

October 7, 2015

Julian Morse
Regulatory Officer
Mackenzie Valley Land and Water Board
7th Floor – 4910 50th Avenue
P.O. Box 2130
Yellowknife, NT
X1A 2P6

Dear Mr. Morse,

**Re: North American Tungsten Corp. Ltd.
Type A Water Licence Renewal– MV2015L2-0003
Draft Water Licence Review
Request for Comment**

The Department of Environment and Natural Resources has reviewed the draft licence at reference based on its mandated responsibilities under the *Environmental Protection Act*, the *Forest Management Act*, the *Forest Protection Act*, *Waters Act* and the *Wildlife Act* and provides the following comments and recommendations for the consideration of the Board.

Topic 1: Scope

Comment(s):

The scope notes that it is inclusive of the documents from 2008 and the renewal application in 2015 but is unclear whether this includes the various amendments that occurred between 2008 and 2015 such as the implementation of the wastewater treatment facility and the dry-stack tailings facilities.

Recommendation(s):

- 1) ENR requests clarification that the amendments occurring between 2008 and 2015 are captured within the scope of the draft Water Licence (i.e. that they are captured within the 2015 renewal application).

Topic 2: Definitions

Comment(s):

Under the definition for the “Board”, the amended definition states that the MVLWB was established under the “Act”. However, the “Act” in the definitions refers to the *Waters Act*. This definition is not accurate in this context and as such the phrase *Mackenzie Valley Resource Management Act* should remain to avoid any confusion.

Recommendation(s):

- 1) ENR recommends that the phrase *Mackenzie Valley Resource Management Act* remain under definition of “Board” to avoid confusion with the *Waters Act*.

Topic 3: Securities

Comment(s):

ENR notes that the conditions related to security have been moved from the Schedule and into the main body of the Licence based on recent recommendations for other mining Licences. ENR concurs with the placement of these conditions into the body of the Licence.

Recommendation(s):

No recommendation.

Topic 4: Securities

Position:

Part C, Clause 4 states: “If the amount of the security deposit is revised by the Board as described under Part C, Item 3, the licensee shall post the revised amount with the Minister within ninety (90) days of the Board giving notice of the revised amount.”

As noted in the June 12, 2015 letter from the Minister of ENR to the Board approving the Dry Stack Amendment to the Cantung Licence, the Licence cannot place a requirement on the Minister of Environment and Natural Resources to accept a form of security within a specified timeframe. The Minister will take the necessary time required to ensure that any form of security provided under a Water Licence is in an acceptable form and with appropriate conditions, as per the authority provided under the *Waters Act* and associated regulations.

Topic 5: Monitoring Wells

Comment(s):

The Board has requested recommendations from reviewers regarding the removal of the condition related to the installation of monitoring wells as it is noted that the Board “understands” that this work has been completed.

Recommendation(s):

- 1) ENR recommends, in order to alleviate the Board’s concern in this regard, that NATCL provide written confirmation that the requirements of this condition have been met (i.e. provision of installation report(s)).

Topic 6: Phase II Environmental Site Assessment

Comment(s):

The Board has requested recommendations on the proposed revision to the timeline for submission of the Phase II ESA to “a minimum of six (6) months prior to applying for a closure Water Licence....”. ENR notes that NATCL must ensure that this time is sufficient to allow inclusion of the results of the Phase II ESA into closure planning and as such into any application for a closure Water Licence.

Recommendation(s):

- 1) ENR notes that submission time for the Phase II ESA prior to NATCL applying for a closure Licence must be sufficient to allow inclusion of the results of the assessment into the licensing process.

Topic 7: Flat River Tailings

Comment(s):

The Board has requested recommendations regarding the timelines for an updated ecological risk assessment related to the Flat River tailings should the Board determine that an updated risk assessment must be submitted separately (rather than being incorporated into the closure and reclamation planning process). ENR notes that the original condition required the submission of this plan in 2011 (4 years ago) and that should be considered when making a decision in this regard.

Recommendation(s):

- 1) Given that the risk assessment related to the Flat River tailings is currently 4 years overdue, ENR recommends that the finalization of this item to assist in finalizing closure options is a priority.

Topic 8: Aquatic Effects Monitoring Program

Comment(s):

The Board has request recommendations regarding the May 1, 2019 submission date noted for the Aquatic Effects Re-evaluation Report. Provided the AEMP commences in 2016, the May 2019 date would be appropriate for a re-evaluation of the first three years (2016-2018) of the AEMP.

Recommendation(s):

- 1) ENR supports the submission date of May 1, 2019 for the Aquatic Effects Re-evaluation Report.

Topic 9: Aquatic Effects Monitoring Program

Comment(s):

The Board has requested recommendations regarding the submission date noted for the Aquatic Effects Monitoring Program Annual Report.

Recommendation(s):

- 1) ENR recommends that the submission date for the AEMP Annual Report be consistent with other Type A Water Licences in the NWT.

Topic 10: Closure and Reclamation

Comment(s):

The Board has suggested an eighteen month time period prior to start of final closure and reclamation at which time a new Licence specific to those activities must be applied for.

Recommendation(s):

- 1) ENR supports the eighteen month timeline and believes that would be sufficient time to allow the issuance of a closure Licence prior to the commencement of closure activities.

Topic 11: Fluoride

Comment(s):

ENR notes that the EQC for fluoride has not been included in the draft Water Licence. ENR's recommendation from our submission dated July 14, 2015 regarding the development of an EQC that supports a fluoride SSWQO of 1.03 mg/L at the edge of the mixing zone has not changed. Any changes to the SSWQOs should also

be reflected in Annex A, Part B (Page 62) which outlines all SSWQO at the edge of the mixing zone. Fluoride is currently listed at 0.12 mg/L in Annex A of the draft Water Licence.

Recommendation(s):

- 1) ENR's recommendation regarding the development of an EQC that supports a fluoride SSWQO of 1.03 mg/L at the edge of the mixing zone remains. Any changes to SSWQOs should also be reflected in Annex A, Part B (Page 62) which outlines all SSWQO at the edge of the mixing zone.

Comments and recommendations were provided by ENR technical experts in the Water Resources Division and the Dehcho Region and were coordinated and collated by the Environmental Impact Assessment Section, Conservation, Assessment and Monitoring Division (CAM).

Should you have any questions please contact Mr. Nathen Richea, Manager, Water Regulatory, at (867) 765-6772 or Nathen_Richea@gov.nt.ca

Sincerely,



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