Where possible we will maximize engagement, ie. public consultations will occur in the community and support local business through catering traditional foods, venue selection, transportation, lodging, etc. We will plan proactively to ensure that the event is advertised to maximize participation. We will work with personnel from the communities to ensure cultural sensitivities have been addressed, translators for Elders have been arranged, and that we are not conflicting with other community events (fall hunt, ceremonies, funerals, etc) that may be occurring.

Additionally, we will take full advantage of industry events where representatives from the communities may be present. This will continue in the future, but is currently subject to travel and gathering restrictions.

Engagement Work Plan

Contact has been made with the relevant development corporations as well as the political organizations of the affected communities. Presentations in paper form, electronic form, and three dimensional videos describing the proponents goals, issues, and some options have been identified and presented to:

- YKDFN
- NSMA
- City of Yellowknife

Communicating/Implementing the Engagement Plan

Methods and timing on communicating the Engagement Plan has been on an ad hoc basis, largely initiated by the proponent as the project evolves NDM will identify a key contact for each of the affected parties and work to understand the desired level of involvement; ie. Annual reports, quarterly presentations at council meetings, monthly phone calls etc. NDM will work to accommodate any desire timelines to ensure the parties are kept apprised of new developments and are provided an opportunity to raise questions/concerns.

Implementing the Engagement Plan has been implemented and has been ongoing since May 2012. The small footprint, environmentally, economically and socially has made it difficult to get traction within the communities, as such consultation has largely been at the proponents request. It is unlikely to change unless the communities can obtain more resources as the current contacts are stretched very thin. Assuming this is the status going forward, it is intended to increase consultations within each community as our development increases in size. This plan will cover consultations after the current licenses were issued.

Development-related Triggers

Development-related triggers to community engagement include:

Event	Action
Commencement of Operations	Notify affected communities and request comments
Temporary or permanent closure/ shutdown	Notify affected communities and request comments
Potential change of plans, new discovery	Notify and consult with affected communities and request comments
Reportable event, spill, accident, archaeological discovery	Notify affected communities and request comments
Wildlife encounter	Notify affected communities and request comments

Follow-up Reporting

NDM will follow up on an annual basis within each affected community at the very least. As mentioned above, our intent is to work with key contacts, to finalize a mutually agreed communication timeline if possible. Accommodations can change with time, and NDM intends to remain as flexible as possible in these discussions.

Engagement Plan Review

The Engagement Plan will be reviewed annually and on an ad hoc basis as regulatory and status in the project area evolves. Any deficiencies or modification required to improve its effectiveness and inclusiveness will be considered and implemented as possible.

