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October 16, 2020

File: MV2020L2-0002

Dave R. Webb
New Discovery Mines Ltd.
1909 108 W. Cordova St.
Vancouver BC V6B 0G5

Sent by email

Dear Dave R. Webb,

Re: Mon Gold Project – New Discovery Mines Ltd. – Issuance Package – Water Licence MV2020L2-0002

The Mackenzie Valley Land and Water Board (Board) met on October 14, 2020 and considered the Application from New Discovery Mines Ltd. (New Discovery) for Water Licence (Licence) MV2020L2-0002 for the Mon Gold Project, located near Discovery Lake, NT (Project) in accordance with the *Waters Act*.

Water Licence MV2020L2-0002 (attached) has been granted for a term of seven years, effective October 16, 2020 and expiring October 15, 2027 and is supported by the Board's Reasons for Decision (attached). These documents are posted to the Board's Public Registry.¹

Security Deposit

A total security deposit of \$764,104 is required for the Project activities, as per Part C of the Licence. Specifically, New Discovery is required to ensure the following security is posted in the following phases: \$83,908.09 prior to the re-commencement of exploration activities under Permit MV2020C0003; \$254,540.46 under the Permit and \$165,000.00 under Licence MV2020L2-0002 prior to the transportation of mining equipment to site, including the permanent trailer camp; and \$382,052.00 under the Permit and \$382,052.00 under the Licence prior to the transportation of milling equipment to site or construction of the Dry Stack Tailings. The security deposit under this Licence is **payable to the Government of the Northwest Territories (GNWT)** and submitted to the following individual, to whom questions regarding security should also be directed:

Director, Water Resources
GNWT – Environment and Natural Resources (ENR)
Box 1320
Yellowknife, NT X1A 2L4

The Board has set security based on the evidence available to it at this time, but requires New Discovery to consider GNWT's comments and resubmit their Closure and Reclamation Plan and RECLAIM model **within one year** of the effective date of the Licence.

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¹ See MVLWB [Online Registry for MV2020L2-0002](#).

As the developer of the RECLAIM model and the party that is responsible for clean-up of the site in the case of abandonment, the GNWT's recommendations are well-informed. As such, prior to resubmission of New Discovery's next RECLAIM model to ensure an efficient review, the Board requires New Discovery to:

- a) Engage with GNWT with the goal of building consensus and enabling the proponent and the GNWT to provide a thorough rationale for any differences in opinion; and
- b) Based on the engagement completed to satisfy direction (a) above, outline any differences between the GNWT and New Discovery estimates/positions, and provide a rationale for New Discovery's position.

If discussions with GNWT reveal that security for Permit MV2020C0003 should also be updated, New Discovery could apply to amend condition 57 of the Permit.

Water Use Fees

New Discovery is required to pay water use fees as per subsection 8(1) of the Waters Regulations, prior to the start of operations. The water use fee for the period of October 14, 2020 through to October 13, 2021 is \$75.00.² Water use fees are required to be paid hereafter annually for the duration of the Licence on or before its anniversary date of the Licence, as per Part D, Condition 8. Water use fees must be paid to the **Government of the Northwest Territories**.

Management Plans – Not Approved

The Board did not approve the management plans submitted with the Application as explained in the Reasons for Decision. The Board requires the resubmission of these plans, for approval, as described in the table below.

Condition Number	Title of Plan (Version)	Date Revision Due
Part F, Condition 3	Waste Management Plan (V11) ³	January 14, 2021
Part G, Condition 2	Spill Contingency Plan (V8) ⁴	January 14, 2021
Part B, Condition 20	Engagement Plan (V5) ⁵	January 14, 2021
Part H, Condition 1	Closure and Reclamation Plan ⁶	October 14, 2021

New Discovery should be careful to maintain consistency through all Project documents and be sure to reference all applicable guidance documents (MVLWB's *Guidelines for Developing a Waste Management Plan*⁷, Indian and Northern Affairs Canada's *Guidelines for Spill Contingency Planning*⁸, MVLWB's *Engagement Guidelines for Applicants and Holders of Water Licences and Land Use Permits*, and the MVLWB and Aboriginal Affairs and Northern Development Canada's *Guidelines for the Closure and Reclamation of Advances Mineral Exploration and Mine Sites in the Northwest Territories*⁹) and the attached Review Comment Table in preparing the revisions to all above-mentioned management plans.

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² See MVLWB Online Registry for MV2020L2-0002 -NDM –Water Use Fee Calculator – Oct6-20.

³ See MVLWB Online Registry for [MV2020L2-0002 – NDM – Waste Management Plan – Version 11 – \(July2020\) Aug 26, 2020](#).

⁴ See MVLWB Online Registry for [MV2020L2-0002 – NDM – Spill Contingency Plan – Version 8 – \(Jan 2020\) Aug 26, 2020](#).

⁵ See MVLWB Online Registry for [MV2020L2-0002 – NDM – Engagement Plan – Version 5 – Aug 26, 2020](#).

⁶ See MVLWB Online Registry for [MV2020L2-0002 – NDM – Closure and Reclamation Plan – \(July 2020\) Aug 26, 2020](#).

⁷ See [www.mvlwb.com](#) à Resources à Policies and Guidelines: [MVLWB Guidelines for Developing a Waste Management Plan](#) (March 31, 2011).

⁸ See [www.mvlwb.com](#) à Resources à Policies and Guidelines: [INAC Guidelines for Spill Contingency Planning](#).

⁹ See [www.mvlwb.com](#) à Resources à Policies and Guidelines: [MVLWB/AANDC Guidelines for the Closure and Reclamation of Advances Mineral Exploration and Mine Sites in the Northwest Territories](#) (DATE).

Inspectors:

Inspectors referred to in this Licence can be contacted at the following office:

GNWT-ENR - North Slave Regional Office
PO Box 2668
3803 Bretzlaff Drive
Yellowknife, NT X1A 2P9
Phone: 1-867-767-9238 ext. 53243

Analyst:

The Analyst referred to in the Surveillance Network Program annexed to this Licence can be contacted as follows:

Street Address:

Taiga Environmental Laboratory
4601 – 52nd Ave
Yellowknife, NT
X1A 1L4

Phone: (867) 767-9235, ext 53151
Fax: (867) 920-8740

Mailing Address:

Taiga Environmental Laboratory
P.O. Box 1320
Yellowknife, NT
X1A 2L9

Licence Lifecycle

The Post-Issuance section (Section 5.0) of the Board's *Guide to the Water Licensing Process*¹⁰ (Guide) contains detailed information on enforcement of the Licence, and processes which may occur post-issuance, such as amendments to conditions, and assignment to another company. Please be familiar with this section of the Guide and reach out to Board staff with any questions about Board processes related to the Licence.

Full cooperation of New Discovery Mines Ltd. is anticipated and appreciated. Please contact Shannon Allerston at (867) 766-7465 with any questions or concerns regarding this letter.

Yours sincerely,



Mavis Cli-Michaud
Mackenzie Valley Land and Water Board, Chair

Copied to: Akaitcho Distribution List
Heather Beck – Inspector, GNWT-ENR
David-Scott McQuinn – Inspector, GNWT-ENR
Meghan Beveridge – A/Director, Water Resources, GNWT-ENR

Attached: Water Licence MV2020L2-0002
Reasons for Decision
Review Comment Table

¹⁰ See MVLWB Website >> Apply for Permit/Licence >> [Guide to the Water Licensing Process](#) (September 16, 2020).



**Mackenzie Valley Land and Water Board
Water Licence**

Pursuant to the *Mackenzie Valley Resource Management Act* and Regulations, the Mackenzie Valley Land and Water Board, hereinafter referred to as the Board, hereby grants to:

New Discovery Mines Ltd.
(Licensee)

of _____
1909 108W. Cordova St., Vancouver, BC V6B 0G5
(mailing address)

hereinafter called the Licensee, the right to alter, divert, or otherwise use water subject to the restrictions and conditions contained in the *Waters Act* and Regulations made thereunder and subject to and in accordance with the conditions specified in this Licence.

Licence number:	_____ MV2020L2-0002 _____
Licence type:	_____ B _____
Water Management Area:	_____ Northwest Territories 01 _____
Location:	_____ 62° 31' 30" N to 62° 54' 45" N 114° 21' 30" W to 114° 8' 30" W _____
Purpose:	_____ To use water and dispose of waste and associated uses _____
Description:	_____ Mining and Milling _____
Quantity of water not to be exceeded :	_____ 299 cubic metres (m ³)/day to a maximum of 7,500 m ³ /year (Part D: Water Use) _____
Effective date of Licence:	_____ October 16, 2020 _____
Expiry date of Licence:	_____ October 15, 2027 _____

This Licence, issued and recorded at Yellowknife, includes and is subject to the annexed conditions.

Mackenzie Valley Land and Water Board

Mavis Cli-Michaud, Chair

Amanda Gauthier, Witness

Type B Water Licence MV2020L2-0002 New Discovery Mines Ltd. – Mon Gold Project

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Part A: Scope and Defined Terms

Scope:

1. This Licence entitles the Licensee to use Water and deposit Waste for advanced exploration, mining and milling activities at the Mon Gold Project. **SCOPE**

The scope of this Licence includes the following:
 - a) Advanced mineral exploration activities, including bulk sampling;
 - b) Mining and milling;
 - c) Re-opening and securing of the North and South Declines;
 - d) Withdrawal of Water for domestic use, winter road Construction and maintenance, exploration, mining, and milling activities;
 - e) Storage of Waste Rock and ore;
 - f) Construction, operation and maintenance of a winter access road from the Ingraham Trail to Discovery Lake;
 - g) Construction, operation and maintenance of culverts;
 - h) Construction, operation and maintenance of site roads;
 - i) Construction, operation and maintenance of a camp;
 - j) Construction, operation and maintenance of a Sewage Disposal Facility;
 - k) Construction, operation and maintenance of milling facilities and infrastructure;
 - l) Construction, operation and maintenance of a Dry Stack Tailings Facility;
 - m) Fuel storage;
 - n) Storage and use of explosives; and
 - o) Progressive Reclamation and associated Closure and Reclamation activities.

2. The scope of this Licence is as described in Preliminary Screenings: N1L3-1598 dated January 24, 1992 and February 4, 1994; MV2001F0098 dated November 27, 2001; MV2015L2-0004 and MV2015C0015 dated October 21, 2015, and for MV2013C0021 dated February 7, 2019. **SCOPE –
PRELIMINARY
SCREENING**

3. This Licence is issued subject to the conditions contained herein with respect to the use of Water and the deposit of Waste in any Waters or in any place under any conditions where such Waste or any other Waste that results from the deposits of such Waste may enter any Waters. Any change made to the *Waters Act* or Waters Regulations that affects licence conditions and defined terms will be deemed to have amended this Licence. **LEGISLATION
SUBJECT TO
CHANGE**

4. Compliance with this Licence does not relieve the Licensee from responsibility for compliance with the requirements of any applicable federal, territorial, or municipal legislation. **LEGISLATIVE
COMPLIANCE**

Defined Terms¹

Acid Rock Drainage – acidic Water, often with elevated sulphate concentrations, that occurs as a result of oxidation of sulphide minerals contained in rock or other materials that are exposed as a result of natural weathering processes, Construction, or Project activities.

Action Level – a predetermined qualitative or quantitative trigger which, if exceeded, requires the Licensee to take appropriate actions.

Analyst – an Analyst designated by the Minister under subsection 65(1) of the *Waters Act*.

Average Concentration – the arithmetic mean/discrete average of four consecutive analytical results, or if less than four analytical results, the arithmetic mean/discrete average of the analytical results collected during a batch decant, as submitted to the Board in accordance with the sampling and analysis requirements specified in the Surveillance Network Program.

Board – the Mackenzie Valley Land and Water Board established under subsection 99(1) of the *Mackenzie Valley Resource Management Act*.

Closure Cost Estimate - an estimate of the cost to close and reclaim the Project.

Closure and Reclamation – the process and activities that facilitate the return of areas affected by the Project to viable and, wherever practicable, self-sustaining ecosystems that are compatible with a healthy environment and human activities.

Closure and Reclamation Plan – a document, developed in accordance with this Licence and the MVLWB/AANDC *Guidelines for the Closure and Reclamation of Advanced Mineral Exploration and Mine Sites in the Northwest Territories*, that clearly describes the Closure and Reclamation for the Project.

Construction – any activities undertaken during any phase of the Project to construct or build any structures, facilities or components of, or associated with, the development of the Project.

Discharge – a direct or indirect deposit or release of any Water or Waste to the Receiving Environment.

Dry Stack Tailings Facility - an Engineered Structure designed for the storage of solid tailings following filtration and dewatering.

Effluent – a Wastewater Discharge.

Effluent Quality Criteria (EQC) – numerical or narrative limits on the quality or quantity of the Waste deposited to the Receiving Environment.

Engagement Plan – a document, developed in accordance with the MVLWB *Engagement and Consultation Policy* and the *Engagement Guidelines for Applicants and Holders of Water Licences and Land Use Permits*, that clearly describes how, when, and which engagement activities will occur with an affected party during the life of the Project.

Engineer of Record - a qualified Professional Engineer who is responsible for the design and performance of the Dry Stack Tailings Facility.

Engineered Structure – any structure or facility related to Water Use or the deposit of Waste that is designed by a Professional Engineer, including but not limited to the Dry Stack Tailings Facility associated with the Project.

Greywater – all liquid Waste from showers, baths, sinks, kitchens, and domestic washing facilities, but does not include Toilet Waste.

Groundwater – as defined in section 1 of the Waters Regulations: all water in a zone of saturation below the land surface, regardless of its origin.

Hydrocarbon-Contaminated Soil Treatment Facilities – the area(s) and Engineered Structures designated to contain and treat hydrocarbon-contaminated sediments and soil.

Inspector – an Inspector designated by the Minister under subsection 65(1) of the *Waters Act*.

Licensee – the holder of this Licence.

Maximum Average Concentration – the concentration of a parameter that cannot be exceeded by the running average of any four consecutive analytical results.

Maximum Grab Concentration – the concentration of a parameter that cannot be exceeded in any one analytical result.

Metal Leaching – the release of metals and metalloids in leachate, Seepage, or drainage from rock or other materials associated with the Project.

Minewater – Groundwater, surface Water, or any Water that is pumped, seeps, or flows out of any underground mine working or open pit.

Minister – the Minister of the Government of the Northwest Territories (GNWT) – Environment and Natural Resources.

Ordinary High-Water Mark – the usual or average level to which a Watercourse rises at its highest point and remains for sufficient time so as to change the characteristics of the land. In flowing Watercourses (rivers, streams), this refers to an active channel/bank-full level, which is often the 1:2-year flood flow return level. In inland lakes, wetlands or marine environments, it refers to those parts of the Watercourse bed and banks that are frequently flooded by Water so as to leave a mark on the land and where the natural vegetation changes from predominantly aquatic vegetation to terrestrial vegetation (excepting Water tolerant species). For reservoirs, this refers to normal high operating levels (full supply level).

Potentially Acid Generating (PAG) Rock – any rock that has the potential to produce Acid Rock Drainage.

Professional Engineer – a person registered with the Northwest Territories and Nunavut Association of Professional Engineers and Geoscientists to practice as a Professional Engineer in the Northwest Territories as per the territorial *Engineering and Geoscience Professions Act* and whose professional field of specialization is appropriate to address the components of the Project at hand.

Progressive Reclamation – Closure and Reclamation activities conducted during the operating phase of the Project.

Project – the undertaking described in Part A, Conditions 1 and 2.

Receiving Environment – the natural environment that, directly or indirectly, receives any deposit of Waste from the Project.

RECLAIM – the Government of the Northwest Territories’ model for estimating Closure and Reclamation costs.

Runoff – the overland flow of Water or Wastewater that occurs when precipitation, meltwater, or other Water is not absorbed by the land.

Seepage – any Water or Waste that drains, passes through, or escapes from any structure designed to contain, withhold, divert, or retain Water or Waste.

Sewage – all Toilet Wastes and Greywater.

Sewage Disposal Facilities – the area(s) and structures designated to contain and treat Sewage.

Spill Contingency Plan (SCP) – a document developed for the Project in accordance with INAC’s *Guidelines for Spill Contingency Planning*.

Sump – a human-made excavation or a natural depression designated for depositing Water and/or Waste.

Surveillance Network Program (SNP) – a monitoring program required by this Licence and detailed in Annex A.

Tailings – the materials rejected from the processing facilities after the recoverable valuable minerals have been extracted.

Toilet Wastes – all human excreta and associated products, not including Greywater.

Traditional Knowledge – the cumulative, collective body of knowledge, experience and values built up by a group of people through generations of living in close contact with nature. It builds upon the historic experiences of a people and adapts to social, economic, environmental, spiritual, and political change.

Unauthorized Discharge – a Discharge of any Water or Waste not authorized under this Licence

Waste – as defined in section 1 of the *Waters Act*:

- a) a substance that, if added to water, would degrade or alter or form part of a process of degradation or alteration of the quality of the water to an extent that is detrimental to its use by people or by an animal, fish or plant, or
- b) water that contains a substance in such a quantity or concentration, or that has been so treated, processed or changed, by heat or other means, that it would, if added to other water, degrade or alter or form part of a process of degradation or alteration of the quality of that water to the extent described in paragraph (a),
and includes
 - a) a substance or water that, for the purposes of the *Canada Water Act*, is deemed to be waste,
 - b) a substance or class of substances prescribed by regulations made under subparagraph 63(1)(b)(i),
 - c) water that contains a substance or class of substances in a quantity or concentration that is equal to or greater than a quantity or concentration prescribed in respect of that substance or class of substances by regulations made under subparagraph 63(1)(b)(ii), and
 - d) water that has been subjected to a treatment, process or change prescribed by regulations made under subparagraph 63(1)(b)(iii).

Waste Management Plan (WMP) – a document, developed in accordance with the MVLWB *Guidelines for Developing a Waste Management Plan*, that describes the methods of Waste management for the Project from Waste generation to final disposal.

Waste Rock – all rock materials, except ore and Tailings which are produced as a result of mining and milling operations.

Waste Rock Storage Facilities – the area(s) and Engineered Structures designated for the disposal of Waste Rock overburden, and/or till.

Wastewater – any Water that is generated by Project activities or originates on-site, and which contains Waste, and may include, but is not limited to, Runoff, Seepage, Sewage, Minewater, and Effluent.

Water – as defined in section 1 of the *Waters Act*: water under the administration and control of the Commissioner, whether in a liquid or frozen state, on or below the surface of land.

Watercourse – as defined in section 1 of the *Waters Regulations*: a natural watercourse, body of Water or Water supply, whether usually containing Water or not, and includes Groundwater, springs, swamps, and gulches.

Water Management Area – a geographical area of the Northwest Territories established by section 2 and Schedule A of the *Waters Regulations*.

Waters Regulations – the regulations proclaimed pursuant to section 63 of the *Waters Act*.

Water Supply Facilities – the area(s) and structures designed to collect and supply Water for the Project.

Water Use – as defined in section 1 of the *Waters Act*: a direct or indirect use of any kind, including, but not limited to,

- a) a diversion or obstruction of waters,
- b) an alteration of the flow of waters, and
- c) an alteration of the bed or banks of a river, stream, lake or other body of water, whether or not the body of water is seasonal,

but does not include a use connected with shipping activities that are governed by the *Canada Shipping Act, 2001*.

Water Use Fee – the fee for use of Water as per the *Waters Regulations* pursuant to section 63 of the *Waters Act* and the MVLWB *Water Use Fee Policy*.

Part B: General Conditions

- | | | |
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| 1. | The Licensee shall ensure a copy of this Licence is maintained on site at all times. | COPY OF LICENCE |
| 2. | The Licensee shall take every reasonable precaution to protect the environment. | PRECAUTION TO PROTECT ENVIRONMENT |
| 3. | In conducting its activities under this Licence, the Licensee shall make every reasonable effort to consider and incorporate any scientific information and Traditional Knowledge that is made available to the Licensee. | INCORPORATE SCIENTIFIC INFORMATION AND TRADITIONAL KNOWLEDGE |
| 4. | In each submission required by this Licence or by any directive from the Board, the Licensee shall identify all recommendations based on Traditional Knowledge received, describe how the recommendations were incorporated into the submission, and provide justification for any recommendation not adopted. | IDENTIFY TRADITIONAL KNOWLEDGE |
| 5. | All references to policies, guidelines, codes of practice, statutes, regulations, or other authorities shall be read as a reference to the most recent versions, unless otherwise noted. | REFERENCES |
| 6. | <p>The Licensee shall ensure all submissions to the Board:</p> <p>a) Are in accordance with the MVLWB <i>Document Submission Standards</i>;</p> <p>b) Include a conformity statement or table which identifies where the requirements of this Licence, or other directives from the Board, are addressed; and</p> <p>c) Include any additional information requested by the Board.</p> | SUBMISSION FORMAT AND CONFORMITY |
| 7. | The Licensee shall ensure management plans are submitted to the Board in a format consistent with the MVLWB <i>Standard Outline for Management Plans</i> , unless otherwise specified. | MANAGEMENT PLAN FORMAT |
| 8. | The Licensee shall comply with plans and programs, including revisions, approved pursuant to the conditions of this Licence. | COMPLY WITH SUBMISSIONS AND REVISIONS |
| 9. | The Licensee shall conduct an annual review of all plans and programs and make any revisions necessary to reflect changes in operations, contact information, or other details. No later than March 31 each year, the Licensee shall send a notification letter to the Board, listing the documents that have been reviewed and do not require revisions. | ANNUAL REVIEW |
| 10. | The Licensee may propose changes at any time by submitting revised plans and programs to the Board, for approval, a minimum of 90 days prior to the proposed implementation date for the changes. The Licensee shall not implement the changes until approved by the Board. | REVISIONS |
| 11. | The Licensee shall revise any submission and submit it as per the Board's directive. | REVISE AND SUBMIT |

<p>12. If any date for any submission falls on a weekend or holiday, the Licensee may submit the item on the following business day.</p>	<p>SUBMISSION DATE</p>
<p>13. The Licensee shall comply with the Schedules, which are annexed to and form part of this Licence, and any updates to the Schedules as may be made by the Board.</p>	<p>COMPLY WITH SCHEDULE(S)</p>
<p>14. The Licensee shall comply with the Surveillance Network Program, which is annexed to and forms part of this Licence, and any updates to the Surveillance Network Program as may be made by the Board.</p>	<p>COMPLY WITH SURVEILLANCE NETWORK PROGRAM</p>
<p>15. The Schedules, the Surveillance Network Program, and any compliance dates specified in this Licence may be updated at the discretion of the Board.</p>	<p>UPDATES TO COMPLIANCE DATE(S)</p>
<p>16. The Licensee shall comply with all directives issued by the Board in respect of the implementation of the conditions of this Licence.</p>	<p>COMPLY WITH BOARD DIRECTIVES</p>
<p>17. The Licensee shall ensure signs are posted for all active Surveillance Network Program stations. All sign(s) shall be located and maintained to the satisfaction of an Inspector.</p>	<p>POST SURVEILLANCE NETWORK PROGRAM SIGN(S)</p>
<p>18. The Licensee shall install, operate, and maintain meters, devices, or other such methods for measuring the volumes of Water used and Waste discharged to the satisfaction of an Inspector.</p>	<p>MEASURE WATER USE AND WASTE DISCHARGED</p>
<p>19. Beginning March 31, 2021 and no later than every March 31 thereafter, the Licensee shall submit an Annual Water Licence Report to the Board and an Inspector. The Report shall be in accordance with the requirements of Schedule 1, Condition 1.</p>	<p>ANNUAL WATER LICENCE REPORT</p>
<p>20. The Licensee shall comply with the Engagement Plan, once approved.</p>	<p>ENGAGEMENT PLAN</p>
<p>21. Within 90 days following the effective date of this Licence, the Licensee shall submit to the Board, for approval, a revised Engagement Plan. The Licensee shall not commence Project activities prior to Board approval of the Plan.</p>	<p>ENGAGEMENT PLAN – REVISED</p>
<p>22. A minimum of ten days prior to the initial commencement of Project activities, the Licensee shall provide written notification to the Board and an Inspector. Notification shall include the commencement date, and the name and contact information for the individual responsible for overseeing the Project. Written notification shall be provided to the Board and an Inspector if any changes occur.</p>	<p>NOTIFICATION – COMMENCEMEN T</p>
<p>23. A minimum of ten days prior to re-commencement of Project activities following a temporary shut-down period, the Licensee shall provide written notification to the Board and an Inspector. Notification shall include the commencement date, and the name and contact information for the individual responsible for overseeing the Project. Written notification shall be provided to the Board and an Inspector if any changes occur.</p>	<p>NOTIFICATION – RE- COMMENCEMEN T</p>

- | | |
|--|---|
| 24. The Licensee shall immediately provide written notification to the Board and an Inspector of any non-compliance with the conditions of this Licence. | NOTIFICATION –
NON-
COMPLIANCE
WITH
CONDITIONS |
| 25. The Licensee shall immediately provide written notification to the Board of any non-compliance with a Board directive issued in respect of the implementation of the conditions of this Licence. | NOTIFICATION –
NON-
COMPLIANCE
WITH DIRECTIVES |
| 26. The Licensee shall ensure that a copy of any written authorization issued to the Licensee by an Inspector is provided to the Board. | COPY – WRITTEN
AUTHORIZATION |
| 27. The Licensee shall submit a current Project schedule to the Board and an Inspector upon request. | SUBMIT CURRENT
PROJECT
SCHEDULE |

Part C: Security

- | | |
|--|--|
| 1. The Licensee shall post and maintain a security deposit with the Minister in accordance with Schedule 2, Condition 1. The Licensee shall not commence Project activities until the security deposit has been accepted by the Minister. | POST SECURITY
DEPOSIT |
| 2. Upon request of the Board, the Licensee shall submit an updated Closure Cost Estimate using the current version of RECLAIM or another method acceptable to the Board. | UPDATE CLOSURE
COST ESTIMATE |
| 3. The amount of the security deposit required by Part C, Condition 1 may be adjusted by the Board:
a) Based on an updated Closure Cost Estimate as per Part C, Condition 2; or
b) Based on such other information as may become available to the Board. | ADJUSTED
SECURITY
AMOUNT |
| 4. If the amount of the security deposit is adjusted by the Board as per Part C, Condition 3, the Licensee shall post the adjusted amount with the Minister within the timeframe set by the Board. The Licensee shall not commence any new activities associated with a security adjustment until the additional security deposit has been accepted by the Minister. | POST ADJUSTED
SECURITY
AMOUNT |
| 5. Unless otherwise approved by the Board, the Licensee may not submit security adjustment requests except with any of the following submissions:
a) Closure and Reclamation Plans;
b) Closure and Reclamation Completion Reports; or
c) Performance Assessment Reports. | SECURITY
ADJUSTMENT
REQUESTS |

Part D: Water Use

- The Licence shall only obtain Water for the Project as set out in the following table.

