

7th Floor - 4922 48th Street
PO Box 2130, Yellowknife NT X1A 2P6

Tel: 867-669-0506 Fax: 867-873-6610
www.mvlwb.com

January 3, 2023

File: MV2022L8-0009

Carl Verley
EREX International Ltd
300-1055 West Hasting Street
Vancouver BC V6E 2E9

Sent by email

Dear Carl Verley,

Re: Yellowknife Lithium Project– Issuance Package – Water Licence MV2022L8-0009 – Miscellaneous – Yellowknife, NT

The Mackenzie Valley Land and Water Board (Board) met on December 21, 2022 and considered the Application Package from EREX International Ltd. (EREX) for Water Licence MV2022L8-0009 for the Yellowknife Lithium Project (Project) in accordance with the *Mackenzie Valley Resource Management Act*.

The Board decided to accept late comments received from reviewers during the public review as EREX responded to the comments.

The Board has approved Water Licence MV2022L8-0009 (attached) for a term of 7 years, effective January 3, 2023 and expiring January 2, 2030. The Licences are supported by the attached Reasons for Decision. These documents are posted to the Board's Public Registry.¹

Security Deposit

A security deposit is required as per Part C Condition 1, POST SECURITY DEPOSIT and Schedule 2 of the Licence. The security deposit is **payable to the Receiver General for Canada** and should be submitted to the following individual, to whom questions regarding security should also be directed:

¹ See MVLWB Online Registry www.mvlwb.com for MV2022L8-0009.

Michelle Desjarlais-Morris, Manager, Financial Services
Crown-Indigenous Relations and Northern Affairs (CIRNAC)
Box 1500
4923 – 52nd Street
Yellowknife NT X1A 2R3
Phone: 867-669-2517

Prior to resubmission of EREX's next RECLAIM model to ensure an efficient review, the Board requires EREX to:

- a) Engage with the Government of the Northwest Territories (GNWT) and CIRNAC with the goal of building consensus and enabling EREX, the GNWT, and CIRNAC to provide a thorough rationale for any differences in opinion; and
- b) Based on the engagement completed to satisfy direction (a) above, outline any differences between GNWT, CIRNAC, and EREX estimates/positions, and provide a rationale for EREX's position.

If discussions with GNWT and CIRNAC reveal that security for Licence MV2022L8-0009 should be updated, the Board will consider adjusting the security as per Part C of the Licence.

Water Use Fees

Water use fees in the amount of \$30.00 are required to be paid annually to the **Receiver General for Canada** by the date set out Part D, Condition 9, WATER USE FEE. Water use fees for the period of January 3, 2023 through to January 2, 2024 were **not** received with the Application; please submit these fees to the **Receiver General for Canada** following the effective date of this Licence.

Submission Requirements

Please refer to Annex B of the Licence for a complete summary and timetable of submissions required for the Licence. The Board's decisions on submissions that were considered in conjunction with the Application Package are set out below.

Management Plan – Approved

The Board has approved the Closure and Reclamation Plan² submitted with the Applications. The Board requires EREX to submit a revised Closure and Reclamation Plan, Version 2, within one year following the effective date of this Licence. When this Plan is next revised and submitted, the Plan must include the changes detailed in the Reasons for Decision.

² See MVLWB Online Registry for [EREX – Permit and Licence Application – Closure and Reclamation Plan – Nov 14 22](#).

Management Plans – Revisions Required

The Board requires that the following Plans be revised to include all changes detailed in the Reasons for Decision and submitted by the dates outlined in the following table. The revised Plans will be considered to be approved when the Licensee receives written confirmation of conformity. The Licensee may not commence Project activities until the Plans is/are approved

Condition Number and Title	Title of Plan (Version)	Version and Date Revision Due
Part F, Condition 4, WASTE MANAGEMENT PLAN – REVISED	Waste Management Plan (V1) ³	V1.1; April 3, 2023
Part H, Condition 3, SPILL CONTINGENCY PLAN – REVISED	Spill Contingency Plan (V1) ⁴	V1.1; April 3, 2023

Management Plans – Not Approved

The Board did not approve the Engagement Plan⁵ submitted with the Application Package as explained in the Reasons for Decision. The Board requires the Engagement Plan, Version 2 to be submitted, for approval, **by April 3, 2023** as per Part B, Condition 21, Engagement Plan – REVISED. The Licensee may not commence any mineral exploration activities, including drilling, prior to Board approval of the Plan.

EXPLOSIVES MANAGEMENT PLAN - SUBMIT

The Board requires that an Explosives Management Plan, Version 1, be submitted a minimum of 90 days prior to the handling, using, or storing explosives. When this Plan is submitted, it must reflect the Project activities, be in accordance with the requirements of Schedule 3, Condition 1, and include the details noted in the Reasons for Decision.

Inspectors

The Inspectors referred to in the Licence can be contacted at the following office:

Crown-Indigenous Relations and Northern Affairs
P.O. Box 1500
4923 – 52nd Street
Yellowknife NT X1A 2R3
Phone: 867-669-2442 or 867-669-2466
Fax: 867-669-2702

³See MVLWB Online Registry for [EREX – Permit and Licence Application – Waste Management Plan – Nov 8 22.](#)

⁴ See MVLWB Online Registry for [EREX – Permit and Licence Application – Spill Contingency Plan – Nov 8 22.](#)

⁵ See MVLWB Online Registry for [EREX – Permit and Licence Application – Engagement Plan – Nov 8 22.](#)

Analyst

The Analyst referred to in the Surveillance Network Program annexed to the Licence can be contacted at the Taiga Environmental Laboratory.⁶

Licence Processes and Additional Information

Sections 5 and 6 of the Board's *Guide to the Water Licensing Process*⁷ (Guide) contain detailed information on licence enforcement and potential post-issuance processes, such as amendments to conditions, and assignment to another company. Please be familiar with these sections of the Guide and reach out to Board staff with any questions about Board processes related to the Licence.

Full cooperation of EREX is anticipated and appreciated. Please contact Kimberley Murray via [email](#) or at (867) 766-7458 with any questions or concerns regarding this letter.

Yours sincerely,



Mavis Cli-Michaud

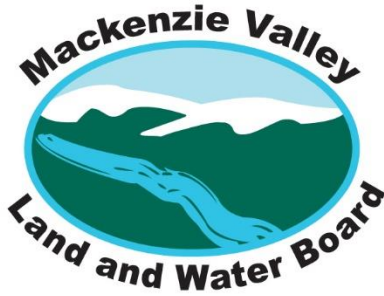
Chair, Mackenzie Valley Land and Water Board

BCC'd to: Akaitcho Distribution List
Denise Lockett, EREX International Ltd.
Michelle Desjarlais-Morris – CIRNAC
Tim Morton – Inspector, CIRNAC
Mike Roesch – CIRNAC

Attached: Water Licence MV2022L8-0009
Reasons for Decision

⁶ See GNWT-ENR Taiga Environmental Laboratory webpage (<https://www.enr.gov.nt.ca/en/services/taiga-environmental-laboratory>) for contact information.

⁷ See MVLWB Policies and Guidelines webpage for MVLWB [Guide to the Water Licensing Process](#).



7th Floor - 4922 48th Street
PO Box 2130, Yellowknife NT X1A 2P6

Tel: 867-669-0506 Fax: 867-873-6610
www.mvlwb.com

EREX International Ltd.

Water Licence MV2022L8-0009

Pursuant to the *Mackenzie Valley Resource Management Act* and the Mackenzie Valley Federal Areas Waters Regulations,
the Mackenzie Valley Land and Water Board grants this Water Licence to:

EREX International Ltd.

(Licensee)

of 300-1055 West Hasting Street Vancouver, BC V6E 2E9

(Mailing Address)

hereinafter called the Licensee, to proceed with the following undertaking, subject to the annexed definitions and conditions contained therein:

Location:	Yellowknife Lithium Project
Water Management Area:	1
Purpose:	Miscellaneous – to use Water and deposit Waste for mineral exploration
Type:	Type B
Quantity of Water not to be exceeded:	Refer to Part D, Condition 2 (MAXIMUM VOLUME – YELLOWKNIFE LITHIUM PROJECT)
Effective Date:	January 3, 2023
Expiry Date:	January 2, 2030

A handwritten signature in blue ink, appearing to read "Mavis Cli-Michaud".

Mavis Cli-Michaud, Chair
Mackenzie Valley Land and Water Board

A handwritten signature in black ink, appearing to read "Amanda Gauthier".

Amanda Gauthier, Witness

Type B Water Licence MV2022L8-0009

EREX International Ltd. - Yellowknife Lithium Project (Federal)

Table of Contents

Part A: [Scope](#) and [Defined Terms](#)

[Part B](#): General Conditions

[Part C](#): Security

[Part D](#): Water Use

[Part E](#): Construction

[Part F](#): Waste and Water Management

[Part G](#): Aquatic Effects Monitoring

[Part H](#): Spill Contingency Planning

[Part I](#): Closure and Reclamation

Schedules

[Schedule 1](#): Annual Water Licence Report (Part B)

[Schedule 2](#): Security (Part C)

[Schedule 3](#): Waste and Water Management (Part F)

Annex A: Surveillance Network Program

Part A: Surveillance Network Program Description and Monitoring Requirements

Part B: Flow and Volume Measurement

Part C: Reporting Requirements

Annex B: Concordance Table of Items Requiring Submission – Not included

Annex C: Table of Revision History – Not included

Part A: Scope and Defined Terms

Scope:

1. This Licence entitles the Licensee to use Water and deposit Waste for mineral exploration activities for the Yellowknife Lithium Project. **SCOPE**

The scope of this Licence includes the following:
 - a) Use of explosives;
 - b) Use of equipment, vehicles, and machines;
 - c) Use and storage of fuel;
 - d) Construction, operation, and maintenance of winter roads;
 - e) Construction, operation, and maintenance of camp;
 - f) Withdrawal of Water for camp consumption; and
 - g) Progressive Reclamation and associated Closure and Reclamation activities.
The scope of the Project is as described in the Preliminary Screening Determination for MV2022L8-0009, dated December 21, 2022. **SCOPE – PRELIMINARY SCREENING**
3. This Licence is issued subject to the conditions contained herein with respect to the use of Water and the deposit of Waste in any Waters or in any place under any conditions where such Waste or any other Waste that results from the deposits of such Waste may enter any Waters. Any change made to the *Mackenzie Valley Resource Management Act* and/or the Mackenzie Valley Federal Areas Water Regulations that affects licence conditions and defined terms will be deemed to have amended this Licence. **LEGISLATION SUBJECT TO CHANGE**
4. Compliance with this Licence does not relieve the Licensee from responsibility for compliance with the requirements of any applicable federal, territorial, or municipal legislation. **LEGISLATIVE COMPLIANCE**

Defined Terms:¹

Action Level – a predetermined qualitative or quantitative trigger which, if exceeded, requires the Licensee to take appropriate actions.

Analyst – an Analyst designated by the Minister under subsection 84(2) of the *Mackenzie Valley Resource Management Act*.

Aquatic Effects Monitoring Program (AEMP) – a monitoring program developed for the Project in accordance with this Licence and the MVLWB/GNWT *Guidelines for Aquatic Effects Monitoring Programs*.

Artesian Aquifer – a Water-bearing stratum which, when encountered during drilling operations, produces a pressurized flow of Groundwater that reaches an elevation above the Water table or above the ground surface.

Board – the Mackenzie Valley Land and Water Board established under subsection 99(1) of the *Mackenzie Valley Resource Management Act*.

Closure Cost Estimate - an estimate of the cost to close and reclaim the Project.

Closure and Reclamation – the process and activities that facilitate the return of areas affected by the Project to viable and, wherever practicable, self-sustaining ecosystems that are compatible with a healthy environment and human activities.

Closure and Reclamation Plan (CRP) – a document, developed in accordance with this Licence and the MVLWB/AANDC *Guidelines for the Closure and Reclamation of Advanced Mineral Exploration and Mine Sites in the Northwest Territories*, that clearly describes the Closure and Reclamation for the Project.

Construction – any activities undertaken during any phase of the Project to construct, build, upgrade, or replace any structures, facilities, or components of, or associated with, the Project.

Discharge – a direct or indirect deposit or release of any Water or Waste to the Receiving Environment.

Engagement Plan – a document, developed in accordance with the MVLWB *Engagement and Consultation Policy* and the *Engagement Guidelines for Applicants and Holders of Water Licences and Land Use Permits*, that clearly describes how, when, and which engagement activities will occur with an affected party during the life of the Project.

Greywater – all liquid Waste from showers, baths, sinks, kitchens, and domestic washing facilities, but does not include Toilet Waste.

¹ Defined terms are capitalized throughout the License, including when used in other definitions.

Defined Terms:¹

Groundwater – as defined in section 1 of the Waters Regulations: all water in a zone of saturation below the land surface, regardless of its origin.

Inspector – an Inspector designated by the Minister under subsection 84(1) of the *Mackenzie Valley Resource Management Act*.

Licensee – the holder of this Licence.

Mackenzie Valley Federal Areas Waters Regulations – the regulations proclaimed pursuant to section 90.3 of the *Mackenzie Valley Resource Management Act*.

Minister – the Minister of Northern Affairs.

Ordinary High-Water Mark – the usual or average level to which a Watercourse rises at its highest point and remains for sufficient time so as to change the characteristics of the land. In flowing Watercourses (rivers, streams), this refers to an active channel/bank-full level, which is often the 1:2-year flood flow return level. In inland lakes, wetlands or marine environments, it refers to those parts of the Watercourse bed and banks that are frequently flooded by Water so as to leave a mark on the land and where the natural vegetation changes from predominantly aquatic vegetation to terrestrial vegetation (excepting Water tolerant species). For reservoirs, this refers to normal high operating levels (full supply level).

Progressive Reclamation – Closure and Reclamation activities conducted during the operating phase of the Project.

Project – the undertaking described in Part A, Conditions 1 and 2.

Receiving Environment – the natural environment that, directly or indirectly, receives any deposit of Waste from the Project.

RECLAIM – Crown-Indigenous Relations and Northern Affairs Canada's model for estimating Closure and Reclamation costs.

Runoff – the overland flow of Water or Wastewater that occurs when precipitation, meltwater, or other Water is not absorbed by the land.

Seepage – any Water or Waste that drains, passes through, or escapes from any structure designed to contain, withhold, divert, or retain Water or Waste.

Sewage – all Toilet Wastes and Greywater.

Spill Contingency Plan (SCP) – a document developed for the Project in accordance with INAC's *Guidelines for Spill Contingency Planning*.

Defined Terms:¹

Sump – a human-made excavation or a natural depression designated for depositing Water and/or Waste.

Surveillance Network Program (SNP) – a monitoring program required by this Licence and detailed in Annex A.

Toilet Wastes – all human excreta and associated products, not including Greywater.

Traditional Knowledge – the cumulative, collective body of knowledge, experience and values built up by a group of people through generations of living in close contact with nature. It builds upon the historic experiences of a people and adapts to social, economic, environmental, spiritual, and political change.

Unauthorized Discharge – a Discharge of any Water or Waste not authorized under this Licence

Waste – as defined in section 51 of the *Mackenzie Valley Resource Management Act*:

any substance that would, to an extent that is detrimental to its use by people or by any animal, fish or plant, degrade or alter or form part of a process of degradation or alteration of the quality of any water to which it is added. Alternatively, it means any water that contains a substance in such a quantity or concentration or that has been so treated, processed or changed, by heat or other means, that it would, if added to any other water, degrade or alter or form part of a process of degradation or alteration of the quality of that other water to which it is added. It includes:

- a) any substance or water that is deemed, under subsection 2(2) of the *Canada Water Act*, to be waste;
- b) any substance or class of substances prescribed by regulations made under subparagraph 90.3(1)(b)(i);
- c) water that contains any substance or class of substances in a quantity or concentration that is equal to or greater than a quantity or concentration prescribed
- d) in respect of that substance or class of substances by regulations made under subparagraph 90.3(1)(b)(ii); and
- e) water that has been subjected to a treatment, process or change prescribed by regulations made under subparagraph 90.3(1)(b)(iii).

