



Mackenzie Valley Land and Water Board
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April 17, 2019

File: MV2013C0021

Mr. Dave Webb, Director
New Discovery Mines Ltd.
1909-108 West Cordova St.
VANCOUVER BC V6B 0G5

Email: dave@drwgcl.com

Dear Mr. Webb:

Land Use Permit – Approval of Extension
Mineral Exploration, Mon Gold Property – Discovery Lake, NT

On April 17, 2019, the Mackenzie Valley Land and Water Board (MVLWB) extended the term for Land Use Permit (Permit) MV2013C0021 as per your March 3, 2019 request, and in accordance with subsection 26(6) of the Mackenzie Valley Land Use Regulations. The Board notes that the current expiry date for Claim Number M11200 (NDM 3) is January 24, 2020. This predates the new expiry date of Permit MV2013C0021. New Discovery Mines Ltd. should provide an update to the Board and the Inspector regarding the status of this claim prior to its expiry date.

Attached is the updated cover page and Permit, which now expires on July 2, 2021. A copy of this Permit and all related correspondence and documents has been filed on the [Public Registry](#) at the MVLWB office.

The Board would like to take this opportunity to request an update from New Discovery Mines Ltd. regarding the activities and posting of additional security associated with amendments approved by the Board in February 2019.

The Board would also like to remind New Discovery Mines Ltd. that if additional activities, as described in the scope of Permit MV2013C0021 and the associated Licence, MV2014L2-0002, occur (i.e. re-opening and securing of the North and South Declines; advanced mineral exploration, including bulk sampling; and storage of waste rock and ore), updated management plans will be required for review and approval. The Board also notes that in addition to MV2013C0021 and MV2014L2-0002, New Discovery also holds Land Use Permit MV2015C0015 and Water Licence MV2015L2-0004 for the Mon Gold project, issued October 21, 2015. 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. Many of the activities and management plans covered by these authorizations overlap with MV2013C0021 and MV2014L2-0002. The Board encourages New Discovery to apply for new authorizations that cover the entire scope of activities proposed for the Mon Gold site.

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If you have any questions or concerns, please contact Shannon Allerston at (867) 766-7465 or email sallerston@mvlwb.com.

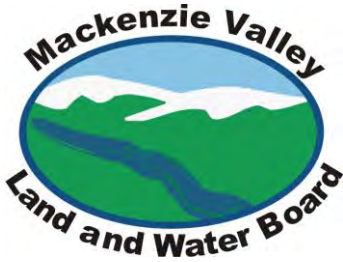
Yours sincerely,



Mavis Cli-Michaud
MVLWB, Chair

Copied to: Distribution List
Clint Ambrose, Manager, Resource Management - North Slave Office, Government
of the Northwest Territories

Attached: Land Use Permit MV2013C0021



**Land Use Permit –
Extension**

Permit Class A	Permit No MV2013C0021	Amendment No Amendment No. 1 February 7, 2019
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Subject to the Mackenzie Valley Land Use Regulations and the terms and conditions in this Permit, authority is hereby granted to:

New Discovery Mines Ltd.

Permittee

to proceed with the land use operation described in the Application of:

Signature Dr. David R. Webb	Date February 28, 2014
Type of Land Use Operation Mineral Exploration	
Location Mon Gold Mine – Discovery Lake, NT	

This Permit may be assigned, discontinued, suspended, or cancelled pursuant to the Mackenzie Valley Land Use Regulations.

Dated at Yellowknife this 17 day of April, 2019

Signature Chair

Mavis Cli-Michaud

Signature Witness

Amanda Gauthier

Effective Date

July 3, 2014

Expiry Date

July 2, 2021

ATTENTION

It is a condition of this Permit that the Permittee comply with the provisions of the *Mackenzie Valley Resource Management Act* and Regulations and the terms and conditions set out herein. A failure to comply may result in suspension or cancellation of this Permit.

