



Mackenzie Valley Land and Water Board
7th Floor - 4922 48th Street
P.O. Box 2130
YELLOWKNIFE NT X1A 2P6
Phone (867) 669-0506
FAX (867) 873-6610

May 22, 2014

File: MV2013Q0017

Mr. Darrell Dean
ProCore Drilling Ltd.
28076B Mackenzie Highway
HAY RIVER NT X0E 0R4

Email: ddean@northwestel.net

Dear Mr. Dean:

**Issuance of Type B Land Use Permit
Quarry Operation - NWT Highway #5, Mile 21**

Attached is Land Use Permit MV2013Q0017 granted by the Mackenzie Valley Land and Water Board (MVLWB) in accordance with the *Mackenzie Valley Resource Management Act* (MVRMA) Land Use Permit MV2013Q0017 has been approved by the MVLWB for a period of 5 years commencing May 22, 2014 and expiring May 21, 2019.

Please read all Land Use Permit conditions carefully. The Waste Management Plan required in accordance with condition 24 is hereby approved by the Board. The Spill Contingency Plan required in accordance with condition 33 is hereby approved by the Board; however, the Board encourages ProCore Drilling Ltd. to include the commitments made during this review, and as summarized in Table 1 (attached) in future iterations of the Spill Contingency Plan.

Please be advised that this letter, with its attached procedures, inspection reports, and related correspondence is part of the Public Registry and is intended to keep all interested parties informed of the manner in which the permit requirements are being met. All Public Registry material will be considered if an amendment to the Permit is requested.

Please note that the federal Minister has delegated powers, duties, and functions with respect to securities for land use permits on non-federal lands and the designation of inspectors for use of land on non-federal lands to the Minister of Lands of the Government of the Northwest Territories through the Delegation Instrument (see attached).

The full cooperation of ProCore Drilling Ltd. is anticipated and appreciated. If you have any questions or concerns, please contact Jen Potten at (867) 766-7468 or email jpotten@mvlwb.com.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'W. Hagen', with a stylized flourish at the end.

Willard Hagen
Chair

Copied to: Distribution List

Attachments: Land Use Permit
Reasons for Decision
Delegation Instrument



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Table 1: ProCore Drilling Ltd. – Responses from the review of the Spill Contingency Plan associated with Land Use Permit Application MV2013Q0017, May 22, 2014.

ProCore Response to Environment Canada Comment #5	Pro Core Drilling will not allow petroleum products to spread to surrounding lands or into water bodies. Adequate contingency plans and spill kits will be in place, prior to commencement of operations, to respond to any potential spills
ProCore Response to ENR Comment #1	The spill contingency plan will be updated to include all hazardous substances including Glycol, vehicle fluids and additives. All the MSDS sheets will be updated and included in the plan for all hazardous substances on site. The plan will also include a training program for all employees. Pro Core Drilling will not allow petroleum products to spread to surrounding lands or water bodies. To ensure this adequate contingency plans and spill kits will be in place, prior to operations, to respond to any potential spills. All fuel storage areas will be greater than 100m from the high water mark and not located in a drainage channel. Any fuel or storage vessels left for an extended period of time will be stationed in an area that contains secondary containment



Land Use Permit

Permit Class B	Permit No MV2013Q0017	Amendment No -
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Subject to the Mackenzie Valley Land Use Regulations and the terms and conditions in this Permit, authority is hereby granted to:

ProCore Drilling Ltd.

Permittee

to proceed with the land use operation described in the Application of:

Signature Mr. Darrell Dean	Date August 22, 2013
Type of Land Use Operation Quarry Operation	
Location NWT Highway #5, km 34.1	

This Permit may be assigned, extended, discontinued, suspended, or cancelled pursuant to the Mackenzie Valley Land Use Regulations.

Dated at Yellowknife this 22 day of May, 2014

Signature Chair

A handwritten signature in black ink, appearing to be "D. Dean".

