



**Mackenzie Valley Land and Water Board**  
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**Staff Report**

<b>Applicant:</b> New Discovery Mines Ltd.	
<b>Location:</b> Discovery Lake, NT	<b>File Number:</b> MV2013C0021
<b>Date Prepared:</b> March 28, 2019	<b>Date of Board Meeting:</b> April 17, 2019
<b>Subject:</b> Land Use Permit Extension	

**1. Purpose**

The purpose of this Report is to present to the Mackenzie Valley Land and Water Board (MVLWB/the Board) a request to extend the term of Land Use Permit (Permit) MV2013C0021 for an additional two-years submitted by New Discovery Mines Ltd. (New Discovery).

**2. Background**

- July 3, 2014 – Issuance of Permit MV2013C0021;
- March 3, 2019 – Extension Request received;
- March 8, 2019 – Extension Request deemed complete and review commenced;
- March 26, 2019 – Reviewer comments and recommendations due and received;
- April 2, 2019 – Responses due and received;
- July 2, 2019 – Current Expiration of Permit MV2013C0021; and
- **April 17, 2019 – Extension Request presented to the Board for decision.**

**3. Discussion**

Project History

The Mon Gold site has been historically explored and mined since 1937. On July 3, 2014, Permit MV2013C0021 and Licence MV2014L2-0002 were issued to New Discovery. New Discovery applied to conduct industrial mineral exploration in the underground Mon Lake Mine, including advanced mineral exploration, diamond drilling, and bulk sampling. 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. Board staff suggest that New Discovery be encouraged to apply for new authorizations that cover the entire scope of activities planned for Mon Gold site.

To date, little work described under the permits and licences have been completed. Since 2014, New Discovery has completed the following activities:

- Diamond drilling in 2016 completed five holes totaling 378.9 m.
- Surface exploration in 2017 completed a first pass review of all past showings and the discovery of new showings.
- Surface exploration in 2018 followed-up the 2017 reconnaissance program identifying five targets for diamond drilling or trenching. Trenching further confirmed these targets and diamond drilling is now proposed. Biogeochemical studies identified additional exploration targets that have been confirmed by follow-up rock sampling.

An amendment to Permit MV2013C0021 was issued to New Discovery in February of this year allowing additional drilling activities, fuel storage, and equipment on site. Updated security reflecting additional activities and equipment at the Mon Gold Property has not yet been posted (as far as Board staff are aware). Board staff recommendations regarding this are provided below.

#### Description of Extension Request

New Discovery is requesting to continue operating under their existing Permit (and Licence) to continue mineral exploration activities at the Mon Gold Property near Discovery Lake, NT. No new activities have been requested.

Since no new activities are proposed, a letter of request, a record demonstrating adequate engagement, and an Engagement Plan are required for the Board to process the extension request. No new impacts or mitigation measures were identified during the review.

#### Management Plans

Management Plans on file for the Mon Gold Project reflect the scope of activities currently occurring at site. They do not represent the scope of activities authorized by the active Permits and Licences. In issuing the recent amendments to MV2013C0021, the Board was careful to remind New Discovery that if additional activities, as described in the scope of Permit MV2013C0021 and 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), management plan updates will be required for review and approval. Board staff suggest providing the same reminder with the Board's decision letter on the Extension Request.

#### Engagement

An Engagement Record and Engagement Plan were included with the Extension Request. New Discovery noted they engaged with the following parties on the proposed Extension request:

- Tłı̨chǫ Government
- Akaitcho Interim Measures Office
- Yellowknives Dene First Nation
- North Slave Métis Alliance

#### Regulatory Requirements

Subsection 26(6) of the Mackenzie Valley Land Use Regulations allows:

On receipt of a written request from a permittee, prior to the expiration of the permit, for an extension of the term of the permit, the Board may extend the term of the permit for an additional period not exceeding two years...

The written request was received prior to the expiry of MV2013C0021.