Conditions Annexed to and Forming Part of Land Use Permit # MV2013C0021

Part A: Scope of Permit

1. This Permit entitles New Discovery Mines Ltd. to conduct the following land-use operation:
 - a) Use, construction and maintenance of a winter road from the Ingraham Trail to Discovery Lake;
 - b) Re-opening and securing of the North and South Declines as identified in the land use permit application;
 - c) Advanced mineral exploration program including bulk sampling;
 - d) Storage of waste rock and ore;
 - e) Quarrying;
 - f) Construction and operation of camp;
 - g) Fuel storage;
 - h) Storage and use of explosives; and
 - i) Use of equipment.

All activities will take place within 62°32'4.43" N by 114°08'54.00 W and 62°54'2.00" N by 114°20'60" W.

2. This Permit is issued subject to the conditions contained herein with respect to the use of land for the activities and area identified in Part A, item 1 of this Permit.
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, Tłıchq, or Municipal laws.

Part B: Definitions (defined terms are capitalized throughout the Permit)

Act - the *Mackenzie Valley Resource Management Act*.

Archaeological Impact Assessment - as defined by the Prince of Wales Northern Heritage Centre – Guidelines for Developers.

Board - the Mackenzie Valley Land and Water Board established under Part 4 of the *Mackenzie Valley Resource Management Act*.

Borehole - a hole that is made in the surface of the ground by drilling or boring.

Drilling Fluids - any liquid mixture of water, sediment, drilling muds, chemical additives or other wastes that are pumped down hole while drilling and are specifically related to drilling activity.

Drilling Waste - all materials or chemicals, solid or liquid, associated with drilling, including drill cuttings and Drilling Fluids.

Durable Land - land that is able to withstand repeated use, such as gravel or sand with minimal vegetative cover.

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

Fuel Storage Container - a container for the storage of **petroleum** or **allied petroleum products** with a capacity of less than 230 litres.

Fuel Storage Tank - a closed container for the storage of **petroleum** or **allied petroleum products** with a capacity of more than 230 litres.

Greywater - all liquid wastes from showers, baths, sinks, kitchens, and domestic washing facilities but not including toilet wastes.

Habitat - the area or type of site where a species or an individual of a species of wildlife naturally occurs or on which it depends, directly or indirectly, to carry out its life processes.

Inspector - an Inspector designated by the Minister under the *Act*.

Minister - the Minister of Indian Affairs and Northern Development Canada or the Minister of the Government of the Northwest Territories – Department of Lands, as the case may be.

Ordinary High Water Mark - the usual or average level to which a body of water rises at its highest point and remains for sufficient time so as to change the characteristics of the land. In flowing waters (rivers, streams) this refers to the "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 predominately aquatic vegetation to terrestrial vegetation (excepting water tolerant species). For reservoirs, this refers to normal high operating levels (full supply level).

Permafrost - ground (soil or rock) that remains at or below 0°C for at least two consecutive years.

Secondary Containment - containment that prevents liquids that leak from Fuel Storage Tanks or containers from reaching outside the containment area and includes double-walled Tanks, piping, liners, and impermeable barriers.

Sewage - all toilet wastes and Greywater.

Sewage Disposal Facilities - Sump(s) and/or Sewage collection tank(s) and/or storage containers designed to hold Sewage.

Spill Contingency Plan - a document, developed in accordance with Aboriginal Affairs and Northern Development Canada's *Guidelines for Spill Contingency Planning* (April 2007), that describes the set of procedures to be implemented to minimize the effects of a spill.

Sump - a man-made pit or natural depression in the earth's surface used for the purpose of depositing waste material, such as non-Toxic Drilling Waste or Sewage, therein.

Toxic - a substance that enters or may enter the environment in a quantity or concentration or under conditions such that it:

- a) Has or may have an immediate or long-term harmful effect on the environment or its biological diversity;
- b) Constitutes or may constitute a danger to the environment on which life depends; or
- c) Constitutes or may constitute a danger in Canada to human life or health.