**WATER SOURCE
AND MAXIMUM
VOLUME**

Water Source Name	Location and Coordinates	Type of Watercourse (e.g., river, lake, etc.)	Purpose of Water Use	Maximum Quantity (m ³ per day)
Discovery Lake	<i>Information to be collected once stations are established and reported through the Surveillance Network Program.</i>	Lake	Domestic, Winter Road Construction, Drilling, Mining, Milling	133
Sito Lake		Lake	Winter Road Construction	100
Prosperous Lake		Lake	Winter Road Construction	100
Bluefish Lake		Lake	Winter Road Construction	100
Quayta Lake		Lake	Winter Road Construction	100
Lake A (T-Bone)		Lake	Drilling	10
Lake B (Bone)		Lake	Drilling	10
Lake C (5656)		Lake	Drilling	10
Lake D (SZ)		Lake	Drilling	10

- The total annual quantity of Water withdrawn from all Water sources shall not exceed 7,500 cubic metres (m³).
- In any single ice-covered season, the Licensee shall not withdraw greater than 10% of the available Water volume of any Watercourse, as calculated using the appropriate maximum expected ice thickness.

**ANNUAL WATER
USE**

**MAXIMUM
UNDER-ICE
WATER
WITHDRAWAL
VOLUME**

- | | | |
|----|--|--|
| 4. | The Licensee shall only withdraw Water using the Water Supply Facilities, unless otherwise authorized temporarily in writing by an Inspector. | WATER
WITHDRAWAL –
FACILITIES |
| 5. | Prior to withdrawing Water from an approved Water source, the Licensee shall post sign(s) to identify the intake for the Water Supply Facilities. All sign(s) shall be located and maintained to the satisfaction of an Inspector. | POST WATER
INTAKE SIGN(S) |
| 6. | The Licensee shall construct and maintain the Water intake(s) with a screen designed to prevent impingement or entrapment of fish. | WATER INTAKE
SCREEN |
| 7. | Prior to locating a Water intake in a fish-bearing Watercourse, the Licensee shall obtain written authorization for the location from an Inspector. | WATER INTAKE
LOCATION –
AUTHORIZATION |
| 8. | Each year, prior to the day and month of the effective date and in advance of any Water use, the Licensee shall pay the Water Use Fee in accordance with the <i>MVLWB Water Use Fee Policy</i> . | WATER USE FEE |

Part E: Construction

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| 1. | The Licensee shall ensure that all structures intended to contain, withhold, divert, or retain Water or Waste are designed, constructed, and maintained to minimize the escape of Waste to the Receiving Environment. | OBJECTIVE –
CONSTRUCTION |
| 2. | The Licensee shall ensure that all Hydrocarbon-Contaminated Soil Treatment Facilities are designed, constructed, maintained, monitored, and closed to meet or exceed the <i>MVLWB/IWB/GNWT Guideline for Design, Operation, Maintenance, and Closure of Petroleum Hydrocarbon-Contaminated Soil Treatment Facilities in the Northwest Territories</i> . | HYDROCARBON-
CONTAMINATED
SOIL TREATMENT
FACILITIES –
GENERAL |
| 3. | The Licensee shall ensure that all Engineered Structures are constructed and maintained in accordance with the recommendations of the Professional Engineer responsible for the design, including, but not limited to, recommendations regarding field supervision and inspection requirements. | ENGINEERED
STRUCTURES –
GENERAL |
| 4. | The Licensee shall ensure that all material used in Construction of the Project meets the geochemical criteria specified in the approved Waste Rock Management and Geochemical Characterization and Monitoring Plan referred to in Part F, Condition 4. | CONSTRUCTION
MATERIAL –
GEOCHEMICAL
CRITERIA |
| 5. | The Licensee shall maintain records of Construction materials for all structures and make them available at the request of the Board or an Inspector. | CONSTRUCTION
RECORDS |
| 6. | The Licensee shall maintain geochemical records of Construction materials for all structures and make them available at the request of the Board or an Inspector. | GEOCHEMICAL
RECORDS |

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| 7. | Unless otherwise authorized in writing by an Inspector, a minimum of 90 days prior to the commencement of Construction of all structures, excluding Engineered Structures, intended to contain, withhold, divert, or retain Water or Wastes, the Licensee shall submit to the Board, for approval, a Structure Description and Construction Plan . The Plan shall be in accordance with the requirements of Schedule 3, Condition 1. The Licensee shall not commence Construction of the structure(s) prior to Board approval of the Plan. | STRUCTURE
DESCRIPTION
AND
CONSTRUCTION
PLAN |
| 8. | A minimum of 90 days prior to the commencement of Construction of any Engineered Structures [not referred to in Part E, Condition 7], the Licensee shall submit to the Board, for approval, a Design and Construction Plan . The Plan shall be in accordance with the requirements of Schedule 3, Condition 2. The Licensee shall not commence Construction of the Engineered Structure(s) prior to Board approval of the Plan. | DESIGN AND
CONSTRUCTION
PLAN |
| 9. | A minimum of 90 days prior to the commencement of Construction of any Engineered Structures, the Licensee shall submit to the Board, Design Drawings stamped and signed by a Professional Engineer. A minimum of 90 days prior to implementing any proposed changes to the Design Drawings, the Licensee shall submit revised Design Drawings to the Board. | DESIGN
DRAWINGS |
| 10. | A minimum of ten days prior to the commencement of Construction of any Engineered Structure(s), the Licensee shall provide written notification to the Board and an Inspector. Notification shall include the Construction commencement date, and the name and contact information for the individual responsible for overseeing Construction. Written notification shall be provided to the Board and an Inspector if any changes occur. | NOTIFICATION –
CONSTRUCTION –
ENGINEERED
STRUCTURES |
| 11. | A minimum of ten days prior to the commencement of Construction of any structure(s) intended to contain, withhold, divert, or retain Water or Wastes, the Licensee shall provide written notification to the Board and an Inspector. Notification shall include the Construction commencement date, and the name and contact information for the individual responsible for overseeing the Construction. Written notification shall be provided to the Board and an Inspector if any changes occur. | NOTIFICATION –
CONSTRUCTION |
| 12. | The Licensee shall ensure that all structures intended to contain, withhold, divert, or retain Water or Wastes, excluding Engineered Structures, are constructed in accordance with the approved Structure Description and Construction Plan(s) . | CONSTRUCT AS
DESIGNED –
STRUCTURE(S) |
| 13. | The Licensee shall ensure that all Engineered Structures are constructed in accordance with the Design Drawings and approved Design and Construction Plan(s) . | CONSTRUCT AS
DESIGNED –
ENGINEERED
STRUCTURE(S) |
| 14. | Within 90 days of the completion of the Construction of each Engineered Structure, the Licensee shall submit to the Board, an As-Built Report stamped and signed by a Professional Engineer, which shall include, but not be limited to, the following information:

a) final as-built drawings of the Engineered Structure(s), stamped and signed by a Professional Engineer; | AS-BUILT REPORT
– ENGINEERED
STRUCTURE(S) |

- b) documentation, with rationale, of field decisions that deviate from the **Design and Construction Plans** and/or **Design Drawings**; and
- c) any data used to support these decisions.

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| 15. | The Licensee shall retain an Engineer of Record for the Dry Stack Tailings Facility. | ENGINEER OF RECORD |
| 16. | The Licensee shall ensure that the Engineer of Record establishes quantifiable performance objectives for the Dry Stack Tailings Facility and reviews the quantifiable performance objectives annually for the life of the Facility. | QUANTIFIABLE PERFORMANCE OBJECTIVES |

Part F: Waste and Water Management

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| 1. | The Licensee shall manage Waste and Water with the objective of minimizing the impacts of the Project on the quantity and quality of Water in the Receiving Environment through the use of appropriate mitigation measures, monitoring, and follow-up actions. | OBJECTIVE – WASTE AND WATER MANAGEMENT |
| 2. | The Licensee shall minimize erosion by implementing suitable erosion control measures that shall be located and maintained to the satisfaction of an Inspector. | EROSION CONTROL |

Management and Monitoring Plans

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| 3. | The Licensee shall comply with the Waste Management Plan , once approved. | WASTE MANAGEMENT PLAN |
| 4. | A minimum of 90 days prior to commencement of mining activities, the Licensee shall submit to the Board, for approval, a Waste Rock Management and Geochemical Characterization and Monitoring Plan . The Plan shall be in accordance with the requirements of Schedule 4, Condition 1. The Licensee shall not commence mining activities prior to Board approval of the Plan. | WASTE ROCK MANAGEMENT AND GEOCHEMICAL CHARACTERIZATION AND MONITORING PLAN |
| 5. | A minimum of 90 days prior to commencement of activities, the Licensee shall submit to the Board, for approval, a Water and Groundwater Management and Monitoring Program . The Plan shall be in accordance with the requirements of Schedule 4, Condition 2. The Licensee shall not commence activities prior to Board approval of the Plan. | WATER AND GROUNDWATER MANAGEMENT AND MONITORING PROGRAM |
| 6. | A minimum of 90 days prior to commencement of milling activities, the Licensee shall submit to the Board, for approval, a Tailings Management Plan . The Plan shall be in accordance with the requirements of Schedule 4, Condition 3. The Licensee shall not commence activities prior to Board approval of the Plan. | TAILINGS MANAGEMENT PLAN |

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| <p>7. A minimum of 90 days prior to Construction of a Hydrocarbon Contaminated Soil Treatment Facility, the Licensee shall submit to the Board, for approval, a Hydrocarbon-Contaminated Soil Treatment Facility Plan. The Plan shall be in accordance with the Board's <i>Guideline for the Design, Operation, Monitoring, Maintenance and Closure of Petroleum Hydrocarbon-Contaminated Soil Treatment Facilities in the Northwest Territories</i>. The Licensee shall not commence activities prior to Board approval of the Plan.</p> | <p>HYDROCARBON
-CONTAMINATED
SOIL TREATMENT
FACILITY PLAN</p> |
| <p>8. A minimum of 90 days prior to commencement of mining activities, the Licensee shall submit to the Board, for approval, an Explosive Management Plan. The Plan shall be in accordance with the requirements of Schedule 4, Condition 4. The Licensee shall not commence mining activities prior to Board approval of the Plan.</p> | <p>EXPLOSIVES
MANAGEMENT
PLAN</p> |

Operation of Structures and Facilities

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| <p>9. The Licensee shall construct, operate, and maintain the Dry Stack Tailings Facility to the design specifications and engineering standards, such that:</p> <ul style="list-style-type: none"> a) The specifications described in the Dry Stack Tailings Facility Design and Construction Plan, referred to in Part E, Condition 8 are maintained at all times; b) Any Seepage from the facility to the Receiving Environment that does not meet Effluent Quality Criteria, as specified in Part F, Condition 19 shall be collected and managed; c) Any deterioration or erosion of constructed structures/facilities shall be reported immediately to an Inspector; d) Any deterioration or erosion of constructed structures/facilities that requires repair shall be reported to an Inspector and the Board, and repaired immediately; e) Monitoring of the facility is sufficient to ensure that: <ul style="list-style-type: none"> i. Performance design criteria, as described in the Design and Construction Plan, referred to in Part E, Condition 8 are being met; and ii. Necessary changes in operation of the facility, including any additional mitigations, are identified. | <p>DRY STACK
TAILINGS
FACILITY</p> |
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Inspection of Structures and Facilities

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| <p>10. The Licensee shall conduct annual inspections of the Dry Stack Tailings Facility or as otherwise directed by an Inspector or the Board. Records of these inspections shall be made available to the Board or an Inspector upon request.</p> | <p>ANNUAL
INSPECTION OF
DRY STACK
TAILINGS
FACILITY</p> |
| <p>11. The Licensee shall conduct daily erosion inspections of Discharge locations, during periods of Discharge, or more frequently as directed by an Inspector. Records of these inspections shall be made available to the Board or an Inspector upon request.</p> | <p>DAILY
INSPECTIONS OF
DISCHARGE
LOCATIONS</p> |
| <p>12. The Licensee shall ensure that geotechnical inspections of the Dry Stack Tailings Facility are conducted annually, and following any events that exceed design criteria, by a Professional Engineer. The Licensee shall:</p> | <p>ANNUAL
GEOTECHNICAL
INSPECTION</p> |

- a) A minimum of two weeks prior to the annual inspection, and when events that exceed design criteria occur, provide written notification to an Inspector; and
- b) Within 90 days of completing the inspection, submit the Professional Engineer's full **Geotechnical Inspection Report** to the Board and an Inspector. The Report shall include:
 - i. a covering letter from the Licensee outlining an implementation plan to respond to any recommendations made by the Professional Engineer, including rationale for any decisions that deviate from the Professional Engineer's recommendations; and
 - ii. a summary of any actions taken by the Licensee to address the recommendations made following the previous year's inspection.

Discharge and Disposal Locations and Rates

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|---|---|
| <p>13. The Licensee shall deposit all Waste as described in the approved Waste Management Plan.</p> | <p>WASTE
MANAGEMENT</p> |
| <p>14. Within 90 days following the effective date of this Licence, the Licensee shall submit to the Board, for approval, a revised Waste Management Plan. The Licensee shall not commence Project activities prior to Board approval of the Plan.</p> | <p>WASTE
MANAGEMENT
PLAN – REVISED</p> |
| <p>15. The Licensee shall discharge all Effluent from the Sewage Disposal Facilities as described in the approved Waste Management Plan.</p> | <p>EFFLUENT
DISCHARGE –
SEWAGE
DISPOSAL
FACILITY</p> |
| <p>16. A minimum of ten days prior to depositing any Waste into a licenced municipal facility, the Licensee shall provide written notification to the Board and an Inspector.</p> | <p>NOTIFICATION –
WASTE DEPOSIT</p> |
| <p>17. The Licensee shall not discharge Waste, including Wastewater, to any Watercourse, or to the ground surface within 100 metres of the Ordinary High-Water Mark of any Watercourse.</p> | <p>DISCHARGE
LOCATION –
ORDINARY HIGH-
WATER MARK</p> |

Effluent Quality Criteria

18. The Licensee shall ensure that Effluent from the Sewage Disposal Facility at Surveillance Network Program station SNP-01 has a pH value at or above 6.0 and meets the following Effluent Quality Criteria (EQC):

Parameter	Maximum Average Concentration
CBOD ₅	25 mg/L
TSS	25 mg/L
Un-ionized Ammonia	1.25 mg/L
Fecal Coliform	1000 CFU/100 mL
Oil and Grease	5.0 mg/L

**EFFLUENT
QUALITY
CRITERIA –
SEWAGE
TREATMENT
FACILITY**

19. The Licensee shall ensure that Runoff and Seepage from Dry Stack Tailings Facility at Surveillance Network Program stations SNP-02 and SNP-03 has a pH value between 6.0 and 9.5 and meets the following Effluent Quality Criteria (EQC):

**EFFLUENT
QUALITY
CRITERIA – DRY
STACK TAILINGS
RUNOFF AND
SEEPAGE**

Parameter	mg/L	
	Maximum Average Concentration (mg/L)	Maximum Grab Concentration (mg/L)
Ammonia	-	5.9
Arsenic	0.5	1.0
Copper	0.3	0.6
Cyanide	1.0	2.0
Lead	0.2	0.4
Nickel	0.5	1.0
Radium-226	0.37 Bq/L	1.11 Bq/L
TSS	15	30
Zinc	0.5	1.0

20. The Licensee shall ensure that Runoff and Seepage from Waste Rock and ore stockpiles at Surveillance Network Program stations SNP-09 and SNP-10 has a pH value between 6.0 and 9.5 and meets the following Effluent Quality Criteria (EQC):

**EFFLUENT
QUALITY
CRITERIA –
WASTE ROCK
AND ORE
STOCKPILE
RUNOFF AND
SEEPAGE**

Parameter	mg/L	
	Maximum Average Concentration (mg/L)	Maximum Grab Concentration (mg/L)
Ammonia	-	5.9
Arsenic	0.5	1.0
Copper	0.3	0.6
Cyanide	1.0	2.0
Lead	0.2	0.4
Nickel	0.5	1.0
Radium-226	0.37 Bq/L	1.11 Bq/L
TSS	15	30
Zinc	0.5	1.0

21. The Licensee shall ensure that any Minewater discharged to the environment at Surveillance Network Program station SNP-08 has a pH value between 6.0 and 9.5 and meets the following Effluent Quality Criteria (EQC):

**EFFLUENT
QUALITY
CRITERIA –
MINEWATER
DISCHARGE**

Parameter	mg/L	
	Maximum Average Concentration (mg/L)	Maximum Grab Concentration (mg/L)
Ammonia	-	5.9
Arsenic	0.5	1.0
Copper	0.3	0.6
Cyanide	1.0	2.0

Lead	0.2	0.4
Nickel	0.5	1.0
Radium-226	0.37 Bq/L	1.11 Bq/L
TSS	15	30
Zinc	0.5	1.0
Oil and Grease	5.0 mg/L	-

22. If Water quality data from any sample collected at Surveillance Network Program stations SNP-01, SNP-02, SNP-03, SNP-08, SNP-09, and SNP-10 exceeds the EQC specified in Part F, Conditions 18, 19, and 20 the Licensee shall:
- Cease the Discharge;
 - Notify the Board and an Inspector immediately;
 - Report the spill immediately in accordance with the **Spill Contingency Plan** referred to in Part G, Condition 2;
 - Comply with the approved **Waste Management Plan** referred to in Part F, Condition 3 or the approved **Tailings Management Plan** referred to in Part F, Condition 6; and
 - Within 30 days of initially reporting the incident, or within a timeframe authorized by an Inspector, submit a detailed report on the occurrence, including a summary of corrective actions taken, to the Board and an Inspector.

**EFFLUENT
QUALITY
CRITERIA –
EXCEEDANCE**

Part G: Spill Contingency Planning

- The Licensee shall ensure that Unauthorized Discharges associated with the Project do not enter any Waters.
- The Licensee shall comply with the **Spill Contingency Plan**, once approved.
- Within 90 days following the effective date of this Licence the Licensee shall submit to the Board, for approval, a revised **Spill Contingency Plan**. The Licensee shall not commence Project activities prior to Board approval of the Plan.
- If a spill or an Unauthorized Discharge occurs or is foreseeable, the Licensee shall:
 - Implement the approved Spill Contingency Plan referred to in Part H, Condition 2;
 - Report it immediately using the NU-NT Spill Report Form by one of the following methods:
 - Telephone: (867) 920-8130
 - Fax: (867) 873-6924
 - E-mail: spills@gov.nt.ca
 - Online: Spill Reporting and Tracking Database
 - Notify the Board and an Inspector immediately; and

**OBJECTIVE –
PREVENT WASTE
INTO WATER**

**SPILL
CONTINGENCY
PLAN**

**SPILL
CONTINGENCY
PLAN – REVISED**

REPORT SPILLS

- | | |
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| <p>d) Within 30 days of initially reporting the incident, or within a timeframe authorized by an Inspector, submit a detailed report to the Board and an Inspector, including descriptions of causes, response actions, and any changes to procedures to prevent similar occurrences in the future. Written notification shall be provided to the Board and an Inspector if any changes occur.</p> | |
| <p>5. The Licensee shall ensure that spill prevention infrastructure and spill response equipment is in place prior to commencement of the Project.</p> | <p>SPILL
PREVENTION AND
RESPONSE
EQUIPMENT</p> |
| <p>6. The Licensee shall restore all areas affected by spills and Unauthorized Discharges to the satisfaction of an Inspector.</p> | <p>CLEAN UP SPILLS</p> |
| <p>7. The Licensee shall not establish any fuel storage facilities or refueling stations, or store chemicals or Wastes within 100 metres of the Ordinary High-Water Mark of any Watercourse.</p> | <p>MATERIAL
STORAGE –
ORDINARY HIGH-
WATER MARK</p> |

Part H: Closure and Reclamation

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| <p>1. Within one year of the effective date of this Licence, the Licensee shall submit to the Board, for approval, a revised Closure and Reclamation Plan. The Plan shall be accordance with the MVLWB/AANDC <u>Guidelines for the Closure and Reclamation of Advanced Mineral Exploration and Mine Sites in the Northwest Territories</u>.</p> | <p>CLOSURE AND
RECLAMATION
PLAN</p> |
| <p>2. Every three years following the previous approval, or as directed by the Board, the Licensee shall submit to the Board, for approval, a revised Closure and Reclamation Plan.</p> | <p>CLOSURE AND
RECLAMATION
PLAN – REVISED</p> |
| <p>3. Three years prior to the expiry date of this Licence, or a minimum of two years prior to the end of operations, whichever occurs first, the Licensee shall submit to the Board, for approval, a final Closure and Reclamation Plan.</p> | <p>CLOSURE AND
RECLAMATION
PLAN – FINAL</p> |
| <p>4. One year prior to Progressive Reclamation of any specific component of the Project, and until a final Closure and Reclamation Plan is approved, the Licensee shall submit to the Board, for approval, a Component-Specific Closure and Reclamation Plan. The Licensee shall not commence activities described in the Plan prior to Board approval.</p> | <p>COMPONENT-
SPECIFIC CLOSURE
AND
RECLAMATION
PLAN</p> |
| <p>5. The Licensee shall endeavor to carry out approved Progressive Reclamation as soon as is reasonably practicable.</p> | <p>PROGRESSIVE
RECLAMATION</p> |
| <p>6. The Licensee shall not conduct Progressive Reclamation except as approved by the Board.</p> | <p>PROGRESSIVE
RECLAMATION –
CARRY OUT AS
APPROVED</p> |

7. Beginning March 31, 2021 and no later than every March 31 thereafter, the Licensee shall provide written notification to the Board and an Inspector of any approved Progressive Reclamation that will be conducted in the upcoming year. Notification shall include the name and contact information for the individual responsible for overseeing the Progressive Reclamation. Written notification shall be provided to the Board and an Inspector if any changes occur.
8. Within 90 days of completing Closure and Reclamation of any specific component of the Project, the Licensee shall submit to the Board a **Closure and Reclamation Completion Report**. The Report shall be in accordance with the MVLWB/AANDC *Guidelines for the Closure and Reclamation of Advanced Mineral Exploration and Mine Sites in the Northwest Territories*.
9. Within 90 days of completing Closure and Reclamation of the Project, or as otherwise directed by the Board, the Licensee shall submit to the Board for approval, a **Post-Closure and Reclamation Monitoring and Maintenance Plan**.
10. Within 6 months of completing Closure and Reclamation of any specific component of the Project, the Licensee shall submit to the Board for approval, a **Performance Assessment Report**. The Report shall be in accordance with the MVLWB/AANDC *Guidelines for the Closure and Reclamation of Advanced Mineral Exploration and Mine Sites in the Northwest Territories*. The Licensee shall submit subsequent Reports as directed by the Board.

**PROGRESSIVE
RECLAMATION –
NOTIFICATION**

**CLOSURE AND
RECLAMATION
COMPLETION
REPORT**

**POST-CLOSURE
AND
RECLAMATION
MONITORING
AND
MAINTENANCE
PLAN**

**PERFORMANCE
ASSESSMENT
REPORT –
COMPONENT-
SPECIFIC**

Signed on behalf of the Mackenzie Valley Land and Water Board

Mavis Cli-Michaud, Chair

Amanda Gauthier, Witness

Schedule 1

Annual Water Licence Report

1. The **Annual Water Licence Report** referred to in Part B, Condition 19 of this Licence shall include, but not be limited to, the following information about activities conducted during the previous calendar year:
 - a) A brief summary of Project activities;
 - b) An updated Project schedule;
 - c) The monthly and annual quantities in cubic metres of fresh Water obtained from all sources, as required in Part D, Condition 1 of this Licence;
 - d) Field verification methods and results for determining that the depth of water sources meets the minimum requirements for use;
 - e) A summary of the calibration and status of the meters and devices referred to in Part B, Condition 18 of this Licence;
 - f) A summary of engagement activities conducted in accordance with the approved **Engagement Plan**, referred to in Part B, Condition 20 of this Licence;
 - g) A summary of how Traditional Knowledge was incorporated into decision making;
 - h) A summary of Construction activities conducted in accordance with Part E of this Licence;
 - i) A summary of major maintenance activities conducted in accordance with this Licence;
 - j) A summary of activities conducted in accordance with the approved **Waste Management Plan**, referred to in Part F, Condition 3 of this Licence, including:
 - i. A summary of approved updates or changes to the process or facilities required for the management of Waste;
 - ii. Monthly and annual quantities, in cubic metres, of treated Sewage discharged, by location;
 - iii. Monthly and annual quantities of Runoff and seepage collected and discharged, by location;
 - iv. Monthly and annual quantities, in cubic metres, of Sewage solids and/or sludge removed from the Sewage Disposal Facility, identified by disposal location;
 - v. Monthly elevations in metres of the Dry Stack Tailings Facility; and
 - vi. A map depicting the location of the Sumps.
 - k) A summary of activities conducted in accordance with the approved **Waste Rock Management and Geochemical Characterization and Monitoring Plan**, referred to in Part F, Condition 4 of this Licence, including:
 - i. A summary of approved updates or changes to the process or facilities required for the management or characterization of rock, Waste Rock and ore;
 - ii. A comparison of the annual quantities of each type of Waste Rock generated to the quantities predicted in the approved **Waste Rock Management and Geochemical Characterization and Monitoring Plan**;
 - iii. A summary of rock type, geochemical classification, and disposal location of all rock, Waste rock and ore managed under the plan, including a map or diagram of the locations and types of Waste Rock deposited;
 - iv. The size/height/depth/area of any rock, Waste rock, and ore piles; Monthly and annual quantities/volumes by location of rock, Waste rock, and ore managed under the plan;
 - v. A summary and interpretation of results from the geochemical monitoring performed under the approved **Waste Rock Management and Geochemical Characterization and Monitoring Plan**;

- vi. A summary and interpretation of results from seepage monitoring performed under the approved **Waste Rock Management and Geochemical Characterization and Monitoring Plan**, including:
 - a. a site map with Seepage locations;
 - b. comparisons to reference locations;
 - c. an analysis of major trends over the year and since Project inception; and
 - d. a summary of recommendations for future Seepage monitoring and/or management actions;
 - vii. A summary of results from investigations or activities related to field test cells;
 - viii. A summary and interpretation of Water quality monitoring results for each of the rock, Waste rock, and ore storage location and how these compare to predicted values;
 - ix. A list of any Action Level exceedances; and
 - x. A description of actions taken in response to any Action level exceedances.
- l) A summary of activities conducted in accordance with the approved **Water and Groundwater Management and Monitoring Program**, referred to in Part F, Condition 5 of this Licence, including:
- i. A summary of approved updates or changes to the process or facilities required for the management of Water and Wastewater;
 - ii. Monthly and annual quantities, in cubic metres, of recycled Water, identifying both the source and use;
 - iii. Monthly and annual quantities, in cubic metres, of Water obtained from each approved source;
 - iv. Monthly and annual quantities, in cubic metres, of Water used for dust control;
 - v. Monthly and annual quantities, in cubic metres, of treated Sewage discharged from the Sewage Disposal Facilities,
 - vi. Monthly and annual quantities, in cubic metres, Runoff and seepage collected and discharged from the Dry Stack Tailings Facility;
 - vii. Monthly and annual quantities, in cubic metres, Runoff and seepage collected and discharged from the Waste rock and ore piles;
 - viii. Monthly and annual quantities, in cubic metres, of Minewater discharged to the Receiving Environment;
 - ix. Monthly and annual quantities, in cubic metres, of all other Discharges, identified by Discharge location;
 - x. Monthly and annual estimates and/or measurements of precipitation and Runoff;
 - xi. A comparison of Water and Wastewater quantities measured in the year to the Water balances predicted for that year in the approved Plan, and an explanation of any significant differences between predictions and actual measurements;
 - xii. An updated Water balance if required as per the approved Plan;
 - xiii. A summary and interpretation of monitoring results, including any Action Level exceedances; and
 - xiv. A description of actions taken in response to any Action Level exceedances.
- m) A summary of activities conducted in accordance with the approved **Tailings Management Plan**, referred to in Part F, Condition 6 of this Licence, including:
- i. A summary of approved updates or changes to the process or facilities required for the management of Tailings;
 - ii. Monthly and annual quantities, in cubic metres and tonnes, of Tailings, placed in Dry Stack Tailings Facility;
 - iii. The size/height/depth/area of the Dry Stack Tailings Facility;
 - iv. A summary and interpretation of monitoring results, including any Action Level exceedances; and
 - v. A description of actions taken in response to any Action Level exceedances.

