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December 12, 2023

File: MV2022L8-0009

April Hayward
Li-FT Power Ltd.
1218-1030 West Georgia St.
Vancouver BC V6E 2Y3

Sent by email

Dear April Hayward,

**Re: Yellowknife Lithium Project – October 5, 2023 Amendment Issuance Package – Water Licence
MV2022L8-0009 – Mineral Exploration – Yellowknife, NT**

The Mackenzie Valley Land and Water Board (Board) met on November 30, 2023 and considered the Amendment Application Package from EREX International Ltd. (EREX) for Water Licence (Licence) MV2022L8-0009 for the Yellowknife Lithium Project (Project) in accordance with the *Mackenzie Valley Resource Management Act*.

The Board has approved the amended Licence (attached). The amended Licence is supported by the Board's Reasons for Decision. These documents are posted on the Board's Public Registry.¹

Security Deposit

Part C, Condition 1, POST SECURITY DEPOSIT and Schedule 2 of the Licence set out the security deposit requirements for the Licence. Security deposits are **payable to the Receiver General for Canada** and should be submitted to the following individual, to whom questions regarding security should also be directed:

Michelle Desjarlais-Morris, Manager, Financial Services
Crown-Indigenous Relations and Northern Affairs (CIRNAC)
Box 1500
4923 – 52nd Street
Yellowknife, NT X1A 2R3
Phone: 867-669-2517

¹ See MVLWB Online Registry (www.mvlwb.com) for [MV2022L8-0009](#).

The Board notes that as per Part I, Condition 2 of the Licences, a revised Closure and Reclamation Plan is due three years following the previous approval. Part I, Condition 3 of the Licences requires that the Licensee submit a final Closure and Reclamation Plan three years prior to the expiry date of the Licence, or a minimum of two years prior to the end of the operations. The Board expects EREX to submit a revised RECLAIM estimate, if appropriate, with the revised or final Closure and Reclamation Plan (whichever occurs first). This security update should consider CIRNAC's specific comments about refining the reclamation security further made during the public review of the Amendment Application.²

Submission Requirements

Please refer to Attachment A of the Licence for a complete summary and timetable of submissions required for the Licence. The Board's decisions on submissions that were considered in conjunction with the Amendment Application Package are set out below.

Management Plans – Approved

The Board has approved the following Plans:

Condition Number and Title	Title of Plan (Version)
Part F, Condition 4, WASTE MANAGEMENT PLAN	Waste Management Plan (V3) ³
Part H, Condition 3, SPILL CONTINGENCY PLAN	Spill Contingency Plan (V3) ⁴

Management Plan – Revisions Required

The Board requires that the Closure and Reclamation Plan (Version 2)⁵ be revised to include all changes detailed in the Reasons for Decision and submitted as Version 2.1 by **January 15, 2024**. The revised Plan will be considered to be approved when the Licensee receives written confirmation of conformity. Until the revised Plan is approved, the Licensee must comply with the Closure and Reclamation Plan (Version 2).

During the public review of the Amendment Application, the CIRNAC Inspector recommended further information about the federal water sources proposed to be used by EREX for camp consumption.⁶ EREX's response suggested that temporary fly camps may conceivably be constructed on federal lands. If EREX is planning to establish temporary fly camps on federal lands, further information will need to be submitted to the Board for public review (e.g., an updated RECLAIM estimate, Waste Management Plan, Spill Contingency Plan), as recommended by the CIRNAC Inspector.

² See MVLWB Online Review System for [Yellowknife Lithium Project – Type B Licences and Type A Permit Amendment Applications – Oct 13 23](#); CIRNAC (Yellowknife), comments 2-3.

³ See MVLWB Online Registry for [EREX – Amendment Application – Waste Management Plan – Version 3 – Oct 6 23](#).

⁴ See MVLWB Online Registry for [EREX – Spill Contingency Plan – Version 3 – Oct 5 23](#).

⁵ See MVLWB Online Registry for [EREX – Amendment Application – Closure and Reclamation Plan – Version 2 – Oct 5 23](#).

⁶ See MVLWB Online Review System for [Yellowknife Lithium Project – Type B Licences and Type A Permit Amendment Applications – Oct 13 23](#); CIRNAC-Inspector, comment 1.

Inspectors:

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

Crown-Indigenous Relations and Northern Affairs
P.O. Box 1500
4923 – 52nd Street
Yellowknife, NT X1A 2R3
Phone: 867-669-2442 or 867-669-2466
Fax: 867-669-2702

Licence Processes and Additional Information

Sections 5 and 6 of the Land and Water Board (LWB) *Guide to the Water Licensing Process*⁷ (Guide) contain detailed information on licence enforcement and potential post-issuance processes, such as amendments to conditions, and assignment to another company. Please be familiar with these sections of the Guide and reach out to Board staff with any questions about LWB processes related to the Licence.

Full cooperation of EREX International Ltd. is anticipated and appreciated. Please contact Angela Love via [email](#) or at (867) 766-7456 with any questions or concerns regarding this letter.

Yours sincerely,

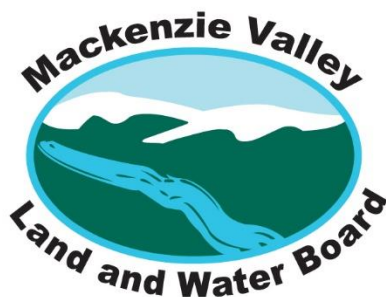


Tanya MacIntosh
Chair, Mackenzie Valley Land and Water Board

BCC'd to: Akaitcho Distribution List
Michelle Desjarlais-Morris – Manager, Financial Services, CIRNAC
Tim Morton – Inspector, CIRNAC
Mike Roesch – CIRNAC

Attached: Water Licence MV2022L8-0009
Reasons for Decision

⁷ See MVLWB Policies and Guidelines webpage for the LWB [Guide to the Water Licensing Process](#).



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EREX International Ltd.

Water Licence MV2022L8-0009

Pursuant to the *Mackenzie Valley Resource Management Act* and the Mackenzie Valley Federal Areas Waters Regulations,
the Mackenzie Valley Land and Water Board grants this Water Licence to:

EREX International Ltd.

(Licensee)

of 300-1055 West Hasting Street Vancouver, BC V6E 2E9

(Mailing Address)

hereinafter called the Licensee, to proceed with the following undertaking, subject to the annexed definitions and conditions contained therein:

Location:	Yellowknife Lithium Project
Water Management Area:	1
Purpose:	Miscellaneous – to use Water and deposit Waste for mineral exploration
Type:	Type B
Quantity of Water not to be exceeded:	Refer to Part D, Condition 2 (MAXIMUM VOLUME – YELLOWKNIFE LITHIUM PROJECT)
Effective Date:	January 3, 2023
Expiry Date:	January 2, 2030

Amendment:	December 12, 2023
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A handwritten signature in blue ink that reads "Tanya MacIntosh".

Tanya MacIntosh, Chair
Mackenzie Valley Land and Water Board

A handwritten signature in black ink that reads "Amanda Gauthier".

Amanda Gauthier, Witness

Type B Water Licence MV2022L8-0009

EREX International Ltd. - Yellowknife Lithium Project (Federal)

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Part A: Scope and Defined Terms

Scope:

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| 1. | This Licence entitles the Licensee to use Water and deposit Waste for mineral exploration activities for the Yellowknife Lithium Project. | SCOPE |
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The scope of this Licence includes the following:

- a) Drilling;
- b) Channel sampling;
- c) Trenching;
- d) Use of explosives;
- e) Use of equipment, vehicles, and machines;
- f) Use and storage of fuel;
- g) Construction, operation, and maintenance of Winter Roads;
- h) Construction, operation, and maintenance of camp;
- i) Withdrawal of Water for drilling and camp consumption;
- j) Depositing of drill cuttings and Sewage into Sumps; and
- k) Progressive Reclamation and associated Closure and Reclamation activities.

The scope of the Project is as described in the Preliminary Screening Determination for MV2022L8-0009, dated December 21, 2022 and May 17, 2023.

**SCOPE – PRELIMINARY
SCREENING**

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| 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 <i>Mackenzie Valley Resource Management Act</i> and/or the Mackenzie Valley Federal Areas Water Regulations that affects licence conditions and defined terms will be deemed to have amended this Licence. | LEGISLATION SUBJECT
TO CHANGE |
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| 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 Terms:¹

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 84(2) of the *Mackenzie Valley Resource Management Act*.

Aquatic Effects Monitoring Program (AEMP) – a monitoring program developed for the Project in accordance with this Licence and the MVLWB/GNWT *Guidelines for Aquatic Effects Monitoring Programs*.

Artesian Aquifer – a Water-bearing stratum which, when encountered during drilling operations, produces a pressurized flow of Groundwater that reaches an elevation above the Water table or above the ground surface.

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 (CRP) – 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, build, upgrade, or replace any structures, facilities, or components of, or associated with, the Project.

Discharge – a direct or indirect deposit or release of any Water or Waste 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.

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

¹ Defined terms are capitalized throughout the License, including when used in other definitions.

Defined Terms:¹

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.

Inspector – an Inspector designated by the Minister under subsection 84(1) of the *Mackenzie Valley Resource Management Act*.

Licensee – the holder of this Licence.

Mackenzie Valley Federal Areas Waters Regulations – the regulations proclaimed pursuant to section 90.3 of the *Mackenzie Valley Resource Management Act*.

Minister – the Minister of Northern Affairs.

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).

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 – Crown-Indigenous Relations and Northern Affairs Canada's 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.

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

Defined Terms:¹

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.

