



Mackenzie Valley Land and Water Board
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Staff Report

Applicant: Pine Point Mining Limited	
Location: Pine Point area, NT	Application: MV2017C0024
Date Prepared: October 3, 2017	Meeting Date: October 12, 2017
Subject: Type A Land Use Permit Amendment Application	

1. Purpose/Report Summary

The purpose of this Report is to present to the Mackenzie Valley Land and Water Board (MVLWB/the Board):

- a) a Type A Land Use Permit (Permit) Amendment Application submitted by Pine Point Mining Limited (PPML); and
- b) Consider the preliminary screening.

2. Background

- July 20, 2017 – Permit MV2017C0024 issued to Darnley Bay Resources Ltd.;
- September 5, 2017 – Amendment Application for Permit MV2017C0024 received;
- September 8, 2017 – Amendment Application deemed complete and distributed for review;
- September 25, 2017 – Reviewer comments due and received;
- September 28, 2017 – Corporate name change from Darnley Bay Resources Ltd. to Pine Point Mining Limited acknowledged by the Board, and revised Permit issued; and PPML’s responses due and received for the Amendment Application review;
- **October 12, 2017 – Amendment Application presented to the Board for decision;** and
- July 19, 2022 – Expiration of Permit MV2017C0024.

3. Discussion

PPML, formerly Darnley Bay Resources Ltd., has held Land Use Permit MV2016C0023 since February 2017, for mineral exploration activities in the Pine Point area, NT. On July 20, 2017, the Board issued Land Use Permit MV2017C0024 (the Permit) which included and expanded upon activities previously permitted under Permit MV2016C0023. These proposed expanded activities include increased drilling from approximately 300 holes to 1,500 holes, increased equipment use and fuel storage, including the addition of two extra drills (for a total of three drills), a slightly larger camp, and five additional mineral claims.

On September 5, 2017, PPML submitted an Application to amend Permit MV2017C0024, requesting to add eight new mineral claims to the previously-screened project area (attached). No specific changes to the Permit are proposed, and no additional equipment or activities are proposed. Board staff therefore suggest the Amendment Application is within the scope of the existing Permit MV2017C0024.

Eligibility

PPML is eligible as per as per subsection 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.

Preliminary Screening

PPML accounted for the amount of drilling activity anticipated for the project in their original Application for Permit MV2017C0024, which was screened by the Board on July 20, 2017 (attached). This included the area occupied by the eight additional claims requested in this Amendment Application. PPML was in the process of acquiring these claims when the original Application for Permit MV2017C0024 was submitted, but had not yet formally acquired them. Therefore, Board staff suggest that only the new claims require screening by the Board. Board staff have prepared the draft preliminary screening report (attached), which identifies previously screened activities, and includes the eight additional mineral claims, for the Board's consideration.

4. Reviewer Comments

By September 25, 2017, comments and recommendations on the Application were received from the following reviewers:

- Fisheries and Oceans Canada (DFO);
- Government of the Northwest Territories (GNWT) – Prince of Wales Northern Heritage Centre (PWNHC);
- GNWT – Environment and Natural Resources (GNWT-ENR); and
- Katlodeeche First Nation (KFN);

A late comment was received from Deninu Kue First Nation (DKFN) on September 29, 2017. The comment consists of a letter of support from Chief Louis Balsillie for the Amendment Application. The Board will need to decide whether to accept the late comment. Board staff suggest that since the comment does not raise any concerns with the Amendment Application, there shouldn't be any concerns associated with accepting the comment after the deadline. Board staff note that the KFN also submitted a letter expressing support for the Amendment Application.

PPML responded to comments received on September 28, 2017. The Review Summary and Attachments (attached) present the comments and recommendations received during review of the Amendment Application, PPML's responses, and Board staff analysis. The Board will note that the Review Comment Table lists Darnley Bay Resources Ltd. as the proponent – this is because the name change to Pine Point Mining Limited had not yet been acknowledged by the Board when the

Amendment Application was submitted. The name change was acknowledged September 28, 2017 (attached).