Waste Management Plan (WMP) – a document, developed in accordance with the MVLWB *Guidelines for Developing a Waste Management Plan*, that describes the methods of Waste management for the Project from Waste generation to final disposal.

Wastewater – any Water that is generated by Project activities or originates on-site, and which contains Waste, and may include, but is not limited to, Runoff, Seepage, Sewage, Minewater, and Effluent.

Water – as defined in section 51 of the *Mackenzie Valley Resource Management Act*: any inland waters, whether in a liquid or frozen state, on or below the surface of land.

Watercourse – as defined in section 2 of the Mackenzie Valley Federal Areas Waters Regulations: a natural watercourse, body of Water or Water supply, whether usually containing Water or not, and includes Groundwater, springs, swamps, and gulches.

Defined Terms:¹

Water Management Area – a geographical area of the Northwest Territories established by section 3 and Schedule 1 of the Mackenzie Valley Federal Areas Waters Regulations.

Water Supply Facilities – the area(s) and structures designed to collect and supply Water for the Project.

Water Use – as defined in section 51 of the *Mackenzie Valley Resource Management Act*: a direct or indirect use of any kind other than a use connected with shipping activities that are governed by the *Canada Shipping Act, 2001*, including

- a) any diversion or obstruction of waters;
- b) any alteration of the flow of waters; and
- c) any alteration of the bed or banks of a river, stream, lake or other body of water, whether or not the body of water is seasonal.

Water Use Fee – the fee for use of Water as per the Mackenzie Valley Federal Areas Waters Regulations pursuant to section 90.3 of the *Mackenzie Valley Resource Management Act* and the MVLWB Water Use Fee Policy.

Part B: General Conditions

1. The Licensee shall ensure a copy of this Licence is maintained on site at all times. **COPY OF LICENCE**
2. The Licensee shall take every reasonable precaution to protect the environment. **PRECAUTION TO PROTECT ENVIRONMENT**
3. In conducting its activities under this Licence, the Licensee shall make every reasonable effort to consider and incorporate any scientific information and Traditional Knowledge that is made available to the Licensee. **INCORPORATE SCIENTIFIC INFORMATION AND TRADITIONAL KNOWLEDGE**
4. In each submission required by this Licence or by any directive from the Board, the Licensee shall identify all recommendations based on Traditional Knowledge received, describe how the recommendations were incorporated into the submission, and provide justification for any recommendation not adopted. **IDENTIFY TRADITIONAL KNOWLEDGE**
5. All references to policies, guidelines, codes of practice, statutes, regulations, or other authorities shall be read as a reference to the most recent versions, unless otherwise noted. **REFERENCES**
6. The Licensee shall ensure all submissions to the Board:
 - a) Are in accordance with the MVLWB *Document Submission Standards*;
 - b) Include a conformity statement or table which identifies where the requirements of this Licence, or other directives from the Board, are addressed; and
 - c) Include any additional information requested by the Board.**SUBMISSION FORMAT AND CONFORMITY**
7. The Licensee shall ensure management plans are submitted to the Board in a format consistent with the MVLWB *Standard Outline for Management Plans*, unless otherwise specified. **MANAGEMENT PLAN FORMAT**
8. The Licensee shall comply with all plans, including revisions, approved pursuant to the conditions of this Licence. **COMPLY WITH SUBMISSIONS AND REVISIONS**
9. The Licensee shall conduct an annual review of all plans and make any revisions necessary to reflect changes in operations, contact information, or other details. No later than March 31 each year, the Licensee shall send a notification letter to the Board, listing the documents that have been reviewed and do not require revisions. **ANNUAL REVIEW**

- | | | |
|-----|--|---|
| 10. | The Licensee may propose changes at any time by submitting revised plans to the Board, for approval, a minimum of 90 days prior to the proposed implementation date for the changes. The Licensee shall not implement the changes until approved by the Board. | REVISIONS |
| 11. | The Licensee shall revise any submission and submit it as per the Board’s directive. | REVISE AND SUBMIT |
| 12. | If any date for any submission falls on a weekend or holiday, the Licensee may submit the item on the following business day. | SUBMISSION DATE |
| 13. | The Licensee shall comply with the Schedules , which are annexed to and form part of this Licence, and any updates to the Schedules as may be made by the Board. | COMPLY WITH SCHEDULE(S) |
| 14. | The Licensee shall comply with the Surveillance Network Program , which is annexed to and forms part of this Licence, and any updates to the Surveillance Network Program as may be made by the Board. | COMPLY WITH SURVEILLANCE NETWORK PROGRAM |
| 15. | The Schedules, the Surveillance Network Program, and any compliance dates specified in this Licence may be updated at the discretion of the Board. | UPDATES TO COMPLIANCE DATE(S) |
| 16. | The Licensee shall comply with all directives issued by the Board in respect of the implementation of the conditions of this Licence. | COMPLY WITH BOARD DIRECTIVES |
| 17. | The Licensee shall ensure signs are posted for all active Surveillance Network Program stations. All sign(s) shall be located and maintained to the satisfaction of an Inspector. | POST SURVEILLANCE NETWORK PROGRAM SIGN(S) |
| 18. | The Licensee shall install, operate, and maintain meters, devices, or other such methods for measuring the volumes of Water used to the satisfaction of an Inspector. | MEASURE WATER USE |
| 19. | Beginning March 31, 2023 and no later than every March 31 thereafter, the Licensee shall submit an Annual Water Licence Report to the Board and an Inspector. The Report shall be in accordance with the requirements of Schedule 1, Condition 1. | ANNUAL WATER LICENCE REPORT |
| 20. | The Licensee shall comply with the Engagement Plan , once approved. | ENGAGEMENT PLAN |
| 21. | Within 90 days following the effective date of this Licence, the Licensee shall submit to the Board, for approval, a revised Engagement Plan . The Licensee shall not commence mineral exploration activities, including drilling, channel sampling, and trenching prior to Board approval of the Plan. | ENGAGEMENT PLAN – REVISED |

22.	A minimum of ten days prior to the initial commencement of Project activities, the Licensee shall provide written notification to the Board and an Inspector. Notification shall include the commencement date, and the name and contact information for the individual responsible for overseeing the Project. Written notification shall be provided to the Board and an Inspector if any changes occur.	NOTIFICATION – COMMENCEMENT
23.	A minimum of ten days prior to re-commencement of Project activities following a temporary shut-down period, the Licensee shall provide written notification to the Board and an Inspector. Notification shall include the commencement date, and the name and contact information for the individual responsible for overseeing the Project. Written notification shall be provided to the Board and an Inspector if any changes occur.	NOTIFICATION – RE- COMMENCEMENT
24.	The Licensee shall immediately provide written notification to the Board and an Inspector of any non-compliance with the conditions of this Licence.	NOTIFICATION – NON- COMPLIANCE WITH CONDITIONS
25.	The Licensee shall immediately provide written notification to the Board of any non-compliance with a Board directive issued in respect of the implementation of the conditions of this Licence.	NOTIFICATION – NON- COMPLIANCE WITH DIRECTIVES
26.	The Licensee shall ensure that a copy of any written authorization issued to the Licensee by an Inspector is provided to the Board.	COPY – WRITTEN AUTHORIZATION
27.	The Licensee shall submit a current Project schedule to the Board and an Inspector upon request.	SUBMIT CURRENT PROJECT SCHEDULE

Part C: Security

1.	The Licensee shall post and maintain a security deposit with the Minister in accordance with Schedule 2. The Licensee shall not commence activities until the security deposit has been accepted by the Minister.	POST SECURITY DEPOSIT
2.	Upon request of the Board, the Licensee shall submit an updated Closure Cost Estimate using the current version of RECLAIM or another method acceptable to the Board.	UPDATE CLOSURE COST ESTIMATE
3.	The amount of the security deposit required by Part C, Condition 1 may be adjusted by the Board: <ul style="list-style-type: none"> a) Based on an updated Closure Cost Estimate as per Part C, Condition 2; or b) Based on such other information as may become available to the Board. 	ADJUSTED SECURITY AMOUNT

- | | | |
|----|---|--------------------------------------|
| 4. | If the amount of the security deposit is adjusted by the Board as per Part C, Condition 3, the Licensee shall post the adjusted amount with the Minister within the timeframe set by the Board. The Licensee shall not commence any new activities associated with a security adjustment until the additional security deposit has been accepted by the Minister. | POST ADJUSTED SECURITY AMOUNT |
| 5. | Unless otherwise approved by the Board, the Licensee may not submit security adjustment requests except with any of the following submissions:
a) Closure and Reclamation Plans; or
b) Closure and Reclamation Completion Reports. | SECURITY ADJUSTMENT REQUESTS |

Part D: Water Use

- | 1. | The Licensee shall only obtain fresh Water for the Project as set out in the following table. | WATER SOURCE AND MAXIMUM VOLUME | | | | | | | | | | |
|---|---|---|-------------------------------|---|-----------|----------------------|---|-------------|----------|------------|------|---|
| <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Name and Type of Water Source</th> <th style="text-align: left;">Latitude</th> <th style="text-align: left;">Longitude</th> <th style="text-align: left;">Purpose of Water Use</th> <th style="text-align: left;">Maximum Quantity (m³ per day)</th> </tr> </thead> <tbody> <tr> <td style="text-align: left;">Hidden Lake</td> <td style="text-align: left;">62.53187</td> <td style="text-align: left;">-113.51954</td> <td style="text-align: left;">Camp</td> <td style="text-align: left;">3</td> </tr> </tbody> </table> | | | Name and Type of Water Source | Latitude | Longitude | Purpose of Water Use | Maximum Quantity (m ³ per day) | Hidden Lake | 62.53187 | -113.51954 | Camp | 3 |
| Name and Type of Water Source | Latitude | Longitude | Purpose of Water Use | Maximum Quantity (m ³ per day) | | | | | | | | |
| Hidden Lake | 62.53187 | -113.51954 | Camp | 3 | | | | | | | | |
| 2. | The Licensee may only withdraw up to a combined total of 299 m ³ /day of Water for the Project, as defined in this Licence, and the project defined in Water Licence MV2022L8-0008. | MAXIMUM VOLUME – YELLOWKNIFE LITHIUM PROJECT | | | | | | | | | | |
| 3. | The Licensee shall only withdraw Water from authorized Water sources with a minimum depth of three metres. | MINIMUM WATER SOURCE DEPTH | | | | | | | | | | |
| 4. | In any single ice-covered season, the Licensee shall not withdraw greater than 10% of the available Water volume of any approved Water source, as calculated using the appropriate maximum expected ice thickness and bathymetric data, or, where bathymetric data is not available, in accordance with the <i>MVLWB/GNWT Method for Determining Available Winter Water Use Capacity for Small-Scale Projects</i> . | MAXIMUM UNDER-ICE WATER WITHDRAWAL VOLUME | | | | | | | | | | |
| 5. | The Licensee shall only withdraw Water using the Water Supply Facilities, unless otherwise authorized temporarily in writing by an Inspector. | WATER WITHDRAWAL – FACILITIES | | | | | | | | | | |
| 6. | Prior to withdrawing Water from an approved Water source, the Licensee shall post sign(s) to identify the intake for the Water Supply Facilities. All sign(s) shall be located and maintained to the satisfaction of an Inspector. | POST WATER INTAKE SIGN(S) | | | | | | | | | | |
| 7. | The Licensee shall construct and maintain the Water intake(s) with a screen designed to prevent impingement or entrapment of fish. | WATER INTAKE SCREEN | | | | | | | | | | |

- | | | |
|----|---|--|
| 8. | Prior to locating a Water intake in a fish-bearing Watercourse, the Licensee shall obtain written authorization for the location from an Inspector. | WATER INTAKE LOCATION
– AUTHORIZATION |
| 9. | Each year, prior to the January 3, 2023, and in advance of any Water use, the Licensee shall pay the Water Use Fee in accordance with the MVLWB <i>Water Use Fee Policy</i> . | WATER USE FEE |

Part E: Construction

Intentionally left blank.

Part F: Waste and Water Management

- | | | |
|----|--|---|
| 1. | The Licensee shall manage Waste and Water with the objective of minimizing the impacts of the Project on the quantity and quality of Water in the Receiving Environment through the use of appropriate mitigation measures, monitoring, and follow-up actions. | OBJECTIVE – WASTE AND
WATER MANAGEMENT |
| 2. | The Licensee shall minimize erosion by implementing suitable erosion control measures that shall be located and maintained to the satisfaction of an Inspector. | EROSION CONTROL |

Management and Monitoring Plans

- | | | |
|----|---|--|
| 3. | The Licensee shall comply with the Waste Management Plan , once approved. | WASTE MANAGEMENT
PLAN |
| 4. | Within 90 days following the effective date of this Licence, the Licensee shall submit to the Board, for approval, a revised Waste Management Plan . The Licensee shall not commence Project activities prior to Board approval of the Plan. | WASTE MANAGEMENT
PLAN -REVISED |
| 5. | The Licensee shall comply with the Explosives Management Plan , once approved. The Plan shall be in accordance with the requirements of Schedule 4, Condition 1. | EXPLOSIVES
MANAGEMENT PLAN |
| 6. | A minimum of 90 days prior to handling, using, or storing explosives, the Licensee shall submit to the Board, for approval, an Explosives Management Plan . The Plan shall be in accordance with the requirements of Schedule 3, Condition 1. The Licensee shall not handle, use, or store explosives prior to Board approval of the Plan. | EXPLOSIVES
MANAGEMENT PLAN –
SUBMIT |

Discharge and Disposal Locations and Rates

- | | | |
|----|--|--|
| 7. | A minimum of ten days prior to depositing any Waste into a licenced municipal facility, the Licensee shall provide written notification to the Board and an Inspector. | NOTIFICATION – WASTE DEPOSIT |
| 8. | The Licensee shall not discharge Waste to any Watercourse, or to the ground surface within 100 metres of the Ordinary High-Water Mark of any Watercourse. | DISCHARGE LOCATION – ORDINARY HIGH-WATER MARK |

Part G: Aquatic Effects Monitoring

Intentionally left blank.

