

## Permits

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**From:** Jen Potten  
**Sent:** Tuesday, February 9, 2016 10:33 AM  
**To:** Beveridge, Callum  
**Cc:** tim.morton@aandc.gc.ca; Julian Morse; Amanda Gauthier; achodenekoe.fanni@northwestel.net; achodenekoe.kdeneron@northwestel.net; baptiste.metchooyeah@denetha.ca; brad\_McInnes@gov.nt.ca; Carl\_Lafferty@gov.nt.ca; carrie.breneman@outlook.com; Catherine\_BraunRodriguez@gov.nt.ca; CAU-UCA@aandc.gc.ca; cbeveridge@alvarezandmarsal.com; chief@dehgahgotie.ca; chief@jmrfn.com; chief@liidliikue.com; chief@sambaakefn.com; chief\_nahadeh@yahoo.ca; christian.bertelsen@cannor.gc.ca; christine@planitnorth.ca; Christopher.Aguirre@tc.gc.ca; Colin\_merz@gov.nt.ca; dahti\_tsetso@dehcho.org; david.alexander@cannor.gc.ca; DMorris@kaska.ca; doug\_carr@gov.nt.ca; EC.EA.NWT@ec.gc.ca; Emma.Pike@aandc-aadnc.gc.ca; enviro@natcl.ca; erika.marteleira@ec.gc.ca; Erin\_Anderson@gov.nt.ca; exec@slema.ca; executivedirector@dehcho.org; fisheriesprotection@dfo-mpo.gc.ca; fpmcpres@northwestel.net; Glen\_Mackay@gov.nt.ca; gnwt\_ea@gov.nt.ca; hrnc@northwestel.net; Iqbal\_Arshad@gov.nt.ca; Jarret\_Hardisty@gov.nt.ca; jdonihee@willmsshier.com; Jeremy\_Roberts@gov.nt.ca; Julian Morse; joachimb@dehcholands.org; joe.pastion@denetha.ca; joe\_heron@gov.nt.ca; Jon.Tsetso@pc.gc.ca; Jon\_Posynick@gov.nt.ca; Jen Potten; Julie.Marentette@dfo-mpo.gc.ca; kaageetu\_chief@northwestel.net; kate\_witherly@gov.nt.ca; kris@cpaws.org; landsnresources@katlodeeche.com; laurie\_mcgregor@gov.nt.ca; Laurie\_Nadia@gov.nt.ca; Lindsay\_Armer@gov.nt.ca; Lindsey Cymbalisty; lisa.lowman@ec.gc.ca; Lorraine\_Seale@gov.nt.ca; mark\_davy@gov.nt.ca; Matthew.Spence@cannor.gc.ca; melissa.pinto@ec.gc.ca; metisnation52@northwestel.net; monica\_wendt@gov.nt.ca; Nathen\_Richea@gov.nt.ca; Norman\_McCowan@gov.nt.ca; NTCard@aandc-aadnc.gc.ca; NWTLands@aandc-aadnc.gc.ca; Olivia\_Lee@gov.nt.ca; pat\_knutson@gov.nt.ca; patrick\_clancy@gov.nt.ca; Paul\_Green@gov.nt.ca; Permits; predvers@ssimicro.com; preliminaryscreening@reviewboard.ca; president.nwtmn@northwestel.net; receptionist@nahadeh.org; rhonda\_batchelor@gov.nt.ca; rm@dehgahgotie.ca; Robert\_Jenkins@gov.nt.ca; Russell\_Teed@gov.nt.ca; sao@vofs.ca; Scott\_Stewart@gov.nt.ca; shin.shiga@nsma.net; SjoerdvanderWielen@tlichocom; sophieb@dehcholands.org; Steven\_Shen@gov.nt.ca; stu\_niven@gov.nt.ca; Susan.Abernethy@wscc.nt.ca; Tyree Mullaney; Wendy\_Bidwell@gov.nt.ca; wpfm@northwestel.net; zabeynevitt@tlichocom

**Subject:** MV2015L2-0003 - NATCL - Water Use fees - Clarification to Jan 28 2016, issuance letter  
**Attachments:** MV2015L2-0003 - NATCL - Water Use Fees - Clarification Jan 28 2016 issuance letter.pdf; Water Use Fees Calculator\_V1.5.xls

Callum,

Please find attached a letter clarifying the water use fees for NATCL. As discussed, we will be returning the initial monies submitted for the water use fees by mail.

Please let me know if you have any questions.

Cheers-

Jen

Jen Potten, EP  
Regulatory and Office Manager  
Mackenzie Valley Land and Water Board  
7th Floor, 4922 48th St, PO Box 2130 | Yellowknife, NT | X1A 2P6  
ph 867.766.7468 | fax 867.873.6610  
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**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**

February 9, 2016

File: MV2015L2-0003

Mr. Callum Beveridge, Representative for CCAA Monitor, Alvarez & Marsal  
North American Tungsten Corporation Inc.  
c/o Alvarez & Marsal Canada Inc.  
400 Burrard Street, Suite 1680, Commerce Place  
VANCOUVER BC V6E 3A6 Email: [cbeveridge@alvarezandmarsal.com](mailto:cbeveridge@alvarezandmarsal.com)

Dear Mr. Beveridge:

**Clarification to January 28, 2016 Issuance Letter**  
**MV2015L2-0003 – North American Tungsten Corporation Ltd. – Cantung Mine**

A clarification is required to the amount of water use fees required in the Mackenzie Valley Land and Water Board's (MVLWB or the Board) January 28, 2016 issuance letter for North American Tungsten Corporation Ltd.'s Water Licence MV2015L2-0003.