The Board will note that both DFO and GNWT-ENR reiterated concerns associated with the initial Application for Permit MV2017C0024, and requested conditions which were already included in the Permit. PWNHC similarly recommended conditions be included in the Amended Permit which already exist in the Permit. Given these comments, and as no changes to the Permit were requested by PPML, Board Staff suggest that any concerns raised during review of the Amendment Application continue to be mitigated by existing Permit conditions. Board staff further note that provisions do not exist in the Mackenzie Valley Land Use Regulations for the Board to amend a Permit on its own motion; therefore, only changes requested by the Permittee can be made to a Permit in association with a Permit Amendment Application.

5. Security

Condition 62 of Permit MV2017C0024 requires submittal of security in the amount of \$164,500.00, which has been paid by PPML, and is currently held by the GNWT (attached).

No changes to the amount of drilling activity or equipment use was proposed in the Amendment Application, therefore, no changes to the amount of security is required to be considered by the Board at this time.

6. Conclusion

Board staff conclude that the Amendment Application was submitted in accordance with subsection 26(2) of the Mackenzie Valley Land Use Regulations. Board staff have not identified any concerns associated with granting the Amendment which are not mitigated by existing Permit conditions.

7. Recommendations

Board staff recommend the Board:

- a) Accept late comments from Deninu Kue First Nation;
- b) Approve the updated Preliminary Screening Report; and
- c) Approve the amended Type A Land Use Permit MV2017C0024.

A draft Approval Letter is attached for the Board's consideration.

8. Attachments

- [Amendment Application](#)
 - [Amendment Application Engagement Log](#)
- [Preliminary Screening – July 20, 2017](#)
- Draft Updated Preliminary Screening
- Review Summary and Attachments
- [Board Acknowledgement of Corporate Name Change](#)
- [Security for Permit MV2017C0024](#)
- Draft Amended Land Use Permit Cover Page
- Draft Amended Land Use Permit Conditions
- Draft Decision Letter from the Board

Respectfully submitted,



Julian Morse
Regulatory Specialist

Review Comment Table

Board:	MVLWB
Review Item:	Darnley Bay Resources Ltd. - Land Use Permit Amendment Request (MV2017C0024)
File(s):	MV2017C0024
Proponent:	Darnley Bay Resources Limited
Document(s):	MV2017C0024 - Darnley Bay Resources Ltd - Amendment Application (867.7KB) MV2017C0024 - Darnley Bay - Amendment Application Engagement Log (225.2KB) MV2017C0024 - Darnley Bay - July 20, 2017 Preliminary Screening (2.3MB)
Item For Review Distributed On:	Sep 8 at 15:11 Distribution List
Reviewer Comments Due By:	Sep 25, 2017
Proponent Responses Due By:	Sep 28, 2017
Item Description:	<p>Darnley Bay Resources Ltd. (Darnley Bay) has submitted a request to amend Land Use Permit (Permit) MV2017C0024. Darnley Bay is requesting to add 8 recently-acquired mineral claims to the project area covered by the Permit. No changes to the conditions of the Permit have been requested.</p> <p>Reviewers will note that the Application has been submitted with the name Pine Point Mining Limited, the new name for Darnley Bay Resources Ltd. Darnley Bay has submitted documentation to have the Permits changed to the corporation's new name, however this change has not yet been processed.</p> <p>Reviewers are invited to submit questions, comments, and recommendations using the Online Review System (ORS) by the review comment deadline specified below. Please provide comments and recommendations on the:</p> <ul style="list-style-type: none"> • Amendment Request; • Engagement Record; and • Preliminary Screening for the Amendment Request that will be conducted by the Board. (Your comments and recommendations on impacts and proposed mitigation measures will be used to help the Board make a preliminary screening decision. Please see below for additional information). <p>Under the Preliminary Screening Requirement Regulations of the Mackenzie Valley Resource Management Act (MVRMA), the Board must conduct a preliminary screening for an amendment request, unless it is exempt from Part 5 of the MVRMA. Reviewers are encouraged to provide comments and</p>

