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### Staff Report

<b>Applicant:</b> Pine Point Mining Limited	
<b>Location:</b> Pine Point, NT	<b>File Number(s):</b> MV2020C0017
<b>Date Prepared:</b> January 4, 2021	<b>Date of Board Meeting:</b> January 14, 2021
<b>Subject:</b> Further Studies Requested	

#### 1. Purpose

The purpose of this Report is to present to the Mackenzie Valley Land and Water Board (MVLWB/the Board) a request to consider invoking paragraph 22(2)(b) of the Mackenzie Valley Land Use Regulations in order to require further studies or investigations be made for Pine Point Mining Limited's (PPML's) Land Use Permit (Permit) MV2020C0017.

#### 2. Background

- May 29, 2017 – Issuance of Permit MV2017C0024;
- June 20, 2018 – Issuance of Permit MV2018C0005 and Licence MV2018L2-0003;
- October 9, 2020 – Issuance of Licence MV2020L2-0008 and Extension of Permit MV2018C0005;
- November 27, 2020 – New Applications received;
- December 7, 2020 – Applications deemed complete and review commenced;
- **January 14, 2021 – 22(2)(b) Request presented to the Board for decision;**
- January 18, 2021 – End of 42-day timeline for Permit MV2020C0017;
- January 19, 2021 – Comments and recommendations due; and
- February 2, 2021 – Responses due.

#### 3. Discussion

##### Project History

There is a long history of exploration and mining activities associated with Pine Point, NT, which is located approximately 65 km east of Hay River and west of Fort Resolution, respectively. Cominco Ltd. mined 52 zinc and lead deposits from 1964 to 1988. Two of the deposits were mined underground and the remaining 50 deposits were mined as open pits. Before the mine closed in 1988, Cominco produced approximately 70 million tons of ore, with grades of 2.9% lead and 6.8% zinc. There was a mill and a town site at Pine Point, which were removed at the end of mining. The remaining Pine Point tailings impoundment area is currently being reclaimed by Teck Metal Ltd. under its Permit MV2019X0006 and Water Licence MV2017L2-0007.

### Current Authorizations

Pine Point Mining Limited (PPML) currently hold three authorizations including Permits MV2017C0024 and MV2018C0005, and Licence MV2020L2-0008. These authorizations allow PPML to conduct mineral exploration at Pine Point, NT. Associated activities include geological mapping, sampling, diamond drilling, use of water, deposit of waste, use of heavy machinery and vehicles, storage of fuel, maintaining existing access roads and trails, and progressive reclamation. A total of 40 mineral leases and 102 mineral claims, and three partial claims are held by PPML.

### Description of Applications

On November 27, 2020, PPML submitted new Applications for Permit MV2020C0017 and Licence MV2020L8-0012 for the Confirmation and Exploration Program at Pine Point, NT (attached). PPML is proposing to amalgamate all its existing authorizations including Permit MV2017C0024, MV2018C0005, and Licence MV2020L2-0008.

In addition to the existing authorized activities described above, PPML is proposing the following:

- Increase the camp size from 49-person to 249-person;
- Groundwater testing, metallurgical bedrock sampling, and geotechnical bedrock sampling;
- Increase of fuel storage; and
- Increase in equipment.

### Management Plans

The following documents and management plans were included with the Applications (attached):

- Project Description
- Environmental Impact Assessment
- Studies Undertaken to date including Traditional Knowledge
- Waste Management Plan
- Spill Contingency Plan
- Water Withdrawal Plan
- Engagement Plan Version 2.1 (V.2.1)
- Engagement Log and Record
- Closure and Reclamation Plan
- Draft Permit and Licence Conditions
- Closure Cost Estimates
- Bedrock Sampling Management Plan (framework only)
- Groundwater Management Plan (framework only)

PPML submitted frameworks for its bedrock sampling program and groundwater tests and is proposing that these plans be reviewed and considered by the Board prior to commencing those activities.

### Engagement

The Board approved PPML's [Engagement Plan V.2](#) with the Issuance of Licence MV2020L2-0008 and extension of Permit MV2018C0005 on October 9, 2020. An [Engagement Record](#) and [Engagement Plan V2.1](#) were included in the Application (attached). PPML noted they engaged with the following Parties:

- Denínu Kúé First Nation
- Kát'odeeche First Nation

- Northwest Territory (MWT) Métis Nation
- Ts’ueh Nda (Westpoint) First Nation
- Deh Gáh Got’ie (Fort Providence) First Nation
- Akaitcho Territorial Government (directed to Akaitcho Dene First Nation)
- Hamlet of Fort Resolution
- Town of Hay River
- Town of Fort Smith
- City of Yellowknife
- Łutselk’e Dene First Nation
- Smith Landing First Nation
- Salt River First Nation
- Timberworks Inc.

PPML conducted engagement for their Type A Applications from June 26, 2020 to November 18, 2020. Follow up engagement was conducted with the Parties listed above except for Smith Landing First Nation, Salt River First Nation, and the Town of Fort Smith. Board staff note that these Parties are not listed in PPML’s approved Engagement Plan V.2.