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 51 of the *Mackenzie Valley Resource Management Act*:

any substance that would, to an extent that is detrimental to its use by people or by any animal, fish or plant, degrade or alter or form part of a process of degradation or alteration of the quality of any water to which it is added. Alternatively, it means any 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 any other water, degrade or alter or form part of a process of degradation or alteration of the quality of that other water to which it is added. It includes:

- a) any substance or water that is deemed, under subsection 2(2) of the *Canada Water Act*, to be waste;
- b) any substance or class of substances prescribed by regulations made under subparagraph 90.3(1)(b)(i);
- c) water that contains any substance or class of substances in a quantity or concentration that is equal to or greater than a quantity or concentration prescribed;
- d) in respect of that substance or class of substances by regulations made under subparagraph 90.3(1)(b)(ii); and
- e) water that has been subjected to a treatment, process or change prescribed by regulations made under subparagraph 90.3(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.

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 51 of the *Mackenzie Valley Resource Management Act*: any inland waters, whether in a liquid or frozen state, on or below the surface of land.

Watercourse – as defined in section 2 of the Mackenzie Valley Federal Areas Waters Regulations: a natural watercourse, body of Water or Water supply, whether usually containing Water or not, and includes Groundwater, springs, swamps, and gulches.

Defined Terms:¹

Water Management Area – a geographical area of the Northwest Territories established by section 3 and Schedule 1 of the Mackenzie Valley Federal Areas Waters Regulations.

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

Water Use – as defined in section 51 of the *Mackenzie Valley Resource Management Act*: a direct or indirect use of any kind other than a use connected with shipping activities that are governed by the *Canada Shipping Act, 2001*, including

- a) any diversion or obstruction of waters;
- b) any alteration of the flow of waters; and
- c) any 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.

Water Use Fee – the fee for use of Water as per the Mackenzie Valley Federal Areas Waters Regulations pursuant to section 90.3 of the *Mackenzie Valley Resource Management Act* and the MVLWB Water Use Fee Policy.

Winter Road – a seasonal road consisting of ice bridges and/or overland components.

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> <ul style="list-style-type: none"> a) Are in accordance with the MVLWB <i>Document Submission Standards</i>; b) Include a conformity statement or table which identifies where the requirements of this Licence, or other directives from the Board, are addressed; and c) Include any additional information requested by the Board. | 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 all plans, 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 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 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
12.	If any date for any submission falls on a weekend or holiday, the Licensee may submit the item on the following business day.	SUBMISSION DATE
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.	COMPLY WITH SCHEDULE(S)
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.	COMPLY WITH SURVEILLANCE NETWORK PROGRAM
15.	The Schedules, the Surveillance Network Program, and any compliance dates specified in this Licence may be updated at the discretion of the Board.	UPDATES TO COMPLIANCE DATE(S)
16.	The Licensee shall comply with all directives issued by the Board in respect of the implementation of the conditions of this Licence.	COMPLY WITH BOARD DIRECTIVES
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.	POST SURVEILLANCE NETWORK PROGRAM SIGN(S)
18.	The Licensee shall install, operate, and maintain meters, devices, or other such methods for measuring the volumes of Water used to the satisfaction of an Inspector.	MEASURE WATER USE
19.	Beginning March 31, 2024 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.	ANNUAL WATER LICENCE REPORT
20.	The Licensee shall comply with the Engagement Plan , once approved.	ENGAGEMENT PLAN
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 mineral exploration activities, including drilling, channel sampling, and trenching prior to Board approval of the Plan.	ENGAGEMENT PLAN – REVISED

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.	NOTIFICATION – COMMENCEMENT
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.	NOTIFICATION – RE-COMMENCEMENT
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. The Licensee shall not commence 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: <ul style="list-style-type: none"> 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.
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; or
 - b) Closure and Reclamation Completion Reports.

**POST ADJUSTED SECURITY
AMOUNT**

**SECURITY ADJUSTMENT
REQUESTS**

Part D: Water Use

1. The Licensee shall only obtain fresh Water for the Project as set out in the following table.

**WATER SOURCE AND
MAXIMUM VOLUME**

Name and Type of Water Source	Latitude	Longitude	Purpose of Water Use	Maximum Quantity (m ³ per year)
Lake 11	62.59741335	-113.4735664	Drilling, drill trails and pads	29,110
Lake 18 - Hidden Lake	62.53187000	-113.5195400	Drilling, camp, Winter Roads	2,036,000
Thompson Lake	62.61395657	-113.4995663	Drilling, drill trails and pads, Winter Roads	274,700
Lake 35	62.60151231	-113.4677549	Drilling, drill trails and pads, Winter Roads	905
Lake 36	62.60385735	-113.4811710	Drilling, drill trails and pads, Winter Roads	553
Lake 37	62.60600475	-113.4754963	Drilling, drill trails and pads, Winter Roads	1,935
Lake 38	62.61017922	-113.4745420	Drilling, drill trails and pads, Winter Roads	1,574
Lake 40	62.60964687	-113.4618941	Drilling, drill trails and pads, Winter Roads	2,139
Dorothy Lake	62.45168	-112.534	Drilling, camp, Winter Roads, trails, and pads	109,135
E13	62.37558	-112.8	Winter Roads	455
E14	62.37166	-112.795	Winter Roads	39,864
E15	62.37377	-112.748	Winter Roads, camp	52,955
E23	62.4252	-112.604	Winter Roads	34,546
E24	62.43489	-112.583	Winter Roads	1,942
E41	62.37821	-112.8	Winter Roads	4,209
E42	62.37547	-112.723	Winter Roads, camp	23,049
E43	62.36553	-112.717	Winter Roads, camp	16,815
E48	62.41006	-112.86	Winter Roads	27,667
E54	62.4412	-112.559	Drilling, camp, Winter Roads, trails, and pads	20,998
FF59	62.3537	-112.755	Winter Roads	28,702
FF60	62.35252	-112.744	Winter Roads	6,329

FF61	62.33435	-112.743	Winter Roads	72,183
FF63	62.36571	-112.683	Winter Roads	109,135

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| 2. | The Licensee may only withdraw up to a combined total of 299 m ³ /day of Water for the Project, as defined in this Licence, and the project defined in Water Licence MV2022L8-0008. | MAXIMUM VOLUME –
YELLOWKNIFE LITHIUM
PROJECT |
| 3. | The Licensee shall only withdraw Water from authorized Water sources with a minimum depth of three metres. | MINIMUM WATER
SOURCE DEPTH |
| 4. | In any single ice-covered season, the Licensee shall not withdraw greater than 10% of the available Water volume of any approved Water source, as calculated using the appropriate maximum expected ice thickness and bathymetric data, or, where bathymetric data is not available, in accordance with the MVLWB/GNWT <i>Method for Determining Available Winter Water Use Capacity for Small-Scale Projects</i> . | MAXIMUM UNDER-ICE
WATER WITHDRAWAL
VOLUME |
| 5. | The Licensee shall only withdraw Water using the Water Supply Facilities, unless otherwise authorized temporarily in writing by an Inspector. | WATER WITHDRAWAL –
FACILITIES |
| 6. | 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) |
| 7. | The Licensee shall construct and maintain the Water intake(s) with a screen designed to prevent impingement or entrapment of fish. | WATER INTAKE SCREEN |
| 8. | 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 |
| 9. | Each year, prior to the January 3, 2023, and in advance of any Water use, the Licensee shall pay the Water Use Fee in accordance with the MVLWB <i>Water Use Fee Policy</i> . | WATER USE FEE |

Part E: Construction

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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 |
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| 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 |
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Management and Monitoring Plans

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| 3. | The Licensee shall comply with the Waste Management Plan , once approved. | WASTE MANAGEMENT PLAN |
| 4. | 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. | WASTE MANAGEMENT PLAN -REVISED |
| 5. | The Licensee shall comply with the Explosives Management Plan , once approved. The Plan shall be in accordance with the requirements of Schedule 3, Condition 1. | EXPLOSIVES MANAGEMENT PLAN |
| 6. | A minimum of 90 days prior to handling, using, or storing explosives, the Licensee shall submit to the Board, for approval, an Explosives Management Plan . The Plan shall be in accordance with the requirements of Schedule 3, Condition 1. The Licensee shall not handle, use, or store explosives prior to Board approval of the Plan. | EXPLOSIVES MANAGEMENT PLAN – SUBMIT |

Discharge and Disposal Locations and Rates

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|----|--|--|
| 7. | The Licensee shall deposit all Waste as described in the approved Waste Management Plan . | DRILL CUTTINGS – SUMPS |
| 8. | 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. | NOTIFICATION – WASTE DEPOSIT |
| 9. | The Licensee shall not discharge Waste to any Watercourse, or to the ground surface within 100 metres of the Ordinary High-Water Mark of any Watercourse. | DISCHARGE LOCATION – ORDINARY HIGH-WATER MARK |

Other

- | | | |
|-----|---|--------------------------------|
| 10. | If an Artesian Aquifer is encountered and producing Water at the ground surface, the Licensee shall: | REPORT ARTESIAN AQUIFER |
| | a) Within 48 hours, notify the Board and an Inspector, in writing, including the flow rate in cubic metres; | |
| | b) Deposit Artesian Aquifer Water to a snow-bermed or self-contained area, unless otherwise authorized by an Inspector; | |
| | c) Collect a sample of no less than ten litres of Artesian Aquifer Water, provide five litres of the sample to an Inspector for analysis, analyze the remaining | |

sample as set out for SNP station 2, and provide the analytical results to the Board and an Inspector;

- d) Seal the borehole to permanently prevent any further outflow of water and to the satisfaction of an Inspector; and
- e) Within 24 hours following cessation of the flow of Artesian Aquifer Water, submit a detailed report of the event to the Board and an Inspector, including the total amount of Water in cubic metres that has been released, and the total amount of Water in cubic metres stored in the snow-bermed, or otherwise approved, storage area.