Part H: Spill Contingency Planning

- | | | |
|----|---|---|
| 1. | The Licensee shall ensure that Unauthorized Discharges associated with the Project do not enter any Water. | OBJECTIVE – PREVENT WASTE INTO WATER |
| 2. | The Licensee shall comply with the Spill Contingency Plan , once approved. | SPILL CONTINGENCY PLAN |
| 3. | Within 90 days following the effective date of this Licence, the Licensee shall submit to the Board, for approval, a revised Spill Contingency Plan . The Licensee shall not commence Project activities prior to Board approval of the Plan. | SPILL CONTINGENCY PLAN – REVISED |
| 4. | If a spill or an Unauthorized Discharge occurs or is foreseeable, the Licensee shall:

a) Implement the approved Spill Contingency Plan referred to in Part H, Condition 2;

b) Report it immediately using the NU-NT Spill Report Form by one of the following methods: <ul style="list-style-type: none">• Telephone: (867) 920-8130• Fax: (867) 873-6924• E-mail: spills@gov.nt.ca• Online: Spill Reporting and Tracking Database
c) Notify the Board and an Inspector immediately; and

d) Within 30 days of initially reporting the incident, or within a timeframe authorized by an Inspector, submit a detailed report to the Board and an Inspector, including descriptions of causes, response actions, and any changes to procedures to prevent similar occurrences in the future. Written notification shall be provided to the Board and an Inspector if any changes occur. | REPORT SPILLS |

- | | | |
|----|---|--|
| 5. | The Licensee shall ensure that spill prevention infrastructure and spill response equipment is in place prior to commencement of the Project. | SPILL PREVENTION AND
RESPONSE EQUIPMENT |
| 6. | The Licensee shall restore all areas affected by spills and Unauthorized Discharges to the satisfaction of an Inspector. | CLEAN UP SPILLS |

Part I: Closure and Reclamation

- | | | |
|----|--|---|
| 1. | Within one year following the effective date of this Licence, the Licensee shall submit to the Board, for approval, a Closure and Reclamation Plan . | CLOSURE AND
RECLAMATION PLAN |
| 2. | Every three years following the previous approval, or as directed by the Board, the Licensee shall submit to the Board, for approval, a revised Closure and Reclamation Plan . | CLOSURE AND
RECLAMATION PLAN –
REVISED |
| 3. | Three years prior to the expiry date of this Licence, or a minimum of two years prior to the end of operations, whichever occurs first, the Licensee shall submit to the Board, for approval, a final Closure and Reclamation Plan . | CLOSURE AND
RECLAMATION PLAN –
FINAL |
| 4. | The Licensee shall endeavor to carry out approved Progressive Reclamation as soon as is reasonably practicable. | PROGRESSIVE
RECLAMATION |
| 5. | The Licensee shall not conduct Progressive Reclamation except as approved by the Board. | PROGRESSIVE
RECLAMATION – CARRY
OUT AS APPROVED |
| 6. | Beginning March 31, 2024 and no later than every March 31 thereafter, the Licensee shall provide written notification to the Board and an Inspector of any approved Progressive Reclamation that will be conducted in the upcoming year. Notification shall include the name and contact information for the individual responsible for overseeing the Progressive Reclamation. Written notification shall be provided to the Board and an Inspector if any changes occur. | PROGRESSIVE
RECLAMATION –
NOTIFICATION |
| 7. | Within 90 days of completing Closure and Reclamation of any specific component of the Project, the Licensee shall submit to the Board a Closure and Reclamation Completion Report . The Report shall be in accordance with the <i>MVLWB/AANDC Guidelines for the Closure and Reclamation of Advanced Mineral Exploration and Mine Sites in the Northwest Territories</i> . | CLOSURE AND
RECLAMATION
COMPLETION REPORT |

Signed on behalf of the Mackenzie Valley Land and Water Board

Mavis Cli-Michaud, Chair

Amanda Gauthier, Witness

Schedule 1: Annual Water Licence Report

Condition

1. The **Annual Water Licence Report** referred to in Part B, Condition 19 of this Licence shall include, but not be limited to, the following information about activities conducted during the previous calendar year:
 - a) A brief summary of Project activities;
 - b) An updated Project schedule;
 - c) The monthly and annual quantities in cubic metres of fresh Water obtained from all sources, as required in Part B, Condition 18 of this Licence;
 - d) A summary of the calibration and status of the meters and devices referred to in Part B, Condition 18 of this Licence;
 - e) A summary of engagement activities conducted in accordance with the approved **Engagement Plan**, referred to in Part B, Condition 20 of this Licence;
 - f) A summary of how Traditional Knowledge was incorporated into decision making;
 - g) A summary of major maintenance activities conducted in accordance with this Licence;
 - h) A summary of activities conducted in accordance with the approved **Waste Management Plan**, referred to in Part F, Condition 3 of this Licence, including:
 - i. A summary of approved updates or changes to the process or facilities required for the management of Waste;
 - ii. Monthly and annual quantities of Sewage discharged, by location; and
 - iii. A map depicting the location of the Sumps.
 - i) A summary of activities conducted in accordance with the approved **Explosives Management Plan**, referred to in Part F, Condition 5 of this Licence, including:
 - i. A summary of approved updates or changes to the process or facilities required for the management of explosives;
 - ii. Monthly and annual quantities/volumes by location of explosives managed under the Plan;
 - iii. A summary and interpretation of any monitoring results;
 - iv. A list of any Action Level exceedances; and
 - v. A description of actions taken in response to any Action level exceedances.
 - j) A summary of activities conducted in accordance with the approved **Spill Contingency Plan**, referred to in Part H, Condition 2 of this Licence, including:
 - i. A list and description for all Unauthorized Discharges, including the date, NWT spill number, volume, location, summary of the circumstances and follow-up actions taken, and status (i.e., open or closed), in accordance with the reporting requirements in Part H, Condition 4 of this Licence; and
 - ii. An outline of any spill training carried out.

Condition

- k) A summary of activities conducted in accordance with the **Closure and Reclamation Plan**, referred to in Part I, Condition 1 of this Licence, including:
 - i. Details of any Progressive Reclamation undertaken;
 - ii. A discussion on whether planning and implementation remains on schedule, and a summary of any new scheduling setbacks;
 - iv. A summary of engagement conducted regarding Closure and Reclamation; and
 - v. A list of any factors that would increase or decrease the Closure Cost Estimate the next time the Estimate is updated; and
- l) Tabular summaries of all data and information generated under the SNP annexed to this Licence, in Excel format.
- m) A list of any non-compliance(s) with the conditions of this Licence or any directive from the Board pursuant to the conditions of this Licence;
- n) A summary of actions taken to address concerns, non-conformances, or deficiencies in any reports filed by an Inspector;
- o) Any other details requested by the Board by November 30th of the year being reported.

Schedule 2: Conditions Applying to Security

Condition
1. The amount of security referred to in Part C, Condition 1, shall total \$17,922.00. The total security amount shall be deposited with the Minister prior to the commencement of the Project activities.

1. The amount of security referred to in Part C, Condition 1, shall total \$17,922.00. The total security amount shall be deposited with the Minister prior to the commencement of the Project activities.

Schedule 3: Conditions Applying to Waste and Water Management

Condition

1. The **Explosives Management Plan** referred to in Part F, Condition 5 of this Licence shall include, but not be limited to, the following:
 - a) Information regarding explosives management, including:
 - i. A description of the facilities used for management and storage of explosives;
 - ii. Maps and diagrams of the facilities and monitoring locations;
 - iii. A description of the mitigation approaches to be employed with respect to storage, handling, blasting, disposal, and spills;
 - iv. The predicted ammonium nitrate dissolution rate;
 - v. A description of how climate change has been considered, including any linkages to other plans required under this Licence; and
 - vi. Any other information required to describe how explosives will be managed such that the objectives listed in Part F, Condition 1 will be met.
 - b) Information regarding monitoring, including:
 - i. Details of the monitoring, including rationale, that will be undertaken to evaluate whether the mitigation approaches for storage, handling, and blasting procedures are effective, including:
 - a. monitoring locations, parameters, frequencies, methods, and types of instrumentation; and
 - b. predicted performance values for monitoring parameters based on expected facility design.
 - ii. Linkages to other monitoring programs required under this Licence; and
 - iii. Any other information about monitoring that will be performed to meet the objectives in Part F, Condition 1.
 - c) Information regarding responses to monitoring results, including:
 - i. A description of how the Licensee will link the results of monitoring to those corrective actions necessary to ensure that the objectives listed in Part F, Condition 1 are met. This description shall include:
 - a. Definitions, with rationale, for Action Levels applicable to the performance of the mitigation measures; and
 - b. For each Action Level, a description of how exceedances of the Action Level will be assessed and generally, which types of actions will be taken for the Action Levels exceeded.
 - d) Information regarding contingency planning, including:
 - i. A description of reasonably foreseeable scenarios; and
 - ii. For each scenario identified in (d)(i) above:
 - a. A description of response action options; and
 - b. A risk-based analysis of response action options, identifying preferred options and alternate options.

Annex A: Surveillance Network Program

Annexed to Type B Water Licence MV2022L8-0009

EREX International Ltd.

Table of Contents

Part A: Surveillance Network Program Description and Monitoring Requirements

Part B: Flow and Volume Measurement

Part C: Reporting Requirements

1. Part A: Surveillance Network Program Description and Monitoring Requirements

1. The location of sampling sites and specific monitoring requirements are as follows:

Table 1: Surveillance Network Program (SNP) Station Quick Reference Table

SNP Station	Description/Rationale	Status
1	The daily Water Use for each approved Water source used as per Part D, Condition 1	Active

Table 2: Surveillance Network Program (SNP) Requirements

SNP Station	Location	Coordinates	Sampling Frequency	Sampling Parameters	Rationale
1	As described in Part D, Condition 1		Daily, when drilling is in progress	Flow, volume	Compliance monitoring, in accordance with Water Use limits identified in Part D, Condition 1 and Part D, Condition 2 of this Licence. To monitor the quantity of daily Water for camp use

2. The locations of SNP stations are subject to approval of an Inspector. Once SNP stations have been established, an updated map detailing the locations of all SNP stations, as well as an associated table detailing coordinates for each SNP station, shall be submitted to the Board.
3. More frequent sample collection may be required at the request of an Inspector.
4. All sampling, sample preservation, and analyses shall be conducted in accordance with methods prescribed in the current edition of American Public Health Association's (APHA) *Standard Methods for the Examination of Water and Wastewater* at the time of analysis, or by such other methods approved by an Analyst.
5. All analyses shall be performed in a laboratory accredited by the Canadian Association for Laboratory Accreditation (CALA) for the specific analyses to be performed or as approved by an Analyst.
6. A Quality Assurance/Quality Control (QA/QC Plan) plan which includes both field and laboratory requirements shall be submitted to an Analyst for approval not less than sixty (60) days.
7. The Licensee shall act in accordance with the approved QA/QC Plan and shall review annually or as directed by the Board and make any necessary revisions to reflect changes in operations. Proposed revisions shall be submitted to an Analyst for approval.
8. If the QA/QC Plan is not approved by the Analyst, the Licensee shall revise the QA/QC Plan according to the Analyst's direction and resubmit to the Analyst for a decision.

2.

3. Part B: Flow and Volume Measurements

1. All flow and volume measurements shall be measured and recorded continuously (i.e., using electronic data storage chips, water elevation, or weir, or equivalent) during periods of flow or pumping and reported on a monthly basis in cubic metres (m³) as per Annex A, Part C, Condition 1:
 - a) The daily volume of Water pumped from water source as described in Part D, Condition 1 and Part D, Condition 2 for all purposes (SNP station 1).

4.

5. Part C: Reporting Requirements

1. The Licensee shall, within thirty (30) days following the month being reported, submit to the Board and Inspector, in electronic and printed formats acceptable to the Board, all data and information required by the Surveillance Network Program, including results and interpretation of the approved QA/QC program procedures, any interpretive comments and calculations, and rationale for SNP stations where samples were not collected. **Monthly SNP Reports** should also include:

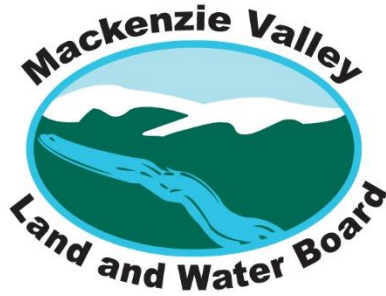
- a) Information regarding the calibration and status of the meters and devices referred to in Part B of this Licence;
- b) The coordinates of all SNP stations which were established within the month being reported, including an updated map identifying the locations of all the SNP stations; and
 - i. Weekly quantity of Water in cubic metres withdrawn from the Water Supply Facilities.
- c) A tabular summary of cumulative Water Use.

Annex B: MV2022L8-0009 - Concordance Table of Items Requiring Submission

Licence Condition	Report/Plan Title	Timeline for Submission
Part B, Condition 19	Annual Water Licence Report	Beginning March 31, 2023 and no later than every March 31 thereafter
Part B, Condition 21	Engagement Plan	Within 90 days following the effective date of this Licence
Part F, Condition 4	Waste Management Plan	Within 90 days following the effective date of this Licence
Part F, Condition 6	Explosives Management Plan	A minimum of 90 days prior to handling, using, or storing explosives
Part H, Condition 2	Spill Contingency Plan	Within 90 days following the effective date of this Licence
Part I, Condition 1	Closure and Reclamation Plan	Within one year following the effective date of this Licence

Annex C: MV2022L8-0009 - Table of Revision History

Date	Location of Change	Change



7th Floor - 4922 48th Street
 PO Box 2130, Yellowknife NT X1A 2P6

Tel: 867-669-0506 Fax: 867-873-6610
 www.mvlwb.com

Reasons for Decision

Issued pursuant to paragraphs 22(2)(a) and 40(2)(c) of the Mackenzie Valley Land Use Regulations (MVLUR) and subsection 72.03(1) and section 72.25 of the *Mackenzie Valley Resource Management Act* (MVRMA) and subsection 26(1) of the *Waters Act*.

Water Licence and Land Use Permit Applications	
File Number	MV2022L8-0008 MV2022L8-0009 MV2022C0021
Company	EREX International Ltd.
Project	Yellowknife Lithium Project
Location	Yellowknife, NT
Activity	Mining Exploration
Date of Decision	December 21, 2022

Table of Contents

1.0 List of Defined Terms and Acronyms.....4

2.0 Summary of Applications6

3.0 Main Issues Raised During the Regulatory Proceeding7

4.0 Regulatory Process.....7

5.0 Legislative Requirements Related to Licence and Permit Issuance8

5.1 Consultation, Engagement, and Public Notice..... 9

5.2 Eligibility for Land Use Permit..... 10

5.3 Land Use Fees 11

5.4 Water Use Fees 11

5.5 Existing Licences..... 11

5.6 Compensation to Existing Water Users 12

5.7 Water Quality Standards..... 12

5.8 Effluent Quality Standards 12

5.9 Financial Responsibility 12

5.10 Minimization of Adverse Effects 13

5.11 Time Limit..... 14

5.12 Environmental Review (Part 5 of the MVRMA) 14

5.12.1 Preliminary Screening 14

6.0 Decision – Water Licence MV2022L8-0008 and MV2022L8-0009.....14

6.1 Term of Licence 15

6.2 Part A: Scope and Defined Terms 15

6.2.1 Scope..... 15

6.2.2 Defined Terms..... 16

6.3 Part B: General Conditions and Schedule 1 16

6.4 Part C: Conditions Applying to Security Requirements and Schedule 2 21

6.5 Part D: Conditions Applying to Water Use..... 24

6.6 Part F: Conditions Applying to Waste and Water Management and Schedule 3 25

6.7 Part H: Conditions Applying to Contingency Planning 27

6.8 Part I: Conditions Applying to Closure and Reclamation 28

6.9 Annex A: Surveillance Network Program 29

6.10 Annex B: Table of Submissions 29

6.11 Annex C: Table of Revision History 29

7.0 Decision – Land Use Permit MV2022C002130

7.1 Term of Permit 30

7.2 Part A: Scope of Permit 30

7.3 Part B: Definitions 31

7.4 Part C: Conditions Applying to All Activities 31

26(1)(a) Location and Area 31

26(1)(b) Time 32

26(1)(c) Type and Size of Equipment..... 32

26(1)(d) Methods and Techniques 32

26(1)(e) Type, Location, Operation of All Facilities 32

26(1)(f) Control or Prevention of Ponding of Water, Flooding, Erosion, Slides, and Subsidence of Land.....	32
26(1)(g) Use, Storage, Handling, and Ultimate Disposal of Any Chemical or Toxic Material	32
26(1)(h) Wildlife and Fish Habitat.....	32
26(1)(i) Storage, Handling, and Disposal of Refuse or Sewage	33
26(1)(j) Protection of Historical, Archaeological, and Burial Sites.....	33
26(1)(k) Objects and Places of Recreational, Scenic, and Ecological Value.....	33
26(1)(l) Security Deposit	34
26(1)(m) Fuel Storage	34
26(1)(n) Methods and Techniques for Debris and Brush Disposal	34
26(1)(o) Restoration of the Lands.....	34
26(1)(p) Display of Permits and Permit Numbers	35
26(1)(q) Biological and Physical Protection of the Land.....	35
7.5 Annex A: Table of Submissions	35
7.6 Annex B: Table of Revision History	35
8.0 Conclusion	36

On December 21, 2022, the Mackenzie Valley Land and Water Board (MLWB or Board) met and considered the Applications made by EREX International Ltd. (EREX) (Applicant) to the Board on November 14, 2022 for Water Licence MV2022L8-0008, Water Licence MV2022L8-0009, and Land Use Permit (Permit) MV2022C0021 for the use of water and the deposit of waste for the Yellowknife Lithium Project (the Project) east of Yellowknife. After reviewing the Applications and the evidence gathered during the regulatory proceeding, the Board has made the following decisions:

- 1) To issue Water Licence MV2022L8-0008 for a term of 7 years;
- 2) To issue Water Licence MV2022L8-0009 for a term of 7 years;
- 3) To issue Land Use Permit MV2022C0021 for a term of 5 years;
- 4) To require revisions to Version 1 of the Waste Management Plan, which the Applicant must submit as Version 1.2 of the Plan within 90 days of the effective date of the Licence and Permit for a conformity confirmation;
- 5) To require revisions to Version 1 of the Spill Contingency Plan, which the Applicant must submit as Version 1.2 of the Plan within 90 days of the effective date of the Licence and Permit for a conformity confirmation;
- 6) To not approve Version 1 of the Engagement Plan, and to require that the Applicant submit Version 2 of the Plan within 90 days of the effective date of the Licence and Permit; and
- 7) To approve Version 1 of the Closure and Reclamation Plan, and to require that the Applicant submit Version 2 of the Plan within one year of the effective date of the Licence and Permit.

