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Reasons for Decision

Issued pursuant to paragraphs 22(2)(a) and 40(2)(c) of the Mackenzie Valley Land Use Regulations (MVLUR).

Land Use Permit Application	
File Number	W2024C0007
Company	Arctic Star Exploration Corp.
Project	Diagras Project
Location	Hardy Lake area, NT
Activity	Mineral Exploration
Date of Decision	December 10, 2024

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On December 10, 2024, the Wek'èezhì Land and Water Board (WLWB or Board) met and considered the Application made by Arctic Star Exploration Corp. (Arctic Star) (the Applicant) to the Board on October 21, 2024, for Land Use Permit (Permit) W2024C0007 for the Diagrass Project (the Project) in the Hardy Lake area, NT. After reviewing the Application and the evidence gathered during the regulatory proceeding, the Board has made the following decisions:

- 1) To issue Land Use Permit W2024C0007 for a term of 5 years;
- 2) To approve Version 2.0 of the Spill Contingency Plan;
- 3) To require revisions to Version 2.0 of the Spill Contingency Plan, which the Applicant must submit as Version 2.1 of the Plan within 90 days of issuance of the Permit. The revised Plan will be considered approved when the Permittee receives written confirmation of conformity from Board staff;
- 1) To approve Version 2.0 of the Waste Management Plan;
- 2) To approve Version 1.1 of the Closure and Reclamation Plan;
- 3) To approve Version 3.0 of the Engagement Plan;
- 4) To require revisions to Version 3.0 of the Engagement Plan, which the Applicant must submit as Version 3.1 of the Plan within 90 days of issuance of the Permit. The revised Plan will be considered approved when the Permittee receives written confirmation of conformity from Board staff; and
- 5) To submit Version 1.1 of the Wildlife Management and Monitoring Plan (WMMP) to reflect the Board's Reasons for Decision on Version 1.0 of the WMMP within 90 days of issuance of the Permit. The revised Plan will be considered approved when the Permittee receives written confirmation of conformity from Board staff.

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

1.0 List of Defined Terms and Acronyms

Applicant	Arctic Star Exploration Corp.
Application	The complete application package submitted by the Applicant for Land Use Permit W2024C0007.
CRP	Closure and Reclamation Plan
DFO	Fisheries and Oceans Canada
Distribution List	The list of individuals and organizations to whom materials from the regulatory proceeding were circulated. ¹

¹ To access the Distribution List, see the LWBs' Online Review System for [Arctic Star Exploration Corp. – Diagrass Project – Land Use Permit Renewal Application – Oct 30 24](#).

EA	Environmental Assessment
ECCC	Environment and Climate Change Canada
GNWT	Government of the Northwest Territories
GNWT-ECC	Government of the Northwest Territories – Environment and Climate Change
GNWT-ECE PWNHC	Government of the Northwest Territories – Education, Cultural and Employment Prince of Wales Northern Heritage Centre
Inspector	An Inspector designated under subsection 84(1) of the Mackenzie Valley Resource Management Act
LWBs	Land and Water Boards of the Mackenzie Valley
MVLUR	Mackenzie Valley Land Use Regulations
MVRMA	Mackenzie Valley Resource Management Act
Minister	Minister of the Government of the Northwest Territories – Environment and Climate Change
ORS	Online Review System (https://new.onlinereviewssystem.ca/reviews)
Party	As per the LWB Rules of Procedure , an applicant, a person, or an organization participating in this regulatory process.
Permit	Land Use Permit W2024C0007
Project	Diagras Project, the undertaking as described in Part A of the Permit.
Review Board	Mackenzie Valley Environmental Impact Review Board
SCP	Spill Contingency Plan
Standard Permit Conditions	LWB Standard Land Use Permit Conditions Template
TG	Tłı̨chǫ Government
WLWB or Board	Wek'èezhìi Land and Water Board
WMP	Waste Management Plan
WMMP	Wildlife Management and Monitoring Plan

2.0 Summary of Application

The WLWB originally issued Land Use Permit W2017C0005 for the Diagras Project on December 13, 2017, for a period of five years, with the expiry date of December 12, 2022. The Board also completed a preliminary screening of the Project on December 13, 2017.² The Permit was for the operation and maintenance of a camp, prospecting, mapping, till sampling, ground and airborne geophysics, diamond core and reverse circulation drilling, establishment of a petroleum fuel storage facilities, and use of vehicles and equipment.

On September 17, 2021, the WLWB received an application to assign the Permit from Margaret Lake Diamonds Inc. to Arctic Star Exploration Corp. and to also amend the Permit to include additional mineral claims. The Board completed a preliminary screening of the assignment/amendment on October 28,

² See WLWB Online Registry for [W2017C0005 – Margaret Lake Diamonds – Preliminary Screening – Dec 13 17](#).
W2024C0007 – Arctic Star Exploration Corp. – Diagras Project

2021.³ On October 28, 2021, the Board approved the assignment of the Permit from Margaret Lake Diamonds Inc. to Arctic Star Exploration Corp. On November 8, 2021, after the 10-day pause period, the Board amended the Permit to include the additional claims.

On October 19, 2022, the Board approved a two-year extension to the Permit (W2017C0005) setting the expiry date to December 12, 2024. Land Use Permit W2017C0005 has reached the term normally applied to a Permit and can no longer be extended.