Water Licence condition Part B, item 2 requires water use fees to be paid annually. Part D, item 2 states that the weekly quantity of water withdrawn shall not exceed 30,000 m<sup>3</sup>. Based on the water use fee calculator (attached), subsection 9(1) of the Northwest Territories Waters Regulations and pursuant to the MVLWB's March 2013 *Water Use Fee Policy*, **NATCL's annual water use fee is \$20,250.00.**

This fee must be paid annually hereafter for the duration of the Water Licence, on or before its anniversary date. Submit payment of the water use fee, made out to the **Receiver General for Canada**, to: Mackenzie Valley Land and Water Board, Box 2130, Yellowknife, NT, X1A 2P6.

If you have any questions or concerns, please contact Julian Morse at (867) 766-7453 or email [jmorse@mvlwb.com](mailto:jmorse@mvlwb.com) or Jen Potten at (867) 766-7468 or email [jpotten@mvlwb.com](mailto:jpotten@mvlwb.com).

Yours sincerely,

A handwritten signature in blue ink, appearing to read "J.P.", is positioned above the typed name of Jen Potten.

Jen Potten  
Regulatory and Office Manager

Copied to: Distribution List

Attachments:

- Water Use Fee Calculator
- Information email from INAC Inspector

**From:** [Tim Morton](#)  
**To:** [Jen Potten](#)  
**Cc:** [Rebecca Chouinard](#); [Mackey, Jeffrey](#); [Mercer, Jeff](#); [Julian Morse](#); [Angela Plautz](#); [Robert\\_Jenkins@gov.nt.ca](#)  
**Subject:** Re: clarification of Cantung water use fees  
**Date:** February-05-16 2:25:24 PM

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Hi Jen,

All water use fees post November 17th 2015 associated with the North American Tungsten Corporation Ltd Cantung water licence MV2015L2-0003 should be paid to the Government of Canada Receiver General. As you are aware, the Regional Director General for the Northwest Territories Region submitted a signed letter to the Mackenzie Valley Land and Water Board stating that on November 18th 2015 the Cantung Mine Site is now a federal area as defined in the *MVRMA*.

Subsection 2(3) of the *Waters Act* states that the act does not apply in respect to the use of waters or the deposit of waste in waters within a federal area in the Mackenzie Valley. The Flat River which is the source of water for the Cantung site is located within the Mackenzie Valley and listed as a tributary of the Mackenzie River (#3 of Schedule 1) in the *Northwest Territories Waters Regulations*. Therefore all water usage fees after November 17th 2015 are to be paid to the Receiver General at rates listed within the *Northwest Territories Waters Regulations* which is a regulation under the *MVRMA*.

Please feel free to contact me if you require any further information or clarification.

Tim

**Tim Morton**

Resource Management Officer  
Indigenous and Northern Affairs Canada  
Yellowknife, NT  
Office: (867) 669-2442  
Cell: (867) 445-7935  
[tim.morton@aandc-aadnc.gc.ca](mailto:tim.morton@aandc-aadnc.gc.ca)

>>> Jen Potten <jpotten@mvlwb.com> 2/4/2016 2:36 PM >>>

Tim –

Earlier this week we spoke regarding clarification of the water use fees for the Cantung Water Licence MV2015L2-0003. Given the unique nature of the site, can you please provide clarity on which legislation we should be referencing regarding water use fees, and include a rationale.

We are hoping to hear back shortly so that we can communicate this information to the Licensee.

Thanks,

Jen

Jen Potten, EP

Regulatory and Office Manager

Mackenzie Valley Land and Water Board

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# **Water Use Fees Calculator**

**| Northwest Territories Waters Regulations s. 9(1)(a), (b), and (c)**

**Version 1.5**

**Release Date: June 6, 2012**

**Aboriginal Affairs and Northern Development Canada  
Northern Affairs Organization  
Land and Water Management, NCR**

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**Sheet 2 - Water Use Fees Calculator**

**Sheet 3 - Example Calculations**

a



# Water Use Fees Calculator:

Northwest Territories Waters Regulations s. 9(1)(a), (b), and (c)

## AGRICULTURAL UNDERTAKING

Enter the volume of authorized water use (m<sup>3</sup>/year)

Calculated Annual Water Use Fee (\$)

## INDUSTRIAL, MINING and MILLING or MISCELLANEOUS UNDERTAKING

Enter the volume of authorized water use (m<sup>3</sup>/day)

Enter the volume of authorized water use (m<sup>3</sup>/year)

Enter the annual licence term if less than 365 days (days/year)

The annual term of your Licence is (days/year)

Calculated Annual Water Use Fee (\$)