- n) A summary of activities conducted in accordance with the approved **Hydrocarbon-Contaminated Soil Treatment Facility Plan**, referred to in Part F, Condition 7 of this Licence, including:
 - i. A summary of approved updates or changes to the process or facilities required for the management of hydrocarbon-contaminated soil;
 - ii. Monthly and annual quantities, in cubic metres, of all Effluent discharged from the Facility;
 - iii. A summary of contaminated materials accepted into the Facility, including:
 - a. soil, rock, snow, ice, and water;
 - b. Sources of materials;
 - c. Volume and type of material accepted from each source;
 - d. Analytical results for each type of material from each source;
 - iv. A summary of treated soil removed from the Facility, including:
 - a. Volume of soil;
 - b. Analytical results, including soil chemistry and soil particle size;
 - c. The locations and land use activity of the receiving sites;
 - v. A summary of how the contaminated soil was managed during the previous calendar year, including relevant operational details and methods and dates of soil tilling; and
 - vi. Record of inspections of the Hydrocarbon-Contaminated Soil Treatment Facility.
- o) A summary of activities conducted in accordance with the approved **Explosives Management Plan**, referred to in Part F, Condition 8 of this Licence, including:
 - i. A summary of approved updates or changes to the process or facilities required for the management of explosives;
 - vi. Monthly and annual quantities of all explosives spent;
 - vii. A summary and interpretation of monitoring results, including any Action Level exceedances; and
 - ii. A description of actions taken in response to any Action Level exceedances.
- p) A summary of the results and any actions taken as a result of inspections conducted to fulfill Part F of this Licence.
- q) A summary of activities conducted in accordance with the approved **Spill Contingency Plan**, referred to in Part G, Condition 2 of this Licence, including:
 - i. A list and description for all Unauthorized Discharges, including the date, NWT spill number, volume, location, summary of the circumstances and follow-up actions taken, and status (i.e. open or closed), in accordance with the reporting requirements in Part G, Condition 4 of this Licence; and
 - ii. An outline of any spill training carried out.
- r) A summary of any Closure and Reclamation work completed;
- s) Tabular summaries of all data and information generated under the SNP annexed to this Licence and graphical summaries of parameters with EQC referred to in Part F, Conditions 18, 19, 20, and 21 at the points of compliance (SNP Stations SNP-01, SNP-02, SNP-03, SNP-08, SNP-09, SNP-10), in Excel format.
- t) A list of any non-compliance(s) with the conditions of this Licence or any directive from the Board pursuant to the conditions of this Licence;
- u) A summary of actions taken to address concerns, non-conformances, or deficiencies in any reports filed by an Inspector;
- v) Any other details requested by the Board by November 30 of the year being reported.

Schedule 2
Conditions Applying to Security

1. The Licensee shall post security totaling \$382,052.00 based on the schedule set out below:
 - a) prior to the transportation of mining equipment to site, including the permanent trailer camp, the Licensee shall post and maintain a security deposit in the amount of \$165,000.00; and
 - b) prior to the transportation of milling equipment to site or the construction of the Dry Stack Tailings, the Licensee shall post and maintain an additional security deposit in the amount of \$217,052.00 to maintain a total security deposit of \$382,052.00.

Schedule 3

Conditions Applying to Construction

1. The **Structure Description and Construction Plan** referred to in Part E, Condition 7 shall include, but not be limited to, the following:
 - a) Information regarding the facilities:
 - i. A description of the facilities to be constructed, including the purpose of the facilities;
 - ii. The proposed location(s) of the facilities, with GPS coordinates and a map to scale;
 - iii. Relevant background information for the area beneath the footprint of the facilities, including the results of any investigations;
 - iv. Construction specifications and performance parameters;
 - v. A description of any operations and maintenance requirements associated with the facilities; and
 - vi. An explanation of why the facilities do not need to be designed by a Professional Engineer.
 - b) Information regarding the Construction of the facilities:
 - i. A Construction schedule, including sequencing information;
 - ii. A description of the materials required for Construction, including, but not limited to:
 - a. sources;
 - b. quantities;
 - c. physical characteristics; and
 - d. geochemical characteristics.
 - iii. A description of any potential effects on the Receiving Environment associated with Construction of the facilities; and
 - iv. A description of any mitigation measures that will be undertaken to minimize the potential impacts identified as per (b)(iii).
 - c) Information regarding monitoring during Construction, including:
 - i. A description of any monitoring that will be conducted to determine the potential impacts to the Receiving Environment and the effectiveness of the mitigation measures described as per (b)(iv), including, but not limited to:
 - a. locations;
 - b. parameters;
 - c. frequencies; and
 - d. rationale.
 - ii. Linkages to other monitoring programs required in this Licence.
 - d) A description of how monitoring will be evaluated and what actions may be taken in response to monitoring results.
2. The **Design and Construction Plans** referred to in Part E, Condition 8 shall include, but not be limited to, the following:
 - a) Information regarding the design of the facilities:
 - i. A description of the facilities to be constructed;
 - ii. The proposed location(s) of the facilities, with GPS coordinates and a map to scale;

- iii. Relevant background information for the area beneath the footprint of the facilities, as deemed adequate by the Professional Engineer responsible for the design, including:
 - a. the results and data from geotechnical and geochemical investigations; hydrogeological investigations; and programs to characterize soil, rock, Groundwater, ground ice, and ground temperature conditions to the depth expected to be affected by the proposed facilities; and
 - b. any other relevant information.
 - iv. A design alternatives analysis;
 - v. Design specifications and performance parameters and quantifiable performance objectives as established by the Engineer of Record;
 - vi. Stability analyses;
 - vii. A description of how the design has been optimized for Closure and Reclamation;
 - viii. A description of how climate change projections and considerations have been incorporated into the design;
 - ix. A description of any instrumentation that will be installed as part of the facilities, including locations and rationale; and
 - x. A description of any operations and maintenance requirements associated with the design of the facilities.
- b) Information regarding the Construction of the facilities:
- i. A Construction schedule, including sequencing information;
 - ii. A description of the materials required for Construction, including, but not limited to:
 - a. sources;
 - b. quantities;
 - c. physical characteristics; and
 - d. geochemical characteristics
 - iii. A description of any potential effects on the Receiving Environment associated with Construction of the facilities; and
 - iv. A description of any mitigation measures that will be undertaken to minimize the potential impacts identified above.
- c) Information regarding monitoring during Construction, including:
- i. A description of any monitoring that will be conducted to detect potential impacts to the Receiving Environment and evaluate the effectiveness of the mitigation measures described above, including, but not limited to:
 - a. locations;
 - b. parameters;
 - c. frequencies; and
 - d. rationale.
 - ii. Linkages to other monitoring programs required in this Licence.
- d) Information regarding responses to monitoring results during Construction, including:
- i. Definitions, with rationale, for Action Levels applicable to the performance of the mitigation measures; and
 - ii. For each Action Level, a description of how exceedances of the Action Level will be assessed and, generally, which types of actions may be taken by the Licensee if the Action Level is exceeded.
- e) A **Quality Control Plan** stamped by a Professional Engineer, a component of which includes a plan for a Professional Engineer to supervise and field check Construction activities.

Schedule 4

Conditions Applying to Waste and Water Management

1. The **Waste Rock Management and Geochemical Characterization Plan** referred to in Part F, Condition 4 of this Licence shall include, but not be limited to, the following:
 - a) Information regarding Waste Rock management, including:
 - i. A description of the facilities used for the management and storage of Waste Rock, ore, overburden, and till, including:
 - a. appropriate maps or diagrams; and
 - b. descriptions of the construction methods that will be used to limit generation of acidic drainage and/or Metal Leaching
 - ii. An annual schedule for till storage, ore stockpiling, and Waste Rock production, over the term of this Licence, including:
 - a. Sources, tonnage, volume and destination of each rock type; and
 - b. A description of when changes to the schedule will require updates to the Waste Rock Management and Geochemical Characterization Monitoring Plan.
 - iii. A description of the operational procedures that will be used to segregate and manage the Waste Rock and ore;
 - iv. A description of geochemical characterization studies to identify PAG materials and/or materials with Metal Leaching potential, including sampling frequencies, rock units, volumes, and test methods. This should include all geochemical sampling and analysis on Waste Rock, gravity Tailings, and flotation Tailings;
 - v. A description of geochemical characterization and management, including:
 - a. A description of monitoring of the field test cells, including sampling frequency, field measurements and analytical parameters;
 - b. A characterization of rock types (mineralogy and geology of typical rock units), including assessment of potential for Acid/Alkaline Drainage and Metal Leaching;
 - c. Criteria, with rationale, for defining PAG, non-PAG and Metal Leaching materials; and high, moderate, and low risk Waste Rock;
 - d. A description of the potential uses for each rock type;
 - e. A description of the geochemical criteria for classifying, managing, and placing Waste Rock and ore;
 - f. A description of geochemical assessments, including visual inspections, and supplemental sampling and testing of rock, Waste Rock, Tailings, ore, and overburden; and
 - g. A description of the sampling program and analytical methods that will be used to support the operational classification and management of all rock types.
 - vi. A summary of Water management procedures, including:
 - a. Identification of all potential sources of drainage from each storage site and the distance to the downstream Receiving Environment;
 - b. A detailed description, including a map or diagram, of the structures intended to contain, withhold, divert, or retain Water or Wastes related to the Waste Rock Storage Facilities, and their predicted performance in terms of flow, capacity, and Water quality parameters;
 - c. A summary of proposed measures for controlling Runoff and Seepage Water volume, routing, and quality;

- d. A description of sampling and analysis of any Seepage or Runoff found outside of the Water management system (e.g., roads, rock pads etc.), or that does not report directly to an SNP monitoring station; and
 - e. A summary of any linkages to activities described in the Waste Management Plan.
 - vii. Any other information required to describe how Waste Rock will be managed such that the objectives listed in Part F, Condition 1 of this Licence are achieved.
 - b) Information regarding monitoring activities:
 - i. Details of the monitoring, including rationale, that will be undertaken to evaluate geotechnical and geochemical stability, thermal characterization, Seepage quality and quantity, and Runoff for all Waste Rock Storage Facilities, including:
 - a. monitoring locations, parameters, frequency, methods, and types of instrumentation;
 - b. a site map to scale with monitoring locations; and
 - c. predicted performance values for monitoring parameters based on facility design.
 - ii. Linkages to other monitoring programs required under this Licence; and
 - iii. Any other information about the monitoring that will be performed to meet the objectives in Part F, Condition 1.
 - c) Information regarding responses to monitoring results:
 - i. A description of how the Licensee will link the results of monitoring to those corrective actions necessary to ensure that the objectives listed in Part F, Condition 1 are met. This description shall include:
 - a. Definitions, with rationale, for Action Levels applicable to the performance of erosion and sedimentation control measures; and
 - b. For each Action Level, a description of how exceedances of the Action Level will be assessed and generally, which types of actions will be taken for the Action Levels exceeded.
 - d) Information regarding contingency planning, including:
 - i. A description of reasonably foreseeable scenarios; and
 - ii. For each scenario identified in (d)(i) above:
 - a. A description of response action options; and
 - b. A risk-based analysis of response action options, identifying preferred options and alternate options.
2. The **Water and Groundwater Management and Monitoring Program** referred to in Part F, Condition 5 of this Licence shall include, but not be limited to, the following:
- a) Information regarding site conditions:
 - i. A description of the surface hydrology, including appropriate maps and diagrams, as assessed by a hydrologist, hydrogeologist, or equivalent professional;
 - ii. A description of the underlying and surrounding hydrogeology, including appropriate maps and flow diagrams, as assessed by a hydrologist, hydrogeologist, or equivalent professional;
 - iii. A summary of baseline data including:
 - a. Baseline data collected to date;
 - b. Identification of baseline data gaps; and
 - c. A description of methods for filling in baseline data gaps or methods for approximating baseline conditions if necessary.
 - b) A description of site-wide Water and Wastewater management processes and facilities;

- c) Identification of all potential Water uses and Water sources including maximum daily and annual Water use requirements;
- d) Water balance;
- e) Estimates of seasonal under-ice Water source capacity;
- f) Information regarding monitoring:
 - i. Identification, with rationale, of parameters of concern that should be used as indicators of potential impacts from Project-related activities on the Receiving Environment;
 - ii. A description, with rationale, of the site-specific monitoring activities required to identify impacts from Project-related activities on the Receiving Environment including Groundwater quality and quantity;
 - iii. The location and purpose, with rationale, of all existing and proposed Groundwater monitoring stations, including a map, as provided by Professional Engineer, hydrologist, hydrogeologist, or equivalent professional;
 - iv. A description of monitoring protocols, methodologies, parameters, and frequencies specific to each type of monitoring identified in (b) (ii) above;
 - v. Site map(s) and attached table or detailed legend, illustrating monitoring and sampling locations;
 - vi. A description of the quality assurance and quality control measures followed for each monitoring type;
 - vii. Linkages to other monitoring programs required under this Licence; and
 - viii. Any other information about the monitoring that will be performed to meet the objectives in Part F, Condition 1.
- g) Information regarding responses to monitoring results:
 - i. A description of how the results of Groundwater monitoring will be compared to quantity and quality predictions, and used to update predictions as required;
 - ii. A description of how the Licensee will link the results of monitoring to those corrective actions necessary to ensure that the objectives listed in Part F, Condition 1 are met. This description shall include:
 - a. Definitions, with rationale, for Action Levels for each parameter of concern; and
 - b. For each Action Level, a description of how exceedances of the Action Level will be assessed and, generally, which types of actions will be taken for the Action Level exceeded.

3. The **Tailings Management Plan** referred to in Part F, Condition 6 of this Licence shall include, but not be limited to, the following:

- a) Information regarding Tailings management:
 - i. A description, with appropriate maps or diagrams, of the Dry Stack Tailings Facility, including a description of the Waste streams that report to it;
 - ii. A schedule showing the expected quantities and destinations for Tailings produced each year, including an evaluation of storage capacity over time for the Dry Stack Tailings Facility;
 - iii. A description of Tailings deposition procedures, including:
 - a. details on any physical or chemical treatment applied to the Tailings before deposition;
 - b. details on Tailings delivery and deposition methods;
 - c. details on any deposition sequencing;
 - d. details on any monitoring and recording conducted to confirm appropriate placement of Tailings; and
 - iv. Any other information necessary to describe how Tailings are deposited;

- v. A description of dust control measures for the Tailings Containment Facilities;
- vi. A summary of Water management for the Dry Stack Tailings Facility, with linkages to the Waste Management Plan;
- vii. Any other information required to describe how the Tailings will be managed such that the objectives listed in Part F, Condition 1 are achieved.

b) Information regarding monitoring, including:

i. Details and rationale for monitoring, including:

- types monitoring required for the Dry Stack Tailings Facility;
- monitoring locations, parameters, frequency, methods, and types of instrumentation;
- a site map to scale with monitoring locations;
- method of collection and disposal of trench water; and
- predicted performance values for monitoring parameters based on expected facility design.

ii. Linkages to other monitoring programs required in this Licence; and

iii. Any other information about the monitoring that will be performed to meet the objectives in Part F, Condition 1.

c) Information regarding responses to monitoring results:

i. A description of how the Licensee will link the results of monitoring to those corrective actions necessary to ensure that the objectives listed in Part F, Condition 1 of this Licence are met. This description shall include:

- a. Definitions, with rationale, of Action Levels applicable to the performance of the Tailings facilities with respect to monitored parameters; and,
- b. For each Action Level, a description of how exceedances of the Action Level will be assessed and generally which types of actions will be taken if the Action Level is exceeded.

d) Information regarding contingency planning, including:

i. A description of reasonably foreseeable scenarios; and

ii. For each scenario identified in (d)(i) above:

- a. A description of response action options; and
- b. A risk-based analysis of response action options, identifying preferred options and alternate options.

4. The **Explosives Management Plan** referred to in Part F, Condition 8 of this Licence shall include, but not be limited to, the following:

a) Information regarding explosives management, including:

- i. A description, including appropriate maps and diagrams, of the facilities used for management and storage of explosives;
- ii. A description of the mitigation approaches to be employed with respect to storage, handling, blasting, disposal, and spills;
- iii. The predicted ammonium nitrate dissolution rate;
- iv. A description of how climate change has been considered, including any linkages to other plans required under this Licence; and
- v. Any other information required to describe how explosives will be managed such that the objectives listed in Part F, Condition 1 will be met.

b) Information regarding monitoring, including;

i. Details of the monitoring, including rationale, that will be undertaken to evaluate whether the mitigation approaches for storage, handling, and blasting procedures are effective, including;

- a. monitoring locations, parameters, frequencies, methods, and types of instrumentation;

- b. a map to scale, with monitoring locations; and
 - c. predicted performance values for monitoring parameters based on expected facility design.
 - ii. Linkages to other monitoring programs required under this Licence; and
 - iii. Any other information about monitoring that will be performed to meet the objectives in Part F, Condition 1.
- c) Information regarding responses to monitoring results, including:
- i. A description of how the Licensee will link the results of monitoring to those corrective actions necessary to ensure that the objectives listed in Part F, Condition 1 are met. This description shall include:
 - a. Definitions, with rationale, for Action Levels applicable to the performance of the mitigation measures; and
 - b. For each Action Level, a description of how exceedances of the Action Level will be assessed and generally, which types of actions will be taken for the Action Levels exceeded.
- d) Information regarding contingency planning, including:
- i. A description of reasonably foreseeable scenarios; and
 - ii. For each scenario identified in (d)(i) above:
 - a. A description of response action options; and
 - b. A risk-based analysis of response action options, identifying preferred options and alternate options.

Type B Water Licence MV2020L2-0002
New Discovery Mines Ltd. – Mon Gold Project
Annex A - Surveillance Network Program

LICENSEE:	New Discovery Mines Ltd.
LICENCE NUMBER:	MV2020L2-0002
EFFECTIVE DATE OF LICENCE:	October 16, 2020
EFFECTIVE DATE OF SURVEILLANCE NETWORK PROGRAM:	October 16, 2020

Part A: Reporting Requirements

1. The effective date of this Surveillance Network Program is October 14, 2020.
2. Beginning November 2020, and for every month thereafter, the Licensee shall submit a **Surveillance Network Program Report** to the Board and an Inspector, which shall include, but not be limited to the following:
 - a) Electronic and tabular summaries of all data and information generated under the SNP for the month being reported, including rationale for SNP sites where samples were not collected and results and interpretation of quality assurance/quality control procedures;
 - b) Graphical summaries and interpretation of the analytical results from the SNP samples collected at the point of compliance (SNP-01, SNP-02, SNP-03, SNP-08, SNP-09, SNP-10) compared to the Effluent Quality Criteria under Part F of this Licence, for the previous two (2) consecutive years;
 - c) An explanation of any actions taken in response to any exceedances of the Effluent Quality Criteria;
 - d) Information regarding the calibration and status of the meters and devices referred to in Part B, Condition 18 of this Licence;
 - e) The coordinates of all SNP sites which were established within the month being reported, including an updated map identifying the locations of all the SNP sites; and
 - f) A tabular summary of cumulative Water Use.
3. More frequent sample collection may be required at the request of an Inspector.
4. All sampling, sample preservation, and analyses shall be conducted in accordance with methods prescribed in the current edition of American Public Health Association's (APHA) *Standard Methods for the Examination of Water and Wastewater* at the time of analysis, or by other such methods approved by an Analyst.
5. All analyses shall be performed in a laboratory accredited by the Canadian Association for Laboratory Accreditation (CALA) for the specific analyses to be performed or as approved by an Analyst.
6. Prior to the collection of SNP samples, the Licensee shall submit to the Board and an Analyst, a **Quality Assurance and Quality Control Plan**, which shall include a list of techniques that will be used to collect and analyze samples collected under the SNP, for the purposes of quality assurance and quality control. The Analyst shall provide a recommendation to the Board.
7. The Licensee shall adhere to the Quality Assurance and Quality Control Plan, once approved, and shall annually review the Plan and make any necessary revisions to reflect changes in operations or as directed by the Board. Revisions to the Plan shall be submitted to the Board for a decision.

8. If the Quality Assurance and Quality Control Plan is not approved by the Analyst, the Licensee shall revise the Plan according to the Analyst's direction and re-submit it to the Analyst for a decision.

Part B – Surveillance Network Program Description and Monitoring Requirements

1. The location of sampling sites is subject to approval of the Inspector.
2. The location of sampling sites and specific monitoring requirements are as follows:

Surveillance Network Program (SNP-01):

Description	Effluent from the Sewage Treatment Plant
Location	Sewage Treatment Plant Effluent
Sampling Frequency	Prior to decant or discharge
Sampling Parameters	Volume*, flow*, physical parameters _(a) , nutrients _(c) , CBOD, total and fecal coliforms.
Rationale	To monitor the quality and quantity of treated Sewage being disposed from the Sewage Treatment System.
Status	Active when the Sewage Treatment Plant is operating

Note: Footnotes are defined after the final table in Part B.

Surveillance Network Program (SNP-02):

Description	Monitoring trench, immediately down slope of Dry Stack Tailings Facility
Location	To be determined
Sampling Frequency	Monthly
Sampling Parameters	Total _(d) and dissolved metals _(e) , physical parameters _(a) , major ions _(b) , nutrients _(c)
Rationale	To monitor the quality of Seepage and surface Water downstream of the Dry Stack Tailings Facility
Status	Active when Water is present in the trenches.

Surveillance Network Program (SNP-03a):

Description	Monitoring trench, down slope of Dry Stack Tailings Facility – First Narrows
Location	To be determined
Sampling Frequency	Monthly
Sampling Parameters	Total _(d) and dissolved metals _(e) , physical parameters _(a) , major ions _(b) , nutrients _(c)
Rationale	To monitor the quality of Seepage and surface Water downstream of the Dry Stack Tailings Facility
Status	Active when Water is present in the trenches.

Surveillance Network Program (SNP-03b):

Description	Monitoring trench, down slope of Dry Stack Tailings Facility – Culvert
Location	To be determined
Sampling Frequency	Monthly
Sampling Parameters	Total _(d) and dissolved metals _(e) , physical parameters _(a) , major ions _(b) , nutrients _(c)
Rationale	To monitor the quality of Seepage and surface Water downstream of the Dry Stack Tailings Facility
Status	Active when Water is present in the trenches.

Surveillance Network Program (SNP-04):

Description	Seepage from the Dry Stack Tailings Facility	
Location	Anywhere Seepage is encountered	
Sampling Frequency	Twice a year (during freshet, and in late summer or fall)	Following major storm events
Sampling Parameters	Flow*, volume*, total _(d) and dissolved metals _(e) , physical parameters _(a) , major ions _(b) , nutrients _(c)	
Rationale	To monitor the quality and quantity of Seepage from the Dry Stack Tailings Facility.	
Status	Active when Seepage is observed.	

Surveillance Network Program (SNP-05):

Description	Background Groundwater Well	
Location	To be determined – Upgradient of the Dry Stack Tailings Facility	
Sampling Frequency	Monthly during periods of flow	
Sampling Parameters	Total _(d) and dissolved metals _(e) , physical parameters _(a) , major ions _(b) , nutrients _(c)	
Rationale	To establish background water quality before operation of the Dry Stack Tailings Facility and to monitor upgradient Water quality once the Dry Stack Tailings Facility is operational.	
Status	Active during periods of flow.	

Surveillance Network Program (SNP-06a):

Description	Groundwater Well #1	
Location	To be determined - Downgradient of the Dry Stack Tailings Facility	
Sampling Frequency	Monthly during periods of flow	
Sampling Parameters	Total _(d) and dissolved metals _(e) , physical parameters _(a) , major ions _(b) , nutrients _(c)	
Rationale	To establish background water quality before and during operation of the Dry Stack Tailings Facility.	
Status	Active during periods of flow.	

Surveillance Network Program (SNP-06b):

Description	Groundwater Well #2	
Location	To be determined - Downgradient of the Dry Stack Tailings Facility	
Sampling Frequency	Monthly during periods of flow	
Sampling Parameters	Total _(d) and dissolved metals _(e) , physical parameters _(a) , major ions _(b) , nutrients _(c)	
Rationale	To establish background water quality before and during operation of the Dry Stack Tailings Facility.	
Status	Active during periods of flow.	