Waste – any garbage, debris, or chemical or toxic material to be used, stored, disposed of, or handled on land, and also as defined in section 2 of the *Northwest Territories Waters Act*.

Waste Management Plan (WMP) - a document, developed in accordance with the Board's *Guidelines for Developing a Waste Management Plan*, that describes the methods of waste management from waste generation to final disposal.

Watercourse - a natural body of flowing or standing water or an area occupied by water during part of the year, and includes streams, springs, swamps and gulches but does not include groundwater.

Part C: Conditions Applying to All Activities (headings correspond to subsection 26(1) of the Mackenzie Valley Land Use Regulations)

26(1)(a) Location and Area

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| 1. | The Permittee shall locate all camps on Durable Land or previously cleared areas. | CAMP LOCATION |
| 2. | Prior to the commencement of drilling, the Permittee shall submit the drill target locations on a 1:50,000-scale map with coordinates and map datum to the Board and an Inspector. | DRILL LOCATIONS |
| 3. | The Permittee shall not construct parallel lines or roads, unless an existing line or road cannot be used. | PARALLEL ROADS |
| 4. | The Permittee shall locate all lines, trails, and right-of-ways to be constructed parallel to any Watercourse a minimum of 100 metres from the Ordinary High Water Mark, except at crossings. | PARALLEL WATERCOURSE |
| 5. | The Permittee shall not conduct this land-use operation on any lands not designated in the complete application. | LOCATION OF ACTIVITIES |
| 6. | Prior to the commencement of the land-use operation, the Permittee shall accompany an Inspector during an inspection of the proposed land use area. | INSPECT LOCATIONS |

26(1)(b) Time

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| 7. | At least 48 hours prior to the commencement of this land-use operation, the Permittee's Field Supervisor shall contact an Inspector at (867) 767-9188. | CONTACT INSPECTOR |
| 8. | At least 48 hours prior to commencement of the land-use operation, the Permittee shall provide the following information, in writing, to the Board and an Inspector:
a) the name(s) of the person(s) in charge of the field operation;
b) alternates; and
c) all methods for contacting the above person(s). | IDENTIFY AGENT |
| 9. | At least ten days prior to the completion of the land-use operation, the Permittee shall advise an Inspector of:
a) the plan for removal or storage of equipment and materials; and
b) when final cleanup and reclamation of the land used will be completed. | REPORTS BEFORE REMOVAL |
| 10. | The Board, for the purpose of this operation, designates April 15, as spring break-up. | SPRING BREAK-UP |

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

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| 11. | The Permittee shall not use any equipment except of a similar type, size, and number to that listed in the complete application. | ONLY APPROVED EQUIPMENT |
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26(1)(d) Methods and Techniques

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| 12. | Prior to the movement of any vehicle that exerts pressure on the ground in excess of 35 kPa, the Permittee shall scout proposed lines and routes to select the best location for crossing streams and avoiding terrain obstacles. | DETOURS AND CROSSINGS |
| 13. | Immediately upon completion of operations at each Borehole, the Permittee shall remove or cut off and seal each drill casing at ground level. | MINERAL EXPLORATION DRILL CASINGS |
| 14. | The Permittee shall construct and maintain the overland portion of winter roads with a minimum of 10 cm of packed snow and/or ice at all times during this land-use operation. | WINTER ROADS |
| 15. | The Permittee shall not erect camps or store material, other than that required for immediate use, on the ice surface of a Watercourse. | STORAGE ON ICE |

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

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| 16. | The Permittee shall ensure that the land use area is kept clean at all times. | CLEAN WORK AREA |
| 17. | The Permittee shall not locate any Sump within 100 metres of the Ordinary High Water Mark of any Watercourse, unless otherwise authorized in writing by an Inspector. | SUMPS FROM WATER |