	<p>recommendations (e.g. on impacts and mitigation measures) to assist with the completion of the preliminary screening. The most recent preliminary screening that was approved by the Board is located under Document(s) below. Please be advised that comments made by reviewers regarding impacts of this proposed amendment to wildlife and wildlife habitat in this preliminary screening will inform the GNWT Minister of Environment and Natural Resources' determination regarding whether a Wildlife Management and Monitoring Plan will be required for this project as per Section 95 of the Wildlife Act. 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>
<p>General Reviewer Information:</p>	<p>This review item has also been distributed by fax to the following organizations:</p> <p>Fort Resolution Métis Council Trudy King (867)394-3322; Fieldworker.frmc53@northwestel.net;</p> <p>Hay River Metis Council Trevor Beck President (867)874-4472; hrmc@northwestel.net;</p> <p>NWT Metis Nation Tim Heron NWTMN IMA Coordinator (867)872-3586; rcc.nwtmn@northwestel.net;</p> <p>Hay River Metis Council Trevor Beck President (867)874-4472; hrmc@northwestel.net;</p> <p>Northwest Territory Métis Nation Garry Bailey c/o Tim Heron NWTMN IMA Coordinator (867)872-3586; rcc.nwtmn@northwestel.net;</p>
<p>Contact Information:</p>	<p>Jen Potten 867-766-7468 Julian Morse 867-766-7453</p>

Comment Summary

Deninu K'ue First Nation: Louis Balsillie				
ID	Topic	Reviewer Comment/Recommendation	Proponent Response	Board Staff Analysis
1	Letter of Support	Comment (doc) (Submitted after Due Date) DKFN Letter of Support Attached Recommendation DKFN supports the Application;		The Board will note that DKFN's comments were received late, and will need to decide whether or not to accept the comments.
Fisheries and Oceans Canada: Laura Watkinson				
ID	Topic	Reviewer Comment/Recommendation	Proponent Response	Board Staff Analysis
1	General File	Comment (doc) DFO Cover Letter Recommendation		Noted.
2	Increase in Water Withdrawal - Preliminary Screening Report pg.2	Comment DFO notes that diamond drilling activities will be increased from approximately 300 holes to 1500 holes which will result in an increase in water usage (Preliminary screening report; page 2). However, it is unclear to DFO how much additional water will be required, and which waterbodies will be the source of the additional water withdrawal. DFO also notes that water withdrawal from ice covered waterbodies has the potential to impact overwintering fish habitat, and fish habitat within the littoral zones of waterbodies. Recommendation DFO recommends the proponent provide the locations of each of the waterbodies selected for water withdrawal, and include the total water withdrawal volumes anticipated to be extracted from each of the waterbodies. Withdrawals from fish-bearing waters should not result in any noticeable change in water level or downstream flows, particularly during sensitive life stages (e.g. by dewatering or egg incubation areas).	Sep 28: Pine Point Mining is involved in an exploration program on the Pine Point property.; Pine Point now has access to eight additional claims on which they have conducted no exploration work.; Until Pine Point can do geophysics and basic geological evaluation we are not able to identify drill hole locations. Without drill hole locations we cannot identify the location of the pits or water flows we will extract water from.; The 1500 holes is a max which would be drilled over a five-year period (projected based upon permit term). ; In speaking with the drill contractor, the drill uses 7-8 gallons per minute while it is drilling.; The majority of a drills time is spent either in retrieving rods, recovering core or moving locations while less than half the time is spent drilling and pumping water.; Most of the drill water is recovered from vacant open pits left from previous mining.; Any water recovered from an open pit is readily replaced by underground flow.; This replacement would be applicable for any water body deeper than the water table which is very shallow at Pine Point.; The	DFO's comments appear to be based on information contained in the July 20, 2017 Preliminary Screening Report, which was posted to the review for information purposes. The Amendment Application currently before the Board will not result in an increased amount of drilling, the company has only requested that currently permitted activities be allowed to occur on 8 additional recently-acquired