Surveillance Network Program (SNP-07):

Description	Underground Minewater Sump(s)	
Location	To be determined	
Sampling Frequency	Daily (when Sump is active)	Monthly (when Sump is active)
Sampling Parameters	Flow*, volume*	Total _(d) and dissolved metals _(e) , physical parameters _(a) , major ions _(b) , nutrients _(c) extractable petroleum hydrocarbons, BTEX _(f)
Rationale	To monitor the quantity and quality of groundwater and Minewater collected in the underground sump prior to discharge to the surface.	
Status	Active when the underground Sump contains Water or Waste.	

Surveillance Network Program (SNP-08):

Description	Minewater holding tank or pond	
Location	To be determined	
Sampling Frequency	Daily (during Discharge)	Once prior to each Discharge period, and then weekly during Discharge
Sampling Parameters	Flow*, volume*, Total _(d) and dissolved metals _(e) , physical parameters _(a) , major ions _(b) , nutrients _(c)	
Rationale	To monitor the quantity and quality of Minewater prior to discharge to the Receiving Environment.	
Status	Active during periods of flow.	

Surveillance Network Program (SNP-09):

Description	Seepage from Waste rock pile(s)	
Location	Anywhere Seepage is encountered	
Sampling Frequency	Twice a year (during freshet, and in late summer or fall)	Following major storm events
Sampling Parameters	Flow*, volume*, total _(d) and dissolved metals _(e) , physical parameters _(a) , major ions _(b) , nutrients _(c)	
Rationale	To monitor the quality and quantity of Seepage from the Waste rock pile(s)	
Status	Active when Seepage is observed.	

Surveillance Network Program (SNP-10):

Description	Seepage from ore stockpile(s)	
Location	Anywhere Seepage is encountered	
Sampling Frequency	Twice a year (during freshet, and in late summer or fall)	Following major storm events
Sampling Parameters	Flow*, volume*, total _(d) and dissolved metals _(e) , physical parameters _(a) , major ions _(b) , nutrients _(c)	
Rationale	To monitor the quality and quantity of Seepage from the ore stockpile(s)	
Status	Active when Seepage is observed.	

Surveillance Network Program (SNP-11):

Description	Freshwater in Discovery Lake
Location	To be determined
Sampling Frequency	Daily (when camp is in use)
Sampling Parameters	Flow*, volume*
Rationale	To measure Water use
Status	Active when camp is in use

Surveillance Network Program (SNP-12):

Description	Discovery Lake
Location	To be determined - One or more locations in the Lake near areas where drainage from the Project site enters the Lake.
Sampling Frequency	Monthly (during open Water)
Sampling Parameters	pH, conductivity, temperature, total ammonia, total _(d) and dissolved metals _(e) ,
Rationale	To monitor impacts of runoff and Discharge from the Project on Water quality in Discovery Lake.
Status	Active during open Water

Surveillance Network Program (SNP-13):

Description	Prosperous Lake
Location	To be determined
Sampling Frequency	Daily (when in use)
Sampling Parameters	Flow*, volume*
Rationale	To monitor Water use
Status	Active when Water is being withdrawn

Surveillance Network Program (SNP-14):

Description	Sito Lake
Location	To be determined
Sampling Frequency	Daily (when in use)
Sampling Parameters	Flow*, volume*
Rationale	To monitor Water use
Status	Active when Water is being withdrawn

Surveillance Network Program (SNP-15):

Description	Bluefish Lake
Location	To be determined
Sampling Frequency	Daily (when in use)
Sampling Parameters	Flow*, volume*
Rationale	To monitor Water use
Status	Active when Water is being withdrawn

Surveillance Network Program (SNP-16):

Description	Quayta Lake
Location	To be determined
Sampling Frequency	Daily (when in use)
Sampling Parameters	Flow*, volume*
Rationale	To monitor Water use
Status	Active when Water is being withdrawn

Surveillance Network Program (SNP-17):

Description	Lake A (T-Bone)
Location	To be determined
Sampling Frequency	Daily (when in use)
Sampling Parameters	Flow*, volume*
Rationale	To monitor Water use
Status	Active when Water is being withdrawn

Surveillance Network Program (SNP-18):

Description	Lake B (Bone)
Location	To be determined
Sampling Frequency	Daily (when in use)
Sampling Parameters	Flow*, volume*
Rationale	To monitor Water use
Status	Active when Water is being withdrawn

Surveillance Network Program (SNP-19):

Description	Lake C (5656)
Location	To be determined
Sampling Frequency	Daily (when in use)
Sampling Parameters	Flow*, volume*
Rationale	To monitor Water use
Status	Active when Water is being withdrawn

Surveillance Network Program (SNP-20):

Description	Lake D (SZ)
Location	To be determined
Sampling Frequency	Daily (when in use)
Sampling Parameters	Flow*, volume*
Rationale	To monitor Water use
Status	Active when Water is being withdrawn

Notes:

(*) Flow and volume measurements shall be measured during periods of flow or pumping, and reported in cubic metres.

(a) Physical Parameters shall include the following measurements: Dissolved Oxygen, pH, Specific Conductivity, Temperature, Total Suspended Solids (TSS), and Turbidity.

(b) Major Ions shall include the following parameters: Bicarbonate, Calcium, Carbonate, Chloride, Fluoride, Hardness, Hydroxide, Magnesium, Potassium, Reactive Silica (as SiO₂), Sodium, Sulphate, Total Alkalinity, Total Dissolved Solids.

(c) Nutrients shall include the following measurements/parameters: Biological Oxygen Demand (BOD – 5 day; where indicated), Dissolved Inorganic Phosphorus, Dissolved Organic Phosphorus, Nitrate (as N) calculated, Nitrate/Nitrite (as N), Nitrite (as N), Orthophosphate (as

P), Total Ammonia (as N), Total Dissolved Phosphorus, Total Inorganic Phosphorus, Total Kjeldahl Nitrogen, Total Organic Carbon, Total Phosphorus.

(d) Total Metals from water samples shall include the following parameters, at a minimum: Aluminum, Antimony, Arsenic, Barium, Beryllium, Bismuth, Boron, Cadmium, Cesium, Cobalt, Copper, Chromium, Hexavalent Chromium, Iron, Lead, Lithium, Manganese, Mercury, Molybdenum, Nickel, Rubidium, Selenium, Silver, Strontium, Thallium, Titanium, Uranium, Vanadium, Zinc.

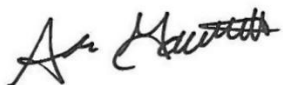
(e) Dissolved Metals from water samples shall include the following parameters, at a minimum: Aluminum, Antimony, Arsenic, Barium, Beryllium, Bismuth, Boron, Cadmium, Cesium, Cobalt, Copper, Chromium, Hexavalent Chromium, Iron, Lead, Lithium, Manganese, Mercury, Molybdenum, Nickel, Rubidium, Selenium, Silver, Strontium, Thallium, Titanium, Uranium, Vanadium, Zinc.

(f) BTEX shall include: Benzene, Toluene, Ethyl benzene, and Xylene.

Signed on behalf of the Mackenzie Valley Land and Water Board



Mavis Cli-Michaud, Chair



Amanda Gauthier, Witness

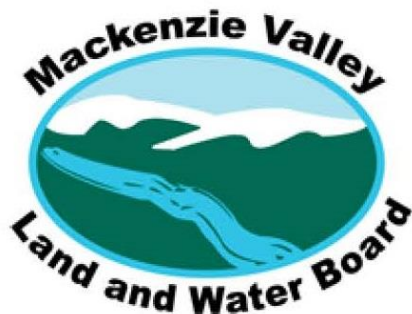
Annex B – Concordance Table of Items Requiring Submission

#	Part of Licence	Item	Date
19	Part B	Annual Water Licence Report	March 31, annually
21	Part B	Engagement Plan	90 days following effective date of this Licence
1	Part C	Security	As outlined in Schedule 2, Condition 1
7	Part E	Structure Description and Construction Plan	A minimum of 90 days prior to the commencement of Construction of all structures, excluding Engineered Structures, intended to contain, withhold, divert, or retain Water or Wastes
8	Part E	Design and Construction Plan	A minimum of 90 days prior to the commencement of Construction of any Engineered Structures
9	Part E	Design Drawings	90 days prior to the commencement of Construction of any Engineered Structures
14	Part E	As-Built Report	Within 90 days of the completion of the Construction of each Engineered Structure
4	Part F	Waste Rock Management and Geochemical Characterization and Monitoring Plan	A minimum of 90 days prior to commencement of mining activities
5	Part F	Water and Groundwater Management and Monitoring Program	A minimum of 90 days prior to commencement of activities
6	Part F	Tailings Management Plan	A minimum of 90 days prior to commencement of milling activities
7	Part F	Hydrocarbon-Contaminated Soil Treatment Facility Plan	A minimum of 90 days prior to Construction
8	Part F	Explosives Management Plan	A minimum of 90 days prior to commencement of mining activities
12	Part F	Geotechnical Inspection Report	Within 90 days of completing the inspection, annually
14	Part F	Waste Management Plan	90 days following the effective date of this Licence
3	Part G	Spill Contingency Plan	90 days following the effective date of this Licence
1	Part H	Closure and Reclamation Plan	One year following the effective date of this Licence
2	Part H	Closure and Reclamation Plan	Every three years following the previous approval
3	Part H	Final Closure and Reclamation Plan	Three years prior to the expiry date of this Licence, or a minimum of two years prior to the end of operations, whichever occurs first
4	Part H	Component-Specific Closure and Reclamation Plan	One year prior to Progressive Reclamation of any specific component of the Project, and until a final Closure and Reclamation Plan is approved
8	Part H	Closure and Reclamation Completion Report	Within 90 days of completing Closure and Reclamation of any specific component of the Project
9	Part H	Post-Closure and Reclamation Monitoring and Maintenance Plan	Within 90 days of completing Closure and Reclamation of the Project
10	Part H	Performance Assessment Report	Within 6 months of completing Closure and Reclamation of any specific component of the Project
2	SNP	Surveillance Network Program Report	Monthly
6	SNP	Quality Assurance and Quality Control Plan	Prior to the collection of SNP samples

Annex C – Revisions

List of changes that have been made to Water Licence MV2020L2-0002

Date	Location of Change	What has changed



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Reasons for Decision

Issued pursuant to paragraph 40(2)(c) of the Mackenzie Valley Land Use Regulations (MVLUR) and Sections 72.25 of the *Mackenzie Valley Resource Management Act* (MVRMA) and sections 36 of the *Waters Act*

Water Licence and Land Use Permit Applications	
Preliminary Screener	MVLWB
File Number	MV2020L2-0002 MV2020C0003
Company	New Discovery Mines Ltd.
Project	Mining and Milling, Mon Gold Mine – Discovery Lake, NT
Date of Decision	October 14, 2020

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These Reasons for Decision set out the Mackenzie Valley Land and Water Board’s (the MVLWB/Board) regulatory process and decisions on Applications made by New Discovery Mines Ltd. (New Discovery) to the Board on August 27, 2020 for Water Licence (Licence) MV2020L2-0002 and Land Use Permit (Permit) MV2020C0003 for the Mon Gold Project.

A summary of the Applications is provided in Section 2.0 below, followed by the regulatory process in Section 3.0. Section 4.0 describes the legislative requirements applicable to this regulatory process, leading to the Board’s decisions with supporting rationale in Sections 5.0 and 6.0.

1.0 List of Abbreviations

Anniversary Date	Effective date of Licence as seen on the Licence cover page
Applicant	New Discovery Mining Ltd.
Applications	New Discovery Mining Ltd.’s submissions in support of Water Licence MV2020L2-0002 and Land Use Permit MV2020C0003
DFO	Department of Fisheries and Oceans
GNWT	Government of the Northwest Territories
GNWT-ENR	Government of the Northwest Territories – Environment and Natural Resources
ICRP	Interim Closure and Reclamation Plan
Licence	Water Licence MV2020C0003
MVLUR	Mackenzie Valley Land Use Regulations
MVLWB or Board	Mackenzie Valley Land and Water Board
MVRMA	<i>Mackenzie Valley Resource Management Act</i>
Minister	Minister of Environment and Natural Resources for the Government of the Northwest Territories OR Minister of Lands for the Government of the Northwest Territories
Permit	Land Use Permit MV2020C0003
Project	Mon Gold Project
Standard Template	Board’s <i>Standard Land Use Permit Conditions Template</i>

2.0 Summary of Application(s)

On August 27, 2020, New Discovery submitted complete renewal Applications for Licence MV2020L2-0002 and Permit MV2020C0008.^{1 2} These Applications are to conduct mineral exploration, including diamond drilling and bulk sampling, and mining and milling, including construction of a dry stack tailings facility, a landfarm, and other standard infrastructure including roads, an explosives storage area, accommodations, and a sewage treatment plant. These activities are located within a Non-Federal area near Discovery Lake, NT. New Discovery proposes to replace previous authorizations for mineral exploration (Water Licence MV2014L2-0002 and Permit MV2013C0021) and mining and milling (Licence MV2015L2-0004 and MV2015C0015) with one Licence and one Permit to cover all Project activities. Upon issuance of MV2020L2-0002 and MV2020C0008, New Discovery will be able to apply to the Board to close existing authorizations.

¹ See Water Licence [MV2020L2-0002](#) Application ([hyperlink](#)), submitted to the MVLWB on August 27, 2020.

² See Land Use Permit [MV2020C0003](#) Application ([hyperlink](#)), submitted to the MVLWB on August 27, 2020.

2.1 Distribution List

As this Project is in the Akaitcho, the appropriate core organizational reviewers, governments, First Nations, and aboriginal organizations were included in the list.

3.0 Regulatory Process

3.1 Details of the Regulatory Process

On May 2, 2020, New Discovery submitted Applications for a new Licence MV2020L2-0002 and new Permit MV2020C0003. The Applications were deemed incomplete on May 11, 2020 as per subsection 22(1) of the MVLUR.³ On August 27, 2020, additional information was received, and the Applications were subsequently deemed complete and the review commenced on September 4, 2020.

A public notice of the Licence and Permit Applications was published in *News North* during the week of September 14, 2020 to fulfill paragraphs 41(1)(a) and 43(2)(a) of the *Waters Act*.⁴

By September 25, 2020, comments and recommendations regarding the Applications were received by the Board from the following parties: Fisheries and Oceans Canada (DFO), Government of the Northwest Territories Department of Environment and Natural Resources – Environmental Assessment and Monitoring (GNWT-ENR), GNWT Department of Lands North Slave Region (GNWT-Lands), GNWT-Lands, GNWT Prince of Wales Northern Heritage Centre (PWNHC), Board staff, and the Tłı̨chǫ Government.^{5 6} On October 6, 2020 New Discovery responded to the parties' Information Requests.^{7 8}

On October 14, 2020, the Board met to make decisions regarding the Applications.

4.0 Legislative Requirements

In conducting the review process for the Applications as described in Sections 2 and 3 above, the Board has ensured that all applicable legal and procedural requirements have been satisfied, as required by section 62 of the MVRMA and as outlined below.

4.1 General

The use of land, water, and the deposit of waste proposed is of a nature contemplated by the MVRMA and the *Waters Act*.

As this Project is located on a Non-Federal Area, the MVRMA and *Waters Act* applies.

³ See MVLWB Letter – Application Incomplete ([hyperlink](#)), dated August 18, 2020.

⁴ See Notice of Application and ([hyperlink](#)), dated September 14, 2020.

⁵ See www.mvlwb.com Public Registry for Water Licence [MV2020L2-0002](#) – MV2020L2-0002 – NDM – Renewal – Staff Report – Review Comment Summary Table.

⁶ See www.mvlwb.com Public Registry for Permit [MV2020C0003](#) – MV2020C30003 – NDM – Renewal – Staff Report – Review Comment Summary Table.

⁷ See www.mvlwb.com Public Registry for Water Licence [MV2020L2-0002](#) – MV2020L2-0002 – NDM – Renewal – Staff Report – Review Comment Summary Table.

⁸ See www.mvlwb.com Public Registry for Permit [MV2020C0003](#) – MV2020C30003 – NDM – Renewal – Staff Report – Review Comment Summary Table.

4.2 MVRMA Part 3: Consultation and Engagement

In exercising its authority under the MVRMA, the Board must ensure the importance of conservation to the well-being and way of life of Aboriginal peoples of Canada, as per paragraph 60.1(a) of the MVRMA. The Board works with applicants, affected parties (including Aboriginal organizations/governments), and other parties (such as other boards and regulators) to ensure that potential impacts of proposed projects are understood and carefully considered before decisions are made with respect to the issuance of Permits and Licences.

The Board's requirements for engagement are set out in its *Engagement and Consultation Policy* (the Policy).⁹ The Policy was developed to ensure that the Board's obligations for achieving meaningful consultation (as set out by land claims and applicable legislation) with all affected parties, including Aboriginal groups in the Mackenzie Valley, are met and consultation results clearly articulated.

New Discovery submitted an Engagement Plan and Engagement Record with their Applications.^{10 11} The Board is satisfied all potentially affected parties were aware of this process and engagement requirements were met.

4.3 MVRMA and Waters Act: Land and Water Regulation and MVLWB

The Board has jurisdiction to issue this Licence and Permit as per subsection 60(1.1) and section 102 of the MVRMA.

4.3.1 General

The Board has considered the people and users of the Mackenzie Valley, and any traditional knowledge and scientific information that was made available to it during this regulatory proceeding, as per section 60.1 of the MVRMA. The consideration of information provided to the Board is discussed in detail in Section 5 and 6, below.

4.3.2 Water Use Fees

New Discovery is required to pay water use fees as per subsection 8(1) of the Waters Regulations, prior to the start of operations. Water use fees must be paid hereafter annually for the duration of the Licence on or before its annual Anniversary date. Water Use Fees were determined through the Water Use Fees Calculator.¹²

4.3.3 Existing Licences

With respect to paragraph 26(5)(a) of the *Waters Act*, no other Licensees contacted the Board during the statutory period, and there are no applicants with precedence in the watershed as per subsection 59(1) of the *Waters Act*. The Board is satisfied that the granting of this Licence will not adversely affect, in a significant way, any existing Licensee if compliance with the Licence occurs.

⁹ See www.mvlwb.com → Resources → Policies and Guidelines: [MVLWB Engagement and Consultation Policy](#) (June 1, 2013).

¹⁰ See New Discovery's [Engagement Plan](#), dated August 26, 2020.

¹¹ See New Discovery's [Engagement Record](#), dated August 26, 2020.

¹² See www.mvlwb.com Public Registry for Water Licence [MV2020L2-0002](#) – MV2020L2-0002 – NDM – Water Use Fees Calculator – Oct6-20.

4.3.4 Compensation to Existing Water Uses

Paragraph 26(5)(b) of the *Waters Act* prohibits the issuance of the Licence unless the Board is satisfied that appropriate compensation has been or will be paid by the applicant to persons who would be adversely affected by the use of waters, or deposit of waste proposed by the applicant, at the time when the applicant filed its application with the Board.

The Board received no claims for compensation either during the prescribed period or afterwards. Provided compliance with the Licence conditions takes place, the Board finds that there are no water users or persons listed in paragraph 26(5)(b) of the *Waters Act* who will be adversely affected by the use of waters or the deposit of waste proposed.

4.3.5 Water Quality Standards

With regards to 26(5)(c)(i) of the *Waters Act*, the Board is satisfied that compliance with the Licence conditions will ensure that waste will be collected and disposed of in a manner which will maintain water quality consistent with applicable standards and the Board's *Water and Effluent Quality Management Policy*. These are discussed further in Section 5.7 of these Reasons for Decision (Part F of the Licence: Conditions Applying to Waste and Water Management).

4.3.6 Effluent Quality Standards

There are no effluent quality standards prescribed in the Waters Regulations. The Board is nonetheless satisfied that the effluent quality standards set out in the Licence are consistent with the Board's *Water and Effluent Quality Management Policy* and will protect the receiving waters and environment. These are further discussed in Section 5.7 of these Reasons for Decision (Part F of the Licence: Conditions Applying to Waste and Water Management).

4.3.7 Financial Responsibility

The Board must satisfy itself of the financial responsibility of New Discovery as per paragraph 26(5)(c) of the *Waters Act* before it can issue the Licence.

New Discovery has previously posted security for mineral exploration activities for the Mon Gold Project under Permit MV2013C0021.^{13 14} During the public review, no concerns were identified regarding the financial responsibility of New Discovery. As a result, and for the reasons set out above, the Board is satisfied that the financial capacity of the Applicant, in this case, is adequate and meets the requirements of paragraph 26(5)(c) of the *Waters Act*.

4.3.8 Minimization of Adverse Effects

With regards to subsection 27(2) of the *Waters Act*, it is the opinion of the Board that compliance with the Licence will ensure that any potential adverse effects on other water users, which might arise because of the issuance of the Licence, will be minimized.

¹³ See [October 14, 2016 Letter Re: Security Deposit Receipt for Permit MV2013C0021](#).

¹⁴ See [May 9, 2019 Letter Re: Security Deposit Receipt for Permit MV2013C0021](#).

4.3.9 Time Limit

The Board is satisfied it has adhered to section 48(1) of the *Waters Act*, which requires it to make a decision within a period of nine months after the day on which an application is made or a notice advertised as per subsections 43(1) and 43(2) of the *Waters Act*.

4.4 MVRMA Part 5: Environmental Review

4.4.1 Preliminary Screening

As New Discovery has existing authorizations that include the activities being applied for in their new Applications, New Discovery argued that the existing applications are exempt from preliminary screening. On October 14, 2020, the Board confirmed the activities associated with the Applications were exempt from preliminary screening based on Part 1, Schedule 1, section 2.1 of the Exemption List Regulations to the MVRMA. Consequently, no preliminary screening was conducted.

5.0 Decision – Water Licence MV2020L2-0002

In making its decision and preparing these Reasons for Decision, the Board has reviewed and considered:

- 1) The comments and recommendations made during the regulatory processes;
- 2) The evidence and submissions from New Discover Mines Ltd. received by the Board;
- 3) The written comments and submissions from parties received by the Board; and
- 4) The Staff Report prepared for the Board.

Having due regard to the facts, circumstances, and the merits of the submissions made to it, and to the purpose, scope, and intent of the MVRMA and the *Waters Act*, the Board has determined that Licence MV2020L2-0002 and Permit MV2020C0003 shall be issued, subject to the scope, definitions, conditions, and term contained therein. The Board's determinations and reasons for this decision are set out below.

The scope, definitions, conditions, and term set forth in the Permit and Licence have been developed to address the Board's statutory responsibilities and the concerns that arose during the regulatory process. The Reasons for Decision set out below focus on the major concerns and issues raised by parties, including those that were the subject of substantive argument submitted by one or more parties.

5.1 Term of Licence

New Discovery Mines Ltd. has not specified a specific term for the Licence.

Subsection 26(2) of the *Waters Act* allows for a Licence term of not more than 25 years or the duration of the undertaking. After reviewing the submissions made during this regulatory process, and taking into consideration the closely linked Permit, the Board has determined an appropriate term for this undertaking is seven years.

5.2 Part A: Scope and Definitions

Part A of the Licence contains the scope and definitions for terms used throughout.

Scope

The scope of the Licence ensures the Licensee is entitled to conduct activities which have been applied for and screened by the Board. In setting out the scope of the Licence, the Board endeavoured to

provide enough detail to identify and describe the authorized activities, without being unduly restrictive or prescriptive, and to allow for project flexibility throughout the life of the Permit.

Part A, conditions 1(a) through 1(o) are consistent with previous Licences issued by the Board. These conditions ensure that the scope of the authorization includes all water uses and deposits of waste associated with the Project, reflect and comply with all applicable legislation for the life of the authorization, and consider and incorporate scientific and Traditional Knowledge where available in the Licensee's effort to protect the environment.

Definitions

The Board defined items in the Licence to ensure a common understanding of conditions, to avoid future differences in interpretation, and to use wording similar to that found in previously issued Licences. Where appropriate, the Board created new definitions, changed standard wording, or used specific definitions to describe specific facilities related to this Project as described below:

- Dry Stack Tailings Facility was included because it is a specific facility related to this Project.

5.3 Part B: General Conditions and Schedule 1

Part B and Schedule 1 of the Licence contain general administrative conditions regarding compliance and conformity with the *Waters Act* and is consistent with standard conditions found in previous Licences issued by the Board.

The *References* condition clarifies that all references to policies, guidelines, codes of practice, statutes, regulations or other authorities shall be read as a reference to the most recent versions, unless otherwise denoted. This standard practice allows for flexibility in Licence conditions when documents are updated during the life of the Licence.

This section addresses conformity and compliance with submissions to the Board. Annual review and submission of major updates or changes to management plans are required the *Annual Review* condition for Board approval. Such revisions must be approved by the Board prior to the implementation of activities not identified in existing, approved plans. This condition ensures that all applicable plans are regularly reviewed and updated so they reflect changes in technology and/or changes and phases of the project throughout the life of the authorization.

The *Comply with Schedules* condition introduces the Schedules which are annexed to and form part of the Licence. Changes to these Licence components are largely administrative matters and are within the Board's authority as per the *Updates to Compliance Date(s)* condition.

The *Comply with Surveillance Network Program* condition introduces the Surveillance Network Program (SNP) which is annexed to and forms part of the Licence. The *Post Surveillance Network Program Sign(s) and Measure Water Use and Waste Discharged* conditions address SNP signage and measuring devices.

Annual Water Licence Report

The requirements for the Annual Water Licence Report are outlined in the *Annual Water Licence Report* condition and Schedule 1, condition 1. The purpose of the Annual Water Licence Report is to provide the Board and all stakeholders the opportunity to be annually updated on project components and activities, and to provide a platform for stakeholders to submit comments,

observations, feedback, and questions as necessary. The requirements are intended to provide clarity and summarize information already captured through existing submissions; they are not meant to be onerous. The Board organized these requirements to coincide with the layout of the Licence and to be consistent with recently issued licences.

Engagement

The Board assesses engagement adequacy of applications through the Board's *Engagement Guidelines for Applicants and Holders of Water Licences and Land Use Permits*, and the Board's *Engagement and Consultation Policy*. The Board notes that New Discovery Mines Ltd. pre-engagement for the Applications was determined to be in accordance with the Guidelines and Policy. New Discovery Mines Ltd. included an Engagement Plan and Record in the Applications.^{15 16}

The Engagement Plan cannot be approved at this time and should be revised and re-submitted for Board approval within 90 days following the effective date of MV2020L2-0002 to reflect updates as identified during the public review, to reflect the scope of the proposed activities, and to meet the applicable guidelines.

The Board expects New Discovery Mines Ltd. to work with stakeholders when updating the Engagement Plan, to ensure their concerns and recommendations are addressed.