These Reasons for Decision set out the Board’s regulatory process for the Applications and rationale for decisions regarding the Licences and Permit. A summary of the Applications and the main issues identified during the proceeding is provided in sections [2.0](#) and [3.0](#) below, followed by an outline of the regulatory process for the Applications in [section 4.0](#). [Section 5.0](#) describes how the applicable legislative requirements have been met. The Board’s decisions and supporting rationale are set out in [section 6.0](#) for the Licences and [section 7.0](#) for the Permit.

1.0 **List of Defined Terms and Acronyms**

Applicant/Licensee/ Permittee	EREX International Ltd.
Applications	The complete application package submitted by the Applicant for Water Licence MV2022L8-0008, Water Licence MV2022L8-0009, and Permit MV2022C0021
Board	Mackenzie Valley Land and Water Board
CRP	Closure and Reclamation Plan
CIRNAC	Crown-Indigenous Relations and Northern Affairs Canada
DFO	Department of Fisheries and Oceans
DKFN	Denínu Kúé First Nation
Distribution List	The list of individuals and organizations to whom materials from the regulatory proceeding were circulated. ¹

¹ To access the Distribution List, see the LWBs’ Online Review System for [EREX International Ltd. – New B Water Licences and Type A Permit Applications – Nov 14 22](#).

ECCC	Environment and Climate Change Canada
FRMG	Fort Resolution Métis Government
GNWT	Government of the Northwest Territories
GNWT-ENR	Government of the Northwest Territories – Environment and Natural Resources
GNWT-Lands	Government of the Northwest Territories – Lands
Inspector	An Inspector designated under subsection 65(1) of the Waters Act OR An Inspector designated under subsection 84(1) of the Mackenzie Valley Resource Management Act
LKFN	Łutselk'e First Nation
LWBs	Land and Water Boards of the Mackenzie Valley
MVFAWR	Mackenzie Valley Federal Areas Waters Regulations
MVLUR	Mackenzie Valley Land Use Regulations
MVLWB or Board	Mackenzie Valley Land and Water Board
MVRMA	Mackenzie Valley Resource Management Act
Minister	Minister of the Government of the Northwest Territories (GNWT) – Environment and Natural Resources OR Minister of the Government of the Northwest Territories (GNWT) – Lands OR Minister of Northern Affairs
NSMA	North Slave Métis Alliance
ORS	Online Review System (https://new.onlinereviewsystem.ca/reviews)
Party	As per the LWBs' Rules of Procedures , an applicant, a person, or an organization participating in this regulatory process.
Permit	Land Use Permit MV2022C0021
Project	Yellowknife Lithium Project, the undertaking as described in Part A of the Licence and Part A of the Permit.
Review Board	Mackenzie Valley Environmental Impact Review Board
SCP	Spill Contingency Plan
Standard Licence Conditions	LWBs' Standard Water Licence Conditions Template
Standard Permit Conditions	LWBs' Standard Land Use Permit Conditions Template
TG	Tłı̨chǫ Government
WMP	Waste Management Plan
YKDFN	Yellowknives Dene First Nation

2.0 Summary of Applications

On November 14, 2022, the Applicant submitted complete applications for a new Licence MV2022L8-0008, a new Licence MV2022L8-0009, and a new Permit MV2022C0021 (the Applications).^{2 3 4} The Applications are to conduct mineral exploration activities to estimate lithium resources in pegmatite dykes on 13 mineral leases east of Yellowknife, known as the Yellowknife Lithium Project (the Project).

Specific activities that are proposed for the Project include diamond core and reverse circulation drilling, saw-cut channel sampling, trenching and use of explosives.⁵ EREX intends to open and maintain the existing Thompson-Lundmark winter access road north of Hidden Lake and use a camp previously used for reclamation work at Hidden Lake Gold Mine as the main Project camp for a drilling program on mineral leases north of Hidden Lake. Diesel and jet fuel will be stored in bulk fuel systems consisting of double-walled steel tanks, and will be transferred into smaller containers for local transport to drill sites, the generator shack, helicopter pad, or directly into vehicles. EREX has received an access agreement for the Hidden Lake camp site with Crown Indigenous Relations and Northern Affairs Canada (CIRNAC).

Additionally, EREX plans to establish and maintain other temporary access roads over the winter program. A smaller drill program in the Bighill Lake area will include drill crews commuting from Yellowknife to staging points along the Ingraham Trail, followed by use of snow machines in winter to access drill sites on the leases, and helicopter use for drill mobilization. A third drill program located approximately 110 km east of Yellowknife near Tanco Lake may result in the construction, operation, and maintenance of a satellite camp, including establishment of a fuel cache.

EREX intends to use helicopters and float-equipped fixed wing aircraft during summer operations to access the Project leases. Water will be used for drilling and camp consumption. These activities are located within non-federal and federal areas of the Akaitcho Region.

As per the Permit Application form, Permit MV2022C0021 is required as several activities under section 4 (a) of the Mackenzie Valley Land Use Regulations (MVLURs) are triggered. A non-federal type B water licence is required pursuant to the Waters Regulations as the Applicant is proposing to use 100 or more cubic meters per day and less than 300 cubic meters per day of water for mineral exploration activities and camp use. A federal type B water licence is not triggered pursuant to the Mackenzie Valley Federal Areas Waters Regulation (MVFAWR) based solely on the activities proposed by the Applicant for the federal area. However, as explained in the *LWB Reference Bulletin – Split Interest Projects*⁶, the licensing criteria set out in the Schedules of the Waters Regulations and MVFAWR apply to the project as a whole, rather than to parts of the project that are located in each particular area. As the proposed water use for

² See MVLWB Online Registry (www.mvlwb.com) for [EREX – Licence Application – Non-Federal Application Form – Nov 8 22](#).

³ See MVLWB Online Registry for [EREX – Licence Application – Federal Application Form – Nov 14 22](#).

⁴ See MVLWB Online Registry for [EREX – Permit Application – Application Form – Nov 8 22](#).

⁵ See MVLWB Online Registry for [EREX – Permit and Licence Application – Updated Project Description – Nov 17 22](#).

⁶ See MVLWB Reference Bulletins webpage to access the [LWB Reference Bulletin – Split-Interest Projects – Jun 11 20](#).

the whole project is more than 299 m³/day, two type B water licences are required; Licence MV2022L8-0008 is for the non-federal areas and Licence MV2022L8-0009 is for the federal areas.

In making its decision and preparing these Reasons for Decision, the Board has reviewed and considered:

- 1) The Applications as submitted by the Applicant for the Project;
- 2) The evidence and submissions received by the Board from the Applicant in relation to Licence MV2022L8-0008, Licence MV2022L8-0009, and the Permit; and
- 3) The comments and recommendations, evidence, and submissions received by the Board from Parties during the regulatory proceeding.

3.0 Main Issues Raised During the Regulatory Proceeding

These Reasons for Decision focus primarily on the following key issues raised during the regulatory proceeding:

- 1) Engagement concerns raised by the Yellowknives Dene First Nation (YKDFN), and engagement requests by the Tłı̨cẖ Government. In response to concerns, EREX agreed to work with YKDFN to develop a YKDFN-EREX Consultation and Engagement Agreement. The Board has not approved EREX's Engagement Plan, and expects EREX to update the Plan in response to Parties concerns, for further public review.
- 2) Water and land related security estimates for both the federal areas and non-federal areas. EREX agreed to the estimates submitted by the Government of the Northwest Territories (GNWT) and Crown Indigenous Relations and Northern Affairs Canada (CIRNAC) and agreed to provide further information to update the RECLAIM security estimate in the future.
- 3) Concerns about the impacts of the Project on wildlife and wildlife habitat. EREX agreed to develop a Wildlife Management and Monitoring Plan. Submission of a WMMP is under the jurisdiction of GNWT-Department of Environment and Natural Resources (GNWT-ENR).

Issues that were resolved by Parties to the Board's satisfaction during the proceeding are not addressed in detail in these Reasons.

4.0 Regulatory Process

On November 14, 2022, the Applicant submitted the Applications, which were subsequently deemed complete and circulated to the Distribution List for public review on the Online Review System (ORS).⁷ Public notice of the Applications was published in *News North* during the week of November 21, 2022 to fulfill subsections 72.16(1) of the [MVRMA](#) and paragraphs 43(1)(a) of the [Waters Act](#).⁸

⁷ See MVWLB Online Review System for [EREX International Ltd. – New B Water Licences and Type A Permit Applications – Nov 14 22](#).

⁸ See MVWLB Online Registry for [EREX – Permit and Licence Application – Newspaper Ad – Nov 21 22](#).

As part of the public review, Board staff requested comments and recommendations to assist with the Board's preliminary screening determination. Board staff also circulated draft Licence MV2022L8-0008, draft Licence MV2022L8-0009, and draft Permit MV2022C0021 for review with the Applicants to allow all Parties the opportunity to comment on the specific wording of the draft conditions.

By December 5, 2022, the Board received comments and recommendations regarding the Applications from the following Parties: GNWT – Prince of Wales Northern Heritage Centre (GNWT-PWNHC); CIRNAC; GNWT-ENR; GNWT – Department of Lands (GNWT-Lands); Environment and Climate Change Canada (ECCC); CIRNAC Inspector; YKDFN; Fisheries and Oceans Canada (DFO); and GNWT-Lands Inspector.⁹ Board staff also submitted comments and questions for the purposes of clarification. A member of the public submitted comments and recommendations on the Applications after the comment due date, on December 7, 2022. The Tłıchq Government (TG) submitted comments and recommendations on the Applications after the comment due date, on December 8, 2022. On December 8, 2022, the Applicant responded to the Parties' comments and recommendations, including those submitted after the due date.¹⁰

On December 21, 2022 the Board met and made its preliminary screening determination for the Project.¹¹

On December 21, 2022, the Board met to make decisions regarding the Applications. These decisions and related reasons are described in sections [5.0](#), [6.0](#), and [7.0](#) below.

5.0 Legislative Requirements Related to Licence and Permit Issuance

This Project is subject to the [MVRMA](#), the [Waters Act](#), and the [Waters Regulations](#) with respect to licensing, because it is partially located in a non-federal area. This Project is also subject to the [MVRMA](#) and the [Mackenzie Valley Federal Areas Waters Regulations](#) (MVFAWR) with respect to licensing because it is partially located in a federal area. With respect to permitting, the [MVRMA](#) and the [MVLUR](#) apply.

As per the [Waters Regulations](#), [MVFAWR](#), and the [MVLUR](#), the proposed use of land and water, and the deposit of waste for this Project require two licences and a permit. Accordingly, the Board has jurisdiction to issue the Licence and Permit as per subsection 60(1.1) and section 102 of the [MVRMA](#), subsection 60(1) and section 102 of the [MVRMA](#), and subsection 59(1) and section 102 of the [MVRMA](#).

In conducting its regulatory process for the Applications (as described in sections [3.0](#) and [4.0](#) above), the Board has ensured that section 62 of the [MVRMA](#) and all applicable legislative requirements have been satisfied as outlined in the subsections below. The Board has considered the people and users of the land and water in the Mackenzie Valley, and any Traditional Knowledge and scientific information that was

⁹ See MVWLB Online Review System for [EREX International Ltd. – New B Water Licences and Type A Permit Applications – Nov 14 22](#).

¹⁰ See MVWLB Online Review System for [EREX International Ltd. – New B Water Licences and Type A Permit Applications – Nov 14 22](#).

¹¹ See MVLWB Online Registry www.mvlwb.com for [MV2022C0021](#), [MV2022L8-0008](#), and [MV2022L8-0009](#).

made available to the Board during the regulatory proceeding, as per section 60.1 of the [MVRMA](#). The consideration of information provided to the Board is discussed in detail below and in sections [6.0](#) and [7.0](#).

5.1 Consultation, Engagement, and Public Notice

As per paragraph 60.1(a) of the [MVRMA](#), in exercising its authority, the Board must consider the importance of conservation to the well-being and way of life of Indigenous peoples of Canada, specifically those to whom section 35 of the *Constitution Act*, 1982, applies and who use an area of the Mackenzie Valley. Accordingly, the Board works with applicants, affected parties (including Indigenous governments and organizations), and other parties (such as other boards and regulators) to ensure that potential impacts of proposed projects, including impacts on rights under section 35, are understood and carefully considered before decisions are made with respect to the issuance of permits and licences.

The Board's requirements for engagement are set out in the LWBs' [Engagement and Consultation Policy](#) and [Engagement Guidelines for Applicants and Holders of Water Licences and Land Use Permits](#). The Policy and Guidelines were developed to ensure that the Board's obligations for achieving meaningful consultation (as set out by land claims and applicable legislation) with all affected parties, including Indigenous groups in the Mackenzie Valley, are met and engagement and consultation results clearly articulated. According to the Applicant's Engagement Log¹², EREX initiated engagement with Parties on August 26, 2022. In accordance with the Policy and Guidelines, the Applicant's engagement efforts and proposed procedures are detailed in the Engagement Log and Plan¹³ submitted with the Applications. The Board has not approved the Applicant's Engagement Plan, and the Board's reasons for this decision are described below in [section 6.3](#). Following issuance, the Applicant must continue engagement efforts as outlined in the Engagement Plan, once approved, and as required in the Licence and Permit.

The Applications were posted to the Board's Public Registry and distributed through the ORS. As the Project is located in the Akaitcho Region, the appropriate organizations, governments, First Nations, and Indigenous organizations were included in the Distribution List.¹⁴ The Distribution List was used throughout this proceeding to circulate submissions, information, and updates relevant to the proceeding; the List was updated if needed, and (if requested) individuals with specific interests in the Project were added. More information about the proceeding for the Applications is provided above in [section 4.0](#).

As noted in section 4.0 above, a member of the public and the TG submitted comments and recommendations on the Applications after the review comment due date. In making its determination on the Licence and Permit, the Board accepted this submission as evidence because the Applicant responded to the comments and did not raise concerns with the timing of the submission.

¹² See MVLWB Online Registry for [EREX – Permit and Licence Application – Pre-Engagement Log – Nov 8 22](#).

¹³ See MVLWB Online Registry for [EREX – Permit and Licence Application – Engagement Plan – Nov 8 22](#).

¹⁴ To access the Distribution List, see the LWBs' Online Review System for [EREX International Inc. – New Type B Water Licences and Type A Permit Applications – Nov 14 22](#).

In accordance with sections 63 and 64 of the [MVRMA](#), the Board is satisfied that notice of and access to copies of the Applications was provided, and that a reasonable amount of time was given to communities, First Nations, and the public to participate in this proceeding and make submissions to the Board.

In accordance with the Northwest Territories Métis Nation Interim Measures Agreement, the Northwest Territories Métis Nation was notified of the Applications through the ORS distribution. The Board did not receive any evidence from the Northwest Territories Métis Nation during the proceeding.

In accordance with the Minister's 2004 [Policy Direction to the MVLWB regarding the Akaitcho Territory Dene First Nations](#), the Akaitcho Dene First Nation was notified of the Applications through the ORS distribution. The Akaitcho Dene First Nation member nations, YKDFN, participated in the proceeding, and in developing the Licence and Permit conditions, the Board considered the information and recommendations provided by these Parties. More detailed information about how this evidence was specifically considered is set out in sections [6.0](#) and [7.0](#).

