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File: MV2020L2-0002 & MV2020C003

August 18, 2020

Dave. R. Webb
New Discovery Mines Ltd.
1909 108 West Cordova Street
Vancouver, B.C. V6B 0G5

Email: Sent via Email

Dear Mr. Webb:

**Re: Land Use Permit Application and Water Licence Application – Incomplete
Mining and Associated Activities – Discovery Lake, NT**

The Mackenzie Valley Land and Water Board (Board) received your updated application for a Water Licence (MV2020L2-0002) and a Land Use Permit (MV2020C0003) on Aug 10, 2020. Your applications have been reviewed and found to be lacking sufficient information to conduct a preliminary screening as per paragraph 22(1)(a) of the Mackenzie Valley Land Use Regulations (MVLUR). For the applications to be considered complete, 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.

Table 1: Parties to Engage to Support Applications

Akaitcho Implementation Agreement Implementation Officer
City of Yellowknife
North Slave Métis Alliance
Northwest Territory Métis Nation
Tlicho Government including the Kwe Beh Working Group
Yellowknifes Dene First Nation
Northwest Territories Power Corporation
Local lease holders (GNWT Department of Lands)

- A. Details of the meetings should include:
- i. When contact was first initiated;
 - ii. The nature, dates, and locations of meetings held;

- iii. A list of groups represented at the meetings;
- iv. A list of the issues raised by the stakeholders; and
- v. An indication of how the issues were addressed in the application.

B. If you are unable to contact and meet with any of these communities, Aboriginal groups or First Nations, please provide the reason(s) as to why the meeting(s) could not be held. Provide a listing, including the dates, of any phone calls or other means that may have been used to provide information about the project and to hear any interests or concerns of First Nations with respect to your development;

C. Additional information can be found on our website: [Engagement Guidelines for Applicants and Holders of Water Licences and Land Use Permits](#);

2. Detailed information on water source capacities, water use calculations and limits for Winter Road Construction are required. Under-ice water use needs to be demonstrated to be below 10% available water under the ice, with a minimum water depth of 1.5 m beneath the ice. How were the depths and surface areas of water sources in the WL Application calculated? Water depth of Lakes A, B, C, D, and E appear to be below the requirements. What is the location and depth of water intakes? Is there bathymetric information to support the volume assessments? Are these waterbodies fish-bearing?
3. Revised Closure and Reclamation Plan that conforms to the Board's Guidelines. [MVLWB Guidelines for the Closure and Reclamation of Advanced Mineral Exploration and Mine Sites in the Northwest Territories \(2013\)](#). Some of these requirements include, but are not limited to, the following:
 - a) Renewed or updated statements of closure objectives for the mine site;
 - b) Development of a reclamation and progressive reclamation schedule;
 - c) Detailed or updated descriptions of closure options related to temporary or permanent mine closure to a level of detail appropriate to the information available (the level of detail should increase through the mine life as new information is made available);
 - d) Contingency plans for reclaiming individual project components (e.g., contingencies in case poor water quality prevents the flooding of an open pit);
 - e) An explanation of which closure options were considered and why selected closure activities were chosen for each project component;
 - f) Updated reclamation research plans, if applicable;
 - g) Evidence that the closure objectives are achievable through the selected closure activities;
 - h) Measurable closure criteria for each closure objective;
 - i) Updated photographs depicting the original landscape, what the site looks during operations, and a description of the anticipated landscape at final closure with less emphasis on the baseline conditions and information
 - j) Plans for upcoming engagement;
 - k) Details of post-closure monitoring requirements and responsibilities (these should become more refined as projects approach the end of operations);

- l) Updated descriptions of the likely post- reclamation risks to environmental, human, and wildlife health (risk assessment); and
 - m) Updated closure and reclamation liability costs and financial security estimates to a level of detail reflective of the available information. Currently, the CRP lacks significant details and evidence of any assumptions made in derivation of the cost estimates is not apparent. The CRP is not comprehensive enough to enable parties to determine whether the estimates are adequate to achieve potential scope of work and closure objectives not fully defined.
4. Details to clarify closure cost estimates and the proposed staggering of security, including:
 - a) Alignment of security estimates with proposed triggers;
 - b) Cost for a third-party contractor to perform all the work;
 - c) Adjustment for inflation; and
 - d) Market adjustment factor at 0%.
 5. Updated Spill Contingency Plan that includes a map meeting the requirements outlined in the [Guidelines for Spill Contingency Planning](#).
 6. Updated Waste Management Plan to reconcile a Mill Waste document that was not included in the Application, and to include information provided in the last submission cover letter.
 7. Confirmation and discussion of relevant triggers for licence being applied for, Type A / B, in accordance with Schedule E of the [Waters Regulations](#).
 8. GIS Data to satisfy the requirements in MVLWB's *Guideline for Geographic Information Systems (GIS) Submission Standard*. Data format must be compatible with latest ArcMap Desktop Vector: .shp, .shx, .dbf (typical), Raster: GeoTIFF (rarely submitted). Projection (NAD/83/NWT Lambert) should be the same as map projection. Metadata (.xml) (note: can usually be viewed in a web browser). Attribute data (.dbf) with additional fields for describing operation features.
 9. Details of proposed Effluent Quality Criteria (EQC) from any points of discharge along with relevant rationale.
 10. Confirmation from GNWT-ENR on whether a Wildlife Monitoring and Management Plan is required.
 11. Information pertaining to how the geochemical properties of waste rock are rock being assessed.

Upon receipt of this information, your application will be reviewed in accordance with the *Waters Act* and the *Mackenzie Valley Resource Management Act*. For further assistance, please refer to the "Guide for Completing Water Use Applications to the Mackenzie Valley Land and Water Board" available on our website at www.mvlwb.ca/mv under "Forms and Guides".

If this information is not provided within 90 days of the date of this letter, then it shall be assumed that you do not wish to continue with the Application.

If you have any questions or concerns regarding this letter, please contact me at (867) 766-7465, 867-446-0871 or email sallerston@mvlwb.com.

Yours sincerely,

A handwritten signature in black ink, appearing to be 'SA', with a long horizontal line extending to the right.

Shannon Allerston
Regulatory Specialist

Copied to: Distribution List