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November 8, 2021

File: W2017C0005

David Kelsch
Arctic Star Exploration Corp.
#1100 - 1111 Melville Street
Vancouver, BC V6E 3V6

Sent by email

Dear David Kelsch,

Re: Diagas Project – Additional Claims Amendment Issuance Package – Land Use Permit W2017C0005 – Mining Exploration – Hardy Lake, NT

The Wek'èezhii Land and Water Board (Board) met on October 28, 2021 and considered Arctic Star Exploration Corp. (Arctic Star)'s request to amend Land Use Permit (Permit) W2017C0005 for the Diagas Project (Project) in accordance with the *Mackenzie Valley Resource Management Act* (MVRMA).

The Board has approved the amended Permit (attached), which is supported by the Board's Reasons for Decision. These documents are posted on the Board's Public Registry.¹

Security Deposit

Permit Condition #38, SECURITY DEPOSIT sets out the security deposit requirements for the Permit. Security deposits are **payable to the Government of the Northwest Territories (GNWT)** and should be submitted to the following individual, to whom questions regarding security should also be directed:

Patti Nightingale, Land Use Advisor
GNWT-Lands – North Slave Region – Yellowknife
140 Bristol Avenue
Yellowknife, NT X1A 3T2
Phone: (867) 767-9187 (ext. 24194)

¹ See WLWB Online Registry www.wlwb.ca for [W2017C0005](#).

Inspectors

The Inspectors referred to in the Permit can be contacted at the regional GNWT-Lands offices.²

Permit Processes and Additional Information

Sections 5 and 6 of the Board's *Guide to the Land Use Permitting Process*³ (Guide) contain detailed information on permit 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 Permit.

Full cooperation of Arctic Star is anticipated and appreciated. Please contact Roberta Judas at (867) 713-2500 with any questions or concerns regarding this letter.

Yours sincerely,



Mason Mantla
Chair, Wek'èezhìi Land and Water Board

BCC'd to: Wek'èezhìi Distribution List
 Clint Ambrose – Inspector, GNWT-Lands
 Patti Nightingale, GNWT-Lands
 Michelle Desjarlais-Morris, CIRNAC

Attached: Land Use Permit [W2017C0005]
 Reasons for Decision

² See GNWT-Lands Inspection and Enforcement webpage (<https://www.lands.gov.nt.ca/en/services/inspections-and-enforcement>) for regional contact information.

³ See WLWB Policies and Guidelines webpage for MVLWB [Guide to the Land Use Permitting Process](#).



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Arctic Star Exploration Corp.
Land Use Permit W2017C0005

Pursuant to the *Mackenzie Valley Resource Management Act* and Mackenzie Valley Land Use Regulations, the Wek'èezhii Land and Water Board grants this Land Use Permit to:

Arctic Star Exploration Corp.
(Permittee)

of #1100 - 1111 Melville Street, Vancouver BC V6E 3V6
(Mailing Address)

hereinafter called the Permittee, to proceed with the following land-use operation, subject to the annexed definitions and conditions contained therein:

Location:	Hardy Lake, NT
Purpose:	Mineral Exploration including: Operation and Maintenance of a Camp, Prospecting, Mapping, Till Sampling, Ground and Airborne Geophysics, Diamond Core and Reverse Circulation Drilling, Fuel Storage, and Use of Vehicles and Equipment
Type:	A
Effective Date:	December 13, 2017
Expiry Date:	December 12, 2022

Amendment – Additional Claims:	November 8, 2021
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Mason Mantla, Chair
Wek'èezhii Land and Water Board

Roberta Judas, Witness



**Conditions Annexed to and Forming Part
of Land Use Permit # W2017C0005**

Part A: Scope of Permit

1. This Permit entitles the Arctic Star Exploration Corp. to conduct the following land-use operation:
 - a) operation and maintenance of a camp;
 - b) prospecting, mapping, till sampling, ground and airborne geophysics, diamond core and reverse circulation drilling;
 - c) establishment of a petroleum fuel storage facilities; and
 - d) use of vehicles and equipment.
2. This Permit is issued subject to the conditions contained herein with respect to the use of land for the activities and area identified in Part A, item 1 of this Permit.
3. Compliance with the terms and conditions of this Permit does not excuse the Permittee from its obligation to comply with the requirements of any applicable Federal, Territorial, Tłı̨chǫ, or Municipal laws.

Part B: Definitions (defined terms are capitalized throughout the Permit)

Act - the *Mackenzie Valley Resource Management Act*.

Archaeological Overview - a study of archaeological sites as defined by the Prince of Wales Northern Heritage Centre *Guidelines for Developers for the Protection of Archaeological Sites in the Northwest Territories*.