Part G: Aquatic Effects Monitoring

Intentionally left blank.

Part H: Spill Contingency Planning

- | | | |
|----|---|---|
| 1. | The Licensee shall ensure that Unauthorized Discharges associated with the Project do not enter any Water. | OBJECTIVE – PREVENT
WASTE INTO WATER |
| 2. | The Licensee shall comply with the Spill Contingency Plan , once approved. | SPILL CONTINGENCY PLAN |
| 3. | 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. | SPILL CONTINGENCY PLAN
– REVISED |
| 4. | <p>If a spill or an Unauthorized Discharge occurs or is foreseeable, the Licensee shall:</p> <ul style="list-style-type: none"> a) Implement the approved Spill Contingency Plan referred to in Part H, Condition 2; b) Report it immediately using the NU-NT Spill Report Form by one of the following methods: <ul style="list-style-type: none"> • Telephone: (867) 920-8130 • Fax: (867) 873-6924 • E-mail: spills@gov.nt.ca • Online: Spill Reporting and Tracking Database c) Notify the Board and an Inspector immediately; and 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. | REPORT SPILLS |

- | | | |
|----|---|--|
| 5. | The Licensee shall ensure that spill prevention infrastructure and spill response equipment is in place prior to commencement of the Project. | SPILL PREVENTION AND
RESPONSE EQUIPMENT |
| 6. | The Licensee shall restore all areas affected by spills and Unauthorized Discharges to the satisfaction of an Inspector. | CLEAN UP SPILLS |

Part I: Closure and Reclamation

- | | | |
|----|--|--|
| 1. | Within 16 months following the effective date of this Licence, the Licensee shall submit to the Board, for approval, a Closure and Reclamation Plan . | CLOSURE AND
RECLAMATION PLAN |
| 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 . | CLOSURE AND
RECLAMATION PLAN –
REVISED |
| 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 . | CLOSURE AND
RECLAMATION PLAN –
FINAL |
| 4. | The Licensee shall endeavor to carry out approved Progressive Reclamation as soon as is reasonably practicable. | PROGRESSIVE
RECLAMATION |
| 5. | The Licensee shall not conduct Progressive Reclamation except as approved by the Board. | PROGRESSIVE
RECLAMATION – CARRY
OUT AS APPROVED |
| 6. | Beginning March 31, 2024 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. | PROGRESSIVE
RECLAMATION –
NOTIFICATION |
| 7. | 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 <i>Guidelines for the Closure and Reclamation of Advanced Mineral Exploration and Mine Sites in the Northwest Territories</i> . | CLOSURE AND
RECLAMATION
COMPLETION REPORT |

Signed on behalf of the Mackenzie Valley Land and Water Board



Tanya MacIntosh, Chair



Amanda Gauthier, Witness

Schedule 1: Annual Water Licence Report

Condition

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 B, Condition 18 of this Licence;
 - d) A summary of the calibration and status of the meters and devices referred to in Part B, Condition 18 of this Licence;
 - e) A summary of engagement activities conducted in accordance with the approved **Engagement Plan**, referred to in Part B, Condition 20 of this Licence;
 - f) A summary of how Traditional Knowledge was incorporated into decision making;
 - g) A summary of major maintenance activities conducted in accordance with this Licence;
 - h) 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 drill Waste discharged, by location;
 - iii. Monthly and annual quantities of Sewage discharged, by location; and
 - iv. A map depicting the location of the Sumps.
 - i) A summary of activities conducted in accordance with the approved **Explosives Management Plan**, 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 explosives;
 - ii. Monthly and annual quantities/volumes by location of explosives managed under the Plan;
 - iii. A summary and interpretation of any monitoring results;
 - iv. A list of any Action Level exceedances; and
 - v. A description of actions taken in response to any Action level exceedances.
 - j) A summary of activities conducted in accordance with the approved **Spill Contingency Plan**, referred to in Part H, 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 H, Condition 4 of this Licence; and
 - ii. An outline of any spill training carried out.

Condition

- k) A summary of activities conducted in accordance with the **Closure and Reclamation Plan**, referred to in Part I, Condition 1 of this Licence, including:
 - i. Details of any Progressive Reclamation undertaken;
 - ii. A discussion on whether planning and implementation remains on schedule, and a summary of any new scheduling setbacks;
 - iii. A summary of engagement conducted regarding Closure and Reclamation; and
 - iv. A list of any factors that would increase or decrease the Closure Cost Estimate the next time the Estimate is updated.
- l) Tabular summaries of all data and information generated under the SNP annexed to this Licence, in Excel format;
- m) A summary and interpretation of the results from the geochemical characterization and a discussion on the potential for acid rock drainage and metal leaching based on the geochemical data;
- n) 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;
- o) A summary of actions taken to address concerns, non-conformances, or deficiencies in any reports filed by an Inspector; and
- p) Any other details requested by the Board by November 30th of the year being reported.

Schedule 2: Conditions Applying to Security

Condition

- | |
|--|
| 1. The amount of security referred to in Part C, Condition 1, shall total \$31,687.00. The total security amount shall be deposited with the Minister prior to the commencement of the Project activities. |
|--|

Schedule 3: Conditions Applying to Waste and Water Management

Condition

1. The **Explosives Management Plan** referred to in Part F, Condition 5 of this Licence shall include, but not be limited to, the following:
 - a) Information regarding explosives management, including:
 - i. A description of the facilities used for management and storage of explosives;
 - ii. Maps and diagrams of the facilities and monitoring locations;
 - iii. A description of the mitigation approaches to be employed with respect to storage, handling, blasting, disposal, and spills;
 - iv. The predicted ammonium nitrate dissolution rate;
 - v. A description of how climate change has been considered, including any linkages to other plans required under this Licence; and
 - vi. 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; and
 - b. 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.

Annex A: Surveillance Network Program

Annexed to Type B Water Licence MV2022L8-0009

EREX International Ltd.

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Part A: Surveillance Network Program Description and Monitoring Requirements

Part B: Flow and Volume Measurement

Part C: Reporting Requirements

Part A: Surveillance Network Program Description and Monitoring Requirements

1. The location of sampling sites and specific monitoring requirements are as follows:

Table 1: Surveillance Network Program (SNP) Station Quick Reference Table

SNP Station	Description/Rationale	Status
1	The daily Water Use for each approved Water source used as per Part D, Condition 1	Active
2	A floating SNP station for when Artesian Aquifer is encountered and producing Water at the ground surface	Active when Artesian Aquifer is encountered

Table 2: Surveillance Network Program (SNP) Requirements

SNP Station	Location	Coordinates	Sampling Frequency	Sampling Parameters	Rationale
1	As described in Part D, Condition 1		Daily, when Water use is occurring	Flow, volume	Compliance monitoring, in accordance with Water Use limits identified in Part D, Condition 1 and Part D, Condition 2 of this Licence. To monitor the quantity of daily Water use.
2	Artesian Aquifer is encountered and producing Water at the ground surface		As directed by the Inspector	Field parameters ¹ , standard parameters ² , major ion ³ , turbidity, dissolved metals ⁴	To determine the Water quality of the Artesian Aquifer Water as described in Part F, Condition 10

Notes:

¹ Field parameters shall include, at a minimum, the following parameters: pH, temperature, conductivity, dissolved oxygen

² Standard parameters shall include, at a minimum, the following parameters: pH, conductivity, total suspended solids

³ Major ions shall include, at a minimum, the following parameters: alkalinity, hardness, calcium, chloride, fluoride, magnesium, potassium, sodium, sulphate, total dissolved solids

⁴ Dissolved metals shall include, at a minimum, the following parameters: aluminum, antimony, arsenic, barium, beryllium, bismuth, boron, cadmium, cesium, chromium, cobalt, copper, iron, lead, lithium, manganese, mercury, molybdenum, nickel, rubidium, selenium, silver, strontium, thallium, tin, titanium, uranium, vanadium, and zinc. Dissolved metals shall be analyzed after passing an unpreserved sample through a 0.45 micron filter

2. The locations of SNP stations are subject to approval of an Inspector. Once SNP stations have been established, an updated map detailing the locations of all SNP stations, as well as an associated table detailing coordinates for each SNP station, shall be submitted to the Board.
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 such other 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. A Quality Assurance/Quality Control (QA/QC Plan) plan which includes both field and laboratory requirements shall be submitted to an Analyst for approval not less than sixty (60) days.

7. The Licensee shall act in accordance with the approved QA/QC Plan and shall review annually or as directed by the Board and make any necessary revisions to reflect changes in operations. Proposed revisions shall be submitted to an Analyst for approval.
8. If the QA/QC Plan is not approved by the Analyst, the Licensee shall revise the QA/QC Plan according to the Analyst's direction and resubmit to the Analyst for a decision.

Part B: Flow and Volume Measurements

1. All flow and volume measurements shall be measured and recorded continuously (i.e., using electronic data storage chips, water elevation, or weir, or equivalent) during periods of flow or pumping and reported on a monthly basis in cubic metres (m³) as per Annex A, Part C, Condition 1:
 - a) The daily volume of Water pumped from water source as described in Part D, Condition 1 and Part D, Condition 2 for all purposes (SNP station 1).

Part C: Reporting Requirements

1. The Licensee shall, within thirty (30) days following the month being reported, submit to the Board and Inspector, in electronic and printed formats acceptable to the Board, all data and information required by the Surveillance Network Program, including results and interpretation of the approved QA/QC program procedures, any interpretive comments and calculations, and rationale for SNP stations where samples were not collected.