On October 21, 2024, the Applicant submitted an application for a new Permit W2024C0007 (the Application).⁴ The Application is to continue conducting mineral exploration in the Hardy Lake area, for the operation and maintenance of a camp, prospecting, mapping, till sampling, ground and airborne geophysics, diamond core and reverse circulation drilling, establishment of a petroleum fuel storage facilities, and the use of vehicles and equipment. Arctic Star has also applied to store fuel and equipment in a laydown area near Portage 55 off the Tibbitt-Contwoyto Winter Road. This laydown area is outside the mineral claim leases.

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

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

3.0 Main Issues Raised During the Regulatory Proceeding

These Reasons for Decision focus primarily on the following key issues raised during the regulatory proceeding:

- 1) Wildlife Management and Monitoring Plan: Parties provided recommendations regarding protection of wildlife during operations (GNWT-ECC comment 2; ECCC comment 4-7; Tłı̨chǫ Government comment 3). Parties commented that version 1.1 of the Wildlife Management and Monitoring Plan was required by the Board on May 25, 2022, but was not submitted. Details regarding the Board's decision are in section 6.4 below;
- 2) Spill contingencies: Comments were received on the Spill Contingency Plan related to secondary containment and spill responses (ECCC comment 1-3). Details regarding the correspondence are in section 6.4 below; and
- 3) Protection of Historical, Archaeological, and Burial Sites: Parties commented on the Protection of Historical, Archaeological and Burial Sites in the new laydown area (GNWT-ECE PWNHC comment

³ See WLWB Online Registry for [W2017C0005 – Diagras – Preliminary Screening Determination and Reasons for Decision – Oct 28 21](#).

⁴ See WLWB Online Registry (www.wlwb.ca) for [Diagras Project – LUP Application – Oct 30 24](#).
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1-2; Tłıchq Government comment 3). Details regarding the Board’s decision are in section 6.4 below.

Issues that were resolved by Parties to the Board’s satisfaction during the proceeding are not addressed in detail in these Reasons.

4.0 Regulatory Process

On October 21, 2024, the Applicant submitted the Application, which was deemed incomplete on October 24, 2024.⁵ On October 29, 2024, additional information was received,⁶ and the Application was subsequently deemed complete on October 30, 2024. It was circulated to the Distribution List for public review on the Online Review System (ORS).⁷ As part of the public review, Board staff requested comments and recommendations to assist with the Board’s preliminary screening determination.

By November 20, 2024, the Board received comments and recommendations regarding the Application from the following Parties: Environment and Climate Change Canada (ECCC), Government of the Northwest Territories Environment and Climate Change (GNWT-ECC), Wek’èezhì Renewable Resource Board (WRRB), Government of the Northwest Territories Education, Culture and Employment, Prince of Wales Northern Heritage Centre (GNWT-ECE-PWNHC), Fisheries and Oceans Canada (DFO), Government of the Northwest Territories Environment and Climate Change (GNWT-ECC)-Inspector, and Tłıchq Government. Board staff also submitted comments and questions for the purposes of clarification. On November 27, 2024, the Applicant responded to the Parties’ comments and recommendations.⁸ GNWT-ECE PWNHC submitted a late follow-up comment on December 3, 2024 to which Arctic Star responded to on December 3, 2024.

On December 10, 2024, the Board met and made its preliminary screening determination for the Project.⁹

On December 10, 2024, the Board met to make decisions regarding the Application. These decisions and related reasons are described in sections [5.0](#), [6.0](#) below.

5.0 Legislative Requirements Related to Permit Issuance

With respect to permitting, the [MVRMA](#) and the [MVLUR](#) apply.

⁵ See WLWB Online Registry for [Diagras Project – LUP Application – Request for Additional Information – Oct 24 24](#).

⁶ See WLWB Online Registry for [Diagras Project – LUP Application – Oct 30 24](#), [Diagras Project – LUP Application – Project Description – Oct 30 24](#), [Diagras Project – LUP Application – YK SWF Acceptance of Waste Letter – Oct 30 24](#), [Diagras Project – Draft Security Deposit Worksheet – Oct 30 24](#), and [Diagras Project – GIS Data – Oct 30 24](#).

⁷ See WLWB Online Review System for [Arctic Star Exploration Corp. – Diagras Project – Land Use Permit Renewal Application October 30, 2024](#).

⁸ See WLWB Online Registry for [Diagras Project – LUP Application – Review Summary Table – Nov 27 24](#).

⁹ See WLWB Online Registry for [Diagras Project – Preliminary Screening Determination and RFD – Dec 10 24](#).

As per the [MVLUR](#), the proposed use of land and water, and the deposit of waste for this Project require a permit. The required authorization is within the Board’s jurisdiction as per subsections 59(1) and 102(2) of the [MVRMA](#).

In conducting its regulatory process for the Application (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 [6.0](#).

5.1 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, specifically those 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](#).¹⁰ 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 clearly articulated. In accordance with the Policy and Guidelines, the Applicant’s engagement efforts and proposed procedures are detailed in the Engagement Record and Plan (Version 3.0), respectively,¹¹ submitted with the Application. The Board has approved the Applicant’s Engagement Plan (Version 3.0), and the Board’s reasons for this decision are described below in section 6.4. Following issuance, the Applicant must continue engagement efforts as outlined in the Engagement Plan and as required in the Permit.

The Application was posted to the Board’s Public Registry and distributed through the ORS. As the Project is located in the Wek’èezhì Management Area, the appropriate organizations, governments, First Nations, and Indigenous organizations were included in the Wek’èezhì Distribution List.¹² The Wek’èezhì

¹⁰ See WLWB Policies and Guidelines webpage to access the LWB [Engagement and Consultation Policy](#) and [Engagement Guidelines for Applicants and Holders of Water Licences and Land Use Permits](#).