### Eligibility

New Discovery holds Mineral leases and claims for the Mon Gold Property, and is therefore eligible for a permit as persubsection 18(a)(i) of the Mackenzie Valley Land Use Regulations:

*18) A person is eligible for a permit who*

*(a) Where the proposed land-use operation is in the exercise of a right to search for, win or exploit minerals or natural resources,*

*(i) holds the right*

**Table 2: New Discovery Mineral Leases and Claims**

<b>Lease Number</b>	<b>Issued</b>	<b>Expires</b>	<b>Owner</b>
3004	12/11/1959	12/11/2022	New Discovery Mines Ltd.
3005	12/11/1959	12/11/2022	New Discovery Mines Ltd.
3006	12/11/1959	12/11/2022	New Discovery Mines Ltd.
3007	12/11/1959	12/11/2022	New Discovery Mines Ltd.
3008	12/11/1959	12/11/2022	New Discovery Mines Ltd.
3009	12/11/1959	12/11/2022	New Discovery Mines Ltd.
3010	12/11/1959	12/11/2022	New Discovery Mines Ltd.
3011	12/11/1959	12/11/2022	New Discovery Mines Ltd.
3012	12/11/1959	12/11/2022	New Discovery Mines Ltd.
3013	12/11/1959	12/11/2022	New Discovery Mines Ltd.
3014	12/11/1959	12/11/2022	New Discovery Mines Ltd.
<b>Claim Number</b>	<b>Issued</b>	<b>Expires</b>	<b>Owner</b>
F76520 (NDM 1)	19/03/2015	18/03/2022	New Discovery Mines Ltd.
F76521 (NDM 2)	19/03/2015	18/03/2022	New Discovery Mines Ltd.
M11200 (NDM 3)	1/24/2018	1/24/2020	New Discovery Mines Ltd.

Board staff recommend that New Discovery be directed to follow-up with the Board and Inspectors on the status of Claim Number M11200 (NDM 3) since its current expiry date predates the expiry date of the Extension Request for MV2013C0021 described herein.

### Type of Area

This Project is located in a non-federal area.

### Fees

No application fees are required.

### Term

New Discovery has applied for a two-year extension to continue mineral exploration activities for the Mon Gold Project. This will bring the expiry date of Permit MV2013C0021 to July 2, 2021.

## **4. Public Review**

By March 26, 2019, comments and recommendations on the Extension Request were received from two reviewers:

- Government of the Northwest Territories (GNWT) – Department of Environment and Natural Resources (ENR)
- GNWT – Department of Lands (Lands) – Inspector

Reviewers did not express any comments or concerns and no response on behalf of New Discovery was required by April 2, 2019. The Review Summary and Attachments (attached) reflects the above.

## 5. Security

In accordance with Permit condition 53, a security deposit in the amount of \$116,212 shall be posted with the Minister and copied to the Board prior to the start of operations under section 32 of the Mackenzie Valley Land Use Regulations. Since the issuance of the amendment to Permit MV2013C0021 in February 2019, no updates on security for the Mon Gold Project have been received by the Board. Board staff suggest that the Board follow up on the status of activities since the issuance of the February amendment.

## 6. Conclusion

Permit conditions have not changed. Board staff conclude that the conditions contained within this Permit should continue to mitigate the potential environmental impacts this project may have on the land and water. As pointed out above, Board staff recommend following up with New Discovery at this time regarding the status and upcoming expiry date of Claim number M11200 (NDM 3), security associated with the February 2019 amendment, and to remind New Discovery of the requirement to submit updated management plans if the scope of activities occurring at the Mon Gold Property increases. Board staff conclude there are no other outstanding issues or concerns with this Extension Request.

## 7. Recommendation

Board staff recommend the Board **make a motion to approve the extension to term of Land Use Permit MV2013C0021** for an additional two-years.

A draft decision letter is attached.