Monthly SNP Reports should also include:

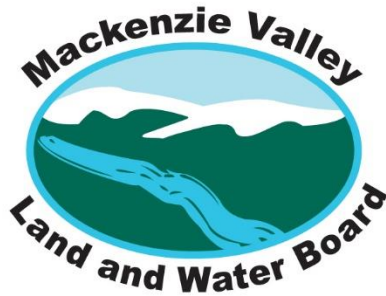
 - a) Information regarding the calibration and status of the meters and devices referred to in Part B of this Licence;
 - b) The coordinates of all SNP stations which were established within the month being reported, including an updated map identifying the locations of all the SNP stations; and
 - i. Weekly quantity of Water in cubic metres withdrawn from the Water Supply Facilities.
 - c) A tabular summary of cumulative Water Use.

Attachment B: MV2022L8-0009 - Concordance Table of Items Requiring Submission

Licence Condition	Report/Plan Title	Timeline for Submission
Part B, Condition 19	Annual Water Licence Report	Beginning March 31, 2024 and no later than every March 31 thereafter
Part B, Condition 21	Engagement Plan	Within 90 days following the effective date of this Licence
Part C, Condition 2	Updated Closure Cost Estimate	Within 16 months following the effective date of this Licence
Part F, Condition 4	Waste Management Plan	Within 90 days following the effective date of this Licence
Part F, Condition 6	Explosives Management Plan	A minimum of 90 days prior to handling, using, or storing explosives
Part H, Condition 2	Spill Contingency Plan	Within 90 days following the effective date of this Licence
Part I, Condition 1	Closure and Reclamation Plan	Within 16 months following the effective date of this Licence

Attachment C: MV2022L8-0009 - Table of Revision History

Date	Location of Change	Change
May 29, 2023	Part A, Condition 1: Scope	Scope updated according to the Amendment Application
May 29, 2023	Part A, Condition 2: SCOPE – PRELIMINARY SCREENING	Updated to reflect the Board's decision on preliminary screening for the Amendment Application
May 29, 2023	Part A: Defined Terms	Definition for Winter Road added
May 29, 2023	Part B, Condition 19: ANNUAL WATER LICENCE REPORT	Administrative update to clarify that the first Annual Water Licence Report is due in 2024
May 29, 2023	Part D, Condition 1: WATER SOURCE AND MAXIMUM VOLUME	Updated based on the Amendment Application, including additional water sources
May 29, 2023	Part F, Condition 7: DRILL CUTTINGS – SUMPS	Added based on the Amendment Application
May 29, 2023	Part F, Condition 10: REPORT ARTESIAN AQUIFER	Added based on the Amendment Application
May 29, 2023	Part I, Condition 1: CLOSURE AND RECLAMATION PLAN	Updated to reflect the Board decision that the Closure and Reclamation Plan be submitted within 16 months of the effective date of the Licence, not one year
May 29, 2023	Schedule 1, Condition 1: Annual Water Licence Report	Updated based on the Amendment Application
May 29, 2023	Schedule 2, Condition 1: Conditions Applying to Security	Security updated
May 29, 2023	Annex A: Surveillance Network Program	SNP Station 2 added, clarified the Sampling Frequency for SNP Station 1
December 12, 2023	Part D, Condition 1: WATER SOURCE AND MAXIMUM VOLUME	Updated based on the Amendment Application, including additional water sources
December 12, 2023	Schedule 2, Condition 1: Conditions Applying to Security	Security updated



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Reasons for Decision

Issued pursuant to subsection 26(2) and paragraph 40(2)(c) of the Mackenzie Valley Land Use Regulations (MVLUR), section 72.12 and 72.25 of the *Mackenzie Valley Resource Management Act* (MVRMA), and section 36 of the *Waters Act*.

Water Licences and Land Use Permit Amendment Applications	
File Numbers	MV2022L8-0008, MV2022L8-0009, and MV2022C0021
Company	EREX International Ltd.
Project	Yellowknife Lithium Project
Location	East of Yellowknife, NT
Activity	Mineral Exploration
Date of Decision	November 30, 2023

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On November 30, 2023, the Mackenzie Valley Land and Water Board (MVLWB or Board) met and considered the Licence Amendment Applications and Permit Amendment Request (the Applications) made by EREX International Ltd. (EREX or Applicant) to the Board on October 5, 2023 for Water Licences (Licence) MV2022L8-0008 and MV2022L8-0009, and Land Use Permit (Permit) MV2022C0021 for the use of water and the deposit of waste for the Yellowknife Lithium Project (the Project) east of Yellowknife, NT. After reviewing the Applications and the evidence gathered during the regulatory proceeding, the Board has made the following decisions:

- 1) To amend Water Licence MV2022L8-0008;
- 2) To amend Water Licence MV2022L8-0009;
- 3) To amend Land Use Permit MV2022C0021;
- 4) To require revisions to Version 2 of the Closure and Reclamation Plan, which the Applicant must submit as Version 2.1 of the Plan by **January 15, 2024** for a conformity confirmation;
- 5) To approve Version 3 of the Waste Management Plan; and
- 6) To approve Version 3 of the Spill Contingency Plan.

These Reasons for Decision set out the Board's regulatory process for the Applications and rationale for decisions regarding the amended Licences and Permit. A summary of the Applications is provided in section [2.0](#) below, followed by an outline of the regulatory process for the Applications in [section 3.0](#). [Section 4.0](#) describes how the applicable legislative requirements have been met. The Board's decisions and supporting rationale are set out in [section 5.0](#) for the Licences and [section 6.0](#) for the Permit.

1.0 List of Defined Terms and Abbreviations

Applicant/Licensee/Permittee	EREX International Ltd.
Applications	The complete amendment application package submitted by the Applicant for Water Licence MV2022L8-0008, Water Licence MV2022L8-0009, and the complete amendment request submitted by the Applicant for Land Use Permit MV2022C0021.
CIRNAC	Crown-Indigenous Relations and Northern Affairs Canada
CRP	Closure and Reclamation Plan
Distribution List	The list of individuals and organizations to whom materials from the regulatory proceeding were circulated. ¹
GNWT	Government of the Northwest Territories
GNWT-ECC	Government of the Northwest Territories – Environment and Climate Change
Inspector	An Inspector designated under subsection 65(1) of the Waters Act OR An Inspector designated under subsection 84(1) of the Mackenzie Valley Resource Management Act
Licences	Water Licence MV2022L8-0008 and Water Licence MV2022L8-0009
LWBs	Land and Water Boards of the Mackenzie Valley

¹ To access the Distribution List, see the LWBs' Online Review System for [EREX International Ltd. – Yellowknife Lithium Project – Type B Water Licences and Type A Permit Amendment Applications](#).

MVFAWR	Mackenzie Valley Federal Areas Waters Regulations
MVLUR	Mackenzie Valley Land Use Regulations
MVLWB or Board	Mackenzie Valley Land and Water Board
MVRMA	Mackenzie Valley Resource Management Act
Minister	Minister of the Government of the Northwest Territories – Environment and Climate Change OR Minister of Northern Affairs
ORS	Online Review System (www.new.onlinereviewssystem.ca)
Party	As per the LWB Rules of Procedures , an applicant, a person, or an organization participating in this regulatory process.
Permit	Land Use Permit MV2022C0021
Project	Yellowknife Lithium Project, the undertaking as described in Part A of the Licence and Part A of the Permit.
Review Board	Mackenzie Valley Environmental Impact Review Board
SCP	Spill Contingency Plan
Standard Licence Conditions	LWB Standard Water Licence Conditions Template
Standard Permit Conditions	LWB Standard Land Use Permit Conditions Template
WMP	Waste Management Plan

2.0 **Summary of Applications**

On October 5, 2023, the Applicant submitted applications to amend Licence MV2022L8-0008 (non-federal areas), Licence MV2022L8-0009 (federal areas), and a request to amend Permit MV2022C0021 (the Applications).^{2,3,4} The Applications are to add water sources to Licence MV2022L8-0008 and Licence MV2022L8-0009, to update the equipment list for the Project, to update the maximum fuel volume for the Project, and to update the security estimates under the Licences and Permit. These activities are located within non-federal and federal areas of the Akaitcho Region.

EREX plans to establish a camp called the ECHO Area Camp near Tanco Lake.⁵ EREX intends to operate the ECHO Area Camp seasonally from January to April and June to October each year and is designed to accommodate 50 people. EREX may use the existing winter road route from the Ingraham Trail to the Bullmoose Ruth area, along with further winter roads, to access the ECHO Area Camp. EREX also may use the Bullmoose and/or Ruth airstrips to stage fuel, equipment, and personnel to support exploration activities and the ECHO Area Camp. Additional information for the use of winter roads to the Bullmoose

² See MVLWB Online Registry (www.mvlwb.com) for [EREX – Amendment Application – Licence Application Form \(non-federal\) – Oct 5 23](#).

³ See MVLWB Online Registry for [EREX – Amendment Application – Licence Application Form \(federal\) – Oct 5 23](#).

⁴ See MVLWB Online Registry for [EREX – Amendment Application – Cover Letter – Oct 5 23](#).

⁵ See MVLWB Online Review System for [EREX – Amendment Application – Project Description – Oct 5 23](#).

Ruth site and the Bullmoose and/or Ruth airstrips would be required to be submitted prior to usage (e.g., access agreement with Crown Indigenous Relations and Northern Affairs Canada (CIRNAC)).

EREX also indicated in the Project Description that temporary “fly camps” may be established on territorial land, as approved by an Inspector, to support drilling on remote mineral claims and leases.

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

- 1) The Applications as submitted by the Applicant for the Project;
- 2) The evidence and submissions received by the Board from the Applicant in relation to the proposed amendments; and
- 3) The comments and recommendations, evidence, and submissions received by the Board from Parties during the regulatory proceeding.

