

Staff Report

Applicant: North American Tungsten Corporation Ltd.	
Location: Cantung Mine, NT	Application: MV2015L2-0003
Date Prepared: August 17, 2016	Meeting Date: August 25, 2016
Subject: SNP Change Request	

1. Purpose/Report Summary

The purpose of this Report is to present to the Mackenzie Valley Land and Water Board (MVLWB/the Board) a Request from North American Tungsten Corporation Ltd. (NATCL) to temporarily change sampling requirements for several Surveillance Network Program (SNP) stations, as required under Water Licence MV2015L2-0003 (the Licence).

2. Background

- September 9, 2015 – Notice received of temporary shutdown of Cantung mine, and transition to care & maintenance;
- January 28, 2016 – Water Licence MV2015L2-0003 (renewal of MV2002L2-0019) issued to NATCL;
- May 19, 2016 – Request to change SNP monitoring requirements received and distributed for review;
- June 2, 2016 – Reviewer comments on the Request received;
- June 8, 2016 – NATCL response to reviewer comments received;
- **August 25, 2016 – Request presented to the Board for decision.**

3. Discussion

On May 19, 2016, NATCL submitted a request to the Board to temporarily suspend sampling at SNP sites related to Tailings Storage Facility 6 (TSF6), due to the fact that the mine is currently in care & maintenance status, and the facility is not currently scheduled to be constructed. NATCL recommended in the Request to reinstate sampling at these stations not less than three months prior to construction of TSF6. NATCL also requested that sampling at SNP site 4-20 be reduced from bi-weekly to monthly, due to the fact that water is not currently being discharged from the wastewater treatment facilities (WWTF). NATCL recommended in the Request that sampling revert to bi-

weekly not less than three months prior to discharge from the WWTF. The changes requested to SNP monitoring requirements, and Board staff's recommendations, are detailed in the attached Draft Reasons for Decision document.

4. Comments

The Board has the authority to make changes to the SNP as per Part B, Condition 9 in the Licence, which reads as follows: "The Schedules, the Surveillance Network Program, and any compliance dates specified in this Licence may be changed at the discretion of the Board".

5. Reviewer Comments

Comments and recommendations on the Request were received from the following reviewers:

- Government of the Northwest Territories – Environment and Natural Resources (GNWT-ENR);
- Inspector - Indigenous and Northern Affairs Canada; and
- Board staff

NATCL responded on June 8, 2016. The reviewer comment summary table (attached) presents the concerns identified through the review of the Request.

Board staff notes that initially, the Inspector recommended against reducing sampling frequency at SNP station 4-20, but after discussing the evidence presented by NATCL with Board staff, indicated that he was agreeable with the proposed change. This is noted in the attached Draft Reasons For Decision.

6. Security

Security in the amount of \$27,950,000 is currently required by the Licence, with subsequent amounts of \$1.1M and \$1.9M due following specific construction triggers, for a total of \$30,950,000. Security will not be affected by the Request.

7. Conclusion

Board staff concludes that the Request submitted by NATCL is reasonable, and has not identified any concerns with granting the Request as applied for. A Draft Approval Letter is attached for the Board's consideration.

8. Recommendation

Board staff recommends the Board approve the Request to temporarily change SNP monitoring requirements, as applied for by NATCL; and

9. Attachments

- Reviewer Comment Summary Table
- [SNP Change Request](#)
- Draft Water Licence Cover Page
- Draft Water Licence Conditions
- Draft Reasons for Decision
- Draft Decision Letter from the Board

Respectfully submitted,



Julian Morse
Regulatory Officer

Review Comment Table

Board:	MVLWB
Review Item:	NATCL - SNP Modification Request (MV2015L2-0003)
File(s):	MV2015L2-0003
Proponent:	North American Tungsten
Document(s):	MV2015L2-0003 - NATCL - SNP Modification Request (1MB)
Item For Review Distributed On:	May 19 at 16:28 Distribution List
Reviewer Comments Due By:	June 2, 2016
Proponent Responses Due By:	June 8, 2016
Item Description:	<p>North American Tungsten Corporation Ltd. (NATCL) have submitted a Request to modify SNP monitoring requirements for Water Licence MV2015L2-0003 while the mine remains in care & maintenance.</p> <p>Please submit comments using the Online Review System by June 2, 2016. NATCL's response is due on June 8, 2016.</p> <p>If you have any concerns about the Request, or questions about how to use the Online Review System, please contact Julian Morse at 867-766-7453 or jmorse@mvlwb.com</p>
Contact Information:	<p>Jen Potten 867-766-7468 Julian Morse 867-766-7453 Lindsey Cymbalisky 867-766-7471</p>

Comment Summary

North American Tungsten (Proponent)				
ID	Topic	Reviewer Comment/Recommendation	Proponent Response	Board Decision
1	General File	Comment (doc) Cover Letter Recommendation		Noted.
GNWT - ENR: Central Email GNWT				
ID	Topic	Reviewer Comment/Recommendation	Proponent Response	Board Decision
2	General File	Comment (doc) ENR Letter with Comments and Recommendations Recommendation		Noted.

