



David Finch, Regulatory Specialist  
Jen Potten, Regulatory Coordinator  
Kierney Leach, Technical Regulatory Specialist  
Mackenzie Valley Land and Water Board  
PO BOX 2130  
YELLOWKNIFE, NT, X1A 2P6

DEC 20 2018

Dear Mr. Finch, Ms. Potten, and Ms. Leach:

**Re: TerraX Minerals Inc. Type A Land Use Permit (MV2018C0023) and Type B Water Licence (MV2018L2-0006) Applications**

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Thank you for providing the opportunity to comment on the above-noted applications. The Government of the Northwest Territories (GNWT) submission is intended to assist the Mackenzie Valley Land and Water Board (MVLWB) in making its preliminary screening determination under ss. 125(1) of the *Mackenzie Valley Resource Management Act*, and to provide recommendations for the MVLWB's consideration in developing permit and licence conditions, should the project proceed to the regulatory phase.

The GNWT has reviewed the documents and provides the following for the MVLWB's consideration:

- Land and Water Security Estimate (summarized below)
- Comments in ORS spreadsheet format, including recommendations

All GNWT departments with interests related to the project reviewed the applications. Comments and recommendations were provided by the GNWT Departments of Lands (including inspectors) and Environment and Natural Resources. Additional comments from the Department of Education, Culture and Employment have been provided to the MVLWB under separate cover.

TerraX and the GNWT agreed on a staged security estimate for this project. This estimate was submitted to the MVLWB by TerraX as part of their application package. The GNWT therefore recommends the MVLWB require TerraX Mining Inc. to post reclamation securities as follows before starting authorized project activities:

- Stage 1 Security: Total security of \$152,540.00 (land \$130,123.00/water \$22,417.00) to conduct exploration with up to six (6) diamond drills based out of Yellowknife, similar to the current activities under Land Use Permits MV2014C0005 and MC2016C0038.
- Stage 2 Security: Total security of \$226,810.00 (land \$193,479.00/water \$33,332.00) to conduct exploration with up to nine (9) diamond drills based out of Yellowknife, similar to the current activities under Land Use Permits MV2014C0005

and MC2016C0038. The amount of the Stage 2 security would be the Stage 1 security total plus an increased cost of \$74,270.00.

- Stage 3 Security: Total security of \$285,970.00 (land \$231,252.00/water \$54,719.00) to conduct exploration with up to nine (9) diamond drills and a camp. The amount of the Stage 3 security would be the Stage 2 security total plus an increased cost of \$59,160.00.

Should the MVLWB or any reviewers have questions about this submission, please contact Darren Campbell, Project Assessment Analyst, by email at [Darren.Campbell@gov.nt.ca](mailto:Darren.Campbell@gov.nt.ca) or by phone at 867-767-9180 (Ext. 24024) or Melissa Pink, Manager, Project Assessment Branch, by email at [Melissa.Pink@gov.nt.ca](mailto:Melissa.Pink@gov.nt.ca) or by phone at 867-767-9180 (Ext. 24021).

Sincerely,



Lorraine Seale  
Director  
Securities and Project Assessment  
Department of Lands

Attachments:            Comments in ORS format