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

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| 18. | The Permittee shall insulate the ground surface beneath all structures associated with this land-use operation to prevent:
a) any vegetation present from being removed;
b) the melting of Permafrost; and
c) the ground settling and/or eroding. | PERMAFROST PROTECTION |
| 19. | The land-use operation shall not cause obstruction to any natural drainage. | NATURAL DRAINAGE |
| 20. | The Permittee shall minimize erosion by installing erosion control structures as the land-use operation progresses. | PROGRESSIVE EROSION CONTROL |
| 21. | The Permittee shall, where flowing water from a Borehole is encountered:
a) plug the Borehole in such a manner as to permanently prevent any further outflow of water; and
b) immediately report the occurrence to the Board and an Inspector. | FLOWING ARTESIAN WELL |
| 22. | The Permittee shall prepare the site in such a manner as to prevent rutting of the ground surface. | PREVENTION OF RUTTING |

23.	The Permittee shall suspend overland travel of equipment or vehicles at the first sign of rutting.	SUSPEND OVERLAND TRAVEL
24.	The Permittee shall not move any equipment or vehicles unless the ground surface is in a state capable of fully supporting the equipment or vehicles without rutting or gouging.	VEHICLE MOVEMENT FREEZE-UP
25.	The Permittee shall not use any material other than clean water and snow in the construction of ice bridges.	ICE BRIDGE MATERIALS
26.	The Permittee shall not use any materials other than clean snow and water in the construction of snow fills.	SNOWFILL MATERIALS
27.	Prior to spring break-up or completion of the land-use operation, the Permittee shall clean up and either remove or v-notch all snowfills from stream crossings, unless otherwise authorized in writing by an Inspector.	REMOVE OR V- NOTCH SNOWFILLS
28.	Prior to spring break-up or completion of the land-use operation, the Permittee shall clean up and v-notch all ice bridges, unless otherwise authorized in writing by an Inspector.	V-NOTCH ICE BRIDGES
29.	The Permittee shall not cut any stream bank, unless otherwise authorized in writing by an Inspector.	STREAM BANKS
30.	The Permittee shall minimize approach grades on all Watercourse crossings.	MINIMIZE APPROACH
31.	The Permittee shall slope the sides of Waste material piles, excavations, and embankments — except in solid rock — to a minimum ratio of 2:1 vertical, unless otherwise authorized in writing by an Inspector.	EXCAVATION AND EMBANKMENTS
32.	The Permittee shall not remove vegetation or operate heavy equipment within 100 metres of the Ordinary High Water Mark of any Watercourse.	WATERCOURSE BUFFER
33.	The Permittee shall not excavate land within 100 metres of the Ordinary High Water Mark of any Watercourse, unless otherwise authorized in writing by an Inspector.	EXCAVATE NEAR WATERCOURSE
26(1)(g) Use, Storage, Handling, and Ultimate Disposal of Any Chemical or Toxic Material		
34.	At least seven days prior to the use of any chemicals that were not identified in the complete application, the MSDS sheets must be provided to the Board and an Inspector.	CHEMICALS
35.	When drilling within 100 metres of the Ordinary High Water Mark of any Watercourse, and when drilling on ice, the Permittee shall contain all drill water and Drilling Waste in a closed circuit system for reuse, off-site disposal, or deposit into a land-based Sump or natural depression.	DRILLING NEAR WATER OR ON ICE