3.0 Regulatory Process

On October 5, 2023, the Applicant submitted the Applications, which were deemed complete on October 13, 2023 and circulated to the Distribution List for public review on the Online Review System (ORS).⁶ Public notice of the Applications was published in *News North* during the week of October 23, 2023 to fulfill subsections 72.16(1) of the [MVRMA](#) and paragraphs 43(1)(a) of the [Waters Act](#).⁷

As part of the public review, Board staff requested comments and recommendations to assist with the Board’s preliminary screening determination. Board staff also circulated draft amended Licences and a Permit for review with the Applications to allow all Parties the opportunity to comment on the specific wording of the draft changes in order to assist the Board in making its decision on the amended Licences and Permit.

By November 3, 2023, the Board received comments and recommendations regarding the Applications and the draft Licence and Permit from the following Parties: Tłıchq Government; CIRNAC Inspector; CIRNAC Yellowknife; Government of the Northwest Territories, Department of Environment and Climate Change – Lands Inspector (GNWT-ECC); GNWT-ECC; and Environment and Climate Change Canada.⁸ Board staff also submitted comments and questions for the purposes of clarification. On November 10, 2023, the Applicant responded to the Parties’ comments and recommendations.⁹

On November 30, 2023, the Board met and made its preliminary screening determination for the proposed changes to the Project. Following this determination, the Board made its decisions regarding the Applications. These decisions and related reasons are described in sections [4.0](#), [5.0](#), and [6.0](#) below.

⁶ See MVLWB Online Review System for [Yellowknife Lithium Project – Type B Licences and Type A Permit Amendment Applications – Oct 13 23](#).

⁷ See MVLWB Online Registry for [EREX – Amendment Applications – Newspaper Ad – Oct 23 23](#).

⁸ See MVLWB Online Review System for [Yellowknife Lithium Project – Type B Licences and Type A Permit Amendment Applications – Oct 13 23](#).

⁹ Ibid.

4.0 Legislative Requirements Related to Licence and Permit Issuance

This Project is subject to the [MVRMA](#), the [Waters Act](#), and the [Waters Regulations](#) with respect to licensing, because it is located in a non-federal area. This Project is also subject to the [MVRMA](#) and the [Mackenzie Valley Federal Areas Waters Regulations](#) (MVFAWR) with respect to licensing because it is also located in a federal area. With respect to permitting, the [MVRMA](#) and the [MVLUR](#) apply.

The Board has jurisdiction to amend the Licences and Permit as per subsection 60(1.1) and section 102 of the [MVRMA](#) (non-federal area Licence MV2022L8-0008), subsection 60(1) and section 102 of the [MVRMA](#) (federal area Licence MV2022L8-0009), and subsection 59(1) and section 102 of the [MVRMA](#) (Permit MV2022C0021).

In conducting its regulatory process for the Applications (as described in sections [3.0](#) and [4.0](#) above), the Board has ensured that section 62 of the [MVRMA](#) and all applicable legislative requirements have been satisfied as outlined in the subsections below. The Board has considered the people and users of the land and water in the Mackenzie Valley, and any Traditional Knowledge and scientific information that was made available to the Board during the regulatory proceeding, as per section 60.1 of the [MVRMA](#). The consideration of information provided to the Board is discussed in detail below and in sections [5.0](#) and [6.0](#).

4.1 Consultation, Engagement, and Public Notice

As per paragraph 60.1(a) of the [MVRMA](#), in exercising its authority, the Board must consider the importance of conservation to the well-being and way of life of Indigenous peoples of Canada to whom section 35 of the *Constitution Act*, 1982, applies and who use an area of the Mackenzie Valley. Accordingly, the Board works with applicants, affected parties (including Indigenous governments and organizations), and other parties (such as other boards and regulators) to ensure that potential impacts of proposed projects, including impacts on rights under section 35, 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 the LWB [Engagement and Consultation Policy](#) and [Engagement Guidelines for Applicants and Holders of Water Licences and Land Use Permits](#). The Policy and Guidelines were 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 Indigenous groups in the Mackenzie Valley, are met and engagement and consultation results are clearly articulated. In accordance with the Policy and Guidelines, the Applicant's engagement efforts with respect to the Applications are detailed in the Engagement Record submitted with the Applications.¹⁰

¹⁰ See MVLWB Online Registry for [EREX – Amendment Application – Engagement Record – Oct 6 23](#).

The Applicant also has an approved Engagement Plan, Version 2 for the Licences and Permit.¹¹ The Applicant must continue engagement efforts as outlined in the Plan, as approved, and as required in the amended Licences and Permit.

The Applications were posted to the Board's Public Registry and distributed through the ORS. As the Project is located in the Akaitcho Region, the appropriate organizations, governments, First Nations, and Indigenous organizations were included in the Distribution List.¹² The Distribution List was used throughout this proceeding to circulate submissions, information, and updates relevant to the proceeding; the List was updated if needed, and (if requested) individuals with specific interests in the Project were added. More information about the proceeding for the Applications is provided above in [section 3.0](#).

In accordance with sections 63 and 64 of the [MVRMA](#), the Board is satisfied that notice of and access to copies of the Applications was provided, and that a reasonable amount of time was given to communities, First Nations, and the public to participate in this proceeding and make submissions to the Board.

In accordance with the [Northwest Territory Métis Nation Interim Measures Agreement](#),¹³ the Northwest Territory Métis Nation was notified of the Application through the ORS distribution. The Board did not receive any evidence from the Northwest Territory Métis Nation during the proceeding.

In accordance with the Minister of Indian Affairs and Northern Development's 2004 [Policy Direction to the MVLWB regarding the Akaitcho Territory Dene First Nations](#), the Akaitcho Dene First Nation was notified of the Applications through the ORS distribution. The Board did not receive any evidence from the Akaitcho Dene First Nation during the proceeding.

In accordance with the Minister of Indian Affairs and Northern Development's 2003 [Policy Direction to the MVLWB Regarding Consultations with the Manitoba Denesuline](#), the Ghotelnene K'odtjneh Dene (formerly Manitoba Denesuline) were notified of the Applications through the ORS distribution. The Board did not receive any evidence from the Ghotelnene K'odtjneh Dene during the proceeding.

4.2 Land Use Fees

This Project will occur on federal and non-federal lands. There is a contingency to increase the use of federal lands in the future by utilizing the Bullmoose Ruth site and the Bullmoose and/or Ruth airstrips. Should the Project occur on additional federal lands in the future, land-use fees may be required in the future.

¹¹ See MVLWB Online Registry for [EREX – Engagement Plan and Record – Version 2 – Mar 9 23](#).

¹² To access the Distribution List, see the LWBs' Online Review System for [Yellowknife Lithium Project – Type B Licences and Type A Permit Amendment Applications – Oct 13 23](#).

¹³ See MVLWB Land Claims, IMAs, and Land Use Plans webpage to access the [Northwest Territory Métis Nation Interim Measures Agreement](#).

4.3 Existing Licences

During the time period established in the Notice of Applications, no licensees or applicants contacted the Board to identify potential effects from the proposed changes to the Project on other projects, and there are no other applicants with precedence. Accordingly, with respect to paragraph 26(5)(a) of the [Waters Act](#) and 72.03(5)(a) of the [MVRMA](#), the Board is satisfied that issuing the amended Licences to the Applicant will not adversely affect, in any significant way, any existing licensee or any other applicant, provided the Applicant complies with the conditions of the Licences.

4.4 Compensation to Existing Water Users

Paragraph 26(5)(b) of the [Waters Act](#) and 72.03(5)(b) of the [MVRMA](#) prohibits the issuance of the amended 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 the Applications with the Board.

The Board received no claims for compensation related to the proposed amendment either during the time period established in the Notice of Applications, or during the remainder of the proceeding. Provided the Applicant complies with the Licence conditions, the Board is satisfied there are no water users or persons listed in paragraph 26(5)(b) of the [Waters Act](#) and 72.03(5)(b) of the [MVRMA](#) who will be adversely affected by the proposed use of waters or deposit of waste.

4.5 Financial Responsibility

Under paragraph 26(5)(d) of the [Waters Act](#) and 72.03(5)(d) of the [MVRMA](#), before the Board can issue the Licence, it must be satisfied that the Applicant's financial responsibility is adequate to complete the Project (including the proposed changes), any required mitigation measures, and the closure and reclamation of the site.

Part C and Schedule 2 of the Licences and Conditions 59 and 60 in the Permit set out the security requirements for the Project. Under subsection 35(2) of the [Waters Act](#), paragraph 72.11(2)(b) and subsection 71(3) of the [MVRMA](#), the Minister can apply this security to carry out mitigations and remedial measures in the event of non-compliance with an Inspector's orders, or to carry out closure and reclamation if the site is abandoned.

As detailed in [section 5.3](#) of these Reasons, the Board has adjusted the security requirements to reflect the Project changes and the updated closure cost estimate information provided during the proceeding, so the Board is satisfied that adequate financial resources will be in place to ensure that the Project site can be restored.

As a result, and for the reasons set out above, the Board is satisfied that the legislated requirement to establish the financial responsibility of the Applicant for the Project has been met.

4.6 Minimization of Adverse Effects

With regards to subsection 27(2) of the [Waters Act](#) and 72.04(2) of the [MVRMA](#), the Board must ensure that the Licence conditions minimize potential adverse effects on other water and land users from the proposed use of water and deposit of waste. As discussed above in [section 4.1](#), the Applicant conducted pre-application engagement, and the Board also provided opportunities for potentially affected parties to make submissions to the Board during the regulatory proceeding.

As noted above in this section, and as detailed in [section 5.0](#), the Board's January 3, 2023 Reasons for Decision,¹⁴ and the Board's May 11, 2023 Reasons for Decision,¹⁵ the Board has set conditions in the Licences to regulate waste management for the purpose of protecting the receiving environment. It is the opinion of the Board that compliance with the Licence conditions that have been set to protect the water sources and the receiving environment will also minimize any potential adverse effects on other water and land users in the Project area.