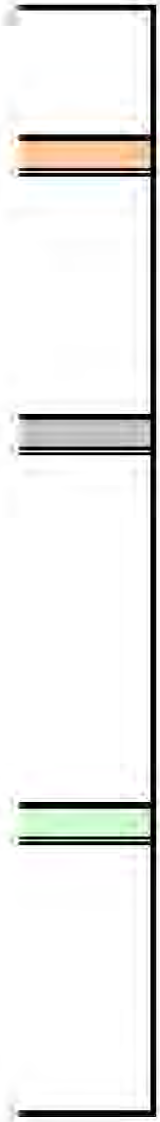
## POWER UNDERTAKING

Identify the class of Power Undertaking (0, 1, 2, 3, 4, 5, 6)

For class 6 Power Undertakings enter the authorized output (kW)

Calculated Annual Water Use Fee (\$)





## **EXAMPLE OF WATER USE FEES CALCULATIONS (Industrial Undertaking)**

### **Example # 1) A 4785 m<sup>3</sup>/day or 1,746,525 m<sup>3</sup>/year industrial undertaking**

1st 2000 m<sup>3</sup>/day @ rate of \$1.00 per 100 m<sup>3</sup>/day = \$20.00 per day  
 $2000 \text{ m}^3/\text{day} \div 100 \text{ m}^3/\text{day} = 20 \text{ units of } 100 \text{ m}^3/\text{day}$   
 $20 \text{ units of } 100 \text{ m}^3/\text{day} \times \$1.00 \text{ for each } 100 \text{ m}^3/\text{day} = \$20.00 \text{ per day}$

2nd 2000 m<sup>3</sup>/day (for water use between 2000 and 4000 m<sup>3</sup>/day) @ rate of \$1.50 per 100 m<sup>3</sup>/c  
 $2000 \text{ m}^3/\text{day} \div 100 \text{ m}^3/\text{day} = 20 \text{ units of } 100 \text{ m}^3/\text{day}$   
 $20 \text{ units of } 100 \text{ m}^3/\text{day} \times \$1.50 \text{ for each } 100 \text{ m}^3/\text{day} = \$30.00 \text{ per day}$

The remaining 785 m<sup>3</sup>/day (for water use greater than 4,000 m<sup>3</sup>/day) @ rate of \$2.00 per 100 m<sup>3</sup>/c  
 $785 \text{ m}^3/\text{day} \div 100 \text{ m}^3/\text{day} = 7.85 \text{ units of } 100 \text{ m}^3/\text{day}$   
 $7.85 \text{ units of } 100 \text{ m}^3/\text{day} \times \$2.00 \text{ for each } 100 \text{ m}^3/\text{day} = \$15.70 \text{ per day}$

Therefore the total daily rate is \$65.70 per day  
 $\$20.00 + \$30.00 + \$15.70 = \$65.70 \text{ per day}$

Thus for a full year of 365 days, the annual fee \$23,980.50  
 $\$65.70 \text{ per day} \times 365 \text{ days} = \$23,980.50 \text{ per year}$

### **Example #2) A 20 m<sup>3</sup>/day or 7,300 m<sup>3</sup>/year industrial undertaking**

20 m<sup>3</sup>/day (for water use less than 2,000 m<sup>3</sup>/day) @ rate of \$1.00 per 100 m<sup>3</sup>/day = \$0.20 per day  
 $20 \text{ m}^3/\text{day} \div 100 \text{ m}^3/\text{day} = 0.2 \text{ units of } 100 \text{ m}^3/\text{day}$   
 $0.2 \text{ units of } 100 \text{ m}^3/\text{day} \times \$1.00 \text{ for each } 100 \text{ m}^3/\text{day} = \$0.20 \text{ per day}$

The other rates do not apply because no water is being used in those quantities.

Therefore the total daily rate is \$0.20 per day  
 $\$0.20 \text{ per day} + \$0.00 \text{ for other water rates} = \$0.20 \text{ per day}$

Thus for a full year of 365 days the annual fee is \$73.00  
 $\$0.20 \times 365 \text{ days} = \$73.00$

day = \$30.00 per day

m<sup>3</sup>/day = \$15.70 per day

day

# Water Use Fees Calculator:

Northwest Territories Waters Regulations s. 9(1)(a), (b), and (c)

## AGRICULTURAL UNDERTAKING

Enter the volume of authorized water use (m<sup>3</sup>/year)

Calculated Annual Water Use Fee (\$)

\$30.00

## INDUSTRIAL, MINING and MILLING or MISCELLANEOUS UNDERTAKING

Enter the volume of authorized water use (m<sup>3</sup>/day)

Enter the volume of authorized water use (m<sup>3</sup>/year)

1,560,000

Enter the annual licence term if less than 365 days (days/year)

The annual term of your Licence is (days/year)

365

Calculated Annual Water Use Fee (\$)

\$20,250.00

## POWER UNDERTAKING

Identify the class of Power Undertaking (0, 1, 2, 3, 4, 5, 6)

For class 6 Power Undertakings enter the authorized output (kW)

Calculated Annual Water Use Fee (\$)

\$0.00