¹¹ See WLWB Online Registry for [Diagras Project – Engagement Plan Version 3.0 and Engagement Record – Oct 30 24](#).

¹² To access the Distribution List, see the LWBs’ Online Review System for [Arctic Star Exploration Corp. – Diagras Project – Land Use Permit Renewal Application October 30, 2024](#).

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 Application is provided above in [section 4.0](#).

In accordance with sections 63 and 64 of the [MVRMA](#), the Board is satisfied that notice of and access to copies of the Application 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.

5.2 Eligibility for Land Use Permit

As per section 18 of the [MVLUR](#), eligibility must be determined before the Board can issue a permit. The Applicant provided a table of its claims list to demonstrate eligibility under subparagraph 18(a) of the MVLUR.

During the Public Review, WLWB staff asked Arctic Star to discuss any authorizations/contracts to support eligibility to store fuel and equipment on the Tibbitt-Contwoyto Winter Road (i.e., the laydown area) (comment 3). The Applicant stated that it “is intending to store on an esker north of and adjacent to the ‘actual physical’ Tibbitt-Contwoyto Winter Road (TCWR) at the east end of Lac de Gras and not on the road” (response to WLWB staff comment 3). Arctic Star also indicated that the laydown area is not on the TCWR and is located on vacant Territorial Land adjacent to the winter road. In email communication with Board staff, the GNWT-ECC Inspector indicated that the Land Manager (GNWT-ECC) had no concerns with Arctic Star using this laydown area for fuel and equipment storage.¹³

Based on the supporting information provided by the Inspector and Applicant, the Board concludes that the eligibility requirements under section 18 of the MVLUR have been satisfied.

5.3 Land Use Plan Conformity

As per section 61 of the [MVRMA](#), where an approved Land Use Plan applies, the Board must confirm conformity with the Land Use Plan before issuing a permit or licence.

No approved Land Use Plans apply in the Project area.

5.4 Land Use Fees

The Project is located wholly outside of federal areas, so no land-use fees apply.

¹³ See WLWB Online Registry for [Diagras Project – LUP Application – GNWT-ECC confirms Eligibility – Nov 13 24](#)
W2024C0007 – Arctic Star Exploration Corp. – Diagras Project

5.5 Time Limit

As per section 22 of the [MVLUR](#), the Board is required to make its decision on a permit within 42 days of receiving a complete application.

5.6 Environmental Review (Part 5 of the MVRMA)

5.6.1 Preliminary Screening

On December 10, 2024, the Board met and reviewed all the evidence received during the regulatory process with respect to the Preliminary Screening of the proposed changes to the Project. Based on the evidence, it is the Board's opinion that the proposed changes to the Project will not have a significant adverse impact on the environment or be a cause of public concern, as set out in paragraph 125(1)(a) of the [MVRMA](#). The Board has therefore decided not to refer the proposed changes to the Project to Environmental Assessment.

In accordance with section 125 of the [MVRMA](#), the Board notified the Review Board of its preliminary screening determination,¹⁴ 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 continued with the regulatory proceeding.

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

6.0 Decision – Land Use Permit W2024C0007

Having due regard to the facts, circumstances, and the merits of the submissions made to it, and to the purpose, scope, and intent of the [MVRMA](#), the Board has determined that Permit W2024C0007 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 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.

In developing the Permit, the Board considered existing Land Use Permit W2017C0005 and the LWBs' [Standard Land Use Permit Conditions Template](#) (Standard Permit Conditions)¹⁵ and included a number of these standard conditions that are relevant to the Project. As noted in [section 4.0](#), Board staff circulated a draft Permit for review to allow Parties to provide specific input to the Board on possible conditions,¹⁶

¹⁴ See WLWB Online Registry for [Diagras Project – Preliminary Screening Determination and RFD – Dec 10 24](#).

¹⁵ See WLWB Policies and Guidelines webpage to access the LWB [Standard Land Use Permit Conditions Template](#).

¹⁶ See WLWB Online Registry for [Diagras Project – Draft Land Use Permit – Oct 30 24](#)

and the Board considered these review comments and recommendations in making its determination on the 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 language of any standard condition included in the Licence is only discussed in detail in the following sections of these Reasons for Decision when it specifically relates to concerns or recommendations raised during the regulatory proceeding. The Board's reasons for developing and including Project-specific conditions, including discussion of any concerns and recommendations raised regarding these conditions, are detailed in the relevant sections below.

6.1 Term of Permit

The Applicant has applied for a term of five years for the Permit. Subsection 26(5) of the [MVLUR](#) allows for a Permit term of not more than five years. There were no concerns raised by Parties during the public review regarding the term of the Permit. After reviewing the submissions made during the regulatory proceeding, the Board has determined an appropriate term for the Permit is five years.

6.2 Part A: Scope of Permit

The scope of the Permit ensures the Permittee is entitled to conduct activities which have been applied for and which have been subject to Part 5 of the [MVRMA](#). The changes to the Project are within the existing scope of the Permit, and therefore no changes were proposed in the draft Permit that was circulated for public review. The Board did not receive any comments or recommendations on the scope in the draft permit, so the Board did not make any changes to this section of the Permit.

6.3 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.

6.4 Part C: Conditions Applying to All Activities

The subheadings below correspond to the headings in the conditions section of the Permit, as outlined in subsection 26(1) of the [MVLUR](#).