4.7 Time Limit

As required under section 48(1) of the [Waters Act](#) and 72.19 of the [MVRMA](#), the Board made its decision on the Licence within nine months after receiving the complete Applications.

4.8 Environmental Review (Part 5 of the MVRMA)

4.8.1 Preliminary Screening

On November 30, 2023, the Board met and decided not to refer the proposed changes to the Project to Environmental Assessment.¹⁶

In accordance with section 125 of the [MVRMA](#), the Board notified the Review Board of its preliminary screening determination, and in the ten days following the Board's preliminary screening determination notification to the Review Board, the Board did not receive notice of referral to environmental assessment (EA). Subsequently, the Board proceeded with issuing the Licence and Permit.

The Board is satisfied that the requirements of Part 5 of the [MVRMA](#) have been met for the Project.

5.0 Decision – Water Licence MV2022L8-0008 and MV2022L8-0009

Having due regard to the facts, circumstances, and the merits of the submissions made to it, and to the purpose, and provisions of the [MVRMA](#) and the [Waters Act](#), the Board has determined that the amended Licence MV2022L8-0008 and Licence MV2022L8-0009 should be issued, subject to the scope, defined terms, conditions, and term contained therein. The Board's determinations and reasons for this decision are set out below.

¹⁴ See MVLWB Online Registry for [EREX – Issuance – Type B Water Licence – Jan3 23](#).

¹⁵ See MVLWB Online Registry for [EREX – Amendment Application – Approval – May 29 23](#).

¹⁶ See MVLWB Online Registry for [EREX – Amendment – Notification – Preliminary Screening Determination – Dec 1 23](#).

The amended Licence has been developed to address the Board's statutory responsibilities; to protect the receiving environment and minimize potential adverse effects on other water users; and to address issues within the Board's jurisdiction that were identified and investigated during the regulatory proceeding.

In amending the Licence, the Board kept the Licence format and layout largely unchanged. Where appropriate, the Board updated existing standard conditions using the LWB [Standard Water Licence Conditions Template](#) (Standard Licence Conditions). Where applicable, the Board also considered the Standard Licence Conditions in developing new conditions or amending existing conditions to reflect the changes to the Project. As noted in [section 3.0](#) above, Board staff circulated a draft amended Licence for review to allow Parties to provide specific input to the Board on the possible amendments and updates to the conditions, and the Board considered these review comments and recommendations in making its determination on the amended Licence conditions.

The Standard Licence Conditions have been established by the Land and Water Boards (LWBs) based on information from LWB policies and guidelines, other applicable guidelines and best practices, meetings with Inspectors, input from LWB staff, and feedback from a public review. Each standard condition has been evaluated against the following characteristics of an ideal condition:

- Clearly part of LWBs' authority;
- Has a clear purpose and rationale;
- Is practical and enforceable; and
- Does not conflict with existing legislation (i.e., is not less stringent).

The Standard Licence Conditions include general rationale for each standard condition, and as such, the updates to standard conditions are only discussed in detail in these Reasons for Decision when the updates specifically relate to concerns or recommendations raised during the regulatory proceeding. The Board's reasons for developing new and amending existing Project-specific conditions, including discussion of any concerns and recommendations raised regarding these conditions, are detailed in the relevant sections below. Conditions that were not changed are generally not discussed in these Reasons unless they were the subject of concerns raised during the proceeding.

5.1 Part A: Scope and Defined Terms

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

5.1.1 Scope

The scope of the Licence is written to ensure the Licensee is entitled to conduct activities which have been applied for and have been subject to Part 5 of the [MVRMA](#). For both Licence MV2022L8-0008 and Licence MV2022L8-0009, the changes to the Project are within the existing scope of the Licences, so the Board did not make any changes to the scope.

5.1.2 *Defined Terms*

The Licence includes defined terms to ensure a common understanding of the conditions, to avoid future differences in interpretation of the Licences, to reflect Project-specific evidence, and to support consistency across licences and permits issued by the LWBs. The Board maintained all of the defined terms in the Licences.

5.2 **Part B: General Conditions and Schedules 1 and 2**

Part B of the Licence primarily contains general administrative conditions regarding implementation of the Licence, and compliance with the Licence conditions, Board directives, and LWB policies and procedures. This section also details compliance requirements and review and revision procedures for submissions required under the Licence. These conditions are consistent with the Standard Licence Conditions and are applicable to all licences.

The Board maintained all of the conditions in this section of the Licence.

5.3 **Part C: Conditions Applying to Security Requirements and Schedule 2**

Under subsection 35(1) of the [Waters Act](#) and section 72.11(1) of the [MVRMA](#), the Board is authorized to require the Licensee to provide security to the Minister. Subsection 35(2) of the [Waters Act](#) and 72.11(2) of the [MVRMA](#) specifies how the security may be applied.

Part C of the Licence sets the amount of security to be maintained by the Licensee and sets out requirements related to posting and adjusting security. As described in the Board's May 11, 2023 Reasons for Decision,¹⁷ a total of \$145,365.00 was required under Licence MV2022L8-0008, a total of \$48,055.00 was required under Licence MV2022L8-0009, and a total of \$446,616.00 was required under Permit MV2022C0023.

Based on the evidence regarding closure cost estimates for the Project, the Board adjusted the total security deposit amount to \$745,008.00. This includes a total security amount of \$541,310.00 for the non-federal areas, and a total security deposit amount of \$203,698.00 for the federal areas.

Consistent with recent Board practice, the Board has placed the land-related liability amounts under the Permit and the water-related liability amounts under the Licence: \$635,319.00 is required under the Permit, as described in [section 6.3](#) of these Reasons. A security amount of \$78,002.00 is required under Licence MV2022L8-0008, and a security amount of \$31,687.00 is required under Licence MV2022L8-0009. See Table 1 for a summary of the security deposit requirements for each authorization discussed in these Reasons for Decision.

¹⁷ See MVLWB Online Registry for [EREX – Amendment Application – Approval – May 29 23](#).

Table 1: Security Deposit Requirements

	Description	Total
Total	Project Total	\$745,008.00
Authorization		
MV2022L8-0008	Water – non-federal areas	\$78,002.00
MV2022L8-0009	Water – federal areas	\$31,687.00
MV2022C0021	Land – non-federal and federal areas	\$635,319.00

In the Cover Letter for the Applications submitted by EREX, the Applicant indicated that the updated security estimate submitted with the Applications was based on adjustments to the Project activities and to address previous Board directives.¹⁸ EREX was referring to Board directives outlined in the Board’s May 11, 2023 Reasons for Decision¹⁹ that directed EREX to resubmit an updated RECLAIM estimate by May 3, 2024 after engaging with GNWT and CIRNAC on the security estimate. The Board acknowledges that EREX’s Amendment Applications, including an updated RECLAIM, addresses the Board’s May 11, 2023 directive regarding the security update.

Using the RECLAIM model, the Licensee calculated an updated closure cost estimate of \$484,820.00 for the Project.²⁰

During the review comment period, GNWT-ECC included a security estimate for the non-federal areas for the Project completed by ARKTICS Solutions.²¹ In the memo submitted with the RECLAIM estimate, ARKTIS described that an estimate of the federal security was also included to ensure project components were not double bonded due to project design and potential overlap. However, ARKTIS clarified that this was not a recommendation to CIRNAC regarding the security estimate for the federal areas.

GNWT-ECC commented that the security estimate submitted by ARKTIS reflects the current information provided in the Amendment Applications and during engagement with EREX.²² GNWT-ECC included recommendations for additional information and details that would refine the security estimate further, as outlined in Table 2 below.²³

¹⁸ See MVLWB Online Registry for [EREX – Amendment Application – Cover Letter – Oct 5 23](#).

¹⁹ See MVLWB Online Registry for [EREX – Amendment Application – Approval – May 29 23](#).

²⁰ See MVLWB Online Registry for [EREX – Amendment Application – RECLAIM Closure Estimate – Oct 5 23](#).

²¹ See MVLWB Online Review System for [Yellowknife Lithium Project – Type B Licences and Type A Permit Amendment Applications – Oct 13 23](#); GNWT-ECC, comment 2.

²² See MVLWB Online Review System for [Yellowknife Lithium Project – Type B Licences and Type A Permit Amendment Applications – Oct 13 23](#); GNWT-ECC, comment 3.

²³ See MVLWB Online Review System for [Yellowknife Lithium Project – Type B Licences and Type A Permit Amendment Applications – Oct 13 23](#); GNWT-ECC, comments 4-7.

Table 2: Further information recommended by GNWT to refine the security estimate for the Yellowknife Lithium Project

RECLAIM Component	Information Required
Underground Mine	<ul style="list-style-type: none"> Location of bulk sample trenching activities and the number of trenches to be excavated on territorial and federal land.²⁴
Buildings and Equipment	<ul style="list-style-type: none"> Anticipated number of drill holes (by both diamond and RC drilling) on federal and non-federal leases annually for the duration of the project.²⁵
Interim and Post-Closure Monitoring and Maintenance	<ul style="list-style-type: none"> Anticipated inspection activities and criteria for passing inspection.²⁶
Mobilization/Demobilization	<ul style="list-style-type: none"> Detailed schedule for all closure and reclamation activities, including equipment, crew, and time requirements to complete the activities.²⁷ Confirm the estimated weights of project buildings/structures requiring disposal at closure.²⁸

CIRNAC also submitted a RECLAIM estimate for the Board’s consideration during the public review period.²⁹

CIRNAC recommended EREX provide additional information to address assumptions used in the RECLAIM estimate, as noted below:

- Estimate on the number of drill holes and type of drilling anticipated to occur on federal land for the duration of the project.³⁰
- More information regarding the proposed location and number of bulk sample locations on federal land.³¹

In response to GNWT and CIRNAC’s RECLAIM estimates, EREX indicated that they had been “engaging regularly with the GNWT and CIRNAC to ensure all Parties have all the information they require to estimate securities to their satisfaction”.³² EREX also submitted an updated RECLAIM based on the most

²⁴ See MVLWB Online Review System for [Yellowknife Lithium Project – Type B Licences and Type A Permit Amendment Applications – Oct 13 23](#); GNWT-ECC, comment 4.