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| 36. | The Permittee may deposit Drilling Waste that does not contain Toxic Material in a Sump or natural depression. Any Sumps or natural depressions used to deposit Drilling Waste must be located at least 100 metres from the Ordinary High Water Mark of any Watercourse, unless otherwise authorized in writing by an Inspector. | DRILLING WASTE |
| 37. | The Permittee shall not allow any Drilling Waste to spread to the surrounding lands or Watercourses. | DRILLING WASTE
CONTAINMENT |
| 38. | Prior to the expiry date of this Permit or the end of the land-use operation whichever comes first, the Permittee shall backfill and restore all Sumps, unless otherwise authorized in writing by an Inspector. | BACKFILL SUMPS |
| 39. | The Permittee shall maintain a record of all spills. For all reportable spills, in accordance with the GNWT <i>Spill Contingency Planning and Reporting Regulations</i> , the Permittee shall: <ul style="list-style-type: none"> a) immediately report each spill to the 24-hour Spill Report Line (867) 920-8130; b) report each spill to an Inspector within 24 hours; and c) submit, to the Board and an Inspector, a detailed report on each spill within 30 days. | REPORT SPILLS |
| 40. | The Permittee shall dispose of all Toxic Material as described in the approved Waste Management Plan. | WASTE CHEMICAL
DISPOSAL |
| 41. | The Permittee shall dispose of all combustible Waste petroleum products by removal to an approved disposal facility. | WASTE
PETROLEUM
DISPOSAL |
| 26(1)(h) Wildlife and Fish Habitat | | |
| 42. | The Permittee shall take all reasonable measures to prevent damage to wildlife and fish Habitat during this land-use operation. | HABITAT DAMAGE |
| 43. | If migratory birds or their nesting areas, or any species at risk are encountered during the course of operations, the Permittee shall minimize all activity so as to not disturb these animals. | MIGRATORY BIRDS |
| 26(1)(i) Storage, Handling, and Disposal of Refuse or Sewage | | |
| 44. | The Permittee shall adhere to the Waste Management Plan , once approved, and shall annually review the plan and make any necessary revisions to reflect changes in operations, technology, chemicals, or fuels, or as directed by the Board. Revisions to the plan shall be submitted to the Board for approval. | WASTE
MANAGEMENT |
| 45. | The Permittee shall keep all garbage and debris in a secure container until disposal. | GARBAGE
CONTAINER |
| 46. | The Permittee shall dispose of all garbage, Waste, and debris as described in the approved Waste Management Plan, unless otherwise authorized in writing by an Inspector. | REMOVE GARBAGE |

47.	The Permittee shall dispose of all Sewage and Greywater as described in the approved Waste Management Plan.	SEWAGE DISPOSAL - PLAN
26(1)(j) Protection of Historical, Archaeological, and Burial Sites		
48.	The Permittee shall not operate any vehicle or equipment within 150 metres of a known or suspected historical or archaeological site or burial ground.	ARCHAEOLOGICAL BUFFER
49.	The Permittee shall not knowingly remove, disturb, or displace any archaeological specimen or site.	SITE DISTURBANCE
50.	The Permittee shall, where a suspected archaeological or historical site, or burial ground is discovered: a) immediately suspend operations on the site; and b) notify the Board at (867) 669-0506 or an Inspector at (867) 767-9188, and the Prince of Wales Northern Heritage Centre at 767-9347 ext. 71250 or ext. 71251.	SITE DISCOVERY AND NOTIFICATION
51.	At least 30 days prior to any new land disturbance, including new drill sites, the Permittee shall conduct an Archaeological Overview to identify areas of high and low potential for archaeological and burial sites and shall submit a summary report to the Board and the Prince of Wales Northern Heritage Centre.	ARCHAEOLOGICAL OVERVIEW
52.	Prior to disturbance in areas of high potential for archaeological or burial sites identified in the Archaeological Overview, the Permittee shall conduct an Archaeological Impact Assessment of the sites where disturbance is planned and shall submit a summary report to the Board and the Prince of Wales Northern Heritage Centre.	AIA – HIGH POTENTIAL
26(1)(k) Objects and Places of Recreational, Scenic, and Ecological Value		
<i>Intentionally left blank.</i>		
BUFFER / NO ACTIVITY		
26(1)(l) Security Deposit		
53.	Prior to the commencement of the land-use operation, the Permittee shall deposit with the Minister a security deposit in the amount of \$116,212.50.	SECURITY DEPOSIT
54.	All costs to remediate the area under this Permit are the responsibility of the Permittee.	RESPONSIBILITY FOR REMEDIATION COSTS
26(1)(m) Fuel Storage		
55.	The Permittee shall not place any Fuel Storage Containers or Tanks within 100 metres of the Ordinary High Water Mark of any Watercourse, unless otherwise authorized in writing by an Inspector.	FUEL NEAR WATER