PPML presented its Confirmation and Exploration Program over Zoom/teleconference to the Town of Hay River, City of Yellowknife, Kát’odeeche First Nation, Łutselk’e Dene First Nation, and NWT Métis Nation. PPML engaged with Chief Balsillie with Denínu Kúé First Nation and Chief Joachim with Deh Gáh Got’ie First Nation to discuss the project further.

From the Engagement Record, some concerns identified were about socio-economic issues, including employment/contracting opportunities going forward and benefit agreements. In addition, there were some concerns about environmental impacts and mitigations from the Project included in the Log, which PPML followed up on. Kát’odeeche First Nation, NWT Métis Nation, and Łutselk’e Dene First Nation identified the Parties that they believe should be engaged with and have recognized rights.

#### Type of Area

This Project is in a federal and non-federal area. The federal area is the Pine Point railbed. PPML has explicitly stated that it is not intending to use water and deposit waste within the federal area to avoid a split-interest scenario where a federal licence would be required.

#### **4. Comments**

##### Description of Further Study Request

In accordance with section 22(2) of the Mackenzie Valley Land Use Regulations, the Board would need to make a decision on the Permit MV2020C0017 Application within 42 days of receipt of the complete application, which would be January 18, 2021. A draft [Work Plan](#) for the Type A Licence MV2020L8-0012 proceeding is currently distributed for review. In accordance with section 41(2)(a) of the *Waters Act*, a public hearing is required for any Type A proceeding, unless no intervenors are identified on or before the tenth day before the scheduled hearing and the applicant consents in writing to the disposition of the matter without a public hearing as per section 41(3)(a) of the *Waters Act*.

Section 22(2) of the MVLUR reads as follows:

- 22 (2) Subject to sections 23.1 and 24, if the Board does not return an application under paragraph (1)(a), it shall, within 42 days after receipt of the complete application,*
- (a) issue a Type A permit, subject to any conditions included pursuant to subsection 26(1);*
  - (b) conduct a hearing under section 24 of the Act or require that further studies or investigations be made respecting the lands proposed to be used in the land-use operation and notify the applicant in writing of the reasons for the hearing, studies or investigations;***
  - (c) refer the application to the Mackenzie Valley Environmental Impact Review Board under subsection 125(1) or paragraph 126(2)(a) of the Act for an environmental assessment and notify the applicant in writing of its referral and of the reasons for the referral; or*
  - (d) if a requirement set out in section 61 or 61.1 of the Act has not been met, refuse to issue a permit and notify the applicant in writing of its refusal and of the reasons for the refusal.*

In order to allow the Board, Parties, and PPML to review and discuss recommendations on the Applications, Board staff suggest the Board assess the Pine Point Confirmation and Exploration Program Permit and Licence Applications together. Additional information, further studies, or investigations are required respecting the lands proposed to be used in the land use operation. These include an updated assessment of activities proposed as they are directly linked to both land and water activities, and ultimately security. These linked activities include bedrock sampling using explosives, groundwater testing, construction and operation of a larger camp facilities, storage of fuel, construction and maintenance of access roads, and progressive closure and reclamation of site components. In order to allow a procedurally fair process, review of all land use activities in concert with water use and waste deposits through the Type A Water Licensing process is recommended.

The time required to obtain the additional information described above will facilitate the concurrent review and processing of the Pine Point Confirmation and Exploration Licence and Permit Applications.

## **5. Security**

PPML's existing Licence MV2020L2-0008 Part C, Condition 1 and Schedule 2, Condition 1 requires a security deposit of \$56,432.00, while its Permit MV2018C0005, Condition 57 requires a security deposit of \$267,851.00. Permit MV2017C0024, Condition 62 requires a security deposit of \$148,300.00.

PPML submitted an updated Closure Cost Estimates with its new Applications (attached). Security will be reassessed during the review of Permit and Licence Applications.

## **6. Conclusion**

Board staff conclude that there are clear linkages between Permit MV2020C0017 and Licence MV2020L8-0012, including potential environmental impacts and mitigation measures. In order to develop Permit and Licence conditions that will effectively mitigate impacts of the proposed Project on the land, the Board could assess the Pine Point Confirmation and Exploration Program Permit and Licence Applications together.

## 7. Recommendation

Board staff recommend the Board **make a motion to invoke paragraph 22(2)(b) of the Mackenzie Valley Land Use Regulations** for the Application of Land Use Permit MV2020C0017 to allow for additional time to gather information with the associated Type A Water Licence MV2020L8-0012 Application.

A draft decision letter is attached.

## 8. Attachments

- [Permit Application](#)
- [Licence Application](#)
- [Project Description](#)
- [Cover Letter](#)
- [Engagement Log and Record](#)
- [Engagement Plan V2.1](#)
- [Spill Contingency Plan](#)
- [Studies Undertaken to date including Traditional Knowledge](#)
- [Waste Management Plan](#)
- [Bedrock Sampling Management Plan Framework](#)
- [Water Withdrawal Plan](#)
- [Groundwater Management Plan Framework](#)
- [Closure and Reclamation Plan](#)
- [Map Book](#)
- [Draft Licence Conditions](#)
- [Draft Permit Conditions](#)
- [Screening Impact Assessment](#)
- [Closure Cost Estimate](#)
- Draft Decision Letter from the Board

Respectfully submitted,



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Regulatory Specialist



Kim Murray  
Regulatory Specialist