Archaeological Impact Assessment - archaeological research as defined by the Prince of Wales Northern Heritage Centre *Guidelines for Developers for the Protection of Archaeological Sites in the Northwest Territories*.

Board - the Wek'èezhìi Land and Water Board established under Part 3 of the Act.

Borehole - a hole that is made in the surface of the ground by drilling or boring.

Drilling Fluid - any liquid mixture of water, sediment, drilling muds, chemical additives or other wastes that are pumped down hole while drilling and are specifically related to drilling activity.

Drilling Waste - all materials or chemicals, solid or liquid, associated with drilling, including drill cuttings and Drilling Fluids.

Engagement Plan - a document, developed in accordance with the Board's *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.

Fuel Storage Container - a container for the storage of petroleum or allied petroleum products with a capacity of less than 230 litres.

Fuel Storage Tank - a closed container for the storage of petroleum or allied petroleum products with a capacity of more than 230 litres.

Greywater - all liquid wastes from showers, baths, sinks, kitchens, and domestic washing facilities but not including toilet wastes.

Habitat - the area or type of site where a species or an individual of a species of wildlife naturally occurs or on which it depends, directly or indirectly, to carry out its life processes.

Inspector - an Inspector designated by the Minister under the Act.

Minister - the Minister of Indian Affairs and Northern Development Canada or the Minister of the Government of the Northwest Territories – Department of Lands, as the case may be.

Ordinary High-Water Mark - the usual or average level to which a body of water rises at its highest point and remains for sufficient time so as to change the characteristics of the land. In flowing waters (rivers, streams) this refers to the "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 predominately aquatic vegetation to terrestrial vegetation (excepting water tolerant species). For reservoirs, this refers to normal high operating levels (full supply level).

Permittee - the holder of this permit.

Secondary Containment - containment that prevents liquids that leak from Fuel Storage Tanks or containers from reaching outside the containment area and includes double-walled Tanks, piping, liners, and impermeable barriers.

Sewage - all toilet wastes and Greywater.

Sewage Disposal Facilities - Sump(s) and/or Sewage collection tank(s) and/or storage containers designed to hold Sewage.

Spill Contingency Plan - a document, developed in accordance with Aboriginal Affairs and Northern Development Canada's *Guidelines for Spill Contingency Planning* that describes the set of procedures to be implemented to minimize the effects of a spill.

Sump - a human-made pit or natural depression in the earth's surface used for the purpose of depositing Waste that does not contain Toxic Material, such as non-toxic Drilling Waste or Sewage, therein.

Toxic Material - any substance that enters or may enter the environment in a quantity or concentration or under conditions such that it:

- a) Has or may have an immediate or long-term harmful effect on the environment or its biological diversity;
- b) Constitutes or may constitute a danger to the environment on which life depends; or
- c) Constitutes or may constitute a danger in Canada to human life or health.

Waste - any garbage, debris, chemical, or Toxic Material to be used, stored, disposed of, or handled on land, and also as defined in section 51 of the Act.

Waste Management Plan - a document, developed in accordance with the Board's Guidelines for Developing a Waste Management Plan, that describes the methods of Waste management from Waste generation to final disposal.

Watercourse - a natural body of flowing or standing water or an area occupied by water during part of the year, and includes streams, springs, swamps and gulches but does not include groundwater.

Part C: Conditions Applying to All Activities (headings correspond to subsection 26(1) of the Mackenzie Valley Land Use Regulations)

26(1)(a) Location and Area

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| 1. The Permittee shall locate all camps on Durable Lake or previously cleared areas, and a minimum of 100 metres from the Ordinary High-Water Mark. | CAMP SETBACK |
| 2. Prior to the commencement of drilling, the Permittee shall submit the target areas and final drill hole locations on a 1:50,000-scale map with coordinates and map datum to the Board and an Inspector. | DRILL LOCATIONS |
| 3. The Permittee shall only conduct this land-use operation on lands designated in the application. | LOCATION OF ACTIVITIES |

26(1)(b) Time

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| 4. At least 48 hours prior to the initial commencement of the land-use operation, the Permittee's Field Supervisor shall notify the Board and contact an Inspector at (867) 767-9188. | INITIAL NOTIFICATION - CONTACT INSPECTOR |
| 5. At least 48 hours prior to returning to the worksite following a seasonal Shut Down Period, the Permittee's Field Supervisor shall notify the Board and contact an Inspector at (867) 767-9188. | SEASONAL NOTIFICATION – CONTACT INSPECTOR |
| 6. At least 48 hours prior to commencement of the land-use operation, the Permittee shall provide the following information, in writing, to the Board and an Inspector: <ul style="list-style-type: none"> a) the name(s) of the person(s) in charge of the field operation; b) alternates; and c) all methods for contacting the above person(s). | IDENTIFY AGENT |
| 7. At least ten days prior to the completion of the land-use operation, the Permittee shall advise an Inspector of: <ul style="list-style-type: none"> a) the plan for removal or storage of equipment and materials; b) when final cleanup and reclamation of the land used will be completed; and c) when the Final Plan will be submitted. | REPORTS BEFORE FINAL REMOVAL |