In accordance with the Minister's 2004 [Policy Direction regarding the Deh Cho First Nations Interim Measures Agreement](#), the Dehcho First Nation was notified of the Applications through the ORS distribution. The Board did not receive any evidence from the Dehcho First Nation during the proceeding.

In accordance with the Minister's 2003 [Policy Direction to the MVLWB Regarding Consultations with the Manitoba Denesuline](#), the Ghotelnene K'odtjneh Dene (formerly Manitoba Denesuline) were notified of the Applications through the ORS distribution. The Board did not receive any evidence from the Ghotelnene K'odtjneh Dene during the proceeding.

In accordance with the Minister's 2003 [Policy Direction to the MVLWB Regarding Consultations with the Saskatchewan Athabasca Denesuline](#), the Saskatchewan Denesuline were notified of the Applications through the ORS distribution. The Board did not receive any evidence from the Saskatchewan Denesuline during the proceeding.

5.2 Eligibility for Land Use Permit

As per section 18 of the [MVLUR](#), eligibility must be determined before the Board can issue a permit. The Applicant provided proof of mineral leases in the Application Package¹⁵ to demonstrate eligibility under subparagraph 18(a)(i) of the MVLUR. No issues were raised regarding eligibility during this proceeding. Based on the supporting information provided, the Board concludes that eligibility requirements under section 18 of the MVLUR have been satisfied.

¹⁵ See MVLWV Online Registry for [EREX – Permit Application – Application Form – Nov 8 22](#).

5.3 Land Use Fees

The Project is located partially inside of a federal area, so land-use fees are required for the use of federal lands. EREX confirmed that one hectare of federal lands would be used for the land-use operation.¹⁶ In accordance with section 19 and Schedule 1 of the [MVLUR](#), the Applications included the application fee of \$150.00, which included the one hectare of federal lands proposed to be used by EREX.¹⁷

5.4 Water Use Fees

The Applicant applied to use 299 m³/day of water, and the Board has authorized a maximum water use volume of 299 m³/day for the entire Project, as indicated on the cover page for Licence MV2022L8-0008 and MV2022L8-0009, and set out in Part D of the licences. As per subsection 8(1) of the [Waters Regulations](#) and 9(1) of the [MVFAWR](#), annual water use fees must be paid in advance of each year's water use. The Board considered the LWBs' [Water Use Fee Policy](#) and used the [Water Use Fee Calculator](#) to determine the annual amount of water use fees.

The Applicant included \$1,091.35 for water use fees with the Application for Licence MV2022L8-0008.¹⁸ The Board is satisfied that the Applicant has submitted sufficient fees for the first year of water use for Licence MV2022L8-0008.

During the regulatory proceeding, it was determined that up to 3 m³/day could be used for the camp at Hidden Lake (federal areas). The Board included this water source and maximum quantity in Part D, Condition 1 of Licence MV2022L8-0009. According to the Water Use Fee Calculator, a fee of \$30.00 is required to cover the 3 m³/day authorized under Licence MV2022L8-0009. The Board requires EREX to pay this fee following the issuance of Licence MV2022L8-0009 to cover the first year of activities.

For the duration of the Licence, annual water use fees must be paid each year on or before the date specified in the Licence conditions.

5.5 Existing Licences

During the time period established in the Notice of Applications, no licensees or applicants contacted the Board to identify potential effects from the Project on other projects, and there are no other applicants with precedence. Accordingly, with respect to paragraph 26(5)(a) of the [Waters Act](#) and 72.03(5)(a) of the [MVRMA](#), the Board is satisfied that issuing the Licence to the Applicant will not adversely affect, in any significant way, any existing licensee or any other applicant, provided the Applicant complies with the conditions of Licence MV2022L8-0008 and MV2022L8-0009.

¹⁶ See MVWLB Online Review System for [EREX International Ltd. – New B Water Licences and Type A Permit Applications – Nov 14 22](#); Board Staff, comment 6.

¹⁷ See MVLWB Online Registry for [EREX – Receipt – Application Fee – Dec21 22](#).

¹⁸ See MVLWB Online Registry for [MV2022L8-0008](#).

5.6 Compensation to Existing Water Users

Paragraph 26(5)(b) of the [Waters Act](#) and 72.03(5)(b) of the [MVRMA](#) prohibits the issuance of the Licence unless the Board is satisfied that appropriate compensation has been or will be paid by the Applicant to persons who would be adversely affected by the use of waters, or deposit of waste proposed by the Applicant, at the time when the Applicant filed the Applications with the Board.

The Board received no claims for compensation either during the time period established in the Notice of Applications, or during the remainder of the proceeding. Provided the Applicant complies with the conditions of both licences, the Board is satisfied there are no water users or persons listed in paragraph 26(5)(b) of the [Waters Act](#) and 72.03(5)(b) of the [MVRMA](#) who will be adversely affected by the proposed use of waters or deposit of waste.

5.7 Water Quality Standards

With regards to subparagraph 26(5)(c)(i) of the [Waters Act](#)/72.03(5)(c)(i) of the [MVRMA](#), no water quality standards have been prescribed in the [Waters Regulations/MVFAWR](#); however, the LWBs' [Water and Effluent Quality Management Policy](#) applies to the Licence, and the primary objective of the Policy is "protection of water quality in the receiving environment." This objective is directly reflected in the Licence Condition OBJECTIVE – WATER AND WASTE MANAGEMENT, and in accordance with the Policy and this objective, the Board has set out conditions in the Licence regarding water and waste management, and management plan requirements. The Board is satisfied that the conditions set out in the Licence are consistent with the Policy and compliance with these conditions will ensure that waste will be collected and disposed of in a manner that will be protective of water quality in the receiving environment. These conditions and detailed rationale are described in [section 6.7](#).

5.8 Effluent Quality Standards

The Project does not entail the disposal of effluent, so subparagraph 26(5)(c)(ii) of the [Waters Act](#)/72.03(5)(c)(ii) of the [MVRMA](#) does not apply.

5.9 Financial Responsibility

Under paragraph 26(5)(d) of the [Waters Act](#)/72.03(5)(d) of the [MVRMA](#), before the Board can issue the Licence, it must be satisfied that the Applicant's financial responsibility is adequate to complete the Project, including any required mitigation measures, and the closure and reclamation of the site.

In the Updated Project Description submitted with the Applications, EREX indicated that they intend "to comply with security requirements for closure and reclamation that the MVLWB requests as a condition of the Land Use Permit and Water Licenses".¹⁹

¹⁹ See MVLWB Online Registry for [EREX – Permit and Licence Applications – Updated Project Description – Nov 17 22](#).

Part C and Schedule 2 of the Licences, and Conditions 59 and 60 in the Permit (SECURITY DEPOSIT – NON-FEDERAL AREAS and SECURITY DEPOSIT – FEDERAL AREAS, respectively) set out the security requirements for the Project, which must be met before Project activities begin. Under subsection 35(2) of the [Waters Act](#), paragraph 72.11(2)(b), and subsection 71(3) of the [MVRMA](#), the Minister can apply this security to carry out mitigations and remedial measures in the event of non-compliance with an Inspector’s orders, or to carry out closure and reclamation if the site is abandoned. As detailed in [section 6.4](#) of these Reasons, the Board has established the security requirements based on the closure cost estimate information provided during this proceeding, so the Board is satisfied that adequate financial resources will be in place to ensure that the Project site can be restored.

As a result, and for the reasons set out above, the Board is satisfied that the legislated requirement to establish the financial responsibility of the Applicant for the Project has been met.

5.10 Minimization of Adverse Effects

With regards to subsection 27(2) of the [Waters Act](#) and 72.04(2) of the [MVRMA](#), the Board must ensure that the Licence conditions minimize potential adverse effects on other water and land users from the proposed use of water and deposit of waste. As discussed above in [section 5.1](#), the Applicant conducted pre-application engagement, and the Board also provided opportunities for potentially affected parties to make submissions to the Board during the regulatory proceeding.

During the public review, a member of the public submitted comments outlining concerns about EREX’s proposed drilling at Big Hill Lake.²⁰ The comment discussed Big Hill Lake’s recreational value to hikers, canoers, snowmobilers, and skiers, and the pristine condition of the lake.²¹ The member of the public was opposed to all exploration on the lake and indicated that any alternative to drilling into the water would be preferable. In response, EREX commented that they understand the concerns and can alter the drilling plan so that inclined drill holes from land can be used to test the target pegmatite dykes that may occur under Bighill Lake. As discussed in [section 6.3](#), The Board has decided to require EREX to submit an updated Engagement Plan to include the commitment made to the member of the public. As the Board has decided to not approve the Engagement Plan, a revised Engagement Plan required to be submitted by EREX will be circulated for public review, and this concern can be discussed further as required.

As noted above in [sections 5.9](#) and 5.10, and as detailed in [section 6](#), the Board has set conditions in the Licence to regulate waste management for the purpose of protecting the receiving environment. Additionally, as described in [section 6.5](#), based on the evidence, the Board has set conditions regarding the use of water for the Project, including limitations on the sources and volumes of water the Licensee can use. It is the opinion of the Board that compliance with the Licence conditions that have been set to

²⁰ See MVWLB Online Review System for [EREX International Ltd. – New B Water Licences and Type A Permit Applications – Nov 14 22](#); A Member of the Public, comment 1.

²¹ Ibid.

protect the water sources and the receiving environment will also minimize any potential adverse effects on other water and land users in the Project area.

5.11 Time Limit

As required under section 48(1) of the [Waters Act](#) and 72.19 of the [MVRMA](#), the Board made its decision on the Licence within nine months after receiving the complete Applications. As per section 22 of the [MVLUR](#), the Board made its decision on the Permit Application within 42 days of receiving the complete application.

5.12 Environmental Review (Part 5 of the MVRMA)

5.12.1 Preliminary Screening

On December 21, 2022, the Board met and decided not to refer the proposed Project to Environmental Assessment.²²

In accordance with section 125 of the [MVRMA](#), the Board notified the Review Board of its preliminary screening determination,²³ and in the ten days following the Board's preliminary screening determination notification to the Review Board, the Board did not receive notice of referral to environmental assessment (EA). Subsequently, the Board proceeded with issuing the Licence and Permit.

The Board is satisfied that the requirements of Part 5 of the [MVRMA](#) have been met for the Project.

6.0 Decision – Water Licence MV2022L8-0008 and MV2022L8-0009

Having due regard to the facts, circumstances, and the merits of the submissions made to it, and to the purpose, and provisions of the [MVRMA](#) and the [Waters Act](#), the Board has determined that Licence MV2022L8-0008 and Licence MV2022L8-0009 should be issued, subject to the scope, defined terms, conditions, and term contained therein. The Board's determinations and reasons for this decision are set out below.

The Licence has been developed to address the Board's statutory responsibilities; to protect the receiving environment and minimize potential adverse effects on other water users; and to address issues within the Board's jurisdiction that were identified and investigated during the regulatory proceeding.

In developing the Licence, the Board considered the LWBs' [Standard Water Licence Conditions Template](#) (Standard Licence Conditions) and included a number of these standard conditions that are relevant to the Project. As noted in [section 4.0](#), Board staff circulated a draft Licence for review to allow Parties to provide specific input to the Board on possible conditions, and the Board considered these review comments and recommendations in making its determination on the Licence conditions.

²² See MVLWB Online Registry www.mvlwb.com for [MV2022C0021](#), [MV2022L8-0008](#), and [MV2022L8-0009](#).

²³ Ibid.

The Standard Licence Conditions have been established by the Land and Water Boards (LWBs) based on information from LWB policies and guidelines, other applicable guidelines and best practices, meetings with Inspectors, input from LWB staff, and feedback from a public review. Each standard condition has been evaluated against the following characteristics of an ideal condition:

- Clearly part of LWBs' authority;
- Has a clear purpose and rationale;
- Is practical and enforceable; and
- Does not conflict with existing legislation (i.e., is not less stringent).

The Standard Licence Conditions include general rationale for each standard condition, and as such, the language of any standard condition included in the Licence is only discussed in detail in the following sections of these Reasons for Decision when it specifically relates to concerns or recommendations raised during the regulatory proceeding. The Board's reasons for developing and including Project-specific conditions, including discussion of any concerns and recommendations raised regarding these conditions, are detailed in the relevant sections below.

6.1 Term of Licence

The Applicant has applied for a term of five years for the Licence. Subsection 26(2) of the [Waters Act](#) and 72.03(2) of the [MVRMA](#) allows for a licence term of not more than 25 years for a type B licence. After reviewing the submissions made during this regulatory process, and taking into consideration the closely linked Permit, the Board has determined an appropriate term for the Licence is seven years.

The Board decided to continue the practice of setting the Licence term to coincide with that of the Permit, and therefore set the term of the Licence for seven years from the date of issuance which takes into account the five-year term of the Permit, plus the possibility of a two-year extension of the Permit's term.²⁴ This will allow the Board and all parties to consider any future permit or licence renewal application in the context of the intricately linked nature of the two authorizations.

6.2 Part A: Scope and Defined Terms

Part A of the Licence contains the scope and the defined terms used throughout the Licence.

6.2.1 Scope

The scope of the Licence is written to ensure the Licensee is entitled to conduct activities which have been applied for and have been subject to Part 5 of the [MVRMA](#). In setting out the scope of the Licence, the Board endeavoured to provide enough detail to identify and describe the authorized activities, without being unduly restrictive or prescriptive, and to allow for Project flexibility, as contemplated in the Application, throughout the term of the Licence.

²⁴ See MVLWB Policies and Guidelines webpage to access the LWBs' [Reasons for Decision on the Interpretation of Subsection 26\(6\) of the Mackenzie Valley Land Use Regulations](#).

Based on the activities described in the Licence Application and on the scope outlined in the Standard Licence Conditions, Board staff included a draft scope in the draft Licence that was circulated for public review.

During the public review, the CIRNAC Inspector recommended that “use of explosives” should be added to the Licence MV2022L8-0009 scope as the activity is described in the project description.²⁵ In response, EREX indicated that they will not be storing explosives on the federal areas where EREX will establish and maintain the camp, however they did agree to “use of explosives” being included in the scope of Licence MV2022L8-0009. The Board has decided to include “use of explosives” in Licence MV2022L8-0009 for Project flexibility according to the Inspector’s recommendation.

The conditions in Part A are consistent with the Standard Licence Conditions. These conditions ensure that the scope of the authorization includes all water uses and deposits of waste associated with the Project, and also clarify that the Licensee must comply with applicable legislation, including any changes to legislation that are deemed to automatically amend the Licence.

6.2.2 Defined Terms

The Board defined certain terms in the Licence to ensure a common understanding of the conditions, to avoid future differences in interpretation of the Licence, to reflect Project-specific evidence, and to support consistency across licences and permits issued by the LWBs. The Board selected applicable defined terms relevant to the Project from the Standard Licence Conditions.

6.3 Part B: General Conditions and Schedule 1

Part B of the Licence primarily contains general administrative conditions regarding implementation of the Licence, and compliance with the Licence conditions, Board directives, and LWB policies and procedures. This section also details compliance requirements and review and revision procedures for submissions required under the Licence. These conditions are consistent with the Standard Licence Conditions and are applicable to all licences.

Part B: UPDATES TO COMPLIANCE DATES

Compliance dates are included in the Licence conditions for various submissions and other requirements, and Schedules and a Surveillance Network Program (SNP) are appended to the Licence to set out the detailed requirements associated with specific conditions in the main body of the Licence. The purpose of the Schedules is to provide greater clarity and to aid in interpretation of Licence conditions.

This standard Condition is included in the Licence to clarify that the Board may, at its discretion, update compliance dates, the Schedules, and the SNP, and that such updates are not considered amendments to the Licence, unless otherwise directed by the Board. Such updates may be requested by the Licence

²⁵ See MVWLB Online Review System for [EREX International Ltd. – New B Water Licences and Type A Permit Applications – Nov 14 22](#); CIRNAC Inspector, comment 12.

in writing at least 90 days in advance, or may be initiated by the Board based on the information available to it, and will undergo the Board’s public review process before being considered by the Board.