			majority of all water recovered for drilling during winter periods would come from a vacated open pit and be transported by truck to the drill as overland hose would freeze up.; Getting to water in a frozen over stream and keeping a hose flowing in winter temperatures is not practical. ; Flowing streams are flowing at rates that far exceed the anticipated 7-8 gallon per minute extraction rate plus streams flow continuously while extraction is intermittent.; ; Pine Point believes that the minor amount of water that could be extracted from active streams will have no effect on the natural habitat.; Pine Point cannot identify the locations of water retrieval until enough geological work has been completed to identify drill locations.; Pine Point recognizes the concerns DFO expresses and will be mindful of any fish habitat during the time of low or no flow.	mineral claims in the project area. Conditions mitigating DFO's concerns were included in the Permit at issuance, and no changes to Permit conditions are proposed.
3	Water intake - Velocity	<p>Comment Increased water through intake pipes may increase intake velocities and lead to potential entrainment of fish. It is unclear to DFO what the anticipated intake velocities will be at the end of pipe, and whether this intake velocity will cause entrainment of fishes</p> <p>Recommendation DFO recommends that the proponent provide the approach/ intake velocity and ensure that this value is in line with DFO's Freshwater Intake End-of-Pipe Fish Screen Guidelines, 1995.</p>	<p>Sep 28: Intake velocities will not change from the current permit or past practices.; Each drill obtains its water independent of any other drill.; The same equipment and methods for water recovery are identical to those that were used under MV0023 and the approved MV0024.; This modification of MV0024 does not in any way change the practices approved by the MVLWB in MV0024.; ; The majority of all drill water comes from vacated open pits left by Cominco and the amount of water removed will 1) be inconsequential to the volume of the pit, and 2) will immediately be replaced by the flow of groundwater moving through the Pine Point area. ; All pumping operations for water retrieval use screens on the intakes and no increase in flow velocity will occur over what has been the permitted practice. ; Condition 51 covers any concern relating to ice covered enclosed water. Condition 50 covers any concern relating to fish screens.</p>	As noted by the proponent, conditions 50 and 51 were included in the Permit at issuance to mitigate DFO's concerns. No changes to drilling techniques are proposed in the Amendment Application.

GNWT - ECE: Naomi Smethurst

ID	Topic	Reviewer Comment/Recommendation	Proponent Response	Board Staff Analysis
1	Protection of Historical, Archaeological, and Burial Sites	<p>Comment The Prince of Wales Northern Heritage Centre (PWNHC) has reviewed the draft conditions outlined for the Pine Point Mining Permit Amendment.</p> <p>Recommendation Please see comments outlined;in Protection of Historical, Archaeological, and Burial Sites on the original application. All conditions (#56 through #60) made on the original application should be extended to the permit amendment, including the requirement of an Archaeological Overview Assessment and an Archaeological Impact Assessment for areas of identified archaeological potential that cannot be avoided within the additional eight claims.</p>	<p>Sep 22: Pine Point Mining Limited (PPML) understood in filing the amendment that the requirements for AOA and AIA stipulated in the current permit would also be a part of the modified permit.; PPML is currently in the process of doing the AOA as required in MV2017C0024 and have included the six claims in the Pine Point townsite (D6, D9, D10, D11, D12 and D13)(modification claims) in this AOA.; Additional work is to be completed upon completion of Phase 1 of the study.; Phase 2 will include D7 and D8 as we expand our AOA studies. PPML would like to make the point that a large portion of the townsite claims are over the old Pine Point townsite and we would expect to find trash and items related to the original Pine Point town that is modern in terms of timeframe and would have nothing to do with the Protection of Historical, Archeological and Burial Sites.</p>	<p>No changes to Permit conditions are proposed in the Amendment Application, therefore, Board staff suggest that PWNHC’s recommendation has already been addressed.</p>