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

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| 8. The Permittee shall only use equipment of a similar type, size, and number to that listed in the complete application. | USE APPROVED EQUIPMENT |
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26(1)(d) Methods and Techniques

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| 9. Immediately upon completion of operations at each Borehole, the Permittee shall remove or cut off and seal each drill casing at ground level. | MINERAL
EXPLORATION DRILL
CASINGS |
| 10 The Permittee shall construct and maintain the overland portion of winter roads with a minimum of 10 cm of packed snow and/or ice at all times during this land-use operation. | WINTER ROADS |
| 11 The Permittee shall not erect camps or store material, other than that required for immediate use, on the ice surface of a Watercourse. | STORAGE ON ICE |

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

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| 12 The Permittee shall ensure that the land use area is kept clean at all times. | CLEAN WORK AREA |
| 13 The Permittee shall not locate any Sump within 100 metres of the Ordinary High-Water Mark of any Watercourse, unless otherwise authorized in writing by an Inspector. | SUMPS FROM
WATER |

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

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| 14 The land-use operation shall not cause obstruction to any natural drainage. | NATURAL DRAINAGE |
| 15 The Permittee shall, where flowing water from a Borehole is encountered:

a) plug the Borehole in such a manner as to permanently prevent any further outflow of water; and

b) immediately report the occurrence to the Board and an Inspector. | FLOWING ARTESIAN
WELL |
| 16 The Permittee shall only conduct off-road vehicle travel on snow-covered surfaces. | OFF-ROAD VEHICLE
TRAVEL |
| 17 The Permittee shall prepare the site in such a manner as to prevent rutting or gouging of the ground surface. | PREVENTION OF
RUTTING |
| 18 The Permittee shall suspend overland travel of equipment or vehicles at the first sign of rutting or gouging. | SUSPEND OVERLAND
TRAVEL |

19 The Permittee shall not move any equipment or vehicles unless the ground surface is in a state capable of fully supporting the equipment or vehicles without rutting or gouging.	VEHICLE MOVEMENT FREEZE-UP
26(1)(g) Use, Storage, Handling, and Ultimate Disposal of Any Chemical or Toxic Material	
20 At least seven days prior to the use of any chemicals that were not identified in the complete application, the Safety Data Sheets must be provided to the Board and an Inspector.	CHEMICALS
21 When drilling within 100 metres of the Ordinary High-Water Mark of any Watercourse, and when drilling on ice, the Permittee shall contain all drill water and Drilling Waste in a closed-circuit system for reuse, off-site disposal, or deposit into a land-based Sump or natural depression.	DRILLING NEAR WATER OR ON ICE
22 The Permittee may deposit Drilling Waste that does not contain Toxic Material in a Sump. Any Sumps or natural depressions used to deposit Drilling Waste must be located at least 100 metres from the Ordinary High-Water Mark of any Watercourse, unless otherwise authorized in writing by an Inspector.	DRILLING WASTE
23 The Permittee shall remove all Drilling Waste containing Toxic Material to an approved disposal facility.	DRILLING WASTE DISPOSAL
24 The Permittee shall not allow any Drilling Waste to spread to the surrounding lands or Watercourses.	DRILLING WASTE CONTAINMENT
25 Prior to the expiry date of this Permit or the end of the land-use operation whichever comes first, the Permittee shall backfill and restore all Sumps, unless otherwise authorized in writing by an Inspector.	RECLAIM NON-OIL AND GAS SUMPS
26 During the period of this Permit, if a spill occurs or is foreseeable, the Permittee shall: <ul style="list-style-type: none"> a) implement the approved Spill Contingency Plan; 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) within 24 hours, notify the Board and an Inspector; and d) within 30 days of initially reporting the incident, submit a detailed report to the Board and an Inspector, including descriptions of causes, response actions, and any changes to 	REPORT SPILLS

procedures to prevent similar occurrences in the future. Any updates to this report shall be provided to the Board and an Inspector in writing as changes occur.

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| 27 | The Permittee shall dispose of all combustible Waste petroleum products by removal to an approved disposal facility. | WASTE PETROLEUM
DISPOSAL |
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26(1)(h) Wildlife and Fish Habitat

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| 28 | The Permittee shall take all reasonable measures to prevent damage to wildlife and fish Habitat during this land-use operation. | HABITAT DAMAGE |
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| 29