Signature Witness

A handwritten signature in black ink, appearing to be "A. H. ...".

Commencement Date

May 22, 2014

Expiry Date

May 21, 2019

ATTENTION

It is a condition of this Permit that the Permittee comply with the provisions of the *Mackenzie Valley Resource Management Act* and Regulations and the terms and conditions set out herein. A failure to comply may result in suspension or cancellation of this Permit.

Conditions Annexed to and Forming Part of Land Use Permit MV2013Q0017

Part A: Scope of Permit

1. This Permit entitles ProCore Drilling Ltd. to quarry granular materials from an existing gravel pit located at kilometre 34.1 of NWT Highway #5:

W115° 16.5	W115° 13.81
N60° 44.12	N60° 44.37
2. This Permit is issued subject to the conditions contained herein with respect to the use of land for the activities and area identified in Part A, item 1 of this Permit.
3. Compliance with the terms and conditions of this Permit does not absolve the Permittee from the responsibility for compliance with the requirements of all applicable federal, territorial, and municipal legislation.

Part B: Definitions (defined terms are capitalized throughout the Permit)

Act - the *Mackenzie Valley Resource Management Act*.

Board - the Mackenzie Valley Land and Water Board established under Part 4 of the *Mackenzie Valley Resource Management Act*.

Fuel Storage Container - a container for the storage of **petroleum** or **allied petroleum products** with a capacity of less than 230 litres.

Habitat - the area or type of site where a species or an individual of a species of wildlife naturally occurs or on which it depends, directly or indirectly, to carry out its life processes.

Inspector - an Inspector designated by the Minister under the *Mackenzie Valley Resource Management Act*.

Minister - the Minister of Indian Affairs and Northern Development.

Ordinary High Water Mark - the usual or average level to which a body of water rises at its highest point and remains for sufficient time so as to change the characteristics of the land. In flowing waters (rivers, streams) this refers to the “active channel/bank-full level” which is often the 1:2 year flood flow return level. In inland lakes, wetlands, or marine environments, it refers to those parts of the Watercourse bed and banks that are frequently flooded by water so as to leave a mark on the land and where the natural vegetation changes from predominately aquatic vegetation to terrestrial vegetation (excepting water tolerant species). For reservoirs, this refers to normal high operating levels (full supply level).

Secondary Containment - containment that prevents liquids that leak from Fuel Storage Tanks or containers from reaching outside the containment area and includes double-walled Tanks, piping, liners, and impermeable barriers.

Spill Contingency Plan - a document, developed in accordance with Aboriginal Affairs and Northern Development Canada's *Guidelines for Spill Contingency Planning* (April 2007), that describes the set of procedures to be implemented to minimize the effects of a spill.

Toxic - a substance that enters or may enter the environment in a quantity or concentration or under conditions such that it:

- a) Has or may have an immediate or long-term harmful effect on the environment or its biological diversity;
- b) Constitutes or may constitute a danger to the environment on which life depends; or
- c) Constitutes or may constitute a danger in Canada to human life or health.

Waste Management Plan - a document, developed in accordance with the Board's *Guidelines for Developing a Waste Management Plan*, that describes the methods of waste management from waste generation to final disposal.

Watercourse - a natural body of flowing or standing water or an area occupied by water during part of the year, and includes streams, springs, swamps and gulches but does not include groundwater.

Part C: Conditions Applying to All Activities (headings correspond to subsection 26(1) of the Mackenzie Valley Land Use Regulations)

26(1)(a) Location and Area

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|----|---|-------------------------------|
| 1. | The Permittee shall not conduct a quarry operation within 100 metres of the Ordinary High Water Mark of any Watercourse, unless otherwise authorized in writing by an Inspector. | Quarry Setback |
| 2. | The Permittee shall not conduct this land-use operation on any lands not designated in the completed application. | Location of Activities |
| 3. | The Permittee shall not conduct any part of the land use operation within 300 metres of any privately owned or leased land or structure, unless otherwise authorized in writing by the Board. | Private Property |
| 4. | Prior to the commencement of the land-use operation, the Permittee shall mark each corner of the land use area. | Mark Area |
| 5. | The Permittee shall maintain the corner markings until the area is reclaimed. | Corner Posts |
| 6. | Prior to the commencement of the land-use operation, the Permittee shall accompany an Inspector during an inspection of the proposed land use area. | Inspect Locations |