5.4 Part C: Conditions Applying to Security Requirements and Schedule 2

The Board is authorized to require the Licensee to provide security to the Minister by subsection 35(1) of the *Waters Act*. Subsection 35(2) of the *Waters Act* specifies how the security may be applied.

Part C of the Licence, by reference to Schedule 2, sets the level of security to be maintained by the Licensee and sets out requirements related to posting and updating security. As in other licences, the Board may request a security update from the proponent at any time, and may adjust the security amount at any time, based on available information. Specifically, Part C, conditions 3 and 4 stipulate that the Board can revise the security deposit and that the Licensee will post the revised deposit within the timeframe set by the Board. Part C, conditions 3 and 4 pertain to both increases and reductions in security. The conditions in this section are similar to those found in other Licences issued by the Board.

The purpose of these conditions is to implement the direction provided in INAC's *Mine Site Reclamation Policy for the Northwest Territories*: "Adequate security should be provided to ensure the cost of reclamation, including shutdown, closure and post-closure, is born by the operator of the mine rather than the Crown."¹⁷

The Board has determined that the total security deposit amount shall be \$764,104. Consistent with the Board's normal practice, the Board adopted the split between land and water security estimates in RECLAIM and has placed the land liability amounts under the Permit, and the water liability under the Licence. \$382,052 is required under the Licence and \$382,052 is required under the Permit.

¹⁵ See New Discovery's [Engagement Plan](#), dated August 26, 2020

¹⁶ See New Discovery's [Engagement Record](#), dated August 26, 2020.

¹⁷ See www.mvlwb.com → Resources → Policies and Guidelines: [MVLWB/INAC/GNWT Guidelines for Closure and Reclamation Cost Estimates for Mines](#) (November 2017).

Specifically, New Discovery is required to ensure the following security is posted in the following phases: \$83,908.09 prior to the re-commencement of exploration activities under Permit MV2020C0003; \$254,540.46 under the Permit and \$165,000.00 under Licence MV2020L2-0002 prior to the transportation of mining equipment to site, including the permanent trailer camp; and \$382,052.00 under the Permit and \$382,052.00 under the Licence prior to the transportation of milling equipment to site or construction of the Dry Stack Tailings.

A detailed explanation of how the Board determined the security deposits for these two instruments is provided in Appendix 1: Details Reasons for Decision for Reclamation Security for the Mon Gold Project. They are discussed together since the estimates deal with the same project and are thoroughly linked.

Phased Security Payment

The Board has selected the following milestones for the security payment schedule, as described in Schedule 2 of the Licence, condition 57 of the Permit, and in Appendix 1 of these reasons:

Phased Payment Schedule			
	Total (cumulative total)	Land (cumulative total)	Water (cumulative total)
Prior to the re-commencement of exploration activities	\$83,908.09	\$83,908.09	-
Prior to the transportation of mining equipment to site, including the permanent trailer camp	\$419,540.46	\$254,540.46	\$165,000
Prior to the transportation of milling equipment to site or construction of the Dry Stack Tailings	\$764,104	\$382,052.00	\$382,052

The Board has set security based on the evidence available to it at this time, but requires New Discovery to consider GNWT's comments and submit a Closure and Reclamation Plan and updated RECLAIM model within one year of the effective date of the Licence.

As the developer of the RECLAIM model and the party that is responsible for clean-up of the site in the case of abandonment, the GNWT's recommendations are well-informed. As such, prior to resubmission of New Discovery's next RECLAIM model to ensure an efficient review, the Board requires New Discovery to:

- a) Engage with GNWT with the goal of building consensus and enabling the proponent and the GNWT to provide a thorough rationale for any differences in opinion; and
- b) Based on the engagement completed to satisfy direction (a) above, outline any differences between the GNWT and New Discovery estimates/positions, and provide a rationale for New Discovery's position.

If discussions with GNWT reveal that security for Permit MV2020C0003 or Licence MV2020L2-0002 should be updated, New Discovery could apply to amend condition 57 of the Permit.

5.5 Part D: Conditions Applying to Water Use and Schedule 3

Part D of the Licence contains conditions related to water use for the Project. These are consistent with standard conditions found in previous Licences issued by the Board.

The maximum quantity of water that can be withdrawn from all water sources is 7,500 cubic metres. The maximum quantity of water that be withdrawn from the respective water sources are as follows:

- Discovery Lake: 133 m³/day
- Sito Lake: 100 m³/day
- Prosperous Lake: 100 m³/day
- Bluefish Lake: 100 m³/day
- Quayta Lake: 100 m³/day
- Lake A (T-Bone): 10 m³/day
- Lake B (Bone): 10 m³/day
- Lake C (5656): 10 m³/day
- Lake D (SZ): 10 m³/day

Water is required for six main activities: winter road construction, domestic/camp needs and dust control, drilling, mining, and milling. Anticipated water volume needs were identified in several places in the water licence application. The amounts reported were inconsistent. GNWT-ENR recommended that the volumes identified in the Water Use Calculations document submitted by New Discovery in support of its application be used for water use in Part D of the Licence. The Board understands these totals to represent the estimated total annual capacity divided by 350 (the maximum amount of time the site may be occupied each year). This is the maximum daily use allowed based on source capacity, not necessarily the maximum amount of water required for the Project. The Board is hesitant to allow for the maximum water takings from each source if those amounts do not represent the actual volumes required for the Project. Allowing this maximum amount of water could potentially limit the ability of future water users in the area, even if the water amounts actually being used are much less than that allowed by the Licence.

When it comes to annual water use, the totals required for Project activities are even less clear. The Project Description is the only location where annual volumes are provided. In total, they come to 7,400 m³. When it comes to mining and milling, however, New Discovery will likely require water for domestic purposes, mining, and processing for 350 days of the year. This is a total of 12,250 m³/year and does not account for additional water needed for drilling or winter road construction. The Board does not believe that clear annual water use needs have been described for this Project, and as a result, total water use needs have not been adequately reviewed. The Board has decided to allow for water use in line with that presented in the Water Licence Application. If water use needs exceed those allowed by the Licence, New Discovery will have to apply for an amendment with clear descriptions of all water use needs.

5.6 Part E: Conditions Applying to Construction and Schedule 3

Part E and Schedule 3 of the Licence contain conditions applying to construction activities for the Project and are consistent with standard conditions found in previous Licences issued by the Board. These conditions ensure that engineered structures are built to appropriate standards and require

the submission of design and engineering reports. The Board can ensure that monitoring requirements are in place prior to, during, and post-construction.

As these Plans are for Board approval, they will be publicly reviewed, allowing for incorporation of comments or concerns raised.

5.7 Part F: Conditions Applying to Waste and Water Management and Schedule 4

Part F and Schedule 4 of the Licence contain conditions applying to waste and water management activities for the Project and are consistent with standard conditions included in previous Licences issued by the Board. Site-specific conditions were developed where necessary.

The *Objective – Waste and Water Management* condition sets out the objectives for the management of water and waste for the Project. This condition is consistent with the principles of objective-based regulation: it essentially defines the objectives of any required management actions, plans or reports. This condition is standard for Licences issued by the Board and reminds the Licensee of the need to manage water and waste with the goal of minimizing impacts on the receiving environment.

Management Plans and Monitoring Programs

Waste Management Plan

The Boards' authority to regulate the management of waste is described in subsection 26(1) of the MVLUR and sections 11 and 27 of the *Waters Act*. As such, the Board developed, and approved, *Guidelines for Developing a Waste Management Plan*.¹⁸ These guidelines can be applied to a wide range of projects and is intended to ensure that all waste management activities specific to each project are carried out in a way that is consistent with best practices and applicable guidelines to minimize waste released from the Project. Waste Management Plan is a defined term in the Licence, ensuring that the required Plan adheres to the Board's Guidelines.

Submittal and compliance with a Waste Management Plan is standard for Licences issued by the Board. New Discovery Mines Ltd. included a Waste Management Plan in the Applications and submitted a revised Waste Management Plan with their response to reviewer comments on October 5, 2020. The Board noted that there are still outstanding items and that the revised plans have not been publicly reviewed.

The Waste Management Plan cannot be approved at this time and should be revised and re-submitted for Board approval within 90 days following the effective date of MV2020L2-0002 as agreed to during the public review, to reflect the scope of the proposed activities, and to meet the applicable guidelines.

Waste Rock Management and Geochemical Characterization and Monitoring Plan

The *Waste Rock Management and Geochemical Characterization and Monitoring Plan* condition and Schedule 4, Condition 1 list the requirements for the Waste Rock Management and Geochemical Characterization and Monitoring Plan. This Plan is required by the Licence to ensure Waste Rock is managed in accordance with the *Waters Act*, and the *Objectives – Waste and Water Management* condition of this Licence is met. This Plan is required because of the limited amount of information on

¹⁸ See www.mvlwb.com → Resources → Policies and Guidelines: [MVLWB Guidelines for Developing a Waste Management Plan](#) (March 31, 2011).

the management of Waste Rock included in the Application documents and because of the potential for material on site to be potentially acid generating or metal leaching.

Water and Groundwater Management and Monitoring Program

The *Water and Groundwater Management and Monitoring Program* condition and Schedule 4, Condition 2 was included as limited information was included in the Applications regarding groundwater flow and quality. The Applications did not describe how the management of the Dry Stack Tailings Facility could impact groundwater quality on site or what measures or monitoring are in place to ensure groundwater is not impacted. The requirements of Schedule 4, Condition 2 are similar to those previously issued by that Board and ensures that the *Objective – Waste and Water Management* condition is met.

Tailing Management Plan, Hydrocarbon Treatment Facility Plan, Explosives Management Plan

Conditions are included in the licence to ensure that these Plans meet the requirements of the Schedules and guidelines and that they are publicly reviewed and approved by the Board prior to respective activities. The requirements are similar to those previously issued by the Board.

Operations and Maintenance

Dry Stack Tailings Facility

The *Dry Stack Tailings Facility* condition ensures the Dry Stack Tailings Facility meets conditions of this licence, is constructed and operated as intended, and meets standard requirements of the Board for monitoring and maintenance to protect the surrounding environment.

Inspection of Structures and Facilities

This section of the licence includes standard conditions regarding inspections of the Project's structures and facilities.

Discharge Locations and Rates

The *Effluent Discharge – Sewage Disposal Facility, Notification – Waste Deposit and Discharge Location – Ordinary High-Water Mark* are standard conditions.

Effluent Quality Criteria

The Board's approach to managing the deposit of waste to the receiving environment through water licence conditions is described in the Board's *Water and Effluent Quality Management Policy*.¹⁹

Determination for EQC for Sewage Discharge

These EQC are similar to those included in New Discovery Mines Ltd.'s previous water licence, MV2015L2-0004. These criteria are taken directly from the *Wastewater System Effluent Regulations*²⁰, as the Board understands that these are technology-based criteria that a sewage treatment system with secondary biological sewage treatment (which a bioreactor employs) should achieve. Little data or details were submitted on the bioreactor in New Discovery Mines Ltd.'s Applications is proposing

¹⁹ See www.mvlwb.com → Resources → Policies and Guidelines: [MVLWB Water and Effluent Quality Management Policy](#) (March 31, 2011).

²⁰ [Wastewater System Effluent Regulations](#), SOR/2012-139, Minister of Justice, Canada.

for sewage treatment, including performance data and performance objectives. During the review of the draft Water Licence, GNWT-ENR requested that TSS be lowered to 15 mg/L to be consistent with other EQC in the Licence. The proponent responded that “The proponent has not commenced mining or milling activities but has been collecting SNP samples. Part G: Condition 9 sets up maximum average and grab concentrations. These concentrations are well below the natural waters for all of the elements listed. The proponent would not suggest using recommending limits that do not exist in nature. A review of the SNP data submitted might be a guide.” The Board has decided that the application of criteria from the *Wastewater System Effluent Regulations* is the most appropriate for discharges from SNP-01 in the absence of other evidence.

EQC are included in MV2020L2-0002 for the discharge of sewage from SNP-01 as per the *Effluent Quality Criteria – Sewage Treatment Facility* condition, as follows:

Parameter	Maximum Average Concentration
CBOD ₅	25 mg/L
TSS	25 mg/L
Un-ionized Ammonia	1.25 mg/L
Fecal Coliform	1000 CFU/100 mL
Oil and Grease	5.0 mg/L

Determination for EQC for Dry Stack Tailings, Waste Rock and Minewater Discharge

The Board has included EQC for discharges of runoff and seepage from the Dry Stack Tailings Facility and the Waste Rock and Ore Stockpile, as well as discharges of Minewater. These EQC align with the *Metal and Diamond Mining Regulations*²¹. These criteria were used in the previous Licence issued to New Discover Mines Ltd. for discharges of runoff and seepage from the Tailings Facility and Minewater. During the review of the draft version of MV2020L2-0004, GNWT-ENR recommended continued use of these criteria and in response, New Discovery Mines Ltd. noted that they had no issue with the proposed EQC.

Therefore, the Board decided that runoff and seepage from the Dry Stack Tailings Facility at SNP-02 and SNP-03, runoff and seepage from the Waste Rock and Ore Stockpile at SNP-09 and SNP-10, and Minewater discharge from SNP-08 are to have a pH between 6.0 and 9.5 and meeting the following EQC:

Parameter	mg/L	
	Maximum Average Concentration (mg/L)	Maximum Grab Concentration (mg/L)
Ammonia	-	5.9
Arsenic	0.5	1.0
Copper	0.3	0.6
Cyanide	1.0	2.0

²¹ [Metal and Diamond Mining Effluent Regulations](#), SOR/2002-222, Minister of Justice, Canada.

Lead	0.2	0.4
Nickel	0.5	1.0
Radium-226	0.37 Bq/L	1.11 Bq/L
TSS	15	30
Zinc	0.5	1.0

5.8 Part G: Conditions Applying to Contingency Planning

Part G of the Licence contains conditions related to spill contingency planning and reporting, reclamation of spills and unauthorized discharges, and emergency response for the Project. The purpose of this part is to ensure that New Discovery Mines Ltd. is fully prepared to respond to spills and unauthorized discharges. The planning and reporting requirements in this part ensure that New Discovery Mines Ltd. has identified the lines of authority and responsibility, has an action plan(s) for responses to spills and unauthorized discharges, and has established reliable reporting and communication procedures. This will ensure that any spills or unauthorized discharges are effectively controlled and cleaned up, with the goal of preventing or limiting damage to the receiving environment. The conditions in Part G are consistent with standard conditions found in previous licences issued by the Board.

Spill Contingency Plan

Spill Contingency Plan is a defined term in the Licence, referencing the Indian and Northern Affairs Canada's *Guidelines for Spill Contingency Planning*.²² New Discovery Mines Ltd. included a Spill Contingency Plan in the Applications.

The Spill Contingency Plan cannot be approved at this time and should be revised and re-submitted for Board approval 90 days following the issuance of MV2020L2-0002 to reflect the guidelines and updates as agreed to during the public review.

5.9 Part H: Conditions Applying to Closure and Reclamation

Part H of the Licence contain conditions applying to closure and reclamation of the Project. The Board notes that all Closure and Reclamation Plans (including Interim and Final) shall be in accordance with the Mackenzie Valley Land and Water Board and Aboriginal Affairs and Northern Development Canada's *Guidelines for the Closure and Reclamation of Advances Mineral Exploration and Mine Sites in the Northwest Territories* (Closure Guidelines).²³ New Discovery Mines Ltd. included a Interim Closure and Reclamation Plan (ICRP) in the Applications, and updated the ICRP following the public review.^{24 25}

The ICRP cannot be approved at this time, and an updated Closure and Reclamation Plan in accordance with the Closure Guidelines should be re-submitted within one year of the effective date

²² See www.mvlwb.com → Resources → Policies and Guidelines: [INAC Guidelines for Spill Contingency Planning](#).

²³ See www.mvlwb.com → Resources → Policies and Guidelines: [MVLWB/AANDC Guidelines for the Closure and Reclamation of Advances Mineral Exploration and Mine Sites in the Northwest Territories](#) (DATE).

²⁴ See New Discovery's Interim Closure and Reclamation Plan ([hyperlink](#)), dated August 26, 2020.

²⁵ See New Discovery's Interim Closure and Reclamation Plan ([hyperlink](#)), dated October 6, 2020.

of MV2020L2-0004 to reflect updates as agreed to during the public review, and to reflect the scope of the proposed activities.

The Licence conditions applying to the security deposit (Part C of the Licence) are closely related to Part H; the security deposit is directly related to the activities described in the closure plans, and updates to closure plans often result in updates to the security deposit. These conditions are consistent with other licences issued by the Board.

The *Closure and Reclamation Plan* – Final condition requires New Discovery Mines Ltd. to submit a Final Closure and Reclamation Plan a minimum of three years prior to the expiry date of MV2020L2-0002 or two years prior to the end of operations, whichever occurs first. This is a standard requirement of licences issued by the Board and will ensure the Project is reclaimed in accordance with established guidelines and expectations of reviewers and the Board.

5.10 Annex A: Surveillance Network Program

Annex A of the Licence contains conditions applying to the Surveillance Network Program (SNP). The SNP details the sampling and monitoring requirements related for compliance with numerous conditions and plans required by the Licence. Requirements for measuring flows, and volumes are based on standard water license conditions as are the reporting requirements. The SNP locations included in MV2020L2-0002 are as follows:

SNP	Description	Rationale
SNP-01	Sewage Treatment Plant Effluent	To monitor the quality and quantity of treated Sewage being disposed from the Sewage Treatment System
SNP-02	Monitoring trench, immediately downstream of the Dry Stack Tailings Facility	To monitor the quality of Seepage and surface Water downstream of the Dry Stack Tailings Facility
SNP-03a	Monitoring trench, down slope of Dry Stack Tailings Facility – First Narrows	To monitor the quality of Seepage and surface Water downstream of the Dry Stack Tailings Facility
SNP-03b	Monitoring trench, down slope of Dry Stack Tailings Facility – Culvert	To monitor the quality of Seepage and surface Water downstream of the Dry Stack Tailings Facility
SNP-04	Seepage from the Dry Stack Tailings Facility	To monitor the quality and quantity of Seepage from the Dry Stack Tailings Facility
SNP-05	Background Well - Upgradient of the Dry Stack Tailings Facility	To establish background water quality before operation of the Dry Stack Tailings Facility and to monitor upgradient Water quality once the Dry Stack Tailings Facility is operational.
SNP-06a	Monitoring Well – Downgradient of the Dry Stack Tailings Facility	To establish background water quality before and during operation of the Dry Stack Tailings Facility
SNP-06b	Monitoring Well – Downgradient of the Dry Stack Tailings Facility	To establish background water quality before and during operation of the Dry Stack Tailings Facility
SNP-07	Underground Minewater Sump(s)	To monitor the quantity and quality of groundwater and mine Water collected in the underground sump prior to discharge to the surface
SNP-08	Minewater holding tank or pond	To monitor the quantity and quality of mine Water prior to discharge to the Receiving Environment

SNP-09	Seepage from Waste rock pile(s)	To monitor the quality and quantity of Seepage from the Waste rock pile(s)
SNP-10	Seepage from ore stockpile(s)	To monitor the quality and quantity of Seepage from the ore stockpile(s)
SNP-11	Freshwater in Discovery Lake	To monitor water use
SNP-12	Discovery Lake	To monitor impacts of runoff and Discharge from the Project on Water quality in Discovery Lake
SNP-13	Prosperous Lake	To monitor water use
SNP-14	Sito Lake	To monitor water use
SNP-15	Bluefish Lake	To monitor water use
SNP-16	Quayta Lake	To monitor water use
SNP-17	Lake A (T-Bone)	To monitor water use
SNP-18	Lake B (Bone)	To monitor water use
SNP-19	Lake C (565)	To monitor water use
SNP-20	Lake D (SZ)	To monitor water use

5.11 Annex B: Table of Submissions

Annex B of the Licence contains a table that summarizes the information New Discovery Mines Ltd. is required to submit as required by the Licence conditions.

5.12 Annex C: Table of Revision History

Annex C of the Licence contains a table which identifies updates and tracks changes made to the Licence. This table is currently blank because this is a new Licence, but it will be updated throughout the life of the Licence.

6.0 Decision – Land Use Permit MV2020C0003

In making its decision and preparing these Reasons for Decision, the Board has reviewed and considered:

- 1) The comments and recommendations made during the regulatory processes;
- 2) The evidence and submissions from New Discovery received by the Board;
- 3) The written comments and submissions from parties received by the Board; and
- 4) The Staff Report prepared for the Board.

Having due regard to the facts, circumstances, and the merits of the submissions made to it, and to the purpose, scope, and intent of the MVRMA, the Board has determined that Permit MV2020C0003 should be issued, subject to the scope, definitions, conditions, and term contained therein. The Board's determinations and reasons for this decision are set out below.

The scope, definitions, conditions, and term set forth in the Permit have been developed to address the Board's statutory responsibilities and the concerns that arose during the regulatory processes. The Reasons for Decision set out below focus on the major concerns and issues raised by parties, including those that were the subject of substantive argument submitted by one or more parties.

6.1 Term of Permit

New Discovery has applied for a term of five years for the Permit, with a desire for an extension. Subsections 26(5) of the MVLUR allows for a Permit term of not more than five years. After reviewing the submissions made during this regulatory process, the Board has determined an appropriate term for this undertaking is five years.

6.2 Part A: Scope of Permit

The scope of the Permit ensures the Permittee is entitled to conduct activities which have been applied for and screened by the Board. In setting out the scope of the Licence, the Board endeavoured to provide enough detail to identify and describe the authorized activities, without be unduly restrictive or prescriptive, and to allow for project flexibility throughout the life of the Permit.

Based on a comment from GNWT-Lands, quarrying was added to the scope of the Permit to include all land use operations that were previously screened and included in previous Permits for the Mon Gold Project.²⁶

6.3 Part B: Definitions

The Board defined items in the Permit to ensure a common understanding of conditions, to avoid future differences in interpretation, and to use wording similar to that found in previously issued Permits. For the most part, the definitions used wording from the Board's *Standard Land Use Permit Conditions Template* (Standard Template). The Board used one project-specific definition in Permit MV2020C0003:

- Dry Stack Tailings Facility was carried over from Permit MV2015C0015 to describe an on-site facility.

6.4 Part C: Conditions Applying to All Activities

The subheadings below correspond to the headings in the conditions section of the Permit, as outlined in section 26(1) of the MVLUR. Most conditions in the Permit are from the Board's Standard Template and are not discussed in detail in these Reasons for Decision unless notable due to recommendations or concerns raised during the public review. Where applicable, the Board's reasons for including non-standard conditions are discussed.

26(1)(i) Storage, Handling, and Disposal of Refuse or Sewage

A Waste Management Plan is a standard requirement for land use permits issued by the Board. This Plan is intended to ensure waste is management as required. This Plan is also required under Part F of the Licence and the Board's reasons for including this Plan, and requiring revisions and re-submittals, are described above in Section 5.7. The Board mirrored these conditions to the extent possible with the Licence requirements to ensure one submission will satisfy conditions of both the Licence and Permit.

²⁶ See www.mvlwb.com Public Registry for Permit MV2020C0003 – MV2020C0003 – NDM – Renewal – Staff Report – Review Comment Summary Table, GNWT-Lands – North Slave Region: Clint Ambrose comment 1.

26(1)(l) Security Deposit

The Board is authorized to require the Permittee to provide security to the Minister by subsection 32(1) of the MVLUR. Subsection 32(2) of the MVRMA specifies how the security may be applied.

The Board has included a requirement for security in the Permit. The Board's reasons associated with this section are described above in Section 5.4 and Appendix 1, in conjunction with reasons for security required by the Licence. The security deposits required by these two instruments are discussed together since the estimates deal with the same project and are thoroughly linked. The conditions included in this section are all consistent with the Board's Standard Template.

26(1)(m) Fuel Storage

A Spill Contingency Plan is a standard requirement for land use permits issued by the Board. This Plan is intended to ensure fuels and other hazardous wastes are stored and handled properly and that emergency response plans in the event of a spill are in place. This Plan is also required under Part G of the Licence and the Board's reasons for including this Plan, and requiring revisions and re-submittals, are described above in Section 5.8. The Board mirrored these conditions to the extent possible with the Licence requirements to ensure one submission will satisfy conditions of both the Licence and Permit.

26(1)(q) Biological and Physical Protection of the Land

An Engagement Plan is a standard requirement for land use permits issued by the Board. This Plan is intended to ensure adequate and effective engagement with potentially affected parties has occurred prior to the submission of the Applications (in the form of the Engagement Log) and is planned for throughout the life of the Project. This Plan is also required under Part B of the Licence and the Board's reasons for including this Plan, and requiring revisions and re-submittals, are described above in Section 5.3. The Board mirrored these conditions to the extent possible with the Licence requirements to ensure one submission will satisfy conditions of both the Licence and Permit.

7.0 Conclusion

Subject to the scopes, definitions, conditions, and terms set out in the Licence and Permit, and for the reasons expressed herein, the MVLWB is of the opinion that the land-use activities, water use, and waste disposal associated with the Mon Gold Project can be completed by New Discovery Mines Ltd. while providing for the conservation, development, and utilization of waters in a manner that will provide the optimum benefit for all Canadians and in particular for the residents of the Mackenzie Valley.

Water Licence MV2020L2-0002 and Land Use Permit MV2020C0003 contain provisions that the Board deems necessary to ensure and monitor compliance with the MVRMA, *Waters Act*, and the Regulations made thereunder, and to provide appropriate safeguards in respect of New Discovery Mines Ltd.'s use of the land and water affected by the Licence.

SIGNATURE

Mackenzie Valley Land and Water Board



Mavis Cli-Michaud, Chair

October 14, 2020

Date

Appendices

Water Licence and Land Use Permit Applications	
Preliminary Screener	MVLWB
File Number	MV2020C0003 MV2020L2-0002
Company	New Discovery Mines Ltd.
Project	Mining and Milling, Mon Gold Mine – Discovery Lake, NT

Appendix 1: Detailed Reasons for Decision for Reclamation Security for the Mon Gold Project

1.0 Introduction

Pursuant to Permit MV2013C0021 (Permit for mineral exploration in Mon Lake Mine area), New Discovery posted securities of \$88,000 in 2016²⁷ and an additional \$28,212.50²⁸ in 2019 following an amendment to the Permit that resulted in an update to the security calculation.²⁹ Pursuant to Licence MV2014L2-0002 (Licence for mineral exploration in Mon Lake Mine area), New Discovery was required to post security in the amount of \$165,000 in 2016 prior to Construction. Since activities under this Licence have never occurred, this security was never posted.

