



Mackenzie Land and Water Board
Box 2130
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Yellowknife, NT
X1A 2P6

Thursday, August 8, 2020

Dear sirs/madams

Please find the attached documents in response to your letter of May 11, 2020.

Please submit the following information to our office:

1. A comprehensive Engagement Plan, including an Engagement Log, which includes copies of all correspondence and minutes of all meetings held between yourselves and communities and Aboriginal groups and First Nations organizations listed in Table 1.

Engagement Plan and Engagement Log attached.

2. Improved representation of the existing and future camp layout. The layout should include all relevant camp infrastructure and representation of the location of the Dry Stack Tailings in relation to other project infrastructure. Information regarding the tailings facility monitoring and management should also be provided in more detail.

MapCInfrastructureA.pdf shows all infrastructure as well as the Dry Stack Tailings Facility marked as "Tailings elevation 238" and "Tailings elevation 245" to illustrate its location as well as its shape.

Additional details regarding the tailings facility monitoring and management are provided in more detail in the Waste Management Plan (attached)

3. Water source details, capacities and calculations as well as limits for winter road construction.

This is provided in WaterCalculation.PDF (Attached)

4. Details on work completed on the original bulk sample in 1989 and subsequent production are provided below:

An 80 m ramp was driven into the east-side of the hinge zone on the Mon A-Zone in 1989 and 2,300 tonnes were excavated from the East Stope. The material was trucked in the winter of 1990 to the Ptarmigan Mine and processed in two batches.

The Central Portal was collared and an adit was driven to the west to intersect both the east-limb and ultimately the west limb of the A-Zone. A total of 12,700 tonnes was

extracted and processed on site in a crush, grind, and gravity recovery mill. The tailings were pumped as a slurry to a lined tailings containment facility on site, at on completion it was covered with a HDPE liner and 30 cm of gravel.

A northern portal was collared prior to shut down and a decline was driven down to the south, but development was halted due to declining gold prices.

SNP were established at Discovery Lake, at the active mine portals, and down slope from the tailings containment facility. No results of this are available to the proponent, however sampling by the proponent over the past few years are available.

5. A Revised Closure and Reclamation Plan is attached.
- a) Renewed or updated statements on closure objective for the mine site are stated.
 - b) Development of a reclamation and progressive reclamation schedule has been developed.
 - c) Detailed or updated descriptions of closure options related to temporary or permanent mine closure are presented.
 - d) Contingency plans are presented.
 - e) Explanation of which options are preferred.
 - f) Updated reclamation research plans are discussed.
 - g) Evidence that closure objectives are achievable are presented.
 - h) Closure criteria for each closure objective are presented.
 - i) Updated photographs will be collected at each stage and a description of the site at closure is presented.
 - j) Plans for upcoming engagement are presented.
 - k) Details of post-closure monitoring requirements and responsibilities are presented.
 - l) Updated descriptions of the likely post-reclamation risks to the environmental, human, and wildlife health (risk assessment is presented.
 - m) Updated descriptions of the likely costs and financial security estimates is expanded. Third Part Costs, Inflation and Market adjustments are considered. It is also proposed that staged bonding be applied to this operation as there are three distinct stages, each with measurable closure and reclamation plans.

Exploration stage: This is ongoing throughout the life of the project and is dominated by low-impact activities that largely do not need permits, such as prospecting, sampling and mapping. Higher impact activities during this stage includes trenching (hand tools and explosives), and diamond drilling. This has been started under existing permits. All activities requiring permits has been halted and all equipment requiring permits has been removed from site.

Mining stage: This is expected to commence in 2021 with the installation of the winter road, and the hauling in of heavy equipment, fuel, explosives, and a trailer camp as described. The installation of the Winter road would be a reasonable trigger point.

Milling stage: The main water use and disturbance of land will be the installation of and operation of the processing plant. This will require a second construction of the winter road, preparation of pads to support the equipment, and construction of trails to the Dry

Stack Tailings Facility (DSTF). The rock from the mining stage would be crushed, mixed with water and ground to a slurry to separate gold. Gold will be recovered from the slurry by gravity and flotation methods, and the tailings will be thickened and filtered. The water will be recycled to the grinding circuit, and the filtered solids will be trucked to the DSTF. The transport of this processing plant to site would be a reasonable trigger point.

6. Costs for closure has been elaborated upon in the Interim Closure and Reclamation Plan.
7. Updated Spill Contingency Plan including revised map is attached, and Safety Data Sheets are reviewed and updated.
8. Updated Waste Management Plan with Figure 3 replaced is attached.
9. Appropriate Questionnaires are completed and attached.
10. Relevant trigger for Type A or Type are as follows.

No trigger for Type "A" license is met, therefor we should require a Type "B" license.

Schedule E (below) is either Column I, II, or III. No Column IV use.