Part B: ANNUAL WATER LICENCE REPORT

The requirements for the Annual Water Licence Report are outlined in Part B: ANNUAL LICENCE REPORT, and Schedule 1, Condition 1. The purpose of the Annual Water Licence Report is to provide the Board and all interested parties the opportunity to be annually updated on Project components and activities and compliance with Licence conditions, and to provide a platform for interested parties to submit comments, observations, feedback, and questions as necessary. The Report is also an important tool for evaluating the effectiveness of the Licence conditions.

In establishing the Annual Report requirements in the Licence, the Board primarily included requirements from the Standard Licence Conditions that are applicable to the Project and reflect the Licence conditions. As discussed above in [section 6.2](#), the Board decided to add “use of explosives” to the scope of Licence MV2022L8-0009. For this reason, the Board added annual reporting requirements for explosives management to Schedule 1, Condition 1 of MV2022L8-0009.

During the review, TG requested information on the geochemistry and the mitigative measures for the Project if radioactive elements exceed allowable limits.²⁶ YKDFN and Board staff asked for clarifications on the impacts and mitigation of any potential for acid rock drainage and metal leaching.²⁷ Board staff noted that if there are acid rock drainage or metal leaching potential, a geochemical characterization plan may be necessary. YKDFN recommended EREX collaborate with rights and stakeholders for mitigations if there is potential for environmental harm. In response, EREX agreed to further engage with TG and YKDFN to provide the geological information and discuss with YKDFN about the environmental impacts and mitigation. In response to Board staff’s comment, EREX was of the opinion there is no possibility of acid rock drainage because there are no sulphide minerals in the rock.²⁸

Based on the Updated Project Description submitted by EREX, a quote from CIRNAC’s Remedial Action Plan for the abandoned Hidden Lake Mine was included:

Acid-base accounting analysis was conducted to determine the acid generating potential of both categories of waste rock. Preliminary investigations determined that a small portion of the waste rock may have some potential to result in metal leaching. However, subsequent evaluations determined that the waste rock has a negligible potential to

²⁶ See MVWLB Online Review System for [EREX International Ltd. – New B Water Licences and Type A Permit Applications – Nov 14 22](#); TG, comment 3.

²⁷ See MVWLB Online Review System for [EREX International Ltd. – New B Water Licences and Type A Permit Applications – Nov 14 22](#); Board staff, comment 3.

²⁸ See MVWLB Online Review System for [EREX International Ltd. – New B Water Licences and Type A Permit Applications – Nov 14 22](#); TG, comment 3; YKDFN comment 2; Board staff comment 3.

result in adverse impacts. More specifically, the potential for measurable impacts to Hidden Lake is considered to be nil.²⁹

Based on the evidence above, the Board is of the opinion that the potential impacts for acid rock drainage and metal leaching is minimal. Given EREX's commitments to share its geochemical characterization results, the Board included a requirement in the Annual Report of Licence MV2022L8-0008 to include the results from the geochemical characterization and whether there are any concerns for acid rock drainage and metal leaching based on the results.

The requirements of the Annual Report are intended to provide clarity and summarize information already captured through existing submissions; they are not meant to be onerous. The Board organized these requirements to coincide with the layout of the Licence and to be consistent with the Standard Licence Conditions. The Board expects that one Annual Report will satisfy the requirements of both Licence MV2022L8-0008 and Licence MV2022L8-0009.

For clarity, Annual Water Licence Reports are required each year, regardless of whether the Licensee has conducted any activity during the reporting year.

Part B: ENGAGEMENT PLAN – REVISED

The Board assesses engagement adequacy through the LWBs' [Engagement and Consultation Policy](#) and [Engagement Guidelines for Applicants and Holders of Water Licences and Land Use Permits](#). In accordance with the Policy and Guidelines, the Applicant included an Engagement Log³⁰ and Engagement Plan³¹ in the Applications, and these documents were distributed for public review with the Applications.

As evidenced through the Engagement Log, EREX began engaging with Parties on August 26, 2022, including sending all Parties information about the project. Issues discussed through engagement included employment and contracting opportunities, impacts to wildlife, archaeological sites within the project area, waste management details, poaching and vandalism due to winter road access, and that some leases were near popular hiking and fishing sites. EREX's responses to engagement, as demonstrated through the Engagement Log, indicated a willingness to work with Parties to alleviate concerns and consider the Parties recommendations.

During the public review of the Applications, the YKDFN recommended deeper engagement was necessary, and that EREX develop a mutual YKDFN-EREX Consultation and Engagement Agreement.³² YKDFN recommended the agreement include the timeline of activities (five years), and updated

²⁹ See MVLWB Online Registry for [EREX – Permit and Licence Application – Updated Project Description – Nov 17 22](#).

³⁰ See MVLWB Online Registry for [EREX – Permit and Licence Application – Pre-Engagement Log – Nov 8 22](#).

³¹ See MVLWB Online Registry for [EREX – Permit and Licence Application – Engagement Plan – Nov 8 22](#).

³² See MVLWB Online Review System for [EREX International Ltd. – New B Water Licences and Type A Permit Applications – Nov 14 22](#); Yellowknives Dene First Nation, comment 1.

engagement triggers, planned engagement, and terms of conditions.³³ Specifically, YKDFN requested to be further engaged on archaeological studies, brush clearing, wildlife wellbeing and disturbances, and closure and reclamation. In response, EREX agreed that a consultation and engagement agreement with the YKDFN would be beneficial to both parties, and a better understanding of YKDFN's engagement triggers would result in EREX's ability to engage in a timely, but respectful, manner. EREX also discussed a hope that the two parties could discuss the archaeological background and history of leases to understand possible mitigations for future developments.

As discussed above in [section 5.10](#), a member of the public submitted comments outlining concerns about EREX's proposed drilling at Big Hill Lake.³⁴ The comment discussed Big Hill Lake's recreational value to hikers, canoers, snowmobilers, and skiers, and the pristine condition of the lake.³⁵ The member of the public was opposed to all exploration on the lake, and indicated that any alternative to drilling into the water would be preferable. In response, EREX commented that they understand the concerns and can alter the drilling plan so that inclined drill holes from land can be used to test the target pegmatite dykes that may occur under Bighill Lake.

The member of the public also indicated concern with the winter road into the lease near Bighill Lake that would run across Pontoon Lake and through a traditional portage, as it could allow public vehicles access, which could further degrade the habitat.³⁶ In response, EREX acknowledged this challenge as there is no way to prevent unwanted access. EREX committed to work with the Pontoon Cabin Owners to try to find ways to mitigate the impacts of access across Pontoon Lake³⁷.

The TG thanked EREX for their engagement efforts and commitment to continue engagement as the Project progresses during the public review of the Applications.³⁸ The TG also recommended EREX update the Engagement Plan to reflect the recently approved TG Guidelines for Proponents of Development, referred to as Weghàà Eleyatits'eedi.³⁹ In response EREX thanked the TG.

The Board has not approved the Engagement Plan, Version 1 as submitted with the Applications. The Licensee must revise the Plan and submit Version 2, within 90 days of the effective date of the Licence, to reflect updates as agreed to during the regulatory proceeding, to reflect the Project activities, to meet the applicable guidelines, and to include the following:

³³ Ibid.

³⁴ See MVWLB Online Review System for [EREX International Ltd. – New B Water Licences and Type A Permit Applications – Nov 14 22](#); A Member of the Public, comment 1.

³⁵ Ibid.

³⁶ See MVWLB Online Review System for [EREX International Ltd. – New B Water Licences and Type A Permit Applications – Nov 14 22](#); A Member of the Public, comment 1.

³⁷ Ibid.

³⁸ See MVWLB Online Review System for [EREX International Ltd. – New B Water Licences and Type A Permit Applications – Nov 14 22](#); TG, comment 1.

³⁹ Ibid.

- Update to include the CIRNAC Inspector to the list of Parties to be engaged with.⁴⁰
- Update to include a discussion of the consultation and engagement agreement with the YKDFN, including a timeline of activities that spans the life of the Permit and licences and updated engagement triggers, planned engagement, and terms and conditions. Specifically, the Plan should outline EREX's commitment to engage with the YKDFN regarding archaeological studies, brush clearing, wildlife wellbeing and disturbances, and closure and reclamation.⁴¹ The agreement should also capture EREX's commitment to further discuss environmental impacts of the Project with YKDFN (e.g., metal leaching, acid rock drainage).⁴²
- Update to capture the commitment to alter the drilling plan so that drilling directly on Bighill Lake is avoided.⁴³
- Update to capture the commitment to continue working with the Pontoon Cabin Owners to attempt to find ways to mitigate the impacts of access across Pontoon Lake.⁴⁴
- Update to reflect the Tłı̨chǫ Government Guidelines for Proponents of Development, referred to as Weghàà Ełeyatits'eedi.⁴⁵
- Update to include engagement with the Tłı̨chǫ Government about the results from the multi-element analyses of a representative suite of the formations that are encountered in drilling.⁴⁶
- Update to indicate that the Tłı̨chǫ Government will be notified if a suspected archaeological or historical site, or burial ground, is discovered.⁴⁷

Once submitted, the revised Engagement Plan will undergo the Board's standard public review process before being considered by the Board. The Licensee may not commence mineral exploration activities, including drilling, channel sampling, and trenching, until the Plan is approved.

The Permit also includes conditions regarding the Engagement Plan, and the Board mirrored these Licence and Permit conditions as much as possible to ensure one submission will satisfy the requirements of all authorizations.

⁴⁰ See MVWLB Online Review System for [EREX International Ltd. – New B Water Licences and Type A Permit Applications – Nov 14 22](#); CIRNAC (Yellowknife), comment 4.

⁴¹ See MVWLB Online Review System for [EREX International Ltd. – New B Water Licences and Type A Permit Applications – Nov 14 22](#); YKDFN, comment 1.

⁴² See MVWLB Online Review System for [EREX International Ltd. – New B Water Licences and Type A Permit Applications – Nov 14 22](#); YKDFN, comment 2.

⁴³ See MVWLB Online Review System for [EREX International Ltd. – New B Water Licences and Type A Permit Applications – Nov 14 22](#); A Member of the Public, comment 1.

⁴⁴ Ibid.

⁴⁵ See MVWLB Online Review System for [EREX International Ltd. – New B Water Licences and Type A Permit Applications – Nov 14 22](#); TG, comment 1.

⁴⁶ See MVWLB Online Review System for [EREX International Ltd. – New B Water Licences and Type A Permit Applications – Nov 14 22](#); TG, comment 3.

⁴⁷ See MVWLB Online Review System for [EREX International Ltd. – New B Water Licences and Type A Permit Applications – Nov 14 22](#); TG, comment 4.

6.4 Part C: Conditions Applying to Security Requirements and Schedule 2

Under subsection 35(1) of the [Waters Act](#) and section 72.11(1) of the [MVRMA](#), the Board is authorized to require the Licensee to provide security to the Minister. Subsection 35(2) of the [Waters Act](#) and 72.11(2) of the [MVRMA](#) specifies how the security may be applied. As per INAC’s *Mine Site Reclamation Policy for the Northwest Territories*: “Adequate security should be provided to ensure the cost of reclamation, including shutdown, closure and post-closure, is born by the operator of the mine rather than the Crown.”^{48]}

Part C of the Licence, by reference to Schedule 2, sets the amount of security to be maintained by the Licensee and sets out requirements related to posting and adjusting security. The conditions in this Section are consistent with the Standard Licence Conditions.

Based on the evidence regarding closure cost estimates for the Project, the Board has determined that the total security deposit amount shall be \$327,558.00. This includes a total security deposit amount of \$183,971.00 for the non-federal areas, and a total security deposit amount of \$143,587.00 for the federal areas.

Consistent with recent Board practice, the Board has placed the land-related liability amounts under the Permit and the water-related liability amounts under the Licence: \$253,634.00 is required under the Permit, as described in [section 7.4](#) of these Reasons. A security amount of \$56,002.00.00 is required under Licence MV2022L8-0008, and a security amount of \$17,922.00 is required under Licence MV2022L8-0009. See Table 1 for a summary of the security deposit requirements for each authorization discussed in these Reasons for Decision.

Table 1: Security Deposit Requirements

	Description	Total
Total	Project Total	\$327,558.00
Authorizations		
MV2022L8-0008	Water – non-federal areas	\$56,002.00
MV2022L8-0009	Water – federal areas	\$17,922.00
MV2022C0021	Land – non-federal and federal areas	\$253,634.00 ¹

¹ As per Condition 59, \$127,969.00 is required under Permit MV2022C0021 for the non-federal areas; as per Condition 60, \$125,665.00 is required under Permit MV2022C0021 for the federal areas.

Using the RECLAIM model, the Applicant calculated a closure cost estimate of \$127,362.00 for the Project.⁴⁹ During the review comment period, GNWT-ENR included a security estimate for the non-federal

⁴⁸ See MVLWB Policies and Guidelines webpage to access the LWB/INAC/GNWT [Guidelines for Closure and Reclamation Cost Estimates for Mines](#).

⁴⁹ See MVLWB Online Registry for [EREX – Permit and Licence Application – RECLAIM Closure Estimate – Nov14 22](#).

areas for the Project completed by ARKTIS Solutions.⁵⁰ In the memo submitted with the RECLAIM estimate, ARKTIS described that an estimate of the federal security was also included to ensure project components were not double bonded due to project design and potential overlap. However, ARKTIS clarified that this was not a recommendation to CIRNAC regarding the security estimate for the federal areas. GNWT-Lands submitted a comment that they had reviewed and support the reclamation security estimate completed by GNWT-ENR.⁵¹ In response to GNWT-ENR’s RECLAIM estimate for the land and water liability, EREX indicated they accepted ENR’s recommendation.⁵² For this reason, the Board has accepted the security recommended by GNWT of \$56,002.00 for Licence MV2022L8-0008 and \$127,969.00 for Permit MV2022C0021.

GNWT-ENR commented that the security estimate submitted by ARKTIS was based on information provided in the Applications, but to better refine the estimate in the future, GNWT-ENR would need additional information from EREX.⁵³ This included specific details regarding the RECLAIM components Buildings & Equipment (direct costs) and Mobilization/Demobilization (indirect costs), as listed in Table 2 below.

Table 2: Further information required by GNWT-ENR to refine a future security estimate

RECLAIM Component	Information Required
Buildings & Equipment	<ol style="list-style-type: none"> 1. Estimate of the number of drill pads and holes requiring remediation on Federal and Territorial leases. 2. Estimate of the number of winter road portages/ice bridges requiring reclamation on Federal and Territorial leases.
Mobilization/Demobilization	<ol style="list-style-type: none"> 1. Detailed schedule for all project activities, including equipment, crew and time requirements. 2. Equipment requirements to support reclamation of the Federal and Territorial leases. 3. Confirmation of camp location to support reclamation activities. 4. Estimated fuel requirements to support reclamation of the Federal and Territorial leases. 5. Estimated quantity of site waste, debris, sewage, etc. requiring removal from Federal and Territorial leases. 6. Length of winter road program required to support reclamation for the Federal and Territorial leases.

⁵⁰ See MVWLB Online Review System for [EREX International Ltd. – New B Water Licences and Type A Permit Applications – Nov 14 22](#); GNWT-ENR, comment 2.

⁵¹ See MVWLB Online Review System for [EREX International Ltd. – New B Water Licences and Type A Permit Applications – Nov 14 22](#); GNWT-Lands, comment 1.

⁵² See MVWLB Online Review System for [EREX International Ltd. – New B Water Licences and Type A Permit Applications – Nov 14 22](#); GNWT-ENR, comment 2.

⁵³ See MVWLB Online Review System for [EREX International Ltd. – New B Water Licences and Type A Permit Applications – Nov 14 22](#); GNWT-ENR, comment 3.

In response, EREX indicated that it will use its best efforts to provide the information requested by GNWT-ENR to better refined the future security estimate for the Project.