26(1)(a) Location and Area

The USE EXISTING CAMP condition was included in the draft Permit that was circulated for public review; this is a Standard Permit Condition and was not in the previous permit. There were no concerns from the Applicant or the Reviewers on the inclusion of this condition. Thus, this condition was included in the Permit.

The DRILLING/ADIT SETBACK condition was included in the draft Permit that was circulated for public review; this is a Standard Permit Condition and was not in the previous permit. The GNWT-ECC (comment 1) recommended to not include this condition as there is no proposal for constructing an adit. The Applicant agreed. Thus, this condition was not included in the Permit.

26(1)(b) Time

The SEASONAL NOTIFICATION-CONTACT INSPECTOR condition was included in the draft Permit that was circulated for public review. This is a Standard Permit Condition and was in the previous permit. This condition is used when an Applicant indicates they plan to be active in a specific season(s) or plan to ramp up and shutdown several times a year. In the application, the Applicant requested this condition be removed because “It is unknown at this time what seasonal shutdowns may occur as these would be results and finance driven”.

During the public review WLWB staff (comment 1) commented that it is unclear if Arctic Star was requesting reference to shut-downs be removed from the renewed Permit and recommended that Arctic Star comment on whether there would be any limitations with including this condition in the Permit. The Applicant indicated that “a seasonal shutdown condition would imply that the Company can predict years in advance what the exploration results would be requested” (response to WLWB staff comment 1). Arctic Star also indicated that it is already required to notify the Inspector prior to start-up and shut-down of any program regardless of how many programs there are in a single year; the Board notes that there is a requirement to notify the Inspector for the initial commencement of the land-use operation (Condition 6: INITIAL NOTIFICATION – CONTACT INSPECTOR), but not during subsequent annual seasonal operations. To be clear, the condition is specifically for communicating with the Inspector before start-up, after the site has been shut-down for the season. According to the application, future work is planned to occur seasonally (i.e., March to October) and given Arctic Star has indicated it will notify the Inspector prior to start-up and shut-down of any program, it does not appear that this condition would be onerous for the Applicant. As far as timing for this condition, the condition requires that Arctic Star contact the Inspector 48 hours prior to start-up, and therefore the schedule of the Project is not necessary “years in advance”. For these reasons, the condition was retained in the Permit.

26(1)(c) Type and Size of Equipment

The condition included in this section is consistent with the LWB Standard Permit Conditions. No comments or recommendations regarding the condition in this section were received.

26(1)(d) Methods and Techniques

The WINTER ROADS condition was included in the previous Permit. The Applicant stated in the Application that Arctic Star does not intend to construct a winter road to access the site, and that if a winter road is used it would be the existing Tibbitt-Contwoyto Winter Road which services mining and exploration annually in the area. Based on this information the condition was proposed to be removed in the draft Permit. There were no comments from Reviewers on removing this condition from the Permit. Thus, this condition was not included in the Permit.

26(1)(e) Type, Location, Operation of All Facilities

The condition included in this section (CLEAN WORK AREA) is consistent with the LWB Standard Permit Conditions. No comments or recommendations regarding the condition in this section were received.

26(1)(f) Control or Prevention of Ponding of Water, Flooding, Erosion, Slides, and Subsidence of Land

The PERMAFROST PROTECTION and PROGRESSIVE EROSION CONTROL conditions were included in the draft Permit that was circulated for public review. These are Standard Permit Conditions and were not in the previous permit. The GNWT-ECC Inspector (comments 2 and 3) recommended removal of these two conditions as they are not applicable to the land use operation. The Inspector stated that the PERMAFROST PROTECTION condition is not applicable because “the camp is already established and the camp infrastructure are located on an esker” (comment 2). The Inspector also stated that the PROGRESSIVE EROSION CONTROL condition is not applicable “as there is no proposal for significant land disturbance or excavating” (comment 3). The Applicant agreed to removing these conditions. Given these conditions are not applicable to the Project, these two conditions were not included in the Permit.

The REPAIR EROSION condition was included in the draft Permit that was circulated for public review. This is a Standard Permit Condition and was not in the previous permit. There were no comments from Reviewers with the inclusion of this Standard Condition. Thus, this condition was included in the Permit.

26(1)(g) Use, Storage, Handling, and Ultimate Disposal of Any Chemical or Toxic Material

The NOTIFICATION OF SOLID WASTE DISPOSAL condition was included in the draft Permit that was circulated for public review. This is a Standard Permit Condition and was not in the previous permit. There were no comments from Reviewers with the inclusion of this Standard Condition. Thus, this condition was included in the Permit.

26(1)(h) Wildlife and Fish Habitat

The [MVLUR](#) includes provisions related to the protection of wildlife habitat; however, requirements for Wildlife Management and Monitoring Plans (WMMPs) are under the jurisdiction of the GNWT through the *Wildlife Act*. Accordingly, all applicants are directed to contact the GNWT-ECC to determine whether a WMMP, which details mitigations to reduce or eliminate impacts to applicable wildlife and wildlife habitat, is required for the project and should be submitted to the Board with a permit and/or licence application. Under this Project, a condition for a WMMP was added to the Permit during the October 2021 Amendment. The Board added this requirement for a WMMP based on Parties identifying potential impacts to wildlife habitat as a result of the Amendment to include additional mineral claims.¹⁷ Version 1.0 was approved by the Board in May 2022, but required submission of Version 1.1 with revisions as detailed in the Reasons for Decision.¹⁸ It appears that Version 1.1 was never submitted under the previous permit.