56.	The Permittee shall ensure that all fuel caches have adequate Secondary Containment.	FUEL CACHE SECONDARY CONTAINMENT
57.	The Permittee shall set up all refueling points with Secondary Containment.	SECONDARY CONTAINMENT – REFUELING
58.	The Permittee shall not allow petroleum products to spread to surrounding lands or Watercourses.	FUEL CONTAINMENT
59.	The Permittee shall locate mobile fuel facilities on land when the facilities are stationary for more than 12 hours.	FUEL ON LAND
60.	The Permittee shall mark all Fuel Storage Containers and Tanks with the Permittee's name.	MARK CONTAINERS AND TANKS
61.	The Permittee shall have a maximum of 120,000 litres of fuel stored on the land use site at any time, unless otherwise authorized in writing by the Board.	MAXIMUM FUEL ON SITE
62.	Within ten days of the establishment of any fuel cache, the Permittee shall report the location and quantity of the cache in writing to the Board and an Inspector.	REPORT FUEL LOCATION
63.	The Permittee shall seal all outlets of Fuel Storage Containers and store the containers on their sides with the outlets located at 3 and 9 o'clock, except for containers currently in use.	SEAL OUTLET
64.	The Permittee shall adhere to the Spill Contingency Plan , once approved, and shall annually review the plan and make any necessary revisions to reflect changes in operations, technology, chemicals, or fuels, or as directed by the Board. Revisions to the plan shall be submitted to the Board for approval.	SPILL CONTINGENCY PLAN
65.	Prior to commencement of the land-use operation the Permittee shall ensure that spill-response equipment is in place to respond to any potential spills.	SPILL RESPONSE
66.	All equipment that may be parked for two hours or more, shall have a haz-mat/drip tray under it or be sufficiently diapered. Leaky equipment shall be repaired immediately.	DRIP TRAYS
67.	The Permittee shall clean up all leaks, spills, and contaminated material.	CLEAN UP SPILLS
26(1)(n) Methods and Techniques for Debris and Brush Disposal		
68.	Prior to the expiry date of this Permit, the Permittee shall progressively dispose of all brush and trees and shall complete all brush disposal; all disposal shall be completed.	BRUSH DISPOSAL/ TIME
69.	The Permittee shall not clear areas larger than identified in the complete application.	MINIMIZE AREA CLEARED

26(1)(o) Restoration of the Lands

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| 70. | The Permittee shall dispose of all overburden as instructed by an Inspector. | DISPOSAL OF OVERBURDEN |
| 71. | The Permittee shall store overburden and use it to recontour the site after operations are complete, unless otherwise authorized in writing by an Inspector. | SAVE AND PLACE ORGANIC SOIL |
| 72. | Prior to the expiry date of this Permit, the Permittee shall complete all cleanup and restoration of the lands used. | FINAL CLEANUP AND RESTORATION |
| 73. | Prior to the expiry date of this Permit, the Permittee shall prepare the site in such a manner as to facilitate natural revegetation. | NATURAL VEGETATION |
| 74. | The Permittee shall carry out progressive reclamation of disturbed areas as soon as it is practical to do so. | PROGRESSIVE RECLAMATION |

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

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| 75. | The Permittee shall keep a copy of this Permit on hand at all times during this land-use operation. | COPY OF PERMIT |
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26(1)(q) Biological and Physical Protection of the Land

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| 76. | The Permittee shall adhere to the Engagement Plan , once approved, and shall annually review the plan and make any necessary revisions to reflect changes in operations or as directed by the Board. Revisions to the plan shall be submitted to the Board for approval. | ENGAGEMENT PLAN |
| 77. | If any plan is not approved by the Board, the Permittee shall revise the plan according to the Board's direction and re-submit it to the Board for approval. | RESUBMIT PLAN |
| 78. | All revised plans submitted to the Board shall include a brief summary of the changes made to the plan. | SUMMARY OF CHANGES |