As per condition 36 of Permit MV2015C0015 (Permit for milling and a dry stack facility), a security deposit totaling \$224,000 was required to be posted by New Discovery. Specifically, \$156,800 was to be posted prior to commencement of Construction, with an additional \$67,200 to be posted prior to the commencement of Construction of the dry stack tailings facility. A security deposit totaling \$176,000 was required as per Part C, condition 1 of MV2015L2-0004 (Licence for milling and a dry stack facility), with the requirement for \$123,200 to be posted prior to the commencement of Construction, and the remaining \$52,800 to be posted prior to the commencement of Construction of the dry stack tailings facility. As New Discovery did not undertake activities under MV2015C0015 or MV2015L2-0004, the security was never posted for these authorizations.

1.1 GNWT and New Discovery Mines Ltd. Evidence Submitted to the Board

New Discovery submitted an Interim Closure and Reclamation Plan (ICRP) that included a security estimate calculated using RECLAIM with their Permit and Licence Renewal Application.³⁰ During the public review, a GNWT-ENR comment indicated that they will not be commenting on New Discovery's proposed RECLAIM security estimate at this time due to limited details in the ICRP.³¹ However, GNWT-ENR did attach a memorandum from Brodie Consulting Ltd. that outlined direction on how New Discovery could better reflect the reclamation costs for the Project.³² For example, the memorandum from Brodie Consulting highlighted uncertainty regarding acid rock drainage (ARD)/metal leaching (ML) across the site, and a lack of clarity regarding activities that will happen throughout the mine life.

²⁷ See GNWT Letter Re: Security Deposit for Permit MV2013C0021 ([hyperlink](#)), dated October 14, 2016.

²⁸ See Permit MV2013C0021 Amendment Approval Letter, including updated security requirement ([hyperlink](#)), dated February 7, 2019.

²⁹ See GNWT Letter Re: Security Deposit for Permit MV2013C0021 ([hyperlink](#)), dated May 9, 2019.

³⁰ See New Discovery's Interim Closure and Reclamation Plan ([hyperlink](#)), dated August 26, 2020.

³¹ See www.mvlwb.com Public Registry for Licence [MV2020L2-0002](#) – MV2020L2-0002 – NDM – Renewal – Staff Report – Review Comment Summary Table, GNWT-ENR: comment 20.

³² See www.mvlwb.com Public Registry for Water Licence [MV2020L2-0002](#) – MV2020L2-0002 – NDM – Renewal – Staff Report – Review Comment Summary Table and Attachments.

Specific concerns associated with how the cost for reclamation for different mine components were calculated in RECLAIM were also included in the Brodie Consulting memorandum (mine components: Underground Mine; Tailings; Chemicals/Soils; Buildings; Water Management; Post-Closure Monitoring and Maintenance; Interim Care and Maintenance; Mobilization/Demobilization). GNWT-ENR recommended that, until New Discovery update the ICRP and mine plan to better capture operations and closure, that the security estimate contingency rate be set at 50% in the interim³³.

GNWT-Lands also submitted a letter during the public review that indicated that Lands has discussed security considerations with GNWT-ENR staff and are supportive of a phased security approach to cover onsite liability, but recommended New Discovery resubmit their RECLAIM estimate with a more detailed plan.³⁴ GNWT-Lands concluded that they were not able to produce an accurate reclamation estimate at this time.

New Discovery's response to GNWT-ENR's comment 20 included responses to some of Brodie Consulting's comments and concerns, including further justification for values used to calculate the reclamation costs for the Project. New Discovery also attached an updated ICRP and RECLAIM estimate.³⁵ The reclamation costs presented in the updated RECLAIM estimate did not change compared to the version submitted with the Application; however, a summary that had been included in the initial ICRP, but was inconsistent with the values calculated through the RECLAIM estimate had been removed. Also, Brodie Consulting had pointed out that amounts suggested by New Discovery for different Project stages did not sum to equal the estimated total in the original RECLAIM submission, so New Discovery updated their proposed security staging values in the updated ICRP and RECLAIM estimate accordingly.

1.1.1. New Discovery's RECLAIM Estimate

New Discovery's RECLAIM estimate determined a total reclamation cost of \$682,983, as detailed in Table 1, below.

Table 1: New Discovery's RECLAIM estimate:

Capitol Costs	Land	Water
Open Pit	\$0	\$0
Underground mine	\$0	\$15,299
Tailings facility	\$0	\$8,600
Rock pile	\$0	\$0
Buildings and equipment	\$0	\$82,370
Chemicals and contaminated soil management	\$0	\$100,015
Surface and groundwater management	-	\$4,120
Interim care and maintenance	-	\$60,000
SUBTOTAL: Capital Costs	\$0	\$270,404
PERCENT OF SUBTOTAL	0%	100%

³³ See www.mvlwb.com Public Registry for Licence [MV2020L2-0002](#) – MV2020L2-0002 – NDM – Renewal – Staff Report – Review Comment Summary Table, GNWT-ENR: comment 21.

³⁴ See www.mvlwb.com Public Registry for Water Licence [MV2020C0003](#) – MV2020C0003 – NDM – Renewal – Staff Report – Review Comment Summary Table and Attachments.

³⁵ See www.mvlwb.com Public Registry for Water Licence [MV2020L2-0002](#) – MV2020L2-0002 – NDM – Renewal – Staff Report – Review Comment Summary Table and Attachments.

Indirect Costs	Land	Water
Mobilization/demobilization	\$0	\$212,050
Post-closure monitoring and maintenance	\$0	\$114,000
Engineering (5%)	\$0	\$13,520
Project management (5%)	\$0	\$13,520
Health and safety plans/monitoring & QA/QC (1%)	\$0	\$2,704
Bonding/insurance (1%)	\$0	\$2,704
Contingency (20%)	\$0	\$54,081
Market price factor adjustment (0%)	\$0	\$0
SUBTOTAL: Indirect Costs	\$0	\$412,579
GRAND TOTAL COSTS	\$682,983	

1.1.2. *New Discovery's RECLAIM Estimate with a 50% Contingency Rate*

Incorporating GNWT-ENR's recommendation for the security estimate contingency rate to be set at 50%, given uncertainty associated with the calculated reclamation cost, would result in a total cost for reclamation of \$764,104 as detailed in Table 2, below.

Table 2: New Discovery's RECLAIM estimate with a 50% Contingency Rate:

Capitol Costs	Land	Water
Open Pit	\$0	\$0
Underground mine	\$0	\$15,299
Tailings facility	\$0	\$8,600
Rock pile	\$0	\$0
Buildings and equipment	\$0	\$82,370
Chemicals and contaminated soil management	\$0	\$100,015
Surface and groundwater management	-	\$4,120
Interim care and maintenance	-	\$60,000
SUBTOTAL: Capital Costs	\$0	\$270,404
PERCENT OF SUBTOTAL	0%	100%
Indirect Costs	Land	Water
Mobilization/demobilization	\$0	\$212,050
Post-closure monitoring and maintenance	\$0	\$114,000
Engineering (5%)	\$0	\$13,520
Project management (5%)	\$0	\$13,520
Health and safety plans/monitoring & QA/QC (1%)	\$0	\$2,704
Bonding/insurance (1%)	\$0	\$2,704
Contingency (50%)	\$0	\$135,202
Market price factor adjustment (0%)	\$0	\$0
SUBTOTAL: Indirect Costs	\$0	\$493,700
GRAND TOTAL COSTS	\$764,104	

*Contingency cost is **bold** to highlight difference in the calculation compared to Table 2.

1.1.3. Proposed Staging for Security

New Discovery proposed the security be staged, as detailed in Table 3, below. The calculated security according to New Discovery's three Project stages if the RECLAIM model had a 50% contingency rate applied, as recommended by GNWT-ENR, is also shown in Table 3.

Table 3: New Discovery's proposed staging for security:

Project Stage	Proposed Security Deposit	50% Contingency	New Discovery Rational/Notes for Staging
Exploration	\$75,000	\$83,908.09	<ul style="list-style-type: none"> Tent camp (below permit threshold requirements) needed Diamond Drilling Minimum bonding is reasonable
Mining	\$300,000	\$335,632.37	<ul style="list-style-type: none"> Mining where winter road and equipment is brought in Water use is typically minor and substantially recycled with rock piles generated Trailer camp would be installed with bioreactor for blackwater treatment No mill on site, no tailings created, no chemicals except for explosives, fuels, lubricants, antifreeze
Milling	\$307,983	\$344,563.54	<ul style="list-style-type: none"> Winter road installed, additional equipment and chemicals brought in with refueling and other operational supplies Rock is crushed and ground, processed by gravity and flotation methods to separate valuable commodities from waste material Waste slurry is thickened, filtered, and trucked to a dry stack storage facility where it is monitored and maintained prior to abandonment
TOTAL	\$682,983	\$764,104	-

1.1.4. Land and Water Split of Security for Previous Authorizations

New Discovery's RECLAIM estimate proposed that 100% of the securities be held under the Water Licence, and 0% be held under the Permit. The letter from GNWT-Lands received by the Board during the public review that discussed security, including supporting a phased security, suggests that GNWT-Lands wants to also hold security under the Permit.³⁶ Based on the security held or required under New Discovery's current authorizations, there is an approximate split in security of 50% land and 50% water, as detailed in Table 5, below.

³⁶ See www.mvlwb.com Public Registry for Water Licence [MV2020C0003](#) – MV2020C0003 – NDM – Renewal – Staff Report – Review Comment Summary Table and Attachments.

Table 5: Security held or required under current New Discovery authorizations

Authorization	Activity	Land	Water	Land & Water
MV2013C0021	Advanced Mineral Exploration	\$116,212.50		\$281,212.50
MV2014L2-0002			\$165,000	
MV2015C0015	Milling and dry stack facility	\$224,000		\$400,000
MV2015L2-0004			\$176,000	
Grand Total		\$340,212.50	\$341,000	\$681,212.50
Percent of Grand Total		49.9%	50.1%	100%

2.0 Decision – Security MV2020L2-0002 MV2020C0003

The financial security conditions in the Permit require an initial deposit prior to re-commencing exploration activities at Mon Gold Project, with additional deposits phased in the Licence and Permit to match the increasing liability as the Project progresses. In this way, the liability at the site is matched by security deposits as the Project proceeds through each phase of construction and operation. This approach is consistent with INAC’s *Mine Site Reclamation Policy for the Northwest Territories*. Consequently, the Board is satisfied that the requirements it has imposed are sufficient to protect the environment and ensure that the Project is restored.

The Board chose to incorporate GNWT’s recommendation to set the contingency rate in the RECLAIM model at 50%, and to allocate 50% of security to Permit MV2020C0003 and 50% of security to Licence MV2020L2-0002, consistent with previous Board decisions. Total securities of \$382,052 is required for Permit MV2020C0003 and \$382,050 for Licence MV2020L2-0002.

Because the activities under the exploration phase of the Project are land-based, falling under the scope of the Permit (no Water use or deposit of Waste) as evidenced by New Discovery’s explanation of exploration activities, the Board has decided that all the security for exploration is required under Permit MV2020C0003, with the remainder of the security for Permit MV2020C0003 being held in the mining and milling phases. Since \$165,000 is currently required under MV2014L2-0002 (advanced exploration Licence), the Board has maintained this amount under the Licence MV2020L2-0002 for the mining phase, and the remaining security for water required under the milling phase. The triggers for security updates are based on specific activities that will have to occur for each of the stages proposed by New Discovery (i.e. for exploration, mining, milling) as follows:

- Prior to re-commencement of exploration activities, the Permittee shall maintain a security deposit of \$83,908.09
- Prior to the transportation of mining equipment to site, including the permanent trailer camp, the Permittee shall post and maintain an additional security deposit in the amount of \$170,632.37
- Prior to the transportation of milling equipment to site or construction of the Dry Stack Tailings, the Permittee shall post and maintain an additional security deposit in the amount of \$127,511.54 to maintain a total security deposit of \$382,052

This results in the following suggestion for security for Licence MV2020L2-0002:

- Prior to the transportation of mining equipment to site, including the permanent trailer camp, the Licensee shall post and maintain a security deposit in the amount of \$165,000
- Prior to the transportation of milling equipment to site or the construction of the Dry Stack Tailings, the Licensee shall post and maintain an additional security deposit in the amount of \$217,052 to maintain a total security deposit of \$382,052

Refer to Section 5.4 of these Reasons for the Board's determination of security for MV2020L2-0002 and MV2020C0003 based on the detailed reasons described here.

Review Comment Table

Board:	MVLWB
Review Item:	Mon Gold Project - Type A Land Use Permit and Type B Water Licence Renewal Application (MV2020L2-0002 MV2020C0003)
File(s):	MV2020C0003 MV2020L2-0002
Proponent:	New Discovery Mines
Document(s):	Land Use Permit Application Form (292.17 KB) Water Licence Application Form (322.03 KB) Project Description (Appendix A of Application) (315.54 KB) Project Map 'MapCInfrastructureA' (Appendix A of Application) (1.2 MB) Camp Description and Layout (Appendix B of Application) (737.56 KB) Roads and Access Description and Layout (Appendix C of Application) (1.33 MB) Fuel Requirements and Storage (Appendix D of Application) (131.5 KB) Water Use Calculations (100.21 KB) Impacts and Mitigation Summary (57.18 KB) Mining Industry Questionnaire including Annexes (4.23 MB) Corporate Registry Proof (328.12 MB) Engagement Plan (556.76 MB) Engagement Log (79.6 MB) Spill Contingency Plan including Data Safety Sheets (5.85 MB) Waste Management Plan (2.04 MB) Mill Waste Management Plan (541.19 KB) Solid Waste Acceptance Letter - City of Yellowknife (451.96 KB) Background Soil Samples (127.87 KB) Conceptual Design for Dry Stack Tailings - Chosen Option (686.49 KB) Conceptual Design for Tailings Storage Facility - Option Not Chosen (5.86 MB) 2014 Metallurgical Testing on Samples from New Discovery Mines Report (5.86 MB) Confirmatory Metallurgical Testing of Samples from New Discovery Mines Report (692.39 KB) Interim Closure and Reclamation Plan including RECLAIM Estimates (2.41 MB) Process Tailings Summary (497.76 KB) Wildlife Monitoring Plan (226.58 KB) Wildlife Monitoring Plan Screening Questionnaire (GNWT-ENR) (1001 KB) Wildlife Monitoring Plan Screening Questionnaire Reply (GNWT-ENR) (234.4 KB) 2019 Preliminary Screening (299.25 KB) DRAFT Land Use Permit Conditions (317 KB) DRAFT Water Licence Conditions (400 KB)
Item For Review Distributed On:	Sep 4 at 17:00 Distribution List
Reviewer Comments Due By:	Sep 25, 2020
Proponent Responses Due By:	Oct 1, 2020

<p>Item Description:</p>	<p>New Discovery Mines Ltd. (New Discovery) submitted a complete renewal application for a Type A land use permit and Type B water licence. The purpose of these Applications are to authorize the ongoing mineral exploration and future mining and milling activities described in the Project Description at the Mon Gold Project near Discovery Lake, NT. The Applicant has also requested an exemption from preliminary screening because the Applicant believes that the development has not been modified since it was previously licenced.</p> <p>Using the Online Review System (ORS), reviewers are invited to submit comments and recommendations on the documents linked below by the review comment deadline specified. Reviewers may also wish to consider providing an overarching recommendation regarding whether the Board should approve the submission, to provide context for the comments and recommendations and assist the Board with its decision.</p> <p>Notices of intent to file a claim for water compensation must also be submitted by the review comment deadline.</p> <p>If reviewers seek clarification on the submission, they are encouraged to correspond directly with the Applicant prior to submitting comments and recommendations.</p> <p>Under the Preliminary Screening Requirement Regulations, the Board must conduct a preliminary screening for a proposed development, unless it is exempt from preliminary screening in accordance with the Exemption List Regulations. Reviewers are encouraged to provide comments and recommendations (e.g., on impacts and mitigation measures) to assist with the Board’s preliminary screening determination. The most recent preliminary screening that was approved by the Board is located under Document(s) below.</p> <p>A draft licence and a draft permit have been developed by Board staff to allow reviewers to comment on possible conditions. These draft materials are not intended to limit in any way the scope of reviewers’ comments. The Board is not bound by the contents of the draft licence or permit and will make its decision at the close of the proceeding on the basis of all the evidence and arguments filed by all parties.</p> <p>All documents that have been uploaded to this review are also available on our public Registry. If you have any questions or comments about the ORS or this review, please contact Board staff identified below.</p>
<p>Contact Information:</p>	<p>Jen Potten 867-766-7468 Shannon Allerston 867-766-7465</p>

Comment Summary

New Discovery Mines (Proponent)				
ID	Topic	Reviewer Comment/Recommendation	Proponent Response	Board Staff Analysis
1	General File	Comment (doc) Revised Application Recommendation		
2	General File	Comment (doc) Revised ICRP Recommendation		
3	General File	Comment (doc) Revised Project Description Recommendation		
4	General File	Comment (doc) Revised Spill Contingency Recommendation		
5	General File	Comment (doc) Map of location, infrastructure, planned development Recommendation		
Fisheries and Oceans Canada: Triage Group Fisheries Protection Program				
ID	Topic	Reviewer Comment/Recommendation	Proponent Response	Board Staff Analysis
1	Mon Gold Project - Type A Land Use Permit and Type B Water Licence Renewal Application (MV2020L2-0002 MV2020C0003)	Comment Your proposal has been reviewed to determine whether it is likely to result in the death of fish by means other than fishing and the harmful alteration, disruption or destruction of fish habitat which are prohibited under subsections 34.4(1) and 35(1) of the Fisheries Act; and, effects to listed aquatic species at risk, any part of their critical habitat or the residences of their individuals in a manner which is prohibited under sections 32, 33 and subsection 58(1) of the	Oct 6: Okay	Oct 6: Noted.

		<p>Species at Risk Act.</p> <p>Recommendation Please review Codes of Practice at (http://www.dfo-mpo.gc.ca/pnw-ppe/practice-practique-eng.html) for use of Temporary Crossings as well as End-of-Pipe Fish Screens. Provided that the plans can meet the Codes of Practice guidelines, the Fish and Fish Habitat Protection Program (the Program) is of the view that your proposal will not require an authorization under the Fisheries Act or the Species at Risk Act. Should your plans change or if you have omitted some information in your proposal, further review by the Program may be required. It remains your responsibility to remain in compliance with the Fisheries Act, avoid prohibited effects on listed aquatic species at risk, any part of their critical habitat or the residences of their individuals, and prevent the introduction of non-indigenous species. It is also your Duty to Notify DFO if you have caused, or are about to cause, the death of fish by means other than fishing and/or the harmful alteration, disruption or destruction of fish habitat.</p>		
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ID	Topic	Reviewer Comment/Recommendation	Proponent Response	Board Staff Analysis
31	General File	Comment (doc) Attachement: Brodie Consulting Ltd. - Review of Mon Gold Project - Sept 17, 2020 Recommendation		
32	General File	Comment (doc) ENR Letter with Comments, Recommendations and Attachment Recommendation		
1	Topic: Administration	Comment ENR approves of the consolidation of Water Licences MV2014L2-0002 and MV2015L2-0004 into MV2020L2-0002 as well as associated Land Use Permits MV2013C0021 and MV2015C0015 into MV2020C0003. Recommendation 1) ENR approves of the consolidation of the Licenses and Permits, and appreciates the simplified administration of these files.	Oct 6: No issues	Oct 6: Noted.
2	Topic: Overall Application	Comment ENR notes that overall, this application lacks sufficient information to properly assess the environmental risks. Minimal geochemistry data for rock, tailings, and water has been provided, minimal monitoring has been described, and the designs for facilities such as the landfarm and dry stack tailings facility are incomplete. Recommendation 1)	Oct 6: The land farm details are provided in the Waste Management Plan on page 19 including reference to Federal Contaminated Sites Action Plan (2013). The DST facility is provided in EBA DST Option.pdf with material details in 1306111 Inspectorate - New Discovery Final Report 11-Feb-14.pdf. More details can be provided.	Oct 6: Board staff is confident that GNWT-ENR reviewed the documents submitted with the applications and have outstanding concerns with regard to the level of detail provided for the design, operation, and closure of the landfarm and dry stack tailings. Board staff agree that information for the construction and operation of these facilities provided in the

		<p>ENR recommends that New Discovery Mines Ltd (New Discovery) provide the required details in the appropriate management plans, for review and Board approval, prior to the commencement of activities, as per the draft Water Licence requirements.</p>	<p>applications is not sufficient to approve the work without more detailed information. Prior to the construction of any structures, the Draft Licence requires New Discovery to submit for approval a Structure Description and Construction Plan or a Design and Construction Plan. In addition, it requires New Discovery adhere to the <i>Guideline for Design, Operation, Maintenance, and Closure of Petroleum Hydrocarbon-Contaminated Soil Treatment Facilities in the Northwest Territories</i> for the design, construction, maintenance, and monitoring of the proposed landfarm. Details for the specific facility New Discovery plans to construct and operate should be submitted as a separate Hydrocarbon-Contaminated Soil Treatment Facility Plan meeting all requirements of the Guideline referenced above. This will include the need to identify clearly, the proposed reuse criteria for treated soils. Similar to the identification of appropriate soil criteria, New Discovery is required to identify</p>
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				quantifiable performance objectives for the Dry Stack Tailings. Clear criteria for the successful design and operation of these facilities is required for the life of the Project. Plans for the dry stack tailings facility must clearly identify regular inspection requirements and monitoring plans, including action plans in the event the facility is not operating as expected.
3	Topic: Draft Water Licence Scope - Preliminary Screening	Comment ENR notes that Part A: Condition 2, states that the scope is as described in the Preliminary Screening dated October 15, 2020. ENR notes that this date may be a typo that is meant to say October 20, 2015. Recommendation 1) ENR recommends that the date referred to in Part A: Condition 2 be reviewed and corrected, as necessary.	Oct 6: No Issues	Oct 6: References to preliminary screenings updated to reflect those completed previously given the general agreement that these applications are exempt from preliminary screening.
4	Topic: Draft Water Licence Scope - Water Use	Comment Part D: Condition 1, in the draft Water Licence lists the water sources for the project, but it has not been populated. ENR notes that these water volumes were included in the "Water Use Calculations" document submitted with the application.	Oct 6: The proponent confirms the volumes provided in the Questionair are correct and can be used to populate the table.	Oct 6: The amount calculated in the Water Use Calculations tables is the estimated total annual capacity divided by 350. This is the maximum daily use allowed, not necessarily the maximum amount of water required for the Project. Board staff is hesitant to allow for the maximum water takings from each

		<p>Recommendation 1) ENR recommends that New Discovery confirm that the volumes listed in the Water Use Calculation file are correct.</p>	<p>source if that does not represent the actual amounts required for the Project. Allowing this maximum amount of water could potentially limit the ability of future water users in the area, even if the water amounts actually being used are much less than allowed by the Licence. The revised Water Licence Application uploaded to the ORS indicates daily proposed water use volumes. Board staff note that when combined, the total daily use for domestic, drilling, mining, processing, and winter road construction, the daily water use from Discovery Lake will equal 145m³/day. The daily water available calculated in the Water Use Calculation document is 133 m³/day. Board staff acknowledge that it is unlikely all water uses will overlap in one day. For all other sources, the proposed daily water use is far below those identified in the Water Use Calculation document for maximum available daily use. Board Staff suggest the lowest of the two proposed daily use volumes - The Water Use Calculation for Discovery Lake and the Water Licence</p>
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				Application Form for all other sources - be used to populate Part D, condition 1.
5	None	Comment None Recommendation 2) ENR recommends the Board populate Part D: Condition 1, with the volumes listed in the Water Use calculation file when they are confirmed by New Discovery.	Oct 6: No issues	Oct 6: See Board Staff concerns above.
6	None	Comment None Recommendation 3) ENR recommends that New Discovery ensure that the correct volumes are consistent throughout all monitoring and management plans.	Oct 6: No issues	Oct 6: This will require the revision and resubmission of all necessary plans. Each plan update requires a conformity table identifying what updates have been made and where they can be found.
7	Topic: Part D Condition 3 “ Wastewater Use	Comment ENR notes that Part D: Condition 3 notes that "The Licensee may reuse Wastewater from the Mill for processing if that Wastewater meets the Effluent Quality Criteria (EQC) established in Part F, Condition X of this Licence, or as otherwise approved by the Board." The MVLWB staff added a comment stating that currently, there is no Part F condition in the draft for this and that it is unclear if a certain water quality is required for water use/reuse in the Mill. If so, EQC will need to be identified." ENR understands that EQC apply when wastewater is being	Oct 6: There will be water entrained <15% by weight in the DST, except for this, no waste water from the mill will be discharged into the receiving environment.	Oct 6: Draft condition removed from Licence.