GNWT - ENR: Central Email GNWT

ID	Topic	Reviewer Comment/Recommendation	Proponent Response	Board Staff Analysis
6	General File	<p>Comment (doc) ENR Letter with Comments and Recommendations</p> <p>Recommendation</p>		<p>Noted.</p>
1	Topic 1: Boreal Caribou	<p>Comment In relation to application MV2016C0023 submitted previously by Pine Point Mining Ltd., ENR Wildlife Division outlined their concerns of the proposed mineral exploration activity in the Pine Point area on boreal caribou. To reiterate, boreal caribou are listed as a threatened species under the federal Species at Risk Act. Further, the NWT Species at Risk Committee (SARC), established under the territorial Species at Risk Act, assessed boreal caribou as a Threatened species in December 2012. Boreal caribou were added to the list of</p>	<p>Sep 28: Pine Point Mining Limited has just recently obtained access to 8 claims that were staked in February of 2017. ;Pine Point has been working closely with the aboriginal of the Pine Point area to address any concerns related to wildlife and their traditional lifestyle.; Pine Point is not able to define any of the information being asked by ENR.; No preliminary work has been completed that would allow Pine Point to define targets for drilling.; We just don’t go out and drill anywhere.; We must do geophysics to begin to define targets.; The geophysical work is non-destructive to</p>	<p>Impacts to wildlife from additional activity were screened on July 20, 2017. Pine Point Mining has not proposed additional drilling activity to that previously screened, they are only adding mineral claims, which could result</p>

	<p>NWT List of Species at Risk in February 2014. Recovery strategies developed under each piece of legislation set goals and direction for boreal caribou conservation and recovery, including management of habitat disturbance, and need to be considered when any new development is proposed. Through meetings with Aboriginal organizations in South Slave communities, it has been consistently identified to ENR that the Pine Point area, and specifically the area around the junction between Highway 5 and 6, is an area where caribou are frequently seen or harvested. Although there is already a considerable human disturbance footprint in the Pine Point area, it nonetheless appears to be an area that is heavily used by boreal caribou. ENR South Slave Region echoes concerns stated previously by ENR Wildlife Division about the potential cumulative impacts of the proposed mineral exploration activity, including the proposed expansion of the program, in combination with recently approved timber harvesting in this area (MV2015W0011). Mineral exploration can negatively impact boreal caribou through habitat loss and fragmentation, increased sensory disturbance, and direct or indirect mortality. Darnley Bay Resources Ltd. (DBRL) is proposing to add eight (8) additional claims to their proposed mineral exploration activity, but they do not identify any additional environmental and resource impacts this expansion may have in the area. Further, DBRL does not provide specific locations of the additional drill sites or identify the specific roads/routes that will be used, modified, or created to access to the additional sites. Finally, DBRL does not identify specific measures they will take to avoid, minimize, or mitigate any negative impacts on boreal caribou or other wildlife and wildlife habitat at these additional sites. Previous comments made by ENR Wildlife Division</p>	<p>the point that a permit is not required when done with equipment as defined in the regulations.; No drilling can be undertaken without solid geological reason and expectations related to geophysical data and strongly anticipated rock types.; The geophysical work is currently ongoing and will extend into the following years.; Currently, Pine Point has no drill targets in the 8 new claims being added through this modification, therefore we cannot provide any of the information being requested.; Secondly, Pine Point would suggest that ENR converse with the GNWT Land Inspectors to better understand the process and the minor amount of damage being done, and the extent that Pine Point goes to making sure minimal damage is done.; All the information being requested is part of the closure report, the proper time to do any posting as anything posted now will only be conjecture and nowhere near accurate. ; Data relating to drill locations is covered under Condition 4.</p>	<p>in drill targets in those claims. Condition 4 in the Permit requires the permittee to submit drill target locations to the Board and an Inspector prior to drilling.</p>
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		<p>on Pine Point Mining Ltd.'s Land Use Permit Application (MV2016C0023) suggested further details be provided on these same factors in that application. ENR South Slave Region would like to reiterate the importance of addressing these factors, including in this permit amendment.</p> <p>Recommendation 1) ENR recommends that DBRL provide the MVLWB with shape files of their proposed project footprint, including the specific locations of the additional drilling locations and routes that will, or have been used in the past, to access proposed sites, and the final footprint of all access routes and drill pads, for posting on the Public Registry.</p>		
2	None	<p>Comment None</p> <p>Recommendation 2) ENR requests that DBRL clarify whether any new access routes or clearing along existing linear features will be required to access the 8 proposed additional sites.</p>	<p>Sep 28: No additional comments required over Comment 1.</p>	<p>Additional clearing associated with drilling was screened on July 20, 2017.</p> <p>Condition 4 in the Permit requires the permittee to submit drill target locations to the Board and an Inspector prior to drilling.</p>
3	None	<p>Comment None</p> <p>Recommendation 3) ENR recommends that MVLWB include a permit condition requiring DBRL to use existing access routes and disturbed areas for their operations, to the extent feasible to access the 8 additional sites.</p>	<p>Sep 28: Pine Point totally objects to the addition any additional permit conditions that will have no effect on the environment.; Pine Point works closely with the GNWT Land Inspectors and no drill site is approved without their approval of the site and the access.; If there is a way to get there without making new roads, Pine Point will work cooperatively with the Land Inspectors to make sure new cuts are not required.</p>	<p>Standard conditions related to clearing lines and trails are included in the Permit. The Board cannot add conditions to a Permit that were not requested by the Permittee in the Amendment Application. No changes to conditions were</p>