During the public review of the Application, the WRRB commented that it has yet to review the WMMP and therefore is unable to provide support for it (comment 1). Tłı̄chǫ Government (comment 3) supported WRRB's comment on the WMMP. The Applicant stated it "will adhere to all Conditions put forward by the WLWB in the Permit" (response to TG comment 3).

Given the WMMP was required to be submitted and was not submitted under the previous Permit, the Board has added a requirement to the Permit for the WMMP to be submitted within 90 days of issuance of the Permit. In Section 3.2 of the Board's Reasons for Decision on Version 1.0 of the WMMP the Board provided a list of required revisions.¹⁹ As per the Board's [Document Submission Standards](#), the cover letter is to include a conformity table summarizing how the submission addresses each of the requirements in the Board's decision. If the submission does not satisfy some or all of the requirements, rationale must be provided.²⁰ The condition in the Permit was updated from the draft Permit to specify that version 1.1 is to be submitted for approval to the Board (i.e., in the draft Permit, the condition did not specify version 1.1, only to re-submit the WMMP).

The Board's decision on Version 1.0 of the WMMP addresses the wildlife concerns raised by parties during the Public Review of the Application:

- **Species at Risk:** ECCC commented that Arctic Star had not identified any Species at Risk that are likely to be present in the Project area and had not identified any adverse effects of the Project on Species at Risk (comment 4). Arctic Star responded that it has addressed this in the Impact-Mitigation table of the land use application (response to ECCC comment 4). The Board notes that

¹⁷ See WLWB Online Registry for [Diagras - Land Use Permit and RFD - Amendment - Nov 8 21.pdf](#)

¹⁸ See WLWB Online Registry for [W2017C0005 - Diagras - Wildlife Management and Monitoring Plan - Version 1.0 - Reasons for Decision - May 25 22.](#)

¹⁹ *Ibid.*

²⁰ See WLWB Policies and Guidelines webpage to access the LWB [Land and Water Boards of the Mackenzie Valley, Document Submission Standards. February 2023.](#)

the Impact-Mitigation table provided with the Application does include consideration of wildlife in general. In the Board's Reasons for Decision on Version 1.0 of the WMMP, the Board required Arctic Star to include a section on species at risk, including a table of sensitive species. The Board also required that Arctic Star address gaps that WRRB noted which included listing the wildlife species/habitats of concern and outlining the project impacts and the subsequent mitigations for each. An appendix was also required to outline the federal and territorial legislation for protecting wildlife in the NWT.

- Given additional information on Species at Risk is required by the Board's Decision on Version 1 of the WMMP, the Board is satisfied that comments on Species at Risk will be addressed in the next version of the WMMP.
- Migratory Birds: ECCC commented that the Project occurs during the nesting season for migratory birds which extends from mid-May to mid-August for this region (comment 5). ECCC recommended that the Proponent carry out all phases of the project in a manner that reduces risk to migratory birds and avoid harming, killing or disturbing migratory birds or destroying, disturbing or taking their nests and eggs. Arctic Star referenced its response to ECCC comment 4 where it stated that it has addressed this in the Impact-Mitigation table in the Application. In the Board's Reasons for Decision on Version 1.0 of the WMMP, the Board required a plan for orienting all staff to be cognizant of migratory bird nesting, and that ECCC be added as a contact for reporting wildlife incidents related to migratory birds. The Board notes that Condition 29 in the Permit (HABITAT DAMAGE) requires "the Permittee shall take all reasonable measures to prevent damage to wildlife and fish habitat"; this would include migratory birds.
 - Given additional information on migratory birds is required by the Board's Decision on Version 1.0 of the WMMP and that a condition in the Permit is included for HABITAT DAMAGE, the Board has no additional requirements related to migratory birds at this time.
- Caribou: GNWT-ECC (comment 2) indicated that it made a recommendation during the public review of Version 1.0 of the WMMP that Arctic Star postpone exploration activity when one or more caribou are within 500 m of a specific exploration target. GNWT-ECC indicated that "As part of the implementation of the Bathurst Caribou Range Plan, GNWT-ECC has developed draft Mobile Caribou Conservation Measures (MCCM), which are meant to provide guidance to land use operators on planning, monitoring, and undertaking land use activities in a way that avoids or minimize sensory disturbances to barren-ground caribou". GNWT-ECC recommended that Arctic Star engage with GNWT-ECC to discuss the inclusion of MCCM in their WMMP before Arctic Star submits Version 1.1 to the WLWB. Tłı̄ch̄o Government also (comment 3) recommended Arctic Star contact GNWT – ECC and TG to discuss detailed project plans to make sure that any disturbance (for example, including airborne geophysics and other activities) to Bathurst Caribou is minimized. Arctic Star responded that it still maintains that 1 or more caribou within 500 meters is an onerous condition unless calves are present, but did indicate that it will engage and discuss this further with GNWT-ECC. As indicated in the Reasons for Decision on Version 1.0, regulation of wildlife is under the jurisdiction of the GNWT through the *Wildlife Act*

and therefore the Board advised Arctic Star to work collaboratively with GNWT-ECC on requirements regarding wildlife within the range of project activities.

- Given Arctic Star agreed to engage with GNWT-ECC on this topic (response to GNWT-ECC comment 2), the Board has no additional requirement at this time.

Given the concerns raised during the public review of the Application will be addressed in Version 1.1 of the WMMP, the Board has no additional requirements for Version 1.1 outside of the decision on Version 1.0. As described in the Board's Reasons for Decision on Version 1.0 of the WMMP, Version 1.1 will be considered approved when Arctic Star receives written confirmation of conformity from the Board. A public review will typically not be required to confirm conformity; however, if the revised WMMP includes different information than what has been required, a public review may be required before it can be considered by the Board.