1	Topic 1: Stinky Pond	<p>Comment NATCL has requested that the sampling frequency for the Stinky Pond culvert be modified from 2 weeks to monthly given that the WWTF is not currently in operation. However, ENR notes that within the Care and Maintenance Plan for the site, a contingency involves start-up of the WWTF should it be required to manage mine water on-site (i.e. mine water requires treatment). As such, a caveat should be included to account for this eventuality.</p> <p>Recommendation 1) ENR recommends that the Board include a caveat in any modification to the SNP related to the Stinky Pond outlet that if the WWTF resumes operations during Care and Maintenance, sampling frequency reverts to a two week sampling frequency.</p>	<p>June 8: NATCL agrees with the recommendation from GNWT-ENR and will ensure that monitoring of S-4-20 will return to the two week sampling frequency if the WWTF is in operation during care and maintenance.</p>	Satisfactory response. NATCL's commitment to resume sampling if production begins must be written into future iterations of the C&M Plan.
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INAC - NWT Inspectors: Tim Morton

ID	Topic	Reviewer Comment/Recommendation	Proponent Response	Board Decision
1	SNP Stations S4-27-18 to S4-27-23, S4-49, & S4-50	<p>Comment The Inspector agrees with the SNP program modification request regarding SNP stations S4-27-18 to S4-27-23 and stations S4-49 to S4-50 as the dry stack activities have not been initiated to date.</p> <p>Recommendation The Inspector recommends that the requirement to sample at these locations be temporarily removed from the SNP program, however they should be reinstated immediately upon the site coming back into production.</p>	<p>June 8: NATCL agrees with the recommendation from the INAC NWT Inspector and sampling of these should resume once the site is back in production.</p>	Satisfactory response.

2	SNP Stations S4-20	<p>Comment NATCL is required to sample SNP station S4-20 (Stinky Pond) under the Metal Mining Effluent Regulations once per week. To date, this weekly requirement will continue to be required as they have not been given permission to move to reduced frequency.</p> <p>Recommendation The Inspector recommends that the sampling requirement for SNP station S4-20 remain the same to ensure that complete water quality data is collected during the care and maintenance program.</p>	<p>June 8: In April 2016, NATCL was given permission to move to reduced sampling frequency under MMER as the monthly mean concentration has been less than 10% of the values set out in column 2, schedule 4 for 12 consecutive months at this station. This reason and the fact that there is no discharge from the WWTF is the basis for the request to reduce sampling frequency at SNP S4-20 from every two weeks to monthly.</p>	<p>The Board notes the following with respect to S4-20: 1) that discharge from the underground mine is no longer being directed to Stinky Pond; 2) SNP results attached to the NATCL request shows that the concentration of all water quality parameters that have EQC in the WL are below their respective EQC and the site-specific water quality objectives; and 3) there are no upward trends at S4-20 in the concentrations of parameters that have EQC in the WL. For these reasons, the Board does not believe that there is sufficient rationale to continue the biweekly sampling at S4-20. Board staff consulted with the Inspector, and have confirmed that as long as there is a stipulation to revert to biweekly sampling prior to discharge from the WWTF, the Inspector is amenable to changing sampling frequency to monthly during care and maintenance.</p>
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MVLWB: Julian Morse

ID	Topic	Reviewer Comment/Recommendation	Proponent Response	Board Decision
1	SNP Data for S4-20	<p>Comment The graphs in the Excel attachment for S4-20 Trending WQ are entitled "SNP S4-40 Parameters with S4-43 Maximum Average Concentration EQC".</p> <p>Recommendation NATCL to clarify which station the data is for.</p>	<p>June 8: NATCL will add clarification to the Excel spreadsheet S4-20 Trending WQ and resubmit the document to the board.</p>	Satisfactory response.



Northwest Territories Environment and Natural Resources

June 2, 2016

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. (NATCL)
Water Licence - MV2015L2-0003
SNP Modification - Care and Maintenance
Request for Comment**

The Department of Environment and Natural Resources (ENR), Government of the Northwest Territories has reviewed the plan 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: Stinky Pond

Comment(s):

NATCL has requested that the sampling frequency for the Stinky Pond culvert be modified from 2 weeks to monthly given that the WWTF is not currently in operation. However, ENR notes that within the Care and Maintenance Plan for the site, a contingency involves start-up of the WWTF should it be required to manage mine water on-site (i.e. mine water requires treatment). As such, a caveat should be included to account for this eventuality.

Recommendation(s):

- 1) ENR recommends that the Board include a caveat in any modification to the SNP related to the Stinky Pond outlet that if the WWTF resumes operations during

Care and Maintenance, sampling frequency reverts to a two week sampling frequency.

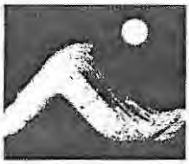
Comments and recommendations were provided by ENR technical experts in the Water Resources Division and the North Slave Region and were coordinated and collated by the Environmental Impact Assessment, Conservation, Assessment and Monitoring (CAM).

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.

Sincerely,

A handwritten signature in black ink, appearing to read 'P. Clancy', written in a cursive style.

Patrick Clancy
Environmental Regulatory Analyst
Environmental Impact Assessment Section
Conservation, Assessment and Monitoring Division
Department of Environment and Natural Resources
Government of the Northwest Territories



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June 08, 2016

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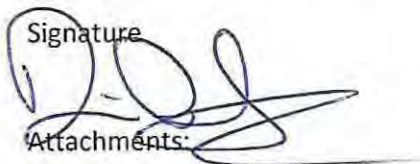
Attention: Mr. Julian Morse

Re: Water License MV2015L2-0003 – SNP Modification Request Proponent Responses

NATCL is submitting responses to the reviewer comments provided on the SNP Modification Request submitted in May 2016. The responses have been provided within the table of comments spreadsheet. The table has been uploaded to the MVLWB ORS.

If you have any questions or require further information, please contact myself at the Cantung Mine Site by telephone (604-759-0913 ext. 243), or by email at enviro@natcl.ca.

Yours truly,
North American Tungsten Corporation

Signature

Attachments:

CC: B.Delaney, S. Sherwood, Cantung Enviro, C. Beveridge (Alvarez & Marsal)