

Sent by Mail and by Email

September 2, 2022

Mackenzie Valley Land and Water Board
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Yellowknife, NT X1A 2P6
Attention: Sean Joseph, Regulatory Specialist

Crown-Indigenous Relations and Northern
Affairs Canada
Land and Resource Management
4923 52nd Street
PO Box 1500
Yellowknife, NT X1A 2R3
Attention: Tim Morton, Inspector

Mr. Joseph, Mr. Morton,

**Re: MV2015L2-0003 Clarification regarding request for approval for Plan Revision (Part B.6),
Changes (Part B.9) and Modifications (Part F.1)**

This letter provides additional and clarifying information as requested by the Mackenzie Valley Land and Water Board (“MVLWB” or “Board”) regarding North American Tungsten Corporation Ltd.’s (“NATC”) submission on August 17, 2022 (“Submission”) to modify its operations at the Cantung Mine (“Mine”) and provides an update regarding NATC’s developing plans for changes to its care and maintenance activities. Specifically, the MVLWB requested clarification of aspects related to engagement, site access, management plan changes and camp modifications; these are each addressed below, with supplemental materials enclosed.

NATC continues to conduct care and maintenance activities (“C&M”) at the Mine under its existing water licence for mining and milling, MV2015L2-0003 (“Water Licence”). In the Submission, NATC requested approval of revisions, changes and modifications it intends to implement to focus its efforts and resources on necessary C&M activities in the near term under the Water Licence (“Modified C&M”) with a specific focus on reducing site presence to that required to maintain compliance and support closure planning. Subsequently, NATC will commence work on the renewal of MV2015L2-0003 prior to its expiry in January 2024, which is reasonably expected to involve more substantial changes to the monitoring program in support of ongoing C&M and final closure planning, and to be the subject of public hearings.

Engagement

NATC has engaged interested parties on Cantung-related matters since 2016, both through the Cantung Working Group and directly with some First Nations. Engagement related to Modified C&M was initiated in April 2022, with notice that the Competitive Selection Process was terminated.

Engagement including outreach, virtual and in-person discussion, provision of materials outlining NATC’s approach to Modified C&M and incorporation of party input has occurred monthly since May 2022 and is ongoing; in-person and virtual discussions were held with parties, including NATC’s

technical team and its Engineer of Record, on August 17, 2022 and further in person and virtual sessions are planned to occur in the upcoming weeks.

An updated engagement record specific to Modified C&M is included.

Site Access

Modified C&M involves a reduced Site presence throughout the year, and increased presence during freshet, as needed. As a part of Modified C&M, NATC plans to cease year-round maintenance of the Nahanni Range Road and Site roads. Accordingly, Site access will occur in winter by helicopter or fixed wing on skis and in the summer by helicopter, fixed wing or ground via the Nahanni Range Road. Access around Site will occur by all-terrain vehicle, snowmobile or light-duty truck. Proximal air bases that may be utilized are located at Watson Lake, Whitehorse, Fort Simpson, Yellowknife and Fort Nelson.

Monitoring of weather conditions that may influence site access success include use of aviation weather tracking systems as well as regional and local weather tracking and comparison to historical precipitation records. NATC is also looking at options for remote camera installation to provide real-time images of site conditions.

NATC is confident that it will be able to sufficiently access the Site as needed to carry out its monitoring obligations pursuant to the Water Licence.

Management Plan Changes

In the Submission, NATC provided revised management plans, with changes made summarized in a table. For ease of review, NATC is enclosing an updated version of these plans wherein substantive changes made are highlighted in the text.

NATC has also reviewed its other current approved management plans to determine whether they may be implicated by the Submission; these Plans are listed in Table 2¹. It is noted that some of the content of these plans is no longer applicable during current C&M; however, NATC believes that no revisions are required to reflect this during Modified C&M and looks forward to substantial management plan revision as may be required during Water Licence renewal.

Table 2. Management Plans and their relationship to the Submission.

Item	Comment
Engagement Plan	No change needed
Waste Management Plan	No change needed
Flat River Erosion and Sediment Protection Plan	No change needed
Spill Contingency Plan	No change needed
Water Quality Sampling QAQC Manual	No change needed
Groundwater Pumping Contingency Plan	No change needed
Flat River Hydrology Plan (Hydrology Management Plan)	No change needed ²
Water Management and Mine-site Erosion and Sediment Protection Plan	No change needed ²

¹ The complete list of Management and Monitoring Plans required under the Water Licence along with their status is in Appendix E of the revised Care and Maintenance Plan.

² Sections of these Plans refer to monitoring and reporting frequencies in relation to programs and facilities under that are no longer operating. These monitoring and reporting frequencies are also addressed in the Water Licence. As these monitoring and reporting frequencies are the subject of the Submission and changes are reasonably expected to be reflected in the Water Licence, NATC believes no change to these plans is necessary at this time.

Camp Modifications

Since the Submission was made, planning has advanced and NATC confirms that Modified C&M now will involve a reduced site presence throughout the year including a full-time caretaker, with intermittent access by environmental monitors to carry out the compliance program.

To support a reduced site presence, NATC explored options that allow for intermittent use and reduced maintenance requirements. These options included:

1. Retrofitting an existing building with alternative power, water and waste water systems ;
2. Replacing use of the Admin Building with use of a temporary modular camp equipped with independent power, water and waste water systems, and withdraw the Admin Building from Service.

As part of its ongoing planning process, preliminary options assessment results indicate that a partial retrofit is indeed feasible in the near term and preferable under Modified C&M. The partial retrofit modifies the power supply, while utilizing the existing water and waste management systems on site as currently authorized. Accordingly, NATC respectfully retracts its *Notification of Modifications to Existing Physical Works (Part F Item 1)* previously submitted to the Board and Inspector on August 17, 2022.

The Care and Maintenance Plan has been revised accordingly and is enclosed.

Closing

Changes made following the original submission to the MVLWB reflect the fluid nature of our planning around the Modified C&M, and NATC respectfully thanks the MVLWB, reviewers and parties for their patience. The circumstances surrounding NATC's transition to modified C&M are unusual and dynamic, and NATC appreciates the ongoing collaborative dialogue with all involved.

Should you have any questions or require further information to inform a decision, feel free to contact the writer or Vicki Chan at 604.639.0847 or vchan@alvarezandmarsal.com.

Yours truly,

North American Tungsten Corporation
by its Monitor, Alvarez & Marsal Canada Inc.
acting in its capacity as Monitor of NATC and not
in its personal capacity



Todd M. Martin
Senior Vice President

Encl.

Cc: MVLWB: J. Potten, C. Hotson
CIRNAC: J. Mackey, M. Yetman, S. Kennedy, M. Benjamin
NATC: B. Delaney, Enviro Dept, D. Bynski, S. Hamm (consultants)
Communities Working Group: Acho Dene Koe First Nation; Dehcho First Nations; Fort Simpson Métis Local 52; Kaska Dena Council; Liard First Nation; Łíídlı́ Kúé First Nation; Nahzà Dehé Dehe Dene Band; Ross River Dena Council