During the review period, CIRNAC also submitted a RECLAIM estimate for the Board's consideration.⁵⁴ In the comment submitted with the RECLAIM estimate, CIRNAC acknowledged the potential for overlap in some reclamation activities between the federal and non-federal areas and indicated a willingness to work with EREX and the GNWT to avoid duplication. In response, EREX accepted the security estimate for the federal lands submitted by CIRNAC. For this reason, the Board has accepted the security recommended by CIRNAC of \$17,922.00 for Licence MV2022L8-0009 and \$125,665.00 for Permit MV2022C0021.

CIRNAC's RECLAIM estimate and corresponding comment also indicated that the security estimate for the federal areas assumed several details about the Project, including:⁵⁵

- No bulk fuel storage or fuel cache on federal land; only fuel on federal land is that which is actively being used at Hidden Lake Camp;
- No exploration drilling will occur on federal land;
- No storage of explosives on federal land;
- Hazardous waste storage is not located on federal land;
- Drilling equipment will not be stored on federal land; and
- Other equipment required for the project (e.g., graders, pick-up trucks, ATVs, snow machines) will be stored on federal land.

The Board has set security based on the evidence available to it at this time. Given there were Project uncertainties identified by GNWT-ENR and CIRNAC during the completion of the RECLAIM estimates, the Board requires EREX to consider GNWT-ENR and CIRNAC's comments and submit an updated Closure and Reclamation Plan and updated RECLAIM model within one year of the effective date of the Licences and Permit.

As the Parties that are responsible for clean-up of the site in the case of abandonment, GNWT-ENR's and CIRNAC's recommendations are well-informed. As such, prior to resubmission of EREX's next RECLAIM model to ensure an efficient review, the Board requires EREX to:

- a) Engage with GNWT and CIRNAC with the goal of building consensus and enabling the Applicant, the GNWT, and CIRNAC to provide a thorough rationale for any differences in opinion; and
- b) Based on the engagement completed to satisfy direction (a) above, outline any differences between GNWT, CIRNAC, and EREX estimates/positions, and provide a rationale for EREX's position.

If discussions with GNWT and CIRNAC reveal that security for Licence MV2022L8-0008 or Licence MV2022L8-0009 should be updated, the Board will consider adjusting the security as per Part C of the

⁵⁴ See MVWLB Online Review System for [EREX International Ltd. – New B Water Licences and Type A Permit Applications – Nov 14 22](#); CIRNAC (Yellowknife), comment 16.

⁵⁵ Ibid.

Licences. In the event the land-related security under Permit MV2022C0021 needs adjusting, an amendment to the Permit (Conditions 59 and 60) would be required.

Like other licences, the Licence includes standard conditions that allow the Board to request an updated closure cost estimate from the Licensee at any time, and to adjust the security amount at any time, based on available information. The Board expects the Licensee to work with the landowners over the duration of the Project during the development of any closure cost estimate revisions, to ensure their concerns and recommendations are addressed.

The Board is satisfied that the security requirements it has imposed at this time ensure that sufficient financial resources will be in place in advance of any liabilities that will be incurred.

Within two weeks of the effective date of the Licence, the Licensee must submit a revised RECLAIM estimate that reflects the Board's decisions on the estimate as set out in Appendix A. Once Board staff confirm conformity of the revised estimate, it will be posted to the Board's public registry to be used as the basis for the next update to the closure cost estimate.

6.5 Part D: Conditions Applying to Water Use

Part D of the Licence contains conditions related to water use for the Project. These are consistent with the Standard Licence Conditions.

The maximum quantity of water that can be withdrawn for the whole Project, including from the sources listed in Part D of Licence MV2022L8-0008 and Licence MV2022L8-0009, is 299 m³/day.

During the public review of the Applications, CIRNAC asked EREX to clarify the proposed water use from Hidden Lake for camp operations so that it can be accurately represented in Licence MV2022L8-0009. In response, EREX further described the water required for camp use and for running the core saw.⁵⁶ The Applicant's final estimate for the water use required at the Hidden Lake camp was 3 m³/day. The Board has updated Part D, Condition 1 in Licence MV2022L8-0008 and MV2022L8-0009 according to EREX's responses to CIRNAC's comments.

Based on a comment from Board Staff, EREX indicated that one of the proposed water sources, Unnamed Lake #N2, is too small to be used as a source for winter drilling.⁵⁷ As EREX indicated that it is unlikely that water for drilling will be available from Unnamed Lake #N2 during winter, and did not provide a proposed water use volume for the water source that is less than/equal to the total available water use capacity of the lake, the Board has removed this water source from Part D, Condition 1 of Licence MV2022L8-0008.⁵⁸

⁵⁶ See MVWLB Online Review System for [EREX International Ltd. – New B Water Licences and Type A Permit Applications – Nov 14 22](#); CIRNAC (Yellowknife), comment 3; CIRNAC (Inspector), comments 2 and 13.

⁵⁷ See MVWLB Online Review System for [EREX International Ltd. – New B Water Licences and Type A Permit Applications – Nov 14 22](#); Board Staff, comment 1.

⁵⁸ Ibid.

During the public review, Board staff asked if EREX intended to use water for ice bridges, so as to account for that water use in Part D of the Licence.⁵⁹ In response, EREX indicated that it may use water for ice bridges for the Thompson-Lundmark winter road from Hidden Lake or from lakes along the winter road route.⁶⁰ The Board has updated Part D, Condition 1 of Licence MV2022L8-0008 to include “ice bridges” as a purpose of water use for the sources that could be used for ice bridge construction.

6.6 Part F: Conditions Applying to Waste and Water Management and Schedule 3

Part F and Schedule 3 of the Licence contain conditions applying to Waste and Water management activities for the Project. These are consistent with the Standard Licence Conditions.

Part F: WASTE MANAGEMENT PLAN - REVISED

All applicants must submit detailed waste management information, identifying all types of waste that will be produced by the project (including quantity and quality) and describing the disposal methods that are proposed for each type of waste. For most applicants, this will be in the form of a Waste Management Plan (WMP), developed in accordance with the LWBs’ [Guidelines for Developing a Waste Management Plan](#), and licences and permits will include standard conditions regarding compliance with the Plan, as approved by the Board. The Guidelines can be applied to a wide range of projects and are intended to ensure that all waste management activities are carried out in a way that is consistent with best practices and applicable guidelines to minimize waste released from a project.

The Licensee included a WMP in the Applications.⁶¹ The Board considered this Plan as part of the Application Package.

The Board requires that the Licensee revise the WMP and submit Version 1.1, within 90 days of the effective date of the Licence, to reflect updates as agreed to during the regulatory proceeding, to reflect the Project activities, to meet the applicable guidelines, and to include the following:

- Revise Figure 3 to show the fuel cache located on the Fi lease, and update text to remove reference to storage of fuel on federal land.⁶²
- Revise to include a figure illustrating the layout of the camp and supporting infrastructure related to waste management.⁶³
- Add a section that describes the location of temporary storage for various waste streams that are likely to be generated by the Project activities.⁶⁴

⁵⁹ See MVWLB Online Review System for [EREX International Ltd. – New B Water Licences and Type A Permit Applications – Nov 14 22](#); Board staff, comment 2.

⁶⁰ Ibid.

⁶¹ See MVWLB Online Registry for [EREX – Permit and Licence Application - Waste Management Plan – Nov8 22](#).

⁶² See MVWLB Online Review System for [EREX International Ltd. – New B Water Licences and Type A Permit Applications – Nov 14 22](#); CIRNAC (Yellowknife), comment 1, 8.

⁶³ See MVWLB Online Review System for [EREX International Ltd. – New B Water Licences and Type A Permit Applications – Nov 14 22](#); CIRNAC (Yellowknife), comment 8.

⁶⁴ See MVWLB Online Review System for [EREX International Ltd. – New B Water Licences and Type A Permit Applications – Nov 14 22](#); CIRNAC (Yellowknife), comment 10.

- Append the letter from KBL Environmental Ltd. that they will accept hazardous waste streams generated from the Project.⁶⁵
- Update the sump details (waste volume, waste types, and sump sizing) for the camp at Hidden Lake.⁶⁶

The WMP will be considered approved when the Licensee receives written confirmation of conformity from Board staff. A public review will typically not be required to confirm conformity; however, if the revised Plan includes additional information beyond what has been requested above, a public review may be required before it can be considered by the Board. To ensure that no waste is produced before appropriate waste management practices are in place, the Licensee may not commence Project activities until conformity is confirmed.

The Permit also includes conditions regarding the WMP, and the Board mirrored these Licence and Permit conditions as much as possible to ensure one submission will satisfy the requirements of all authorizations.

Part F: EXPLOSIVES MANAGEMENT PLAN

Part F Explosives Management Plan and Schedule 3, Condition 1 list the requirements for the Explosives Management Plan. This Plan is required to ensure explosives use, storage, handling, and disposal is managed in accordance with the [Waters Act](#) and the [MVRMA](#) and the objectives listed in Part F, Condition 1 of the Licences.

EREX did not submit an Explosives Management Plan with the Applications. The Updated Project Description describes that explosives will be used for trenching and that a licensed contractor with a valid blasting certificate will be retained to supply explosives and do the blasting.⁶⁷ As the proposed Project scope included use of explosives on non-federal areas, standard conditions that would require the submission of an Explosives Management Plan were included in draft Licence MV2022L8-0008 for public review. During the public review, the CIRNAC Inspector recommended that “use of explosives” be included in the scope for Licence MV2022L8-0009.⁶⁸ EREX’s response indicated they will not be using explosives on the federal areas.⁶⁹ However, for Project flexibility the Board has decided to include “use of explosives” in the scope of MV2022L8-0009 and has also added the conditions related to explosives management to MV2022L8-0009.

⁶⁵ See MVWLB Online Review System for [EREX International Ltd. – New B Water Licences and Type A Permit Applications – Nov 14 22](#); CIRNAC (Yellowknife), comment 11; Board Staff, comment 5.

⁶⁶ See MVWLB Online Review System for [EREX International Ltd. – New B Water Licences and Type A Permit Applications – Nov 14 22](#); CIRNAC (Inspector), comment 3.

⁶⁷ See MVWLB Online Registry for [EREX – Permit and Licence Application – Updated Project Description – Nov 17 22](#).

⁶⁸ See MVWLB Online Review System for [EREX International Ltd. – New B Water Licences and Type A Permit Applications – Nov 14 22](#); CIRNAC (Inspector), comment 12.

⁶⁹ See MVWLB Online Review System for [EREX International Ltd. – New B Water Licences and Type A Permit Applications – Nov 14 22](#); CIRNAC (Inspector), comment 12.

The Board requires that the Licensee to submit Version 1 of the Explosives Management Plan a minimum of 90 days prior to handling, using, or storing explosives to reflect the Project activities, be in accordance with the requirements of Schedule 3, Condition 1 of the Licences, and to include the following:

- Include further information regarding the blasting frequency, schedule, and intensity.⁷⁰

Once submitted, the Plan will undergo the Board's standard public review process before being considered by the Board. To ensure that explosives management practices are in place prior to use of explosives, the Licensee may not handle, use, or store explosives until the Plan has been approved. The Board mirrored Licence MV2022L8-0008 and Licence MV2022L8-0009 conditions regarding explosives as much as possible to ensure one submission will satisfy the requirements of both authorizations.

6.7 Part H: Conditions Applying to Contingency Planning

Part H of the Licence contains conditions related to spill contingency planning and reporting, reclamation of spills and unauthorized discharges, and emergency response for the Project. These conditions are consistent with the Standard Licence Conditions.

Part H: SPILL CONTINGENCY PLAN - REVISED

All applicants must describe spill contingency planning. For most applicants, this will be in the form of a Spill Contingency Plan (SCP), developed in accordance with the INAC [Guidelines for Spill Contingency Planning](#), and licences and permits will include standard conditions regarding compliance with the Plan, as approved by the Board.

The Licensee included a SCP in the Applications.⁷¹ The Board considered this Plan as part of the Application Package.

The Board requires that the Licensee revise the SCP and submit Version 1.1, within 90 days of the effective date of the Licence, to reflect updates as agreed to during the regulatory proceeding, to reflect the Project activities, to meet the applicable guidelines, and to include the following:

- Update with confirmed fuel volumes and locations, including a confirmation that Hidden Lake Camp will only store fuel that is needed for heating.⁷² This should include updating Table 4.⁷³
- Update to include details about the number of spill kits and where they will be located, and the details of the small spill kits with sorbent pads to be used for transporting fuel.⁷⁴

⁷⁰ See MVWLB Online Review System for [EREX International Ltd. – New B Water Licences and Type A Permit Applications – Nov 14 22](#); ECCC, comment 7.

⁷¹ See MVWLB Online Registry for [EREX – Permit and Licence Application - Spill Contingency Plan – Nov 8 22](#).

⁷² See MVWLB Online Review System for [EREX International Ltd. – New B Water Licences and Type A Permit Applications – Nov 14 22](#); CIRNAC (Yellowknife), comments 1, 6.

⁷³ See MVWLB Online Review System for [EREX International Ltd. – New B Water Licences and Type A Permit Applications – Nov 14 22](#); CIRNAC (Inspector), comment 4.

⁷⁴ See MVWLB Online Review System for [EREX International Ltd. – New B Water Licences and Type A Permit Applications – Nov 14 22](#); CIRNAC (Yellowknife), comment 7.

- Remove the irrelevant sentence about biological response methods from Section 7.⁷⁵
- Update the contact information according to the comment by ECCC.⁷⁶
- Clearly indicate that food and domestic waste, as well as greases, gasoline, and glycol-based antifreeze will be stored in animal proof containers/containment.⁷⁷
- Add the contact information for Crown Indigenous Relations and Northern Affairs Canada Resource and Lands – Yellowknife (867) 669-2442 and (867) 445-7935.⁷⁸

The Plan will be considered approved when the Licensee receives written confirmation of conformity from Board staff. A public review will typically not be required to confirm conformity; however, if the revised Plan includes additional information beyond what has been requested above, a public review may be required before it can be considered by the Board. To ensure that no spills occur before appropriate spill response procedures and equipment are in place, the Licensee may not commence Project activities until conformity is confirmed.

The Permit also includes conditions regarding the SCP, and the Board mirrored these Licence and Permit conditions as much as possible to ensure one submission will satisfy the requirements of all authorizations.

6.8 Part I: Conditions Applying to Closure and Reclamation

Part I of the Licence contain conditions applying to closure and reclamation, including progressive reclamation of the Project. These are consistent with the Standard Licence Conditions.

The conditions in this Section are closely related to the conditions applying to the security deposit (Part C of the Licence); the closure cost estimate and the security deposit are directly related to the activities described in the Closure and Reclamation Plan, and updates to the Plan may result in updates to the closure cost estimate and the security deposit.

Part I: CLOSURE AND RECLAMATION PLAN

All applicants must describe closure and reclamation planning. For most applicants, this will be in the form of a Closure and Reclamation Plan (CRP), developed in accordance with the LWB/AANDC [Guidelines for the Closure and Reclamation of Advanced Mineral Exploration and Mine Sites in the Northwest Territories](#) (Closure Guidelines), and licences and permits will include standard conditions regarding compliance with the Plan, as approved by the Board.

⁷⁵ See MVWLB Online Review System for [EREX International Ltd. – New B Water Licences and Type A Permit Applications – Nov 14 22](#); CIRNAC (Yellowknife), comment 15.

⁷⁶ See MVWLB Online Review System for [EREX International Ltd. – New B Water Licences and Type A Permit Applications – Nov 14 22](#); ECCC, comment 1.

⁷⁷ See MVWLB Online Review System for [EREX International Ltd. – New B Water Licences and Type A Permit Applications – Nov 14 22](#); ECCC, comment 5.

⁷⁸ See MVWLB Online Review System for [EREX International Ltd. – New B Water Licences and Type A Permit Applications – Nov 14 22](#); CIRNAC (Inspector), comment 5.

The Licensee included a CRP in the Applications⁷⁹, and the Board considered this Plan as part of the Application Package. The Board’s decision on the Plan is set out below.