		<p>released to the receiving environment, and therefore would not apply for wastewater being recycled in the Mill. They would, however, apply for other water uses where the wastewater is being released to the receiving environment, such as dust suppression outside a controlled area. ENR notes that it isn't clear which specific scenario this condition is referring.</p> <p>Recommendation 1) ENR recommends that Part D: Condition 3 be clarified, as the current wording suggests that EQC must be applied to Wastewater being reused in the Mill for processing, while EQC only apply to water being released to the receiving environment.</p>		
8	<p>Topic: Draft Water Licence - Sewage Disposal Facility EQC</p>	<p>Comment The MVLWB is seeking input on appropriate EQC for effluent from the Sewage Disposal Facility. ENR does not have any concern with the EQC in the current Water Licence. For consistency with the other EQC in the Licence, ENR notes that Maximum Average Concentration of TSS should be set at 15 mg/L.</p> <p>Recommendation 1) ENR recommends that the EQC outlined in Part G: Condition 9 of the current Licence be maintained, with the</p>	<p>Oct 6: The proponent has not commenced mining or milling activities but has been collecting SNP samples. Part G: Condition 9 sets up maximum average and grab concentrations. These concentrations are well below the natural waters for all of the elements listed. The proponent would not suggest using recommending limits that do not exist in nature. A review of the SNP data submitted might be a guide.</p>	<p>Oct 6: The Applicant did not propose any effluent criteria for the bioreactor in its application. Natural background levels occurring in the environment are not appropriate for comparison of sewage treatment. The existing Licence criteria reflect the Wastewater System Effluent Regulations, which includes up to 25 mg/L TSS. If a bioreactor is installed and functioning as designed, it should be able to meet these</p>

		exception of TSS, which ENR recommends be set at 15 mg/L to be consistent with the other TSS EQC outlined in Part G: Conditions 10 and 11.		criteria. Board staff recommend including criteria in line with those required under MV2015L2-0004, which have been included in the Draft Licence.
9	Topic: Draft Water Licence - Dry Stack Tailings Facility and Minewater Holding Tank EQC	<p>Comment The MVLWB is seeking input on appropriate EQC for Wastewater in the Dry Stack Tailings Facility Monitoring Trenches, and wastes discharged from the Minewater Holding Tank. ENR does not have any concerns with the EQC in the current Water Licence. In the Reasons for Decision, the Board noted that the current EQC were set to be consistent with the Metal Mining Effluent Regulations (MMER). ENR suggests that if alignment with the MMER was the intent of the Board, consideration should be given to stay consistent with the updated Metal and Diamond Mine Effluent Regulations (MDMER) with the addition of cyanide (Maximum Average Concentration (MAC) = 1.0 mg/L, Maximum Grab Concentration (MGC) = 2.0 mg/L) and radium-226 (MAC = 0.37 Bq/L, MGC = 1.11 Bq/L), as well as revised values for the other parameters.</p> <p>Recommendation 1) ENR recommends that</p>	Oct 6: No issues	Oct 6: Existing EQC based on MDMER have been retained and added to the Draft Licence with the additions suggested by GNWT-ENR. All other parameters reflect the legislation and have not been revised.

		the current EQC remain consistent with the most up to date MDMER, which means adding EQC for cyanide (MAC = 1.0 mg/L, MGC=2.0 mg/L) and radium-226 (MAC = 0.37 Bq/L, MGC =1.11 Bq/L) and revising concentrations for the other parameters, as per the Regulations.		
10	Topic: Draft Water Licence - SNP Stations	Comment ENR notes that the Surveillance Network Program (SNP) has not been included with the Draft Licence. The current Water Licence includes stations SNP 01 to SNP-07. It isn't clear why these SNP stations were not included in the Draft Water Licence Renewal. Recommendation 1) ENR recommends that at minimum, the SNP stations from the current Water Licence be maintained in the renewed Water Licence.	Oct 6: No issues	Oct 6: Noted. SNP will be added to the Draft Licence reflective of the requirements in existing authorizations.
11	Topic: Waste Management Plan	Comment The Waste Management Plan states that "primary monitoring trenches will be excavated downslope from the dry stack and water collected from these trenches will be tested for various physical parameters (including pH), ammonia, and various trace elements." It also notes that a similar testing protocol will be implemented at secondary monitoring trenches excavated	Oct 6: No issues. EQC should not be less than what is currently present in the natural environment	Oct 6: The Applicant did not fully respond to GNWT-ENR's recommendations. Much more information on the monitoring associated with the dry stack tailings will be required before construction and operation of the facility will be approved by the Board. Board staff note that the draft Licence requires New Discovery to develop and submit for Board approval a Tailings Management

		<p>several hundred meters downslope from the primary trenches. ENR notes that the specific sampling locations, the frequency of sampling, and contingency measures to be implemented in the event that samples exceed Water Licence criteria, aren't clear. It is also isn't clear where this water goes at the end of the trenches.</p> <p>Recommendation 1) ENR recommends that the following information be provided as it relates to water quality monitoring: - Specific locations for sampling of monitoring trenches, and any other water quality monitoring locations; -Proposed frequency of sampling; - Sample parameters and laboratory detection limits; and -Collection methods and contingency plans if EQC are exceeded.</p>		<p>Plan. Schedule 4, condition 3 of the Draft Licence requires specific locations for sampling, proposed frequency of sampling, predicted performance values, and contingency plans be identified. Licence conditions include EQC that the Applicant have agreed to under MDMER. If any changes are requested, rationale will be required followed by an amendment process. In response to GNWT-ENR comments, Board staff have included the need to identify the collection and disposal methods of trench water into the schedule.</p>
12	Topic: Waste Management Plan - Landfarm	<p>Comment The Waste Management Plan notes that contaminated snow and soil will be treated in a landfarm. ENR notes that the plan does not provide a volume balance with landfarm sizing that considers the expected amounts of contaminated material to be contained, and lacks a contingency plan in the event that there is more soil, snow, or runoff than expected.</p>	<p>Oct 6: The waste management plan will be revised to incorporate these recommendations</p>	<p>Oct 6: Board staff agree that information for the construction and operation of these facilities provided in the applications is not sufficient to approve the work without more detailed information. Prior to the construction of any structures, the Draft Licence requires New Discovery to submit for approval a Structure Description and</p>

		<p>The details of leachate management also not clear.</p> <p>Recommendation 1) ENR recommends that the following information be provided as it relates to the landfarm, as per the Guidelines for Developing a Waste Management Plan (MVLWB, 2011): -Details on a volume balance and landfarm sizing that consider expected amounts of contaminated material to be contained; - Contingency plan in the case that there is more soil, snow, and/or runoff water than expected; - Details of leachate management including volume of leachate generated, means of leachate collection and disposal, identification of leachate components and a sampling/monitoring strategy; and -An Operation and Maintenance Plan that includes acceptable soil types, details of onsite processing/treatment of materials, remediation standards and methods, frequency of soil manipulation, routine facility inspection, monitoring annual volume/mass of soil entering and leaving the facility, and facility maintenance.</p>		<p>Construction Plan or a Design and Construction Plan. In addition, it requires New Discovery adhere to the <i>Guideline for Design, Operation, Maintenance, and Closure of Petroleum Hydrocarbon-Contaminated Soil Treatment Facilities in the Northwest Territories</i> for the design, construction, maintenance, and monitoring of the proposed landfarm. Details for the specific facility New Discovery plans to construct and operate should be submitted as a separate Hydrocarbon-Contaminated Soil Treatment Facility Plan meeting all requirements of the Guideline referenced above. This will include the need to identify clearly, all the information needs identified by GNWT-ENR.</p>
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13	Topic: Waste Management Plan - Sumps	<p>Comment The Waste Management Plan describes that drill cuttings will be disposed of in on-land sumps. ENR notes that the plan does not provide adequate information specific to these sumps.</p> <p>Recommendation 1) ENR recommends that the following information be provided as it relates to sumps, as per the Guidelines for Developing a Waste Management Plan (MVLWB, 2011): -Details of waste volume balance and sump sizing; -Details of the operations through construction, disposal, and closure; and -Details of sump monitoring and local environment, and an explanation of how environmental monitoring will be linked to any management response.</p>	Oct 6: The waste management plan will be revised to incorporate these recommendations	Oct 6: Board staff agree. These updates are required in a revised Waste Management Plan that should be subject to review and Board approval.
14	Topic: Spill Contingency Plan - Diesel Fuel Storage	<p>Comment Revision 8 of the Spill Contingency Plan notes that the plan was revised in January, 2020 for consideration of 200 L drums rather than a 120,000 L tank for diesel fuel storage. Table 1 in the plan lists a 120,000 L Envirotank as the storage option for diesel, while the note below the table states that diesel fuel will be stored in an "Envirotank or 200 L drums for diesel fuel, NOT BOTH". ENR notes that it isn't clear</p>	Oct 6: This will be determined before the end of December 2020	Oct 6: Final Plans for the storage of diesel should be provided in a revised Waste Management Plan, once known.

		<p>when the storage option for diesel fuel will be finalized.</p> <p>Recommendation 1) ENR recommends that New Discovery clarify the storage option for diesel fuel on site, and if not yet known, provide a timeline detailing when this decision will be finalized.</p>		
15	Topic: Spill Contingency Plan	<p>Comment Page five of the Spill Contingency Plan refers to a map of site including location of fuel storage, water bodies, and direction of flow is presented in Figure 2 (Appendix 1). ENR notes that there is no Appendix 1 in the Spill Contingency Plan.</p> <p>Recommendation 1) ENR recommends that a map showing the location of fuel storage, water bodies, direction of flow, etc. be provided with the Spill Contingency Plan as per the Guidelines for Spill Contingency Planning (INAC, 2007).</p>	Oct 6: Included	Oct 6: Board staff note that the Infrastructure Map has been inserted into the revised version of the Spill Contingency Plan uploaded to the ORS. It is labelled Figure 1. There is already a Figure 1 on the preceding page. This entire document and the internal cross references to figures, tables and appendices needs to be addressed. Board staff suggest that the Spill Contingency Plan be revised for public review and Board approval.
16	Topic: Addendum 2.5 - Process Tails Summary	<p>Comment ENR notes that only three samples of material were tested for acid rock drainage/metal leaching (ARD/ML) properties: gravity tailings, flotation tailings, and waste rock. There is no test on pre-milling ore, which is needed to understand potential portal drainage water quality and stockpile water quality. As a result, it is</p>	Oct 6: Further samples will be collected. Waste rock and gravity tailing have been stored on the property since 1990 and SNP stations "Discovery Lake" is downstream from all waste rock and tailings whereas SNP 3 is several hundred metres north and upstream of any activities.	Oct 6: The Draft WL requires New Discovery to submit for Board approval a Waste Rock Management and Geochemical Characterization and Monitoring Plan prior to the commencement of any mining activities. Schedule 4, condition 1 identified the requirements of this Plan. Board staff believe these requirements

		<p>important to note that the gravity tailings sample is net acid generating, and strongly suggests that the stockpiled ore would also be potentially acid generating (PAG). ENR notes that future portal drainage could be a concern for the effects of ARD/ML. Further to the above noted concern, it is noted in Section 5.1 of the Interim Closure and Reclamation Plan (ICRP) that "PAG > 1.5% sulphide and acid generating waste rock is known to exist on the western portion of the property, 1.5 km away." This suggests that the local waste rock has variable ARD/ML properties, and that one sample is not sufficient to characterize materials which may be mined.</p> <p>Recommendation 1) ENR recommends that New Discovery conduct additional geochemical sampling and analysis on waste rock, gravity tailings, and flotation tailings in order to better characterize the ARD/ML potential of these materials.</p>		<p>address the GNWT-ENR recommendations.</p>
17	<p>Topic: Interim Closure and Reclamation Plan - Insufficient Detail</p>	<p>Comment The Interim Closure and Reclamation Plan (ICRP) doesn't contain sufficient detail to be approved in its current form. ENR acknowledges that several updates of an ICRP may be necessary;</p>	<p>Oct 6: No issues</p>	<p>Oct 6: Board staff agree. The ICRP requires a lot of work to be in conformity with the Board's <i>Guidelines for the Closure and Reclamation of Advanced Mineral Exploration and Mine</i></p>

		<p>however, minimal detail has been provided on the current closure options. The section of the ICRP focused on closure itself is roughly 2 pages, not including the RECLAIM estimate. In order to ensure that there is an acceptable level of uncertainty at closure, research should begin early to assess the success of various closure options, and to determine which option(s) are preferred. As operational data, and other information is acquired, the closure objectives can become increasingly solidified. In order to be effective, the ICRP should place emphasis on the items outlined in the Guidelines for the Closure and Reclamation of Advanced Mineral Exploration and Mine Sites in the Northwest Territories (MVLWB/AANDC, 2013) which includes but is not limited to: detailed descriptions of closure options, contingency plans for reclaiming individual project components, and evidence that the closure objectives are achievable.</p> <p>Recommendation 1) ENR recommends that the ICRP be revised using the Guidelines for Closure and Reclamation (MVLWB/AANDC, 2013)</p>		<p><i>Sites in the Northwest Territories.</i> A revised ICRP should be submitted in the near future for public review and Board approval.</p>
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		and be re-submitted to the Board for review and approval.		
18	Topic: Interim Closure and Reclamation Plan - Project Summary	<p>Comment The project summary in the ICRP states that "A 200m long -15% ramp would extend to elevation XXX approximately 20m below the south-end of the East and West Stopes."</p> <p>Recommendation 1) ENR recommends that New Discovery include the elevation missing from the noted sentence in the project summary.</p>	Oct 6: Revised	Oct 5: Board staff note that an elevation of 190 m has been added to the revised ICRP uploaded to the ORS.
19	Topic: Interim Closure and Reclamation Plan	<p>Comment Section 7.7 of the ICRP states that: "The dry stack tailings facility will be contoured to match the natural environment, and will be reseeded." ENR notes that on page 53 of the Mining Industry Questionnaire submitted with the 2015 Water Licence application, it states that: "Upon completion of operations, the dry stack will be capped by 30 cm of non-acid generating (NAG) mine muck to stabilize it, followed by the overburden material from the original stripping." This represents a substantial change in planned closure activities and should be discussed in more detail in the ICRP. This also has implications for the security estimate.</p> <p>Recommendation 1) ENR recommends that</p>	Oct 6: Updated	Oct 5: Board staff note that the revised version of the ICRP uploaded to the ORS includes mention of adding overburden to the dry stack tailings as well as reseeded.

		New Discovery provide additional detail and rationale for the change in closure activities for the dry stack tailings, and that this information be added to the ICRP.		
20	Topic: Securities - General	<p>Comment ENR has retained Brodie Consulting Ltd. (BCL) to review and comment on the closure and cost estimate. ENR has reviewed the submitted RECLAIM estimate associated with the ICRP by the proponent; however, due to the limited details, ENR will not be commenting on the proposed security amount at this time. ENR has attached the BCL memorandum for the information of the Board and New Discovery to consider. Within the memorandum, BCL has provided direction specifically to New Discovery how to better reflect actual closure operations to increase the accuracy of the RECLAIM estimate. In the absence of the proponent updating the ICRP or RECLAIM estimate with the suggestions contained within these comments and BCL's memorandum, ENR is recommending that a 50% contingency rate be applied to the estimate to address the uncertainty.</p> <p>Recommendation 1) ENR recommends the</p>	<p>Oct 6: Considered, and amended. Brodie questions decades of field based ARD studies, and may be correct that laboratories obtain different results than 30,000 tonnes of rock in the field. We believe that the field experience is very valuable. Brodie also note that PAG or AG rocks 1.5 km are different that the local rocks. Their suggestion that this influences rocks on the development site is spurious. The flotation tailings are filtered and the water is recirculated. Approximately 15% of the water is entrained in the solids and deposited at the dry stack. DRy stack tailings are from a relatively coarse grind. Once mining advances much of this may be deposited underground as stabilizing fill. The DST site was selected based upon the presence of an isolated dry basin with a single potential discharge location that can be carefully monitored. All materials above water will erode eventually. We will have a non-toxic non-acid generating granualr aggregate that will be stabilised by revegitation. Reclaim model and ICRP have been adjusted to deal with discrepancy. RECLAIM provides for certain options. Backfilling the one active portal is planned. It will costs 1 man</p>	Board staff note that a Board decision is required regarding security.

		Board and New Discovery review and consider the attached BCL memorandum and then update and resubmit the RECAIM estimate based on the comments and recommendations contained herein and within the BCL memorandum.	one day with an excavator and truck. Raises will be capped according to standards. Hazardous materials of one manday at \$450 is recommended. The tailings worksheet was provided and filled according to best estimates, however, there are no potential acid generating or metal leaching concerns, so the concerns noted are not relevant. PAG rock at the mine should not be included in tailings management. 200 m3 is many times the expected volume. Contaminated soil will be managed as recommended. With the exception of the Mill, buildings will be trailers or small stick builds. The winter road is 45 km long, 20 km to Bluefish power plant which is installed by NTPC. Cost sharing discussions will be initiated.	
21	None	Comment None Recommendation 2) ENR recommends that until New Discovery updates the ICRP and mine plan to better capture operations and closure that the reclamation security estimate contingency rate be set at 50% in the interim. Once the updated details have been approved by the Board, ENR will be amenable to reducing the percentage back to an amount that matches the level of detail in the plan.	Oct 6: With the past permits one was set for basic low impact exploration and additional permits were requested for more advanced higher impact activities. The requested bonding reflects this differentiation and does not induce the proponent to separate permit activities with multiple permits.	Board staff note that a Board decision is required regarding security.
22	Topic: Wildlife: NWT Listed and Pre-listed	Comment The project occurs within the ranges of Barren-ground Caribou and Little Brown	Oct 6: no issues	Oct 6: Noted.

	<p>Species at Risk</p>	<p>Myotis (bat). Section 76 and 77 of the Species at Risk (NWT) Act requires the Minister of Environment and Natural Resources to make a submission to the body responsible for assessing the potential impacts of a proposed development, or for considering a Land Use Permit or Water Licence application, respecting the potential impacts of the proposed development, Permit or Licence application on a NWT-listed or pre-listed species or its habitat. NWT-listed species are those that are on the NWT List of Species at Risk. Pre-listed species are those that have been assessed by the NWT Species at Risk Committee (SARC) but have not yet been added to the NWT List of Species at Risk. The Proponent should be aware that NWT-listed or pre-listed species at risk and their habitat may also be subject to protection under existing sections of the NWT Wildlife Act. The project area overlaps with the ranges of the following NWT-listed and/or pre-listed species; information on these species is available at: https://www.nwt-species-at-risk.ca/SpeciesAtRisk: . Barren-ground Caribou (excluding the Porcupine</p>		
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		<p>herd) - Threatened in the NWT . Little Brown Myotis (bat) - Special Concern in the NWT</p> <p>Recommendation 1) Although the project overlaps with the range of the species listed above, ENR is of the opinion that the nature, scope, scale and location of the proposed project are such that the likelihood of impacts to NWT-listed or pre-listed species listed above can be avoided or minimized if ENR’s wildlife recommendations in this letter are implemented as necessary, as well as the application of any wildlife mitigation and monitoring measures outlined in the Proponent’s Land Use Permit and Water Licence application and supporting documents.</p>		
23	None	<p>Comment None</p> <p>Recommendation 2) Ensure that employees and contractors are aware of the species at risk that might occur in the project area. This includes species that are pre-listed or listed under the Species at Risk (NWT) Act, species listed under the federal Species at Risk Act, and species designated as at risk by COSEWIC.</p>	Oct 6: no issues	Oct 6: Noted.
24	None	<p>Comment None</p> <p>Recommendation 3) Be aware of the prohibitions that may apply to the species that may occur in</p>	Oct 6: no issues	Oct 6: Noted.

		<p>your area. Check the Species at Risk (NWT) Act regulations webpage (http://www.nwtspeciesatrisk.ca/ToolsForDevelopers) to see if there are any applicable regulations or agreements with land owners that must be followed for NWT-listed or pre-listed species at risk. Contact Environment and Climate Change Canada and Fisheries and Oceans Canada (DFO) for further information about federally-listed species and federal legal requirements.</p>		
25	None	<p>Comment None Recommendation 4) If species at risk are encountered during project undertakings, the primary mitigation measure should be avoidance. The Proponent should avoid contact with or disturbance to each species, its habitat and/or its residence.</p>	Oct 6: no issues	Oct 6: Noted.
26	None	<p>Comment None Recommendation 5) Monitoring should be undertaken by the Proponent to determine the effectiveness of mitigation and/or identify where further mitigation is required. As a minimum, monitoring should include recording the locations and dates of any observations of species at risk, behaviour or actions taken by the</p>	Oct 6: no issues	Oct 6: These requirements are not explicitly outlined in the Wildlife Monitoring Plan submitted with the Applications. Board staff believe New Discovery and GNWT-ENR should discuss wildlife monitoring requirements and any updates or revisions they would like included in the Wildlife Monitoring Plan.

		animals when project activities were encountered, and any actions taken by the Proponent to avoid contact with or disturbance to the species, its habitat, and/or its residence.		
27	None	<p>Comment None</p> <p>Recommendation 6) Submit sightings of species at risk and monitoring information to ENR’s Wildlife Management Information System (WMIS) at WMISTeam@gov.nt.ca and to other appropriate regulators and organizations with management responsibility for the species. Further information on the WMIS can be found at the following link: https://www.enr.gov.nt.ca/en/services/recherche-et-donnees/wildlife-management-information-system</p>	Oct 6: no issues	Oct 6: Board staff note New Discovery's commitments in the Wildlife Monitoring Plan to record and report sightings of wildlife.
28	Topic 20: Re-establishment of the Winter Road - Nesting Birds	<p>Comment In reference to the Impacts and Mitigation Summary: . Protection of nests is essential to ensuring reproductive success and survival of both adult birds and their young. . Critical breeding periods for NWT raptors can start as early as the 1st week of April and last up until 3rd week of September, depending on the species and location. . Conducting</p>	Oct 6: No issues	Oct 6: Commitment noted. All Project activities have been previously screened and should adhere to the GNWT-ENR recommendations.

		<p>activities involving vegetation clearing, ground disturbance or demolition of buildings and other structures during the nesting season increases the risk of the disturbance or destruction of any type of occupied bird nest. This would be contravening paragraph 51(1)(a) and(b) of the Wildlife Act..</p> <p>Recommendation 1) Conduct vegetation clearing and any new ground disturbance outside of the nesting season for birds in the project area.</p>		
29	None	<p>Comment None</p> <p>Recommendation 2) If disturbance or destruction of an occupied nest or eggs of a non-migratory bird species (including raptors), or an unoccupied raptor nest, cannot be avoided and all other all mitigation options have been ruled out, Proponents should contact the regional ENR office to determine whether a permit to disturb or destroy the nest/eggs can be obtained.</p>	Oct 6: no issues	Oct 6: Noted.
30	Topic 21: References	<p>Comment The following references are submitted in support of ENR's submission: INAC, 2007. Guidelines for Spill Contingency Planning. April, 2007. MVLWB/AANDC, 2013. Guidelines for the</p>	Oct 6: no issues	Oct 6: Noted.

				Since this is a renewal of existing permitted activities, Board staff would like to keep the decision to include quarrying in the scope of these authorizations up to the Board.
2	Part A: Scope of Permit	Comment The scope of the draft land use permit has been reviewed. Recommendation Please remove “as identified in the Land use permit application” from Part A, Item 1a) of the draft scope.	Oct 6: no issues	Oct 6: Reference to application has been removed.
3	Part A: Scope of Permit	Comment The scope of the draft land use permit has been reviewed. Recommendation Please remove “from the Ingraham Trail to Discovery Lake” from Part A, Item 1j) of the permit scope: If left in the scope, the Permittee would be limited to the aforementioned location and wouldn’t allow for construction of the site road to the Dry Stack Facility.	Oct 6: no issues	Oct 6: Scope has been rephrased to clarify that it includes both the winter access road and local site roads and trails.
4	Part B: Definitions	Comment The definition of Spring Break-up has been reviewed. Recommendation Please use April 15 as the date, not March 31.	Oct 6: no issues	Oct 6: Thank you
5	Draft Land Use Permit - 26(1)(a) Location and Area - Condition #4	Comment Inspector authorization to drill within 100 m of the ordinary high water mark of any watercourse is not required since Condition #43 of the draft land use permit will mitigate potential	Oct 6: no issues	Oct 6: Noted. Condition 4 removed.

		environmental concerns from arising. Recommendation Please remove Condition #4 from the draft land use permit.		
6	Draft Land Use Permit - 26(1)(a) Location and Area - Condition #9	Comment Since Section 10(b) of the <i>Mackenzie Valley Land Use Regulations</i> restricts a Permittee from clearing a line, trail or right-of-way that is wider than 10 m, this condition is not required. Recommendation Please remove Condition #9 from the land use permit.	Oct 6: no issues	Oct 6: This is a standard condition. In order for the Permittee to be compliant with section 10(b) of the Mackenzie Valley Land Use Regulations, the scope of the permit must authorize the construction, use, and maintenance of road right-of-ways up to 10 metres unless expressly authorized.
7	Equipment List	Comment The equipment list provided with the land use permit applicaiton appears to be missing typical equipment that is used for the construction, use and maintenance of a winter road. Recommendation The Applicant must update the equipment list to include all equipment & vehicles that will or may be used for all land use operations including winter road activities.	Oct 6: revised equipment list	Oct 5: Board staff note that the equipment List provided in the revised Project Description uploaded to the ORS by the Applicant provides an updated list of equipment.
8	Mobile Camp	Comment The application is unclear whether or not a mobile camp will be utilized for winter road construction, use and maintenance. Recommendation The Applicant must confirm whether or not a mobile	Oct 6: yes the camp is being brought in for use during operations.	Oct 6: This response remains unclear.

		camp will be used for this land use operation.		
9	Spill Contingency Plan - Inspector Contact	Comment The phone number in the Spill Contingency Plan is incorrect. Recommendation Please update the Inspector's phone number; (867) 767-9188	Oct 6: revised	Oct 5: Board staff note that the revised Spill Contingency Plan, uploaded to the ORS by the Applicant, has updated the Inspector's contact information
10	26(1)(d) Methods and Techniques - Condition #17	Comment Condition #17, refill craters, is for seismic operations and not any of the activities proposed in the land use permit application. Recommendation Please remove Condition #17 from the land use permit.	Oct 6: no issues	Oct 6: Noted. Condition removed.
11	26(1)(f) Control or Prevention of Ponding Water, Flooding, Erosion, Slides and Subsidence of Land - Condition #40	Comment Condition #41 of the draft land use permit will mitigate the potential for environmental concerns to arise from the use of heavy equipment within 100 metres of the OHWM of a watercourse. Recommendation Please remove Condition #40 from the land use permit.	Oct 6: no issues	Oct 6: These are standard conditions and are not exactly the same. The Watercourse Buffer condition is to control erosion and to avoid sediment deposition into water-bodies where it can affect water quality and fish Habitat. It also protects sensitive riparian Habitat. The condition places additional requirements on the Permittee; in addition to MVLUR section 6 requirements regarding excavations. The Excavation Setback condition is to prevent erosion and sediment deposition within a Watercourse. This condition is based on MVLUR paragraph 6(b) which states that no Permittee shall,

				“Excavate land within 100 metres of a Watercourse at a point that is below its Ordinary High Water Mark”. However, this condition is more stringent, since it prohibits excavation on all land within 100 metres of a Watercourse and not only land that is 'below its Ordinary High Water Mark'.
12	26(1)(j) Protection of Historical, Archaeological, and Burial Sites - Condition #57	Comment The number of days has been left blank in the draft land use permit for Condition #57. Recommendation As recommended by the PWNHC, 30 days is sufficient.	Oct 6: no issues	Oct 6: Noted.
13	26(1)(m) Fuel Storage - Condition #69 - Maximum Fuel on Site	Comment The Applicant has proposed the storage and use of volumes greater than 100,000 L. Recommendation The maximum volume detailed in Condition #69 must be updated to reflect what the Applicant has stated in the land use permit application and supporting documents. Please ensure that the maximum volume that could be stored on site at any one time is included in this condition to prevent permit amendments for fuel volumes.	Oct 6: no issues at this time. May be revised in the future	Oct 6: The condition has been edited to reflect fuel totals for diesel (120,000 L), aviation fuel (2,000 L), and gasoline (2,000 L) plus contingency. The total is now 125,000 L.
14	26(1)(q) Biological and	Comment This condition is no longer included on	Oct 6: no issues	Oct 6: Noted. This condition is still on the

	Physical Protection of the Land - Condition #89	the standard list. Recommendation Please remove Condition #89 from the land use permit.		Board's standard list but has not been updated.
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GNWT - Lands: Katie Rozestraten

ID	Topic	Reviewer Comment/Recommendation	Proponent Response	Board Staff Analysis
1	General File	Comment (doc) GNWT-Lands comments for Mon Gold Project application in letter format (see attached). Recommendation		Oct 6: Board staff note that a Board decision regarding security is required.

