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Staff Report

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| Applicant: New Discovery Mines Ltd. | |
| Location: Mon Gold Mine – Discovery Lake, NT | Application: MV2013C0021 & MV2014L2-0002 |
| Date Prepared: October 13, 2016 | Meeting Date: October 20, 2016 |
| Subject: Waste Management Plan, Version 8 | |

1. Purpose/Report Summary

The purpose of this Staff Report is to present to the Mackenzie Valley Land and Water Board (MVLWB or the Board) New Discovery Mine's (NDM) Waste Management Plan Version 8 (Plan V.8) for Board decision, as required under Part G, item 2 of Water Licence MV2014L2-0002 and condition 40 of Land Use Permit MV2013C0021.

2. Background

- July 3, 2014 – Permit MV2013C0021 and Licence MV2014L2-0002 were issued;
- October 21, 2015 – Permit MV2015C0015 and Licence MV2015L2-0004 were issued;
- August 12, 2016 – Waste Management Plan, Version 6 submitted to the Board;
- August 19, 2016 – Waste Management Plan, Version 6 distributed for review;
- September 8, 2016 – Reviewer comments due;
- September 15, 2016 – NDM responses due;
- September 17, 2016 – NDM responded to reviewer comments;
- September 20, 2016 – NDM submitted an updated Waste Management Plan, Version 7 to address reviewer comments;
- October 5, 2016 – Waste Management, Version 7 not approved by the Board.
- October 9, 2016 – Waste Management Plan, Version 8 submitted;
- **October 20, 2016 – Waste Management Plan, Version 8 presented to the Board for decision;**
- July 2, 2019 – Expiry of Permit MV2013C0021; and
- July 2, 2021 – Expiry of Licence MV2014L2-0002.

3. Discussion

On July 3, 2014, Permit MV2013C0021 and Licence MV2014L2-0002 were issued to NDM. The Board's issuance letter (attached) noted that the Waste Management Plan must be revised in accordance with the comments made during the review and resubmitted for Board approval, prior to the commencement of construction of the project. NDM submitted the Waste Management Plan, Version 6 on August 12, 2016, to fulfill this requirement (attached). On September 19, 2016, Waste Management Plan, Version 7 was submitted to address reviewer concerns. On October 5, 2016, the Board denied NDM's Spill Contingency Plan Version 7, for reasons outlined in the Reasons for Decision (attached), and with a table of requirements to update by October 19, 2016 in the decision letter (attached). On October 9, 2016, NDM submitted Plan V.8.

The following table is the list of commitments from the October 5, 2016 decision letter, and the location in the updated Plan V.8 where they have been addressed:

Table 1: List of Commitments for approval from the October 5, 2016 decision letter.

| Reviewer Comment Number | Required Update | Section of Update |
|--------------------------------|---|--|
| GNWT-ENR 3 | The Waste Management Plan should be updated to include reference to GNWT Inspectors as appropriate, and the reference to AANDC inspectors shall be removed. | This was updated throughout the Plan V.8. |
| GNWT-ENR 7 | The two bullets under the Wood Waste section outlining wood waste management shall be updated to clearly identify which bullet represents un-treated wood waste management activities, and which represents treated wood waste management activities. | The Wood Waste section was updated to be more clear. |
| GNWT-ENR 9 | The information on page 12 regarding mine waste water discharge shall be updated to reference the correct Water Licence conditions. It currently states Part A, item 9, and this should be corrected to Part G, items 9, 10 and 11. | These references on page 12 were correctly updated. |
| MVLWB 2 | As described in the July 3, 2014 issuance letter, the location for the storage of ammonium nitrate shall be added to the map within the Waste Management Plan. | This location was added to the map. |

This updated Plan V.8 did not go out for review, as the motion carried at the October 5, 2016 Board Meeting stated that Board staff would confirm the contents of the revised Plan V.8, and present the updated submission to the Board.

4. Comments

NDM also holds Land Use Permit MV2015C0015 and Water Licence MV2015L2-0004 for the Mon Gold Mine project, issued October 21, 2015 (attached). These two authorizations include milling facilities, a dry stack tailings facility, a landfarm, water use and deposit of waste, and other standard infrastructure including roads, an explosives storage area, accommodations, a sewage treatment plant, fuel storage, and use of equipment.

5. Review Comments

Not applicable.

Board staff have confirmed the contents of the revised Plan V.8, and are to present the updated submission to the Board.

6. Security

For reclamation security for this project, NDM is required to post \$164,038.00 for Water Licence MV2014L2-0002 and \$88,110.00 for Land Use Permit MV2013C0021, prior to commencement of construction. The Board has not yet received receipts indicating this has been posted.

7. Conclusion

New Discovery Mine Ltd. has addressed all of the commitments outlined in the October 5, 2016 decision letter, and thus, there are no outstanding issues or concerns with this Plan V.8.

8. Recommendation

Board staff recommend the Board approve the Waste Management Plan, Version 8, as submitted on October 9, 2016.

9. Attachments

- [July 3, 2014 Issuance Letter – MV2013C0021 & MV2014L2-0002;](#)
- [October 21, 2015 Issuance Letter - MV2015C0015 & MV2015L2-0004;](#)
- [Waste Management, Version 6;](#)
- [Waste Management Plan, Version 7;](#)
- [Waste Management Plan, Version 8;](#)
- [October 5, 2016 Reasons for Decision and Decision Letter;](#) and
- Draft Decision Letter.

Respectfully submitted,



Kierney Leach
Regulatory Officer