26(1)(b) Time

- | | | |
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| 7. | At least 48 hours prior to the commencement of this land-use operation, the Permittee's Field Supervisor shall contact an Inspector at (867) 874-6995. | Contact Inspector |
| 8. | At least 48 hours prior to commencement of this land-use operation, the Permittee shall provide the following information, in writing, to the Board <u>and</u> an Inspector:
a) the name(s) of the person(s) in charge of the field operation;
b) alternates; and
c) all methods for contacting the above person(s). | Identify Agent |
| 9. | At least ten days prior to the completion of the land-use operation, the Permittee shall advise an Inspector of:
a) the plan for removal or storage of equipment and materials; and
b) when final cleanup and reclamation of the land used will be completed. | Reports Before Removal |

26(1)(c) Type and Size of Equipment

10. The Permittee shall not use any equipment except of a similar type, size, and number to that listed in the complete application.

**Only Approved
Equipment**

26(1)(d) Methods and Techniques

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26(1)(e) Type, Location, Capacity, and Operation of All Facilities

11. The Permittee shall ensure that the land use area is kept clean at all times.

Clean Work Area

26(1)(f) Control or Prevention of Ponding of Water, Flooding, Erosion, Slides, and Subsidence of Land

12. The land-use operation shall not cause obstruction to any natural drainage.
13. The Permittee shall prepare the site in such a manner as to prevent rutting of the ground surface.

Natural Drainage

Prevention of Rutting

14. The Permittee shall suspend overland travel of equipment or vehicles at the first sign of rutting.

Suspend Overland Travel

15. The Permittee shall not move any equipment or vehicles unless the ground surface is in a state capable of fully supporting the equipment or vehicles without rutting or gouging.

**Vehicle Movement
Freeze-up**

16. The Permittee shall slope the sides of waste material piles, excavations, and embankments — except in solid rock — to a minimum ratio of 2:1 vertical, unless otherwise authorized in writing by an Inspector.

**Excavation and
Embankments**

17. The Permittee shall minimize erosion by installing erosion control structures as the land-use operation progresses.

**Progressive Erosion
Control**

18. The Permittee shall not excavate land within 100 metres of the high water mark of any watercourse, unless otherwise authorized in writing by an Inspector.

**Excavate Near
Watercourse**

26(1)(g) Use, Storage, Handling, and Ultimate Disposal of Any Chemical or Toxic Material

19. At least seven days prior to the use of any chemicals that were not identified in the completed application, the MSDS sheets must be provided to an Inspector and the Board.

Chemicals

- 20. The Permittee shall maintain a record of all spills. For all reportable spills, in accordance with the GNWT *Spill Contingency Planning and Reporting Regulations*, the Permittee shall:
 - a) immediately report each spill to the 24-hour Spill Report Line (867) 920-8130;
 - b) report each spill to an Inspector within 24 hours; and
 - c) submit, to the Board and an Inspector, a detailed report on each spill within 30 days.

Report Spills

- 21. The Permittee shall dispose of all Toxic substances as described in the approved Waste Management Plan.

Waste Chemical Disposal

- 22. The Permittee shall dispose of all combustible waste petroleum products by removal to an approved disposal facility.

Waste Petroleum Disposal

26(1)(h) Wildlife and Fish Habitat

- 23. The Permittee shall take all reasonable measures to prevent damage to wildlife and fish Habitat during this land-use operation.