²⁵ See MVLWB Online Review System for [Yellowknife Lithium Project – Type B Licences and Type A Permit Amendment Applications – Oct 13 23](#); GNWT-ECC, comment 5.

²⁶ See MVLWB Online Review System for [Yellowknife Lithium Project – Type B Licences and Type A Permit Amendment Applications – Oct 13 23](#); GNWT-ECC, comment 6.

²⁷ See MVLWB Online Review System for [Yellowknife Lithium Project – Type B Licences and Type A Permit Amendment Applications – Oct 13 23](#); GNWT-ECC, comment 7.

²⁸ Ibid.

²⁹ See MVLWB Online Review System for [Yellowknife Lithium Project – Type B Licences and Type A Permit Amendment Applications – Oct 13 23](#); CIRNAC Yellowknife, comment 1.

³⁰ See MVLWB Online Review System for [Yellowknife Lithium Project – Type B Licences and Type A Permit Amendment Applications – Oct 13 23](#); CIRNAC Yellowknife, comment 2.

³¹ See MVLWB Online Review System for [Yellowknife Lithium Project – Type B Licences and Type A Permit Amendment Applications – Oct 13 23](#); CIRNAC Yellowknife, comment 3.

³² See MVLWB Online Review System for [Yellowknife Lithium Project – Type B Licences and Type A Permit Amendment Applications – Oct 13 23](#); GNWT-ECC, comment 2; CIRNAC, comment 1.

recent engagement with GNWT and CIRNAC, including correspondence that provided evidence of agreement by GNWT and CIRNAC with the final RECLAIM estimate completed by EREX.³³ The Board has decided to use EREX's final RECLAIM estimate to set security for the Permit and Licences based on the agreement between EREX, GNWT-ECC, and CIRNAC.

In response to GNWT and CIRNAC's comments about additional details to inform the closure cost estimate, EREX did provide more information. However, the responses generally indicated that further information would become available as the Project progresses. The Board notes that as per Part I, Condition 2 of the Licences, a revised Closure and Reclamation Plan (CRP) is due three years following the previous approval. Part I, Condition 3 of the Licences requires that the Licensee submit a final CRP three years prior to the expiry date of the Licence, or a minimum of two years prior to the end of the operations. When EREX submits the revised or final CRP to the Board (whichever occurs first), further Project details will be known. The Board expects EREX to submit a revised RECLAIM estimate, if appropriate, with the revised or final CRP. This security update should consider GNWT-ECC and CIRNAC's specific comments about refining the reclamation security further.

The Board is satisfied that the security requirements it has imposed at this time ensure that sufficient financial resources will be in place in advance of any liabilities that will be incurred.

5.4 Part D: Conditions Applying to Water Use

Part D of the Licence contains conditions related to water use for the Project.

EREX's Amendment Applications included additional water sources to be used for drilling, drill trails and pads, winter roads, and camp use, as identified in the Application Forms.^{34, 35} Board staff updated Part D of the draft Licences according to the updated water source list provided in EREX's Applications.

During the public review of the Applications, the CIRNAC Inspector commented that it was unclear why certain federal water sources (specifically: Dorothy Lake, E15, E42, E43, and E54) included camp water as a proposed use, given the water sources are not located near the Hidden Lake Camp or proposed Echo Camp.³⁶ The CIRNAC Inspector recommended these water sources be removed from Licence MV2022L8-0009 unless more information is provided, and noted that CIRNAC's review of the project and security estimate was completed under the impression that the only camps on federal lands will be the Hidden Lake camp.

³³ See MVLWB Online Review System for [Yellowknife Lithium Project – Type B Licences and Type A Permit Amendment Applications – Oct 13 23](#); GNWT-ECC, comment 2; CIRNAC, comment 1.

³⁴ See MVLWB Online Registry for [EREX – Amendment Application – Licence Application Form \(non-federal\) – Oct 5 23](#).

³⁵ See MVLWB Online Registry for [EREX – Amendment Application – Licence Application Form \(federal\) – Oct 5 23](#).

³⁶ See MVLWB Online Review System for [Yellowknife Lithium Project – Type B Licences and Type A Permit Amendment Applications – Oct 13 23](#); CIRNAC-Inspector, comment 1.

In response, EREX discussed that they may construct temporary “fly camps” in addition to the Hidden Lake and Echo Area camps. EREX indicated that while the location of these temporary camps is unknown at this time (and would be subject to Inspector approval), the “land surrounding Dorothy Lake and lakes E15, E42, E43, and E54 includes land that is under both Territorial and Federal jurisdiction and it is conceivable that a fly camp may be constructed that makes use of these water sources”. EREX requested the Board therefore retain the water sources in the draft federal Licence (MV2022L8-0009).

The Board notes that the Project Description³⁷ and Waste Management Plan Version 3³⁸ submitted with the Amendment Applications specify that the “fly camps” (temporary camps) would be established on territorial land. EREX’s response suggests that the fly camps may conceivably be constructed on federal lands. If this was the case, EREX would need to submit updated information for public review (e.g., an updated RECLAIM estimate, Waste Management Plan, Spill Contingency Plan), as recommended by the CIRNAC Inspector.

Board staff agree with EREX that the water sources located on federal lands should be retained in the draft Licence as applied for, so long as the temporary camps are established on territorial lands.

5.5 Part F: Conditions Applying to Waste and Water Management and Schedule 3

Part F and Schedule 3 of the Licence contains conditions applying to waste and water management activities for the Project. The Licensee did not propose any changes that affect the conditions in this section, so the Board maintained all of the existing conditions.

Management Plans and Monitoring Programs

Part F: WASTE MANAGEMENT PLAN

The Licensee has an approved Waste Management Plan (WMP), Version 2 in place under the Licence and Permit.^{39, 40}

The Licensee also included Version 3 of the WMP with the Amendment Applications to reflect the changes to the Project.⁴¹ The Plan was distributed for public review with the Applications, and the Board considered the Plan as part of the Application Package. No comments were received about the WMP Version 3 during the public review.

³⁷ See MVLWB Online Review System for [EREX – Amendment Application – Project Description – Oct 5 23](#).

³⁸ See MVLWB Online Registry for [EREX – Amendment Application – Waste Management Plan – Version 3 – Oct 6 23](#).

³⁹ See MVLWB Online Registry for [EREX – Waste Management Plan – Version 2 – May 30 23](#).

⁴⁰ See MVLW Online Registry for [EREX – Waste Management Plan – Version 2 – Board Staff Conformity – May 30 23](#).

⁴¹ See MVLWB Online Registry for [EREX – Amendment Application – Waste Management Plan – Version 3 – Oct 6 23](#).

The Board has approved the WMP, Version 3 because it meets the requirements of the LWB [Guidelines for Developing a Waste Management Plan](#)⁴² and is appropriate for the Project activities, including the changes to the Project.

5.6 Part H: Conditions Applying to Spill Contingency Planning

Part H 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 Licensee did not propose any changes that affect the conditions in this section, so the Board maintained all of the existing conditions.

Part H: SPILL CONTINGENCY PLAN

The Licensee has an approved Spill Contingency Plan (SCP), Version 2 in place under the Licence and Permit.^{43, 44}

The Licensee also included Version 3 of the SCP with the Amendment Applications to reflect the changes to the Project.⁴⁵ The Plan was distributed for public review with the Applications, and the Board considered the Plan as part of the Application Package. No comments were received about the SCP Version 3 during the public review.

The Board has approved the WMP, Version 3 because it meets the requirements of the LWB [Guidelines for Spill Contingency Planning](#), and is appropriate for the Project activities, including the changes to the Project.

5.7 Part I: Conditions Applying to Closure and Reclamation

Part I of the Licence contain conditions applying to closure and reclamation, including progressive reclamation of the Project. The Licensee did not propose any changes that affect the conditions in this section, so the Board maintained all of the existing conditions.

Part I: CLOSURE AND RECLAMATION PLAN

The Licensee has an approved Closure and Reclamation Plan (CRP), Version 1.1 in place under the Licence.⁴⁶

The Licensee submitted a revised CRP, Version 2⁴⁷, with the Applications to reflect the changes to the Project and to support the updated closure cost estimate as discussed in [section 5.3](#), above. In the Cover

⁴² See MVLWB Policies and Guidelines webpage to access the LWB [Guidelines for Developing a Waste Management Plan](#).

⁴³ See MVLWB Online Registry for [EREX – Spill Contingency Plan – Version 2 – May 30 23](#).

⁴⁴ See MVLWB Online Registry for [EREX – Spill Contingency Plan – Version 2 – Board Staff Conformity – May 30 23](#).

⁴⁵ See MVLWB Online Registry for [EREX – Spill Contingency Plan – Version 3 – Oct 5 23](#).

⁴⁶ See MVLWB Online Registry for [EREX – Amendment Application – Closure and Reclamation Plan – Version 1.1 – Mar 9 23](#).

⁴⁷ See MVLWB Online Registry for [EREX – Amendment Application – Closure and Reclamation Plan – Version 2 – Oct 5 23](#).