The Board has approved the CRP, because it is appropriate for the Project activities. The Board notes that when the next version of the Plan is submitted for Board consideration within one year of the effective date of the Licence, it must include the following revisions:

- Update with confirmed fuel volumes and locations.⁸⁰
- Update to remove the statement regarding the MVLWB-approved management plans. Include additional commentary on removal of the camp and related infrastructure on federal land.⁸¹
- Update based on discussions with GNWT and CIRNAC and the updated RECLAIM model to be submitted within one year of the effective date of the Licences and Permit, as discussed in [section 6.4](#).

Once submitted, the Version 2 of the Plan will undergo the Board’s standard public review process before being considered by the Board.

6.9 Annex A: Surveillance Network Program

Annex A of the Licence contains conditions applying to the Surveillance Network Program (SNP). The SNP details the sampling and monitoring requirements related to compliance with several conditions in the Licence. Requirements for measuring flows, volumes, and meteorological data are based on standard licence conditions as are the reporting requirements.

6.10 Annex B: Table of Submissions

Annex B of the Licence contains a table that summarizes the submissions required by the Licence conditions.

6.11 Annex C: Table of Revision History

Annex C of the Licence contains a table which identifies updates and tracks changes made to the Licence. This table is currently blank because this is a new Licence, but it will be updated throughout the life of the Licence.

⁷⁹ See MVLWB Online Registry for [EREX – Permit and Licence Application – Closure and Reclamation Plan – Nov 14 22](#).

⁸⁰ See MVLWB Online Review System for [EREX International Ltd. – New B Water Licences and Type A Permit Applications – Nov 14 22](#); CIRNAC (Yellowknife), comment 1.

⁸¹ See MVLWB Online Review System for [EREX International Ltd. – New B Water Licences and Type A Permit Applications – Nov 14 22](#); CIRNAC (Yellowknife), comment 12.

7.0 Decision – Land Use Permit MV2022C0021

Having due regard to the facts, circumstances, and the merits of the submissions made to it, and to the purpose, scope, and intent of the [MVRMA](#), the Board has determined that Permit MV2022C0021 should be issued, subject to the scope, definitions, conditions, and term contained therein. The Board's determinations and reasons for this decision are set out below.

The Permit has been developed to address the Board's statutory responsibilities, to protect the receiving environment, and to address issues within the Board's jurisdiction that were identified and investigated during the regulatory proceeding.

In developing the Permit, the Board considered the LWBs' [Standard Permit Conditions Template](#) (Standard Permit Conditions) and included a number of these standard conditions that are relevant to the Project. As noted in [section 4.0](#), Board staff circulated a draft Permit for review to allow Parties to provide specific input to the Board on possible conditions, and the Board considered these review comments and recommendations in making its determination on the Permit conditions.

The Standard Permit Conditions have been established by the LWBs based on information from LWB policies and guidelines, other applicable guidelines and best practices, meetings with Inspectors, input from LWB staff, and feedback from a public review. Each standard condition has been evaluated against the following characteristics of an ideal condition:

- Clearly part of LWBs' authority;
- Has a clear purpose and rationale;
- Is practical and enforceable;
- Matches the scale of the project; and
- Does not conflict with existing legislation (i.e., is not less stringent).

The Standard Permit Conditions include general rationale for each standard condition, and as such, the language of any standard condition included in the Permit is only discussed in detail in the following sections of these Reasons for Decision when it specifically relates to concerns or recommendations raised during the regulatory proceeding.

7.1 Term of Permit

The Applicant has applied for a term of five years for the Permit. Subsection 26(5) of the [MVLUR](#) allows for a Permit term of not more than five years. After reviewing the submissions made during the regulatory proceeding, the Board has determined an appropriate term for the Permit is five years.

7.2 Part A: Scope of Permit

The scope of the Permit ensures the Permittee is entitled to conduct activities which have been applied for and which have been subject to Part 5 of the [MVRMA](#). In setting out the scope of the Permit, the Board endeavoured to provide enough detail to identify and describe the authorized activities, without being

unduly restrictive or prescriptive, and to allow for Project flexibility, as contemplated in the Application, throughout the life of the Permit.

Based on the activities described in the Permit Application and on the scope outlined in the Standard Permit Conditions, Board staff included a draft scope in the draft Permit that was circulated for public review. The Board did not receive any comments or recommendations regarding the draft scope during the proceeding, so the Board accepted it as the scope of the Permit.

7.3 Part B: Definitions

The Board defined certain terms in the Permit to ensure a common understanding of the conditions, to avoid future differences in interpretation of the Permit, to reflect Project-specific evidence, and to support consistency across licences and permits issued by the LWBs. The Board selected applicable definitions relevant to the Project from the Standard Permit Conditions. Where appropriate, the Board created new definitions, modified standard wording, or used Project-specific definitions to reflect the evidence as described below:

- April 15 was used for the Spring Break-up definition based on a recommendation from the CIRNAC and GNWT-Lands Inspectors.⁸²

7.4 Part C: Conditions Applying to All Activities

The subheadings below correspond to the headings in the conditions section of the Permit, as outlined in subsection 26(1) of the [MVLUR](#).

26(1)(a) Location and Area

During the review of the Applications, the CIRNAC and GNWT-Lands Inspectors recommended that the setback used for the conditions PRIVATE PROPERTY SETBACK be 100 metres, as there is a lease located within 300 metres of the operation.⁸³ The Board agrees with the Inspectors and have included a setback of 100 metres.

The CIRNAC Inspector recommended that the condition called CAMP SETBACK could limit the size or ability to set up the camp as Durable Land and/or previously cleared land may not be sufficient. The Inspector recommended that the phrase “unless otherwise authorized by an Inspector” be added to the condition. The Board agrees and have added the wording recommended by the Inspector.⁸⁴

⁸² See MVWLB Online Review System for [EREX International Ltd. – New B Water Licences and Type A Permit Applications – Nov 14 22](#); CIRNAC (Inspector), comment 7 and GNWT-Lands (Inspector), comment 2.

⁸³ See MVWLB Online Review System for [EREX International Ltd. – New B Water Licences and Type A Permit Applications – Nov 14 22](#); CIRNAC (Inspector), comment 8 and GNWT-Lands (Inspector), comment 3.

⁸⁴ See MVWLB Online Review System for [EREX International Ltd. – New B Water Licences and Type A Permit Applications – Nov 14 22](#); CIRNAC (Inspector), comment 9.

26(1)(b) Time

The conditions included in this section are all consistent with the LWBs' Standard Permit Conditions.

26(1)(c) Type and Size of Equipment

The conditions included in this section are all consistent with the LWBs' Standard Permit Conditions.

26(1)(d) Methods and Techniques

The conditions included in this section are all consistent with the LWBs' Standard Permit Conditions.

26(1)(e) Type, Location, Operation of All Facilities

The conditions included in this section are all consistent with the LWBs' Standard Permit Conditions.

26(1)(f) Control or Prevention of Ponding of Water, Flooding, Erosion, Slides, and Subsidence of Land

The conditions included in this section are all consistent with the LWBs' Standard Permit Conditions.

26(1)(g) Use, Storage, Handling, and Ultimate Disposal of Any Chemical or Toxic Material

The conditions included in this section are all consistent with the LWBs' Standard Permit Conditions.

26(1)(h) Wildlife and Fish Habitat

The [MVLUR](#) includes provisions related to the protection of wildlife habitat; however, requirements for Wildlife Management and Monitoring Plans (WMMPs) are under the jurisdiction of the GNWT through the *Wildlife Act*. Accordingly, all applicants are directed to contact the GNWT-ENR to determine whether a WMMP, which details mitigations to reduce or eliminate impacts to applicable wildlife and wildlife habitat, is required for the project and should be submitted to the Board with a permit and/or licence application.

The Permittee did not include a WMMP in the Applications. The Board received several comments and recommendations about wildlife and wildlife habitat during the public review of the Applications.⁸⁵

GNWT-ENR discussed how the Project activities could impact Bathurst Caribou habitat, and recommended EREX submit a Tier 1 WMMP that would outline how impacts to wildlife and wildlife habitat would be mitigated even if the Minister of ENR does not require a WMMP under section 95 of the *Wildlife Act*.⁸⁶ GNWT-ENR included specific recommendations for EREX's WMMP. In response, EREX agreed to develop a WMMP.

⁸⁵ See MVWLB Online Review System for [EREX International Ltd. – New B Water Licences and Type A Permit Applications – Nov 14 22](#); GNWT-ENR, comment 4; ECCC, comments 2-8; TG, comment 2; DFO, comment 1.

⁸⁶ See MVWLB Online Review System for [EREX International Ltd. – New B Water Licences and Type A Permit Applications – Nov 14 22](#); GNWT-ENR, comment 4.

The Permit does not include a requirement for a WMMP given the requirements for the WMMPs are under the jurisdiction of the GNWT through the *Wildlife Act*. The Board expects EREX to submit their WMMP to the GNWT-ENR.

The Board included the HABITAT DAMAGE condition in the Permit, which requires the Permittee to prevent damage to wildlife and fish habitat. This is a condition from the LWBs' Standard Permit Conditions and is intended to ensure the Permittee conducts their land-use operation in such a way as to minimize disturbance to wildlife habitat.

26(1)(i) Storage, Handling, and Disposal of Refuse or Sewage

The conditions included in this section are all consistent with the LWBs' Standard Permit Conditions.

WASTE MANAGEMENT

All applicants must submit detailed waste management information, identifying all types of waste that will be produced by the project (including quantity and quality) and describing the disposal methods that are proposed for each type of waste. For most applicants, this will be in the form of a WMP, developed in accordance with the LWBs' [Guidelines for Developing a Waste Management Plan](#), and licences and permits will include standard conditions regarding compliance with the Plan, as approved by the Board. The Plan is also required under Part F of the Licence, and the Board's reasons for decision regarding the Plan are described above in [section 6.7](#). The Board mirrored these Licence and Permit conditions as much as possible to ensure one submission will satisfy conditions of both the Licence and Permit.

26(1)(j) Protection of Historical, Archaeological, and Burial Sites

During the public review of the Applications, GNWT-ECE-PWNHC recommended that the draft conditions called ARCHAEOLOGICAL OVERVIEW and AIA-HIGH POTENTIAL be retained in the Permit to ensure drill holes and other developments are reviewed by an archaeologist over the life of the Project.⁸⁷ GNWT-ECE-PWNHC further recommended that the Archaeological Overview could be conducted at least 60 days prior to any new land disturbance.⁸⁸ Finally, GNWT-ECE-PWNHC recommended the draft condition called AIA was not necessary and be removed from the Permit.⁸⁹ The Board updated the draft Permit based on GNWT-ECE-PWNHC's recommendations.

26(1)(k) Objects and Places of Recreational, Scenic, and Ecological Value

This section was intentionally left blank, because the Board did not require conditions in this section to satisfy its mandate and did not receive any recommendations related to this section during the review of the draft Permit.

⁸⁷ See MVWLB Online Review System for [EREX International Ltd. – New B Water Licences and Type A Permit Applications – Nov 14 22](#); GNWT-ECE, comment 1.

⁸⁸ Ibid.

⁸⁹ Ibid.

26(1)(l) Security Deposit

The Board is authorized to require the Permittee to provide security to the Minister by subsections 71(1) of the [MVRMA](#) and 32(1) of the [MVLUR](#). Subsection 71(3) of the [MVRMA](#) specifies how the security may be applied.

The Board has included a requirement for a security deposit of \$253,634.00 in the Permit. Condition 59 requires EREX to post a security in the amount of \$127,969.00 for the non-federal areas with the GNWT, and Condition 60 requires EREX to post a security in the amount of \$125,665.00 for the federal areas with CIRNAC. The Board's reasons associated with this requirement are described above in [section 6.4](#) in conjunction with its reasons for the security required in the Licence. The security deposits required by these two instruments are discussed together since the estimates deal with the same Project and are intimately linked.

26(1)(m) Fuel Storage

The Board updated the condition MAXIMUM FUEL ON SITE based on EREX's response to a comment from the GNWT-Lands Inspector.⁹⁰ The maximum fuel that can be stored on the land use site at any time is 109,965 litres based on the information from the review of the Applications.

SPILL CONTINGENCY PLAN

All applicants must describe spill contingency planning. For most applicants, this will be in the form of a SCP, developed in accordance with the INAC [Guidelines for Spill Contingency Planning](#), and licences and permits will include standard conditions regarding compliance with the Plan, as approved by the Board. The Plan is also required under Part H of the Licence, and the Board's reasons for decision regarding the Plan are described above in [section 6.9](#). The Board mirrored these Licence and Permit conditions as much as possible to ensure one submission will satisfy conditions of both the Licence and Permit.

26(1)(n) Methods and Techniques for Debris and Brush Disposal

The conditions included in this section are all consistent with the LWBs' Standard Permit Conditions.

26(1)(o) Restoration of the Lands

During the public review, Board staff asked EREX if the Standard Permit Condition called ACTIVE REVEGETATION would be more appropriate than the draft conditions called NATURAL VEGETATION, based on information in EREX's RECLAIM estimate for re-vegetating drill pads.⁹¹ In response, EREX discussed that the draft Permit condition was rather vague, and that the ACTIVE REVEGETATION condition would be more appropriate if EREX is provided with guidance on appropriate seed mixes or plants for

⁹⁰ See MVWLB Online Review System for [EREX International Ltd. – New B Water Licences and Type A Permit Applications – Nov 14 22](#); GNWT-Lands Inspector, comment 6.

⁹¹ Board staff, comment 8.

revegetation.⁹² As the Board does not have specific guidance relevant to the Northwest Territories on appropriate seed mixes or plants for revegetation, the Board has retained the condition called NATURAL VEGETATION. As discussed in the Standard Land Use Permit Conditions Template Rational, the Inspector's discretion will be used to determine the adequacy of site preparation for this condition.

CLOSURE AND RECLAMATION PLAN

All applicants must describe closure and reclamation planning. For most applicants, this will be in the form of a Closure and Reclamation Plan (CRP). This Plan is required under Part I of the Licence, and the Board's reasons for decision regarding this Plan are described above in [section 6.10](#).

26(1)(p) Display of Permits and Permit Numbers

The conditions included in this section are all consistent with the LWBs' Standard Permit Conditions.

26(1)(q) Biological and Physical Protection of the Land

The conditions included in this section are all consistent with the LWBs' Standard Permit Conditions.

ENGAGEMENT PLAN

The Board assesses engagement adequacy through the LWBs' [Engagement and Consultation Policy](#), and [Engagement Guidelines for Applicants and Holders of Water Licences and Land Use Permits](#). In accordance with the Policy and Guidelines, the Applicant included an Engagement Record and Plan in the Applications.⁹³ The Plan is also required under Part B of the Licence, and the Board's reasons for decision regarding the Plan are described above in [section 6.3](#). The Board mirrored these Licence and Permit conditions as much as possible to ensure one submission will satisfy conditions of both the Licence and Permit.

7.5 Annex A: Table of Submissions

Annex A of the Permit contains a table that summarizes the submissions required by the Permit conditions.

7.6 Annex B: Table of Revision History

Annex B of the Permit contains a table which identifies updates and tracks changes made to the Permit. This table is currently blank because this is a new permit, but it will be updated throughout the life of the Permit.

⁹² Ibid.

⁹³ See MVLWB Online Registry for [EREX – Permit and Licence Application – Engagement Plan – Nov 8 22](#).

8.0 Conclusion

Subject to the scopes, definitions, conditions, and terms set out in the Licence and Permit, and for the reasons expressed herein, the MLWB is of the opinion that the activities, land and water use, and waste disposal associated with the Project can be completed by EREX International Ltd. while providing for the conservation, development, and utilization of waters in a manner that will provide the optimum benefit for all Canadians and in particular for the residents of the Mackenzie Valley.

Water Licence MV2022L8-0008, Water Licence MV2022L8-0009, and Land Use Permit MV2022C0021 contains provisions that the Board deems necessary to ensure and monitor compliance with the MVRMA, *Waters Act*, and the Regulations made thereunder, and to provide appropriate safeguards in respect of EREX International Ltd.'s use of the water and land as authorized by the Licence and Permit.

SIGNATURE



Mavis Cli-Michaud, Chair
Mackenzie Valley Land and Water Board

January 3, 2023

Date