				proposed in the Amendment Application before the Board.
4	None	Comment None Recommendation 4) ENR recommends that MVLWB include a permit condition requiring DBRL to suspend activities temporarily if one or more boreal caribou are spotted within five hundred (500) metres of drilling operations.	Sep 28: Condition 90 of MV0024 already has this condition.; Pine Point did not ask for any changes in the conditions relating to the permit modification therefore it appears any new recommendation is unfounded.	As noted by PPML, the Permit already contains this condition.
5	None	Comment None Recommendation 5) ENR recommends that DBRL record and submit sightings of boreal caribou to ENRs Wildlife Management Information System (WMIS) at WMISTeam@gov.nt.ca. Further information on the WMIS can be found at: http://www.enr.gov.nt.ca/programs/wildlife-research/wildlife-management-information-services *Note: All the above recommendations were also suggested to Pine Point Mining Ltd. for application MV2016C0023 in relation to their original area extent and exploration activities	Sep 28: Pine Point employees and contractors record all wildlife.; Since our arrival on site 8 months ago there have been zero occurrences of Caribou Adding additional obligations to reporting is onerous.; The information is available upon request.;;	Satisfactory response.

Katlochee First Nation: Peter Redvers

ID	Topic	Reviewer Comment/Recommendation	Proponent Response	Board Staff Analysis
2	General	Comment (doc) see attachment Recommendation see attachment	Sep 19: Pine Point Mining appreciates the support expressed by Mr. Redvers.; Pine Point Mining fully accepts the correction noted by Mr. Redvers in respect to our comment.; Pine Point Mining cannot and does not intend to represent the position of the KFN and our comment may have resulted from our misunderstanding a position being explained to us by Chief Fabian.; We accept the position expressed by Mr. Redvers as the KFN position and will correct our Engagement Log to reflect that position.	Satisfactory response.



**DENINU K'UE FIRST NATION
BOX 279
FORT RESOLUTION, NT
X0E 0M0**

September 15, 2017

Julian Morse
Regulatory Officer, Mackenzie Valley Land and Water Board
Yellowknife, NT

Re MV2017C0024

Dear Mr. Morse,

Darnley Bay Resources Ltd., now known as Pine Point Mining Limited, has submitted an application for an amendment to LUP MV2017C0024. This amendment would allow for the current conditions of the permit to apply to six new claims within the Deninu Kue First Nation traditional territory: D6, D9, D10, D11, D12 and D13.

This letter is to inform the Board that the Deninu Kue First Nation (DKFN) supports this amendment, consistent with the mutual commitments made between DKFN and Pine Point Mining (PPM) in a recently signed Exploration Agreement.