Letter⁴⁸ submitted with the Applications, EREX also clarified that the CRP Version 2 addresses the Board's May 11, 2023 Reasons for Decision⁴⁹ that directed EREX to resubmit an updated CRP to address reviewer comments and recommendations submitted during the review of EREX's March 9, 2023 Amendment Applications. The Board acknowledges that the CRP Version 2 addresses the Board's May 11, 2023 directives.

During the public review, EREX provided further information about interim care and maintenance inspections and post closure inspections in response to a recommendation from GNWT-ECC.⁵⁰ The Board believes that the information provided in EREX's response should be incorporated into the CRP. The Board requires that the Applicant revise the CRP and submit Version 2.1 by **January 15, 2024**, to reflect updates as agreed to during the regulatory proceeding, and to include the following:

- Details about the interim care and maintenance and post closure inspections.

The CRP will be considered approved when the Licensee receives written confirmation of conformity from Board staff. Until the revised Plan is approved, the Licensee must comply with Version 2 of the CRP.

5.8 Attachment B: Concordance Table of Submissions

Attachment B to the Licences contain a table that summarizes the submissions required by the Licence conditions. This table was updated to reflect the Board decisions made for the Amendment Applications.

5.9 Attachment C: Revision History Table

Attachment C to the Licences contain a table which identifies updates and tracks changes made to the Licence. This table has been updated to reflect the amended Licence.

6.0 Decision – Land Use Permit MV2022C0021

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 the amended Permit MV2022C0021 should be issued, subject to the scope, defined terms, conditions, and term contained therein. The Board's determinations and reasons for this decision are set out below.

The amended Permit has been developed to address the Board's statutory responsibilities, to protect the receiving environment, and to address issues within the Board's jurisdiction that were identified and investigated during the regulatory proceeding.

⁴⁸ See MVLWB Online Registry for [EREX – Amendment Application – Cover Letter – Oct 5 '23](#).

⁴⁹ See MVLWB Online Registry for [EREX – Amendment Application – Approval – May 29 '23](#).

⁵⁰ See MVLWB Online Review System for [Yellowknife Lithium Project – Type B Licences and Type A Permit Amendment Applications – Oct 13 '23](#); GNWT-ECC, comment 6.

In amending the Permit, the Board kept the Permit format and layout largely unchanged. Where appropriate, the Board updated existing standard conditions using the LWB [Standard Permit Conditions Template](#) (Standard Permit Conditions). Where applicable, the Board also considered the Standard Permit Conditions in developing new conditions or amending existing conditions to reflect the changes to the Project. As noted in [section 3.0](#) above, Board staff circulated a draft amended Permit for review to allow Parties to provide specific input to the Board on the possible amendments and updates to the conditions, and the Board considered these review comments and recommendations in making its determination on the amended Permit conditions.

The Standard Permit Conditions have been established by the LWBs based on information from LWB policies and guidelines, other applicable guidelines and best practices, meetings with Inspectors, input from LWB staff, and feedback from a public review. Each standard condition has been evaluated against the following characteristics of an ideal condition:

- Clearly part of LWBs' authority;
- Has a clear purpose and rationale;
- Is practical and enforceable;
- Matches the scale of the project; and
- Does not conflict with existing legislation (i.e., is not less stringent).

The Standard Permit Conditions include general rationale for each standard condition, and as such, the updates to standard conditions are only discussed in detail in these Reasons for Decision when the updates specifically relate to concerns or recommendations raised during the regulatory proceeding. The Board's reasons for developing new and amending existing Project-specific conditions, including discussion of any concerns and recommendations raised regarding these conditions are detailed in the relevant sections below. Conditions that were not changed are generally not discussed in these Reasons unless they were the subject of concerns raised during the proceeding.

6.1 Part A: Scope of Permit

The scope of the Permit ensures the Permittee is entitled to conduct activities which have been applied for and which have been subject to Part 5 of the [MVRMA](#). The changes to the Project are within the existing scope of the Permit, and in accordance with the limitations of subsection 26(2) of the MVLUR, the Board did not make any changes to this section of the Permit.

6.2 Part B: Definitions

The Permit includes defined terms to ensure a common understanding of the conditions, to avoid future differences in interpretation of the Permit, to reflect Project-specific evidence, and to support consistency across licences and permits issued by the LWBs. The Board maintained all of the definitions in the Permit.

6.3 Part C: Conditions Applying to All Activities

The subheadings below correspond to the headings in the conditions section of the Permit, as outlined in subsection 26(1) of the [MVLUR](#). Only conditions that have been revised, or that were the subject of concerns raised during the proceeding, are discussed in these Reasons. In accordance with subsection 26(2) of the MVLUR, the Board only amended the Permit conditions to reflect the amendments proposed in the Application.

26(1)(a) Location and Areas

During the public review of the Applications, Board staff asked EREX if draft Permit condition 3 (USE EXISTING CAMP) was appropriate for the Permit given the ECHO camp proposed by EREX is not an existing camp.⁵¹ In response to Board staff's comment, EREX recommended the USE EXISTING CAMP condition be removed from the Permit.⁵² The Board has removed this condition from the Permit as it is not appropriate for the Project activities.

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

The Licensee has an approved Waste Management Plan (WMP), Version 2 in place under the Licence and Permit.^{53, 54} The Licensee also included Version 3 of the WMP with the Amendment Applications to reflect the changes to the Project.⁵⁵ The Plan was distributed for public review with the Applications, and the Board considered the Plan as part of the Application Package.

This Plan is also required under Part F of the Licence, and the Board's reasons for decision regarding this Plan are described above in [section 5.5](#).

26(1)(l) Security Deposit

The Board is authorized to require the Permittee to provide security to the Minister by subsections 71(1) of the [MVRMA](#) and 32(1) of the [MVLUR](#). Subsection 71(3) of the [MVRMA](#) specifies how the security may be applied.

A security deposit of \$446,616.00 was required under the Permit to reflect land-related liabilities. In the Applications, the Permittee included an updated closure cost estimate, and the Board adjusted the security amount required to \$635,319.00. Condition 58 in the Permit specifies the security required for the non-federal areas: \$463,308.00. Condition 59 specifies the security required for the federal areas: \$172,011.00.

⁵¹ See MVLWB Online Review System for [Yellowknife Lithium Project – Type B Licences and Type A Permit Amendment Applications – Oct 13 23](#); MVLWB, comment 1.

⁵² See MVLWB Online Review System for [Yellowknife Lithium Project – Type B Licences and Type A Permit Amendment Applications – Oct 13 23](#); EREX, comment 1.

⁵³ See MVLWB Online Registry for [EREX – Waste Management Plan – Version 2 – May 30 23](#).

⁵⁴ See MVLW Online Registry for [EREX – Waste Management Plan – Version 2 – Board Staff Conformity – May 30 23](#).

⁵⁵ See MVLWB Online Registry for [EREX – Amendment Application – Waste Management Plan – Version 3 – Oct 6 23](#).

The Board's reasons for this decision are described above in [section 5.3](#) in conjunction with its reasons for the security required in the Licence. The security deposits required by these two instruments are discussed together since the estimates deal with the same Project and are intimately linked.

26(1)(m) Fuel Storage

SPILL CONTINGENCY PLAN

The Licensee has an approved Spill Contingency Plan (SCP), Version 2 in place under the Licence and Permit.^{56, 57} The Licensee also included Version 3 of the SCP with the Amendment Applications to reflect the changes to the Project.⁵⁸ The Plan was distributed for public review with the Applications, and the Board considered the Plan as part of the Application Package.

This Plan is also required under Part H of the Licence, and the Board's reasons for decision regarding this Plan are described above in [section 5.6](#).

EREX's Amendment Application requested that Condition 70 MAXIMUM FUEL ON SITE in the Permit be updated to reflect an increase in the amount of fuel stored on site at any time (specifically an increase from 125,020 litres to 145,725 litres).⁵⁹ Board staff outlined EREX's proposed change for this condition in the draft Permit distributed for public review with the Applications. The Board received no comments on EREX's proposed change and the Board updated the condition accordingly.

26(1)(o) Restoration of the Lands

CLOSURE AND RECLAMATION PLAN

All applicants must describe closure and reclamation planning. For most applicants, this will be in the form of a CRP. This Plan is required under Part I of the Licences, and the Board's reasons for decision regarding this Plan are described above in [section 5.7](#).

6.4 Attachment A: Concordance Table of Submissions

Attachment A to the Permit contains a table that summarizes the submissions required by the Permit conditions. This table has been updated to reflect the amended Permit.

6.5 Attachment B: Revision History Table

Attachment B to the Permit contains a table which identifies updates and tracks changes made to the Permit. This table was updated to reflect the amended Permit.

⁵⁶ See MVLWB Online Registry for [EREX – Spill Contingency Plan – Version 2 – May 30 23](#).

⁵⁷ See MVLWB Online Registry for [EREX – Spill Contingency Plan – Version 2 – Board Staff Conformity – May 30 23](#).

⁵⁸ See MVLWB Online Registry for [EREX – Spill Contingency Plan – Version 3 – Oct 5 23](#).

⁵⁹ See MVLWB Online Registry for [EREX – Amendment Application – Cover Letter – Oct 5 23](#).

7.0 Conclusion

Subject to the scopes, definitions, conditions, and terms set out in the amended Licences and Permit, and for the reasons expressed herein, the MLWB is of the opinion that the activities, land and water use, and waste disposal associated with the Project can be completed by EREX International 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 MV2022L8-0008, Water Licence MV2022L8-0009, and Land Use Permit MV2022C0021 contains 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 EREX International Ltd.'s use of the water and land as authorized by the Licences and Permit.

SIGNATURE



Tanya MacIntosh, Chair
Mackenzie Valley Land and Water Board

December 12, 2023

Date