Habitat Damage

26(1)(i) Storage, Handling, and Disposal of Refuse or Sewage

- 24. The Permittee shall adhere to the approved Waste Management Plan and shall annually review the plan and make any necessary revisions to reflect changes in operations, technology, chemicals, or fuels, or as directed by the Board. Revisions to the plan shall be submitted to the Board for approval.

Waste Management

- 25. The Permittee shall dispose of all garbage, waste, and debris as described in the approved Waste Management Plan, unless otherwise authorized in writing by an Inspector.

Remove Garbage

26(1)(j) Protection of Historical, Archaeological, and Burial Sites

- 26. The Permittee shall not operate any vehicle or equipment within 150 metres of a known or suspected historical or archaeological site or burial ground.

Archaeological Buffer

- 27. The Permittee shall not knowingly remove, disturb, or displace any archaeological specimen or site.

Site Disturbance

- | | | |
|-----|--|--|
| 28. | The Permittee shall, where a suspected archaeological or historical site, or burial ground is discovered: | Site Discovery and Notification |
| | a) immediately suspend operations on the site; and | |
| | b) notify the Board at (867) 669-0506 or an Inspector at (867) 874-6995, and the Prince of Wales Northern Heritage Centre at (867) 920-6182 or 873-7688. | |

26(1)(k) Objects and Places of Recreational, Scenic, and Ecological Value

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26(1)(l) Security Deposit

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| 29. | All costs to remediate the area under this Permit are the responsibility of the Permittee. | Responsibility for Remediation Costs |
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26(1)(m) Fuel Storage

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| 30. | The Permittee shall not place any Fuel Storage Containers or Tanks within 100 metres of the Ordinary High Water Mark of any Watercourse, unless otherwise authorized in writing by an Inspector. | Fuel Near Water |
| 31. | The Permittee shall set up all refueling points with Secondary Containment. | Secondary Containment - Refueling |
| 32. | The Permittee shall not allow petroleum products to spread to surrounding lands or Watercourses. | Fuel Containment |
| 33. | The Permittee shall adhere to the approved Spill Contingency Plan and shall annually review the plan and make any necessary revisions to reflect changes in operations, technology, chemicals, or fuels, or as directed by the Board. Revisions to the plan shall be submitted to the Board for approval. | Spill Contingency Plan |
| 34. | Prior to commencement of operations, the Permittee shall ensure that spill-response equipment is in place to respond to any potential spills. | Spill Response |
| 35. | All equipment that may be parked for two hours or more, should have a haz-mat/drip tray under it or be sufficiently diapered. (Leaky equipment should be repaired immediately.) | Drip Trays |
| 36. | The Permittee shall clean up all leaks, spills, and contaminated material. | Clean Up Spills |

26(1)(n) Methods and Techniques for Debris and Brush Disposal

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|-----|--|-----------------------------|
| 37. | The Permittee shall progressively dispose of all brush and trees and shall complete all brush disposal; all disposal shall be completed prior to the expiry date of this Permit. | Brush Disposal/ Time |
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26(1)(o) Restoration of the Lands

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|-----|---|--------------------------------------|
| 38. | The Permittee shall dispose of all overburden as instructed by an Inspector. | Disposal of Overburden |
| 39. | The Permittee shall level all stockpiles of granular material located within the land use area prior to the expiry date of this Permit. | No Stockpiles |
| 40. | Prior to the expiry date of this Permit, the Permittee shall complete all cleanup and restoration of the lands used. | Final Cleanup and Restoration |
| 41. | Prior to the expiry date of this Permit, the Permittee shall prepare the site in such a manner as to facilitate natural revegetation. | Natural Vegetation |
| 42. | The Permittee shall carry out progressive reclamation of disturbed areas as soon as it is practical to do so. | Progressive Reclamation |

26(1)(p) Display of Permits and Permit Numbers

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|-----|---|-----------------------|
| 43. | The Permittee shall keep a copy of this Permit on hand at all times during this land-use operation. | Copy of Permit |
|-----|---|-----------------------|

26(1)(q) Biological and Physical Protection of the Land

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Reasons for Decision

Issued pursuant to paragraph 40(2)(c) of the *Mackenzie Valley Land Use Regulations* (MVLUR).