DFO commented that the Application briefly discusses water withdrawal activities which have the potential to impact fish and fish habitat (comment 1). DFO noted that "direct fish mortality can occur during water withdrawal activities through entrainment/impingement". DFO recommended that Arctic Star follow DFO's protective measures for fish and fish habitat and standard codes of practice, including use of end-of-pipe fish protection screens. DFO also made a general comment that "Proponents are asked to respect the NWT in-water works restricted activity timing windows". DFO provided links to DFO's standard codes of practices and to DFO's website. Arctic Star committed to reviewing DFO's website materials and avoid harmful interference with fish. The Board notes that Condition 29, HABITAT DAMAGE, requires "the Permittee shall take all reasonable measures to prevent damage to wildlife and fish habitat". As well, as per Part A, Condition 3 "Compliance with the terms and conditions of this Permit does not excuse the Permittee from its obligation to comply with the requirements of any applicable Federal, Territorial, Tłıchǫ, or Municipal laws"; this would include complying with the *Fisheries Act*. Where DFO made no project-specific recommendations, the Board has no requirements at this time.

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

The conditions included in this section are all consistent with the LWB Standard Permit Conditions. No comments or recommendations regarding these conditions in this section were received.

WASTE MANAGEMENT PLAN

All applicants must submit detailed waste management information, identifying all types of waste that will be produced by the project (including quantity and quality) and describing the disposal methods that are proposed for each type of waste. For most applicants, this will be in the form of a WMP, developed in accordance with the LWB [Guidelines for Developing a Waste Management Plan](#), and licences and permits will include standard conditions regarding compliance with the Plan, as approved by the Board. The Guidelines can be applied to a wide range of projects and are intended to ensure that all waste management activities are carried out in a way that is consistent with best practices and applicable guidelines to minimize waste released from a project.

The Permittee included an updated Waste Management Plan (version 2.0) with the Application.²¹ The Board considered this Plan as part of the Application Package. No comments on the Waste Management Plan were received during the Public. Thus, the Board has approved the Waste Management Plan, Version 2.0 because it is appropriate for the Project activities.

26(1)(j) Protection of Historical, Archaeological, and Burial Sites

The conditions included in this section are all consistent with the LWB Standard Permit Conditions.

Parties provided comments on protection of potential archaeological and cultural sites in the area. GNWT-ECE PWNHC commented that only the land within the claim block has received an Archaeological Overview Assessment for this Project (comment 1). GNWT-ECE PWNHC indicated that some archaeological work related to the winter road does exist but is limited and that storage and movement of equipment can disturb unrecorded archaeological sites (comment 1). GNWT-ECE PWNHC recommended that the locations of fuel and equipment storage outside of the Claim Block area need to be specifically identified to determine archaeological recommendations (comment 1). GNWT-ECE PWNHC also commented that the conditions listed under section 26(1)(j) Protection of Historical, Archaeological, and Burial Sites included in the draft Permit (i.e., conditions 36 to 40) are sufficient for activities within the claim blocks only (comment 2). Tłı̄chq̄ Government recommended that Arctic Star ensure that all sites of historic and cultural significance (if any) are consistent with the Prince of Wales Northern Heritage Centre requirements (comment 3).

Arctic Star provided the laydown location in response to comments (i.e., portage 55). Arctic Star stated that the laydown area is on an esker immediately adjacent and on the north side of portage 55 and has been previously quarried for gravels for road materials (response to PWNHC comment 1). The Board notes that in the Engagement Log provided with the Application, Arctic Star noted that it contacted PWNHC and “requested archaeological site data for permit renewal area from PWNHC”.²² GNWT-ECE PWNHC submitted a late comment on December 3, 2024 indicating that the proponent has clarified that the only location for fuel and equipment storage outside of the Diagrass claim blocks area will be “the esker immediately adjacent and on the north side of portage 55” (comment 3). GNWT-ECE PWNHC indicated that the laydown location “has received sufficient archaeological assessments to determine archaeological sites and avoidance buffers” and recommended that the DRAFT Land Use Permit Conditions, listed under section 26(1)(j) Protection of Historical, Archaeological, and Burial Sites, conditions 36 through 40 on the existing LUP are sufficient for the activities of fuel and equipment storage at Portage 55”. Arctic Star responded that it acknowledged the late comment and PWNHC’s recommendation that the existing conditions are sufficient (response to GNWT-ECE PWNHC comment 3).

²¹ See WLWB Online Registry for [Diagrass Project – Waste Management Plan Version 2.0 – Oct 30 24](#)

²² See WLWB Online Registry for [Diagrass Project - Engagement Plan Version 3.0 and Engagement Record - Oct 30 24.pdf](#)

Given GNWT-ECE PWNHC indicated that the conditions included in the Permit under section 26(1)(j) (Protection of Historical, Archaeological, and Burial Sites) are sufficient for the laydown area as well as the claim blocks area, and based on Arctic Star's response that it will follow the conditions in the Permit, the Board is satisfied that the concerns from Parties during the Public Review have been addressed.

26(1)(k) Objects and Places of Recreational, Scenic, and Ecological Value

This section was intentionally left blank, because the Board did not require conditions in this section to satisfy its mandate and did not receive any recommendations related to this section during the review of the draft Permit.

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.