GNWT - PWNHC (Prince of Wales Northern Heritage Centre (w/in ECE)): Naomi Smethurst

ID	Topic	Reviewer Comment/Recommendation	Proponent Response	Board Staff Analysis
1	Protection of Historical, Archaeological, and Burial Sites	Comment AOA and AIA studies have been completed for the Infrastructure area included in Permit MV2015C0015. However, AOA and AIA-High Potential studies have not been conducted for the greater Mon Property for exploration activities. The proposed activities of exploration may place unrecorded sites at risk of impact. Although the scope of activities for exploration drilling has not changed from Permit MV2013C0002, standards of practice for archaeological management have changed since that time. Recommendation As no archaeological studies have been conducted in the proposed Mon Property to date	Oct 6: no issues	Oct 6: These conditions are in the draft Permit.

		<p>(excluding the area assessed as part of archaeological work conducted in 2015), we recommend that the proponent conduct an AOA prior to any new land disturbance, including drilling or trenching activities. The following conditions are recommended: 1. Archaeological Overview: At least 30 days prior to any new land disturbance, the Permittee shall conduct an Archaeological Overview to identify areas of high and low potential for archaeological and burial sites and shall submit a summary report to the Culture and Heritage Division (ECE). 2.AIA-High Potential: Prior to disturbance in areas of high potential for archaeological or burial sites identified in the Archaeological Overview, the Permittee shall conduct an Archaeological Impact Assessment of the sites where disturbance is planned and shall submit a summary report to the Board and the Culture and Heritage Division.</p>		
2	Protection of Historical, Archaeological, and Burial Sites	<p>Comment The 2015 AOA report is posted on the Registry. As per our License Agreement for access to archaeological data, maps showing archaeological site locations are not to be</p>	Oct 6: no issues	Sep 21: AOA has been removed from the public registry.

		made available to the general public unless the scale is 1:2,000,000 or smaller. Recommendation Remove the AOA report from the Registry or remove Figure 4 from the AOA report.		
MVLWB: Shannon Allerston				
ID	Topic	Reviewer Comment/Recommendation	Proponent Response	Board Staff Analysis
1	Quarrying	Comment The previous Permit included quarrying as a permitted activity. There is no mention of quarrying or the need to develop borrow sources in this land use permit application. Recommendation Can the Applicant confirm whether or not quarrying activities will be required for this Project and if so, provide details on the location of source material, amount of quarry material required, proposed uses of quarried material, and the geochemical characterization plans associated with identifying appropriate source material. Does New Discovery have a GNWT-issued Quarry Permit? If not, no quarrying or borrow development can occur without the right to do so, issued by the GNWT.	Oct 6: no quarrying required at this time	Oct 6: Board staff note that, though quarrying was included in the scope of MV2013C0021, no quarrying activities or supporting information, including location, quantity of quarry material, quality of source material, uses of borrow material, or closure of quarries were included in the applications currently for Board consideration. Likewise, there is no mention of any GNWT Quarry Permit. In response to Board staff questions on this topic, New Discovery confirmed that there are no plans for quarry activities at this time. Since this is a renewal of existing permitted activities, Board staff would like to keep the decision to include quarrying in the scope of these authorizations up to the Board.

2	Effluent Quality Criteria	<p>Comment Wastewater will be released from the bioreactor following treatment of greywater and sewage; as runoff and groundwater from the Dry Stack Tailings, waste rock, ore and other stored rock piles; from drilling activities; and from underground (as mine water).</p> <p>Recommendation What are the proposed effluent quality criteria, including rationale, for water releases to the environment from the Dry Stack Tailings facility? What are the proposed effluent quality criteria, including rationale, for runoff and groundwater from other stored rock sources? What are the proposed effluent quality criteria, including rationale, for bioreactor discharge to the receiving environment? What are the proposed effluent quality criteria for the release of minewater to the receiving environment? The proposed criteria may require public review and could delay the issuance of the Licence beyond the 42-day timeline associated with Permit issuance.</p>	Oct 6: Supplemental data to be provided	Oct 6: These details are required for drafting Licence conditions. GNWT-ENR made comments on the EQC for the sewage effluent and the dry stack tailings. Board staff suggest that sewage effluent criteria remain as set in previous authorizations, in line with the Wastewater System Effluent Regulations, and that runoff from the dry stack tailings continue to meet MDMER requirements. These EQC have been added to the Draft Licence. What remains outstanding are appropriate EQC for waste rock and ore runoff, disposal of mine water. Board staff suggest that these could be included in the Licence and match the MDMER requirements being applied to the dry stack tailings.
3	Water Use	Comment The daily maximum quantity of water available for winter water use has been estimated by New Discovery in the Water	Oct 6: This was provided on the table in WaterUsedCalculations.pdf	Oct 6: The amount calculated in the Water Use Calculations tables is the estimated total annual capacity divided by 350. This is the

		<p>Use Calculation document. The amount of water actually required for this Project from each proposed source, however, has not been identified.</p> <p>Recommendation Of the water estimated to be available from each source, what is the maximum daily and seasonal volumes required for Project activities from each proposed source?</p>	<p>maximum daily use allowed, not necessarily the maximum amount of water required for the Project. Board staff is hesitant to allow for the maximum water takings from each source if that does not represent the actual amounts required for the Project. Allowing this maximum amount of water could potentially limit the ability of future water users in the area, even if the water amounts actually being used are much less than allowed by the Licence. The revised Water Licence Application uploaded to the ORS indicates daily proposed water use volumes. Board staff note that when combined, the total daily use for domestic, drilling, mining, processing, and winter road construction, the daily water use from Discovery Lake will equal 145m³/day. The daily water available calculated in the Water Use Calculation document is 133 m³/day. Board staff acknowledge that it is unlikely all water uses will overlap in one day. For all other sources, the proposed daily water use is far below those identified in the Water Use Calculation document for maximum</p>
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				available daily use. Board Staff suggest the lowest of the two proposed daily use volumes - The Water Use Calculation for Discovery Lake and the Water Licence Application Form for all other sources - be used to populate Part D, condition 1.
4	Recycled Water	<p>Comment The Applicant proposes to recycle wastewater from the Mill for further processing and dust suppression.</p> <p>Recommendation Is there a certain water quality required for the re-use of water in the Mill? Does New Discovery have a proposed set of criteria to identify water suitable for use as a dust suppressant? If so, how will water that does not meet this criteria be managed?</p>	<p>Oct 6: The grinding and transportation circuit does not need any specified water quality. Less than 1 m3 per day of clear water is needed for pump glands. There is no water quality standard for dust suppression except for entrained TSS size <1 mm.</p>	<p>Oct 6: The condition referring to wastewater quality has been removed from the draft Licence.</p>
5	Security	<p>Comment The Applicant has provided a RECLAIM estimate with a proposed security which it is requesting be staggered based on certain Project triggers (exploration, mining, and milling). The subtotal in the Closure and Reclamation Plan is identified as being \$596,454 and the subtotal in the RECLAIM summary is \$682,983. The Applicant proposes to split security as follows: Exploration -</p>	<p>Oct 6: The RECLAIM model summary is \$682,983 is correct and the ICRM is corrected.</p>	<p>Oct 5: Board staff note that the revised Interim Closure and Reclamation Plan uploaded to the ORS now suggests the following for a staggered security: Exploration - \$75,000, Mining - an additional \$300,000, and Milling - an additional \$307,983. This is a total of \$682,983.</p>

		<p>\$50,000, Mining - an additional \$200,000, and Milling - and additional \$350,000. This is a total of \$600,000.</p> <p>Recommendation Can New Discovery please clarify the total amount of security it is proposing and discuss the discrepancies between the two totals provided. In doing so, Can New Discovery provide additional details, cross-referencing totals calculated through RECLAIM, to justify the totals it is proposing for each Project stage (exploration, mining, milling). In addition, can New Discovery comment on how the security should be split between the Land Use Permit and Water Licence based on activities and costs identified in the RECLAIM estimate provided. Please identify specific line items that support the conclusions provided.</p>		
6	Water Sources	<p>Comment The Applicant has estimated surface area and water sources depths of >3 m for all sources requiring winter water use.</p> <p>Recommendation Can the Applicant provide additional information on how lake surface area and depths were estimated? Does the depths provided represent under-ice or total depth? What field</p>	<p>Oct 6: Lake surface areas are extracted from NRCAN supplied GIS data. Depths are estimated from visual estimates and random sounding of ice-free lakes. It is proposed that a 3 m staff plumb the below-ice water depths, and pumping is to be halted if it is ever reduced to <3m depth.</p>	<p>Oct 6: There is no standard condition requiring the Proponent to report on field verification methods and results for determining the appropriateness and water source capacity of its proposed water sources. New Discovery has committed here to verifying that water depths are appropriate for water taking. Actual</p>

		verification methods are being proposed to ensure minimum under-ice depth requirements are being met prior to initiating water withdrawal from each proposed source?		Water use volumes are to be reported monthly through the SNP Reports and Annually in the Water Licence Annual Report. Board Staff have included a requirement to identify field verification methods and results in the Annual Report schedule.
7	Water Sources	<p>Comment Water Sources for the Project have been identified but it is not clear whether or not all sources are fish-bearing.</p> <p>Recommendation Can New Discovery comment on whether or not each of proposed water sources are, or could be, fish-bearing.</p>	Oct 6: All lakes are presumed to be fish bearing	Oct 6: Noted.
8	Closure and Reclamation Plan	<p>Comment Board staff note that the Closure and Reclamation Plan is an Interim submission. The Board's Guidelines require Closure and Reclamation Plans for Mining and Advanced Exploration Projects to present their closure plans through an Objectives-Based approach. Please reference the Board's Guidelines: https://wlwb.ca/sites/default/files/wlwb_5363_guidelines_closure_reclamation_wr.pdf.</p> <p>Recommendation The Objectives-Based Approach has not been used to describe the closure goal(s), principles, options,</p>	Oct 6: The ICRP will be revised to reflect closure goals and principals.	Oct 6: The ICRP requires a lot of work to be in conformity with the Board's Guidelines for the Closure and Reclamation of Advanced Mineral Exploration and Mine Sites in the Northwest Territories. A revised ICRP should be submitted in the near future for public review and Board approval.

		objectives, or criteria for any Project component. Closure goals and principles are provided in the Board’s guidelines. While Board staff note that this is an interim submission, more thought into closure can inform the responsible design of the Project as it advances through exploration and into mining and milling. A revised Interim Closure and Reclamation Plan that follows the Board’s guidelines should be provided.		
9	Landfarm	<p>Comment Board staff note that a the construction and operation of a landfarm has not been previously screened by the Board for the more recent authorizations at the New Discovery Mon Gold Project. Past screenings do not have the detail provided in more recent screenings. The Applicant has indicated that it believes it is exempt from Preliminary Screening.</p> <p>Recommendation Can New Discovery identify where previous plans including impacts and mitigations associated with the construction and development of a landfarm have been previously screened for the Mon Gold Project.</p>	<p>Oct 6: The proponent identify where previous plans have been previously screened. They existed during operations in the 1990's, and had been permitted in the current permit and license.</p>	<p>Oct 6: The construction, use and maintenance of a landfarm is included in the scope of MV2015C0015.</p>
10	Claims	<p>Comment Listed Claim M11200 expired on January 24, 2020. Other</p>	<p>Oct 6: No changes to the Mineral Claims or Mining</p>	<p>Oct 6: Any updates to the mining leases or claims should be</p>

		claims and land leases are due to expire in 2022. Recommendation Please provide an update of the status of all claims and leases and how any changes may impact the scope of New Discovery's rights to the lands identified in the Project Description.	Leases have occurred. Expiry dates have been renewed.	provided to the Board, including any changes to expiry dates.
11	Settling Pond	Comment The Mining Industry Questionnaire submitted in support of the Water Licence Application states that water recycled from the Mill will go through a settling pond that will also contain filtered water and mine water. The Mill Waste Management Document refers to a water tank. Recommendation More information on the construction and operations, including monitoring and mitigation plans are required in association with the proposed management of water on site. The Draft Licence provided for review requires a Water Management and Monitoring Plan. A thorough description of all water use and management on site is required for review and approval to clarify the details associated with water management for this Project.	Oct 6: The project is as presented, however changes to names such as sump and tank will be clarified once it is determined whether a sump or a tank is used.	Oct 6: These clarifications will be required to be described in detail for public review and Board approval in the Water and Groundwater Quality Monitoring Program a minimum of 90 days prior to commencement of activities under these authorizations.
12	Dewatering	Comment The Mining Industry Questionnaire	Oct 6: The mine is dry, so dewatering will be of	Oct 6: These clarifications will be

		<p>provided in support of the Water Licence Application refers to two dewatering activities. One is the removal of water that may accumulate in the underground, and the other refers to swamp dewatering under Licence MV2014L2-0002, which this Licence is meant to replace. It is unclear how, for both water sources, the proposed water will be managed and monitored. Addendum 8.1 of the Questionnaire refers to a muck pile. Board staff are not clear what this muck pile refers to.</p> <p>Recommendation More information on the proposed dewatering activities, including monitoring and mitigation plans are required in association with the proposed management of water on site. The Draft Licence provided for review requires a Water Management and Monitoring Plan. A thorough description of all water use and management on site is required for review and approval to clarify the details associated with water management for this Project.</p>	<p>introduced water for drilling or dust suppression purposes.</p>	<p>required to be described in detail for public review and Board approval in the Water and Groundwater Quality Monitoring Program a minimum of 90 days prior to commencement of activities under these authorizations.</p>
13	Mine Water	<p>Comment The Applicant has indicated that a small amount of mine water may require</p>	<p>Oct 6: Mine water will come from recycled water pumped into the mine for dust suppression or mining.</p>	<p>Oct 6: These clarifications will be required to be described in detail for</p>

		<p>removal from the underground workings. It also indicated that there is no groundwater reporting to the underground workings.</p> <p>Recommendation Please explain the source(s) of mine water if not through groundwater. More information on the proposed dewatering activities, including monitoring and mitigation plans are required in association with the proposed management of water on site. The Draft Licence provided for review requires a Water Management and Monitoring Plan. A thorough description of all water use and management on site is required for review and approval to clarify the details associated with water management for this Project</p>		<p>public review and Board approval in the Water and Groundwater Quality Monitoring Program a minimum of 90 days prior to commencement of activities under these authorizations.</p>
14	Rock and Waste Rock - Acid Generation	<p>Comment The Waste Management Plan does not have much detail regarding the management and monitoring of rock and waste rock. It is not clear what standards will be used to determine the acid generating potential of mine rock and tailings, and how those determinations will be monitored to ensure PAG material is managed appropriately. The existing authorizations require this plan prior to</p>	<p>Oct 6: Samples will be collected into categories determined by a registered P.Geol, and submitted to an independent certified laboratory for standard ABA tests. These will identify NAG, PAG, and AG rocks. More details can be provided, however no AG or PAG rocks have been encountered in the 30,000 tonnes excavated and stored on site (See SNP Discovery Lake). None are expected.</p>	<p>Oct 6: The Applicants response seems to contradict findings of PAG reported in the Applications. Board staff seek discussion on the appropriate trigger for the development and submission of the Waste Rock Management and Geochemical Characterization and Monitoring Plan.</p>

		<p>Construction. Board staff believe this should also apply to any rock removed and stored on site, and may not be related only to construction.</p> <p>Recommendation The Draft Water Licence includes a requirement to submit for approval, a Waste Rock Management and Geochemical Characterization and Monitoring Plan prior to mining activities. More information on how mine rock and tailings will be categorized as AG/PAG/NAG is required, including details on the quality of materials suitable for construction, and the management and monitoring plans for materials deemed AG or PAG. Board staff are interested in hearing the opinion of others on the appropriate triggers for requiring this information since small bulk sampling activities may involve the storage of waste rock at the site. Additional information on the management and monitoring of rock and waste rock includes: (a) A complete operation, maintenance, and monitoring plan; (b) A characterization of the rock types, geology, mineralogy, and quantity of the rock units to be placed within the area;</p>		
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		(c) The procedures for sampling and analyzing the rock units and a description of the geochemical criteria for the management and placement of potentially acid-generating waste rock; (d) A schedule for the placement of rock units during construction, operations, and closure and reclamation; (e) A description and site maps of each proposed ore and waste rock disposal area; (f) A description of all types of waste with their expected quantities that are to be placed within the waste rock disposal area; (g) An identification of potential sources of seepage; and (h) Detailed proposals for the management of seepage.		
15	Spill Contingency Plan	Comment The Guidelines for Spill Contingency Planning requires the Spill Contingency Plan to include a map or maps showing the following: <ul style="list-style-type: none"> • buildings, roads, culverts, airstrips and other infrastructure • all surface water bodies and direction of water flow including catchment basins • storage locations of each hazardous material • probable spill locations and direction of flow on land and in 	Oct 6: The map was included as the Site Map. It will be relabelled and resubmitted.	Oct 6: Board staff note that the Infrastructure Map has been inserted into the revised version of the Spill Contingency Plan uploaded to the ORS. It is labelled Figure 1. There is already a Figure 1 on the preceding page. This entire document and the internal cross references to figures, tables and appendices needs to be addressed. Board staff suggest that the Spill Contingency Plan be revised for

		<p>water & locations of all response equipment & environmentally sensitive areas & any approved disposal sites & topography e.g. slope of land & any other important on or off-site features.</p> <p>Recommendation There is no map provided in the Spill Contingency Plan. Maps provided throughout several different submissions (the Questionnaire, the Infrastructure Plan map) together contain most of the information required by the Spill Contingency Plan, but the Spill Contingency Plan should stand alone and contain all the information required by the Guidelines.</p>		public review and Board approval.
16	Water Management at Dry Stack Tailings	<p>Comment Design Drawings for the Dry Stack Tailings are provided with the Applications. The Waste Management Plan identifies a series of monitoring trenches at the base of the Tailings that will be used to capture runoff for monitoring.</p> <p>Recommendation It is not clear how the Tailings Facility will be designed to ensure runoff is directed to the monitoring trenches or the frequency of monitoring proposed. More information on the proposed water monitoring and</p>	<p>Oct 6: The Tailings Storage Facility is within a naturally occurring closed basin. Tailings will be stored at the north-east end as shown on the site plans and the natural drainage to the west has been sampled (SNP3) prior to any development and will continue to for the basis of one of the SNP points during operation. An additional trench will be excavated closer to the active tailings storage site for water monitoring purposes (SNP2).</p>	<p>Oct 6: These clarifications will be required to be described in detail for public review and Board approval in the Water and Groundwater Quality Monitoring Program a minimum of 90 days prior to commencement of activities under these authorizations. More detailed information, once available will be expected in the Tailings Management Plan which will be required a minimum of 90 days prior to the commencement of milling activities for</p>

		mitigation plans for the Dry Stack Tailings are required. The Draft Licence provided for review requires a Water Management and Monitoring Plan. A thorough description of all water use and management on site is required for review and approval to clarify the details associated with water management for this Project.		public review and Board approval.
17	Waste Management Plan - Waste Management Infrastructure	<p>Comment Waste Management Infrastructure is not well described in the Waste Management Plan.</p> <p>Recommendation Prior to constructing any infrastructure to manage waste (Dry Stack Tailings, landfarm, Bioreactor, Waste Rock Pile), New Discovery may be required to submit:</p> <p>(a) Engineering analysis to demonstrate containment of waste and waters, which may include, but is not limited to: analysis of settlement, slope stability, groundwater seepage and contaminant transport, and liner performance (as applicable); (b) For any infrastructure required for waste management, an engineering design report with any supporting engineered drawings that accounts for all life stages of the infrastructure, from</p>	Oct 6: No issues	Oct 6: These requirements are explicitly identified in the Guidelines for Waste Management Planning and should be provided in a revised version of the Waste Management Plan for public review and Board approval.

		<p>construction and operation to closure and decommissioning. Where applicable, the infrastructure design report is to include details of construction specifications and QA/QC requirements, as well as proposed monitoring requirements for each life stage of the infrastructure; and (c) if applicable, an Operations and Maintenance Plan which outlines regular inspections, monitoring and maintenance requirements. Operations and Maintenance plans for the Bioreactor should include information regarding sludge management, routine facility inspection, monitoring of annual volume of sewage entering and leaving the facility, sewage monitoring strategy, and facility maintenance.</p>		
18	Waste Management Plan - Landfarm	<p>Comment Board Staff note the new MVLWB Guideline for the Design, Operation, Monitoring, Maintenance and Closure of Petroleum Hydrocarbon-Contaminated Soil Treatment Facilities in the Northwest Territories (2020). Recommendation The Board's Guidelines should be referenced in relation to the construction, operation,</p>	Oct 6: No issues	Oct 6: Information for the construction and operation of these facilities provided in the applications is not sufficient to approve the work without more detailed information. Prior to the construction of any structures, the Draft Licence requires New Discovery to submit for approval a Structure Description and Construction Plan or a

		<p>and decommissioning of any landfarm on site. In doing so, the Proponent should ensure all actions, design and criteria identified in the Waste Management Plan are in line with requirements of the new Guide. In addition, the Waste Management Plan requires the following:</p> <ul style="list-style-type: none"> (a) volume balance and expected amounts of contaminated materials; (b) A contingency plan in case the expected volumes of soil, snow, and runoff water exceeds the landfarm capacity; (c) Details of leachate management that includes estimation of volume of leachate generated; means of leachate collection and disposal, identification of leachate components, and a comprehensive leachate sampling and monitoring strategy; (d) Spatial and temporal monitoring of soil chemistry within the landfarm; and, (e) an Operations and Maintenance Plan that identifies acceptable soil types, end uses, remediation standards, method and frequency of soil manipulation/treatment, monitoring of volumes entering and leaving the facility, and routine inspections and maintenance. 		<p>Design and Construction Plan. In addition, it requires New Discovery adhere to the Guideline for Design, Operation, Maintenance, and Closure of Petroleum Hydrocarbon-Contaminated Soil Treatment Facilities in the Northwest Territories for the design, construction, maintenance, and monitoring of the proposed landfarm. Details for the specific facility New Discovery plans to construct and operate should be submitted as a separate Hydrocarbon-Contaminated Soil Treatment Facility Plan meeting all requirements of the Guideline referenced above. This will include the need to identify clearly, all the information needs identified by GNWT-ENR and Board staff.</p>
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19	Engagement Plan	<p>Comment The Engagement Plan does not identify Project triggers for future/ongoing engagement for the life of the Project.</p> <p>Recommendation 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.</p>	Oct 6: No issues	Oct 6: Board staff suggest that an updated Engagement Plan should be provided for public review and Board approval
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Tlicho Government: LONGINUS EKWE

ID	Topic	Reviewer Comment/Recommendation	Proponent Response	Board Staff Analysis
1	Quantity of Water Involved (Volumetric unit)	<p>Comment On the water licence application form item #7 quantity of water involved, the table provided was descriptive, but the units provided under the column "Proposed Water Use Volume/Rate" did not reflect the description volume/rate, and was also not consistent to allow all the datasets to be used under the same column with the same heading - volume/rate. Likewise, on the water use calculations document, the second column on the table did not provide</p>	Oct 6: Amended	Oct 6: Board staff recognize the confusion and offer the following suggestions: The amount calculated in the Water Use Calculations tables is the estimated total annual capacity divided by 350. This is the maximum daily use allowed, not necessarily the maximum amount of water required for the Project. Board staff is hesitant to allow for the maximum water takings from each source if that does not represent the actual amounts required for

		<p>the unit of measurement for the capacity of water source datasets. There is no clarity in correlating the water use information on the water licence application form and the information on the water calculations document.</p> <p>Recommendation Please provide clarity on these two documents for better understanding on the water use and water source capacity.</p>	<p>the Project. Allowing this maximum amount of water could potentially limit the ability of future water users in the area, even if the water amounts actually being used are much less than allowed by the Licence. The revised Water Licence Application uploaded to the ORS indicates daily proposed water use volumes. Board staff note that when combined, the total daily use for domestic, drilling, mining, processing, and winter road construction, the daily water use from Discovery Lake will equal 145m³/day. The daily water available calculated in the Water Use Calculation document is 133 m³/day. Board staff acknowledge that it is unlikely all water uses will overlap in one day. For all other sources, the proposed daily water use is far below those identified in the Water Use Calculation document for maximum available daily use. Board Staff suggest the lowest of the two proposed daily use volumes - The Water Use Calculation for Discovery Lake and the Water Licence Application Form for all other sources - be used</p>
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				to populate Part D, condition 1.
2	Waste Management Plan - Discharged Material	<p>Comment The sewage - According to New Discovery Mines LTD bioreactor is used to treat the effluent(greywater and sewage) and the treated material that went through the bioreactor will eventually outfall to a swamp depression and percolates through the boulder and cobble fill. The concern here is that no information was provided with respect to the characteristics (biological, chemical and physical) of the material that is been discharged after this treatment process in order to understand or estimate its impact to the receiving environment (soil, surface water and/or groundwater). Is this discharged material dewatered in the process or what's the nature of the sludge with respect to water content? Though New Discovery Mines LTD, stated that" the potential environmental effects can be predicted to be minimal based on (a) distance from lakeshore; (b) no direct impact with native soils or vegetation; (c) excellent filtering nature of coarse fill base, which directs any flow not absorbed away from ground N of camp; (d) use of</p>	Oct 6: More data provided.	Oct 6: Board staff agree and are unsure of where more data may be provided at this time. Effluent Quality Criteria have been added to the draft Licence in accordance with the Wastewater System Effluent Regulations. More information on the management and treatment of sewage should be provided in a revised version of the Waste Management Plan for public review and Board approval.

		<p>environmentally-benign washing/cleaning products; and (e) monitoring of bioreactor discharge". But the question is how much is minimal? Is minimal safe or harmful to the receiving environment.</p> <p>Recommendation Providing analytical information of the discharged material will be a better option in predicting and validating the anticipated/potential environmental impacts of this discharged material.</p>		
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