Land Use Permit Application	
Preliminary Screener	MVLWB
Reference/File Number	MV2013Q0017
Applicant	ProCore Drilling Ltd.
Project	Quarry Operation, NWT Highway #5, km 34.1

**Decision from Mackenzie Valley Land and Water Board
 Meeting of**

May 22, 2014

With respect to this Application, notice was given in accordance with sections 63 and 64 of the MVRMA. There was no public hearing held in association with this Application.

Decision

The Board is satisfied that:

- the development has been screened pursuant to the MVRMA;
- any potential adverse environmental effects are insignificant or mitigable with known technology; and
- there is no likelihood that the proposed development might be a cause of public concern.

After reviewing the submissions of the Applicant, the written comments received by the Board and the Staff Report prepared for the Board, the Board, having due regard to the facts and circumstances, the merits of the submissions made to it, and to the purpose, scope, and intent of the MVRMA and Regulations made thereunder, has determined that:

Land Use Permit MV2013Q0017 be issued subject to the terms and conditions contained therein.

The Board's reasons for this decision are as follows:

- It is the opinion of the Board that the terms and conditions attached to MV2013Q0017, pursuant to the MVRMA, will ensure that any potential environmental impacts resulting from this development are not significant.
- The use of land proposed by the Applicant is of a nature contemplated by the MVRMA.
- The Board has notified the Applicant, through a statement included in the scope of this Permit, that compliance with the terms and conditions of this Permit has no effect on the Permittee's responsibility for compliance with the requirements of any other legislation.
- The operation will likely contribute to the socio-economic well-being and economic development of the region.

Land Use Permit MV2013Q0017 contains provisions that the Board feels necessary to ensure and monitor compliance with the MVRMA and the Regulations made thereunder and to provide appropriate safeguards in respect of the Applicant's use of the land affected by the Permit.

SIGNATURE

Mackenzie Valley Land and Water Board

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Chair

May 22, 2014

Date

Ministre des Affaires autochtones
et du développement du Nord



Minister of Aboriginal Affairs and
Northern Development

Ottawa, Canada K1A 0H4

MAR 27 2014

The Honourable Robert C. McLeod
Minister of Lands
Government of the Northwest Territories
PO Box 1320
YELLOWKNIFE NT X1A 2L9

Dear Minister McLeod:

As per section 3.17 of the Northwest Territories Lands and Resources Devolution Agreement, it was agreed that certain, powers, duties and functions of the federal Minister under the *Mackenzie Valley Resource Management Act* would be delegated to a territorial minister. Section 4(1) of the *Mackenzie Valley Resource Management Act* provides me, as Minister of Aboriginal Affairs and Northern Development, the authority to delegate any of my powers, duties and functions under the Act, by instrument in writing, to a territorial minister designated by the Commissioner of the Northwest Territories.

Therefore, please find attached a copy of the Delegation Instrument, which delegates the powers, duties and functions under the *Mackenzie Valley Resource Management Act* to you, as Minister of Lands, with respect to securities for land use permits on non-federal lands; the designation of inspectors for use of land on non-federal lands; receiving and distributing reports from the Mackenzie Valley Environmental Impact Review Board for developments wholly on lands outside a federal area; the participation in decisions following environmental assessments and environmental impact reviews for developments wholly on lands outside a federal area; and the extension of time limits for environmental assessments and environmental impact reviews for developments wholly on lands outside a federal area (other than extensions requiring GIC approval).

.../2

Thank you for your collaboration on the *Mackenzie Valley Resource Management Act*.
I look forward to our continued collaboration, post-devolution.

Sincerely,

A handwritten signature in black ink, appearing to read "Bernard Valcourt". The signature is fluid and cursive, with a large initial "B" and a long, sweeping underline.