## 8. Attachments

- [Extension Request](#)
  - [Existing Engagement Plan](#)
- Review Summary and Attachments
- Draft Land Use Permit Cover Page
- Draft Land Use Permit Conditions
- Draft Decision Letter from the Board

Respectfully submitted,



Shannon Allerston  
Regulatory Specialist

### Review Comment Table

<b>Board:</b>	MVLWB
<b>Review Item:</b>	New Discovery Mines Ltd. - Land Use Permit Extension Request (MV2013C0021)
<b>File(s):</b>	<a href="#">MV2013C0021</a>
<b>Proponent:</b>	New Discovery Mines
<b>Document(s):</b>	<a href="#">Land Use Permit Extension Request</a> (560 KB) <a href="#">Engagement Plan</a> (838 KB)
<b>Item For Review Distributed On:</b>	Mar 8 at 09:12 <a href="#">Distribution List</a>
<b>Reviewer Comments Due By:</b>	Mar 26, 2019
<b>Proponent Responses Due By:</b>	Apr 2, 2019
<b>Item Description:</b>	<p>New Discovery Mines Ltd. (New Discovery) has submitted a request to extend Land Use Permit (Permit) MV2013C0021 for a term of two years. New Discovery is requesting to continue operating under their existing Permit. No new activities have been requested.</p> <p>Reviewers are invited to submit comments and recommendations using the Online Review System (ORS) by the review comment deadline specified below. If reviewers seek clarification on the submission, they are encouraged to correspond directly with the proponent prior to submitting comments and recommendations. Reviewers may also wish to consider providing an overarching recommendation regarding whether they are in support of the submission, to provide context for comments and recommendations and to assist the Board with its decision. Please provide comments and recommendations on the:</p> <ul style="list-style-type: none"> <li>• Extension Request; and</li> <li>• Engagement Record; and</li> <li>• Engagement Plan.</li> </ul> <p>All documents that have been uploaded to this review are also available on our public Registry. If you have any questions or comments about the ORS or this review, please contact Board staff identified below.</p>
<b>General Reviewer Information:</b>	<p>In addition to the email distribution list, the following organization received review materials by fax:</p> <ul style="list-style-type: none"> <li>•NWT Metis Nation: Tim Heron, NWTMN IMA Coordinator: (867) 872-3586.</li> </ul>
<b>Contact Information:</b>	<p>Jen Potten 867-766-7468 Shannon Allerston 867-766-7465</p>

## Comment Summary

GNWT - ENR: Central Email GNWT				
ID	Topic	Reviewer Comment/Recommendation	Proponent Response	Board Staff Analysis
1	General File	<b>Comment</b> ( <a href="#">doc</a> ) ENR Letter - No Comments or Recommendations at this time. <b>Recommendation</b>		
GNWT - Lands - North Slave Region: Clint Ambrose				
ID	Topic	Reviewer Comment/Recommendation	Proponent Response	Board Staff Analysis
1	Extension Request	<b>Comment</b> The extension request has been reviewed. <b>Recommendation</b> The Inspector supports the MVLWB granting a two year extension to the land use permit.		



March 26, 2019

Jen Potten  
Regulatory Officer  
Mackenzie Valley Land and Water Board  
7<sup>th</sup> Floor – 4910 50<sup>th</sup> Avenue  
P.O. Box 2130  
Yellowknife, NT  
X1A 2P6

Dear Ms. Potten,

**Re: New Discovery Mines Ltd.  
Land Use Permit – MV2013C0021  
Land Use Permit Extension Request  
Request for Comments**

The Department of Environment and Natural Resources (ENR), Government of the Northwest Territories has reviewed the extension request at reference based on its mandated responsibilities under the *Environmental Protection Act*, the *Forest Management Act*, the *Forest Protection Act*, the *Species at Risk (NWT) Act*, the *Waters Act* and the *Wildlife Act* and has no comments or recommendations for the consideration of the Board at this time.

Should you have any questions or concerns, please do not hesitate to contact Patrick Clancy, Environmental Regulatory Analyst at (867) 767-9233 Ext: 53096 or email [patrick.clancy@gov.nt.ca](mailto:patrick.clancy@gov.nt.ca).

Sincerely,

Patrick Clancy  
Environmental Regulatory Analyst  
Environmental Assessment and Monitoring Section  
Environmental Stewardship and Climate Change Division  
Department of Environment and Natural Resources  
Government of the Northwest Territories