The Applicant included a security worksheet with its application, and this was submitted as part of the Public Review.²³ Arctic Star requested a reduction in security (\$10,031.48) to reflect a change to equipment needed and because the Company completed the terms of a Land Use Permit (i.e., the performance multiplier was changed from 1.0 to 0.85 in the worksheet). There were no comments from Parties on the security. The Board reviewed the security amount included and confirmed that it reflects the permitted project. Since there were no concerns from Parties with regards to the Security, the Board has included a requirement for a security deposit of \$56,845.08 in the Permit.

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

The conditions included in this section SECURITY DEPOSIT and RESPONSIBILITY FOR REMEDIATION COSTS are all consistent with the LWB Standard Permit Conditions.

26(1)(m) Fuel Storage

The MAXIMUM FUEL ON SITE condition was included in the draft Permit that was circulated for public review; this is a Standard Permit Condition and was not in the previous permit. There were no concerns from Reviewers with the inclusion of this Standard Condition. Thus, this condition was included in the Permit.

²³ See WLWB Online Registry for [Diagras Project - Draft Security Deposit Worksheet - Oct 30, 24.pdf](#)
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SPILL CONTINGENCY PLAN

All applicants must describe spill contingency planning. For most applicants, this will be in the form of a SCP, developed in accordance with the INAC [Guidelines for Spill Contingency Planning](#), and licences and permits will include standard conditions regarding compliance with the Plan, as approved by the Board. The Plan is intended to ensure that an action plan for responses to spills and unauthorized discharges has been established to effectively control and clean up spills and unauthorized discharges, with the goal of preventing or limiting damage to the receiving environment.

The Permittee included an updated Spill Contingency Plan (Version 2.0) with the Application.²⁴ The Board considered the Plan as part of the Application Package, and its decision on the Plan is set out below.

During the public review, ECCC commented that figure 5 in the Project Summary shows three propane cylinders and multiple drums on the ground within visible secondary containment (comment 1). ECCC recommended Arctic Star confirm whether secondary containment is used for the drums containing hazardous chemicals, particularly during seasonal shutdown. ECCC also recommended that Arctic Star provide secondary containment for the small fuel caches used during exploratory drilling (comment 2). Arctic Star responded that it uses secondary containment measures on all active fuel usages and with small on-ice temporary cache for drilling. Arctic Star indicated that the drums noted in the mentioned picture are empties awaiting backhaul upon next startup. The standing active propane cylinders are secured with a chain or rope to the structure as per WSCC regulations (Arctic Star response to ECCC comment 1). The additional information about using secondary containment for the temporary small fuel caches on the ice was not included in the Spill Contingency Plan and therefore is to be included in the next version of the SCP.

ECCC commented that the Plan references the use of floating booms for spills on water, which are essential for containing hydrocarbon spills on water (comment 3). ECCC noted that the Plan lists socks and pads but does not mention booms in its on-site spill kits. ECCC recommended that Arctic Star clarify whether socks are intended to serve as booms or if booms will be available elsewhere on-site or through off-site resources. Arctic Star stated that socks will serve as booms. Operations for this Project typically occurs during winter months when there is no open water. Arctic Star stated if future operations were to extend into open water seasons, additional appropriate spill contingency materials may be brought in for preparedness. The Board notes that the information that “socks will serve as booms” is helpful information and directs Arctic Star to include this in the next version of the SCP.

ECCC commented that the proponent has correctly identified ECCC as a contact for spill instances involving migratory birds (comment 7). ECCC recommended that Arctic Star may wish to contact GNWT-ECC if wildlife other than migratory birds are affected by a spill. ECCC recommended that the Proponent notify ECCC’s Canadian Wildlife Service via email for instances involving Interactions and incidents with

²⁴ See WLWB Online Registry for [Diagras Project – Spill Contingency Plan Version 2.0 – Oct 30 24](#)
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potential disturbance of individuals or nests and any mortality events of migratory bird species. Arctic Star committed to doing this.

ECCC commented that fuel and other hazardous materials may be stored, handled or transported near a water body that may be used by birds (comment 6). ECCC recommended that the Proponent ensure their employees and contractors are made aware of plans and commitments related to storing, handling and transporting of petroleum products and other hazardous substances and take all necessary precautions to prevent spills. Arctic Star responded that the Spill Contingency Plan includes that “All personnel handling fuel or chemicals shall make themselves familiar with the plan and the plan will be part of the induction to new personnel to the drilling program”. The Board also notes that the Permit includes conditions for SPILL RESPONSE, CLEAN UP SPILLS, and REPORT SPILLS. The Board is satisfied with Arctic Star’s response and the Permit conditions to address ECCC’s comment.

Based on the responses to the Public Review and no comments not to approve the SCP, the Board approves Version 2.0 of the Spill Contingency Plan; however, the Board requires Arctic Star to submit Version 2.1 of the Plan within 90 days of the issuance date of the Permit for a conformity confirmation. Version 2.1 is to incorporate the following edits as discussed above:

- Include response to ECCC comment 1 related to the use of secondary containment for the temporary small fuel caches on the ice;
- Include the information that socks will serve as booms (ECCC comment 3); and
- Include GNWT-ECC as a contact if wildlife is affected by a spill and include the information on notifying ECCC as detailed in ECCC comment 7.

26(1)(n) Methods and Techniques for Debris and Brush Disposal

The MINIMIZE AREA CLEARED condition was included in the draft Permit that was circulated for public review. This is a Standard Permit Condition and was not in the previous permit. The GNWT-ECC Inspector recommended this condition be removed as the proposed activities will be located above the tree line and therefore not applicable (comment 4). The Applicant agreed with the removal of this condition. Given this condition is not applicable to the Project, it was not included in the Permit.