Direct Water Use	Use of water for milling at a rate of less than 100 tonnes of ore per day, use of water for leaching other than production leaching or use of 100 or more cubic metres per day for undertakings other than milling or production leaching*
Watercourse crossings, including pipelines, bridges and roads	No structures to be constructed
Watercourse training including channel and bank alterations, culverts, spurs, erosion control. and artificial accretion	Training of intermittent watercourses, (b) of watercourses that are less than 5 m wide at the ordinary high water mark at the point of training (c) involving infilling of a watercourse with no inflow or outflow and with a surface area of less than 0.5 ha, or (d) involving removal or placement of less than 100 m ³ of material, where cross-sectional area not significantly changed at point of removal or placement of material.
Flood Control	Construction of a permanent in-stream structure.
Diversion	Potential diversion of a watercourse that is less than 2 metres wide at ordinary high-water mark at point of diversion
Alteration of flow or storage by means of dams or dikes	Off-stream storage of a quantity of water less than or equal to 2, 500 m ³
Deposit of waste in conjunction with other mining and milling	Direct or indirect deposit or waste to surface waters, or any deposit of waste from milling at a rate of less than 100 tonnes of ore per day

11. All GIS data will be provided in conformity to MVLWB requirements.

12. Off-site waste disposal confirmed by letter from the City of Yellowknife.
13. Details of proposed Effluent Quality Criteria (EQC) from any points of discharge along with relevant rationale are as per WVLWB Water and Effluent Quality Management Policy:

Waste is as described in the proponents Waste Management Plan.

Water and effluent discharge will be minimized by recycling the maximum amount of water as possible, and having single discharge points where ever possible, as per the WMP.

The relatively small discharges from domestic usages (grey water, sewage) will be processed in a bioreactor utilizing both anaerobic and aerobic digestion chambers before being discharges into a dry swamp where it will be diluted naturally. Discharge from the mine will be from internal sumps and into an external sump where any residual oil contamination will be removed. Once processing commences, the external sump will into the mill circuit where it will be mixed with water returned from the thickener and filter circuits. Water entrained within the dry stack material will be diluted by rain waters, and monitored should they make it to the sumps at the base of the stacks.

14. We would want the term of the water license to be the maximum allowed by regulation, or for a minimum of 7 years.
15. Details on temporary water course crossings are reported in the description of the winter road. All construction will be in industry standards as amended. On the property, no water crossings are required however some swamps with no observed water flow will be crossed. The lowest topographic point where water may flow will have culverts emplaced. All trails will use coarse NAG mine rock to enable maximum percolation, and capped with finer NAG mine rock.
16. A questionnaire was submitted and GNWT-ENR's response is attached.
17. Details on the total number of sumps, dimensions of each and associated closure and reclamation measures proposed.
 1. Underground sumps. These will be blasted down the ramp and will serve multiple purposes, including UG storage for hoses, couplings, hand tools, etc.. They will be less than 3 m³ in storage volume. Reclamation will be to drain and fill with NAG mine rock. As we are in permafrost, no seepage is expected
 2. External mine sump. This will be a lined sump outside of the portal and will be drained, the liner removed, and the sides pushed in to fill. This will be less than 5m³ in size.
 3. Mill sump. This will be a lined sump outside of the mill (when installed) and will be drained, the liner removed, and the sides pushed in to fill. This will be less than 10m³ in size.

4. DSTF sump. This will be at the lowest part of the toe of the DSTF, and will capture any liquids draining from the DSTF. It will be filled once monitoring post closure confirms no exceedances upon authorization from the MVLWB.

18. With respect to the site plan map (MapCInfrastructureA.pdf).

1. The exploration phase will disturb 1 hectare, generally being narrow trails (<1.5 m wide), tent platforms for camp (0.4 hectares), and diamond drill pads from helicopter supported programs (approximately 0.02 hectares each, 10 pads potential).
2. The mining phase will see the trailer camp and support facilities installed, and waste and ore piles developed.
3. The milling phase will see all of the above plus the installation of the crushing, grinding, and recovery circuits. The trail to the DSTF will be installed.

In all instances, the need for fuel storage will increase. It should be noted that recent changes to the federal fuel storage regulations and the licensing of tanks has made it prohibitive to use large double walled fuel tanks. This is because all tanks must be installed and certified drawings "as installed" must be submitted prior to obtaining permits to fill these tanks. Given the short trucking season on all ice roads in the NWT, if the permits take even one month to issue, then the opportunity to fill these tanks has been missed. As of today, 200 litre barrels are the only form of fuel storage that can be permitted in a single winter road season.

19. The geochemical properties of the rocks are assessed by a registered professional geologist as NAG, AG or uncertain. All rock types are characterized in certified laboratories using standard ABA tests to determine baselines and then each rock type will have continuing testing if they are assessed in a laboratory as PAG or AG.

20. Application fees have been submitted.