Bernard Valcourt, PC, QC, MP

Encl.

c.c.: The Honourable George L. Tuccaro, Commissioner of the Northwest Territories
Premier Bob McLeod, Government of the Northwest Territories

DELEGATION OF AUTHORITY UNDER THE MACKENZIE VALLEY RESOURCE
MANAGEMENT ACT

Whereas under section 3.17 of the Northwest Territories Lands and Resources Devolution Agreement certain powers, duties and functions of the Minister of Indian Affairs and Northern Development under the *Mackenzie Valley Resource Management Act* are to be delegated to a minister of the Government of the Northwest Territories designated by the Commissioner of the Northwest Territories;

Whereas certain other powers, duties and functions of the Minister of Indian Affairs and Northern Development under the *Mackenzie Valley Resource Management Act* are to be delegated to a minister of the Government of the Northwest Territories designated by the Commissioner of the Northwest Territories;

Whereas the Commissioner of the Northwest Territories has designated the Minister of Lands as the minister of the Government of the Northwest Territories who may be delegated certain powers, duties and functions of the Minister of Indian Affairs and Northern Development under the *Mackenzie Valley Resource Management Act*;

Therefore, pursuant to subsection 4(1) of the *Mackenzie Valley Resource Management Act*, I, the Minister of Indian Affairs and Northern Development, do hereby delegate the Minister of Lands for the Government of the Northwest Territories as the person who may exercise the powers and perform the duties and functions under this Act as specified in the attached Schedule A.

This instrument takes effect as of April 1, 2014 and remains in effect until revoked in writing.

Dated this 27th day of March, 2014.



The Honourable Bernard Valcourt / Minister of Indian Affairs and Northern Development
L'honourable Bernard Valcourt / Ministre des Affaires indiennes et du Nord canadien

SCHEDULE A :

POWERS, DUTIES AND FUNCTIONS UNDER THE MACKENZIE VALLEY RESOURCE MANAGEMENT ACT

Definitions:

The terms used in this Schedule have the same meaning ascribed to them in the *Mackenzie Valley Resource Management Act*.

Powers, duties and functions under Part 3 of the Act:

1. The approval of the form of security and the holding of security furnished under subsection 71(1), notification of the furnishing of security under subsection 71(2), the application of security under subsection 71(3), and the refund of any security under subsection 71(5) in respect of land use permits, other than for a land use permit in respect of a federal area.
2. The designation of inspectors in relation to the use of lands under subsection 84(1), other than in respect of a federal area.

Powers, duties and functions powers under Part 5 of the Act:

3. The receipt of reports from the Mackenzie Valley Environmental Impact Review Board and the distribution of such reports under paragraphs 128(2)(a) and 134(3)(a) where a development is wholly on lands outside a federal area.
4. The participation in decisions made following consideration of the reports referred to in subsection 128(2) and the distribution of such decisions, under paragraphs 130(1)(a) and (b), and subsections 130(1.1), 130(2), 130(3), 130(4) and 130(4.01) where a development is wholly on lands outside a federal area.
5. The participation in decisions made following consideration of the reports referred to in subsection 134(3), and the distribution of such decisions, under sections 135 and subsections 136(1) and 136(1.1) where an environmental impact review has been ordered under subparagraph 128(1)(b)(i), paragraph 128(1)(c), 130(1)(a),

subparagraph 130(1)(b)(ii) or paragraph 131(1)(b) and a development is wholly on lands outside a federal area.

6. The power to extend time-limits for environmental assessments and environmental impact reviews, under subsections 128(2.2), 130(4.03), 132(5), 134(1.2), 134(4) and 136(1.2) for a development wholly on lands outside a federal area.

Transitional provisions:

7. Paragraphs 3 to 6 do not apply with respect to a report that has been made to the federal Minister prior to April 1, 2014 under paragraphs 128(2)(a) or 134(3)(a).