26(1)(o) Restoration of the Lands

The TRANSFER OF LIABILITIES and PROGRESSIVE RECLAMATION conditions were included in the draft Permit that was circulated for public review; these are Standard Permit Conditions and were not in the previous permit. There were no comments or recommendations with regards to the inclusion of these two conditions; thus, these two conditions were included in the Permit.

The SAVE AND PLACE ORGANIC SOIL condition was included in the draft Permit that was circulated for public review. This is a Standard Permit Condition and was not in the previous permit. The GNWT-ECC Inspector recommended this condition be removed as there is no proposal to excavate (comment 5).

The Applicant agreed with the Inspector. Given this condition is not applicable to the Project, it was not included in the Permit.

The ACTIVE REVEGETATION condition was included in the draft Permit that was circulated for public review. This is a Standard Permit Condition and was not in the previous permit. The GNWT-ECC Inspector recommended this condition be removed as the location is above the tree line and there is no proposal to remove vegetation (comment 6). The Inspector also stated that the use of the Standard Permit Condition NATURAL VEGETATION can be used as a replacement of ACTIVE REVEGETATION. The Applicant agreed with the Inspector's recommendation. Given the condition NATURAL VEGETATION is more applicable than the condition for ACTIVE REVEGETATION, NATURAL VEGETATION was added to the Permit and the ACTIVE REVEGETATION condition was not included.

CLOSURE AND RECLAMATION PLAN

All applicants must describe closure and reclamation planning. For most applicants, this will be in the form of a Closure and Reclamation Plan (CRP), and licences and permits will include standard conditions regarding compliance with the Plan, as approved by the Board.

The Permittee submitted Version 1.1 of the Closure and Reclamation Plan with the Application. Version 1.0 was previously approved under the issuance of the original permit.²⁵ Arctic Star indicated that Version 1.1 was updated with the name change, permit number, and other editorial edits. The Board considered the Plan as part of the Application Package, and its decision on the Plan is set out below.

No comments were received during the Public Review that indicated that a revision to the Plan was needed. Thus, the Board has approved the Closure and Reclamation Plan, Version 1.1 because it is appropriate for the Project activities.

26(1)(p) Display of Permits and Permit Numbers

The condition included in this section (DISPLAY PERMIT) is consistent with the LWB Standard Permit Conditions. No comments or recommendations regarding this condition in this section were received.

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

The conditions included in this section are all consistent with the LWB Standard Permit Conditions. No comments or recommendations regarding these conditions in this section was received.

²⁵ See WLWB Online Registry for [W2017C0005 - Margaret Lake Diamonds - Land Use Permit - Reasons for Decision - Dec 13 17.pdf](#)

ENGAGEMENT PLAN

The Board assesses engagement adequacy through the LWB [Engagement and Consultation Policy](#) and [Engagement Guidelines for Applicants and Holders of Water Licences and Land Use Permits](#). In accordance with the Policy and Guidelines, the Applicant included an Engagement Record and Plan in the Application.²⁶ The Plan is intended to ensure adequate and effective engagement with potentially affected parties has occurred prior to the submission of the Application (in the form of the Engagement Record) and is planned for throughout the life of the Project.

In accordance with the Policy and Guidelines, the Applicant included an Engagement Record and Plan with the Application, and these documents were distributed for public review with the Application. The Board considered the Plan as part of the Application Package. A condition for an Engagement Plan (ENGAGEMENT PLAN) was included in the Permit, as was included in the previous Permit.

During the public review, Tłıchq Government recommended that the types of engagement be updated to reflect their plans with virtual engagement and current realities, and not to be tied to COVID-related risks as that might not be applicable at this time (Virtual and in-person are both still good engagement options) (comment 1). Arctic Star committed to updating this information.

Tłıchq Government recommended that the Engagement Plan be updated to indicate a clear understanding of the Tłıchq Government's *Weghàà Eleyatits'eedi: Guidelines for Proponents of Development* by referencing the document (comment 2). Tłıchq Government recommend Arctic Star continue to get acquainted with these guidelines for meaningful engagement with Tłıchq. Arctic Star responded the *Weghàà Eleyatits'eedi: Tłıchq Government Guidelines for Proponents of Development* document will be addressed in the next Engagement Plan revision.

The Board approves Version 3.0 of the Engagement Plan, and requires Arctic Star to submit Version 3.1 of the Plan within 90 days of the effective date of the Permit for a conformity confirmation and ensure the Plan incorporates the commitments made during this review process, as follows:

- Update the types of engagement as per Tłıchq Government comment 1; and
- Incorporate Tłıchq Government's Guidelines "*Weghàà Eleyatits'eedi: Guidelines for Proponents of Development*" document as per Tłıchq Government comment 2.

7.0 Conclusion

Subject to the scope, definitions, conditions, and term set out in the Permit, and for the reasons expressed herein, the WLWB is of the opinion that the activities, land use, and waste disposal associated with the Project can be completed by Arctic Star Exploration Corp. while providing for the conservation,

²⁶ See WLWB Online Registry for [Diagras Project – Engagement Plan Version 3.0 and Engagement Record – Oct 30 24](#).

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.

Land Use Permit W2024C0007 contain provisions that the Board deems necessary to ensure and monitor compliance with the MVRMA, and the Regulations made thereunder, and to provide appropriate safeguards in respect of Arctic Star Exploration Corp.'s use of the land as authorized by the Permit.

SIGNATURE



December 23, 2024

Mason Mantla, Chair
Wek'èezhìi Land and Water Board

Date