Thank you,

Chief Louis Balsillie



Suite 301, 5204 50th Avenue
Yellowknife, NT
X1A 1E2

September 25, 2017

Your files Votre référence
MV2017C0024

Our file Notre référence
17-HCAA-01344

Mackenzie Valley Land and Water Board
Attention: Jen Potten
7th Floor, 4922 48th St.
P.O. Box 2130
Yellowknife, NT X1A 2P6

Dear Jen Potten,

**Subject: MV2017C0024 – Darnley Resources Limited – Land Use Permit
Amendment Request**

The Fisheries Protection Program (the Program) of Fisheries and Oceans Canada would like to thank the Mackenzie Valley Land and Water Board for the opportunity to provide comments on Darnley Bay Resources Limited's (the Proponent) Land Use Permit Amendment Request.

As outlined in your request dated September 8, 2017 reviewers are invited to submit comments and recommendations to the MVLWB by September 25, 2017.

The Program has reviewed the Proponent's proposal in regards to its mandate, i.e. to maintain the sustainability and ongoing productivity of commercial, recreational and Aboriginal fisheries. The Program's comments are provided in the table on the MVLWB online review system.

It remains the Proponent's responsibility to ensure it avoids causing serious harm to fish in compliance with the *Fisheries Act*, and that it meets the requirements under the *Species at Risk Act* as it may apply to your project. If the Proponent plans have changed or if the description of its proposal is incomplete, or changes in the future, the Proponent should consult our website (<http://www.dfo-mpo.gc.ca/pnw-ppe/index-eng.html>) or consult with a qualified environmental consultant to determine if further review is required by the Program.

Please be advised that it is also the Proponent's *Duty to Notify* DFO if it has caused, or is about to cause, serious harm to fish that are part of or support a commercial, recreational or Aboriginal fishery. Such notifications should be directed to <http://www.dfo-mpo.gc.ca/pnw-ppe/violation-infraction/index-eng.html>.

If you or any other parties have any questions, please contact Laura Watkinson at 867-669-4920, or by email at Laura.Watkinson@dfo-mpo.gc.ca. Please refer to the file number referenced above when corresponding with the Program.

Yours sincerely,

A handwritten signature in blue ink, appearing to read "Mark D'Aguiar". The signature is fluid and cursive, with a large loop at the end.

Mark D'Aguiar
Senior Fisheries Protection Biologist
Fisheries Protection Program

Copy: Laura Watkinson, DFO



Kátł'odeeche First Nation

P.O Box 3060, Hay River Dene Reserve, NT X0E 1G4
Phone: (867) 874-6701, Fax: (867) 874-3229, Email: hrdb@katlodeeche.com

September 15, 2017

Julian Morse
Regulatory Officer, Mackenzie Valley Land and Water Board
Yellowknife, NT

Re MV2017C0024

Dear Mr. Morse,

Darnley Bay Resources Ltd., now known as Pine Point Mining Limited, has submitted an application for an amendment to LUP MV2017C0024. This amendment would allow for the current conditions of the permit to apply to two new claims within the Kátł'odeeche First Nation traditional territory: D7 and D8.

This letter is to inform the Board that the Kátł'odeeche First Nation (KFN) supports this amendment, consistent with the mutual commitments made between KFN and Pine Point Mining (PPM) in a recently signed Exploration Agreement.

KFN would like to correct one of the statements made by PPM in the engagement log submitted along with the application amendment, however. On page 4 of this document, PPM states that "KFN is not willing to recognize the Metis in any way". This is an incorrect statement. KFN's position is that the Northwest Territory Métis Nation, including the Fort Resolution Métis Council and the so-called Hay River Métis Government Council, represents Akaitcho Métis only, as all other NWT Métis are accommodated through other land claims processes. KFN acknowledges that Akaitcho Métis may have rights within the Akaitcho Territory, as descendants of the Akaitcho Dene, but does not recognize NWTMN's rights as asserted within the KFN primary traditional territory, which remains affiliated with the Dehcho Region. Please disregard PPM's misinterpretation of the KFN position.

Thank you for the opportunity to comment on this amendment application.

Peter Redvers

A handwritten signature in black ink that reads "Peter Redvers".

Director of Lands, Resources, and Negotiations



September 25, 2017

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

Dear Ms. Potten,

**Re: Darnley Bay Resources Ltd.
Land Use Permit Amendment Application – MV2017C0024
Add 8 Mineral Claims to Project Area
Request for Review and Comments**

The Department of Environment and Natural Resources (ENR), Government of the Northwest Territories has reviewed the application 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 provides the following comments and recommendations for the consideration of the Board and the Proponent.

Topic 1: Boreal Caribou

Comment(s):

In relation to application MV2016C0023 submitted previously by Pine Point Mining Ltd., ENR Wildlife Division outlined their concerns of the proposed mineral exploration activity in the Pine Point area on boreal caribou. To reiterate, boreal caribou are listed as a threatened species under the federal *Species at Risk Act*. Further, the NWT Species at Risk Committee (SARC), established under the territorial *Species at Risk Act*, assessed boreal caribou as a Threatened species in December 2012. Boreal caribou were added to the list of NWT List of Species at Risk in February 2014. Recovery strategies developed under each piece of legislation set goals and direction for boreal caribou conservation and recovery, including management of habitat disturbance, and need to be considered when any new development is proposed.

Through meetings with Aboriginal organizations in South Slave communities, it has been consistently identified to ENR that the Pine Point area, and specifically the area around the junction between Highway 5 and 6, is an area where caribou are frequently seen or harvested. Although there is already a considerable human disturbance footprint in the Pine Point area, it nonetheless appears to be an area that is heavily used by boreal caribou.

ENR South Slave Region echoes concerns stated previously by ENR Wildlife Division about the potential cumulative impacts of the proposed mineral exploration activity, including the proposed expansion of the program, in combination with recently approved timber harvesting in this area (MV2015W0011). Mineral exploration can negatively impact boreal caribou through habitat loss and fragmentation, increased sensory disturbance, and direct or indirect mortality.

Darnley Bay Resources Ltd. (DBRL) is proposing to add eight (8) additional claims to their proposed mineral exploration activity, but they do not identify any additional environmental and resource impacts this expansion may have in the area. Further, DBRL does not provide specific locations of the additional drill sites or identify the specific roads/routes that will be used, modified, or created to access to the additional sites. Finally, DBRL does not identify specific measures they will take to avoid, minimize, or mitigate any negative impacts on boreal caribou or other wildlife and wildlife habitat at these additional sites. Previous comments made by ENR Wildlife Division on Pine Point Mining Ltd.'s Land Use Permit Application (MV2016C0023) suggested further details be provided on these same factors in that application. ENR South Slave Region would like to reiterate the importance of addressing these factors, including in this permit amendment.

Recommendation(s):

- 1) ENR recommends that DBRL provide the MVLWB with shape files of their proposed project footprint, including the specific locations of the additional drilling locations and routes that will, or have been used in the past, to access proposed sites, and the final footprint of all access routes and drill pads, for posting on the Public Registry.
- 2) ENR requests that DBRL clarify whether any new access routes or clearing along existing linear features will be required to access the 8 proposed additional sites.
- 3) ENR recommends that MVLWB include a permit condition requiring DBRL to use existing access routes and disturbed areas for their operations, to the extent feasible to access the 8 additional sites.
- 4) ENR recommends that MVLWB include a permit condition requiring DBRL to suspend activities temporarily if one or more boreal caribou are spotted within five hundred (500) metres of drilling operations.

5) ENR recommends that DBRL record and submit sightings of boreal caribou to ENR's Wildlife Management Information System (WMIS) at WMISTeam@gov.nt.ca. Further information on the WMIS can be found at:

<http://www.enr.gov.nt.ca/programs/wildlife-research/wildlife-management-information-services>

*Note: All the above recommendations were also suggested to Pine Point Mining Ltd. for application MV2016C0023 in relation to their original area extent and exploration activities

Comments and recommendations were provided by ENR technical experts in the South Slave Region and were coordinated and collated by the Environmental Assessment and Monitoring Section, 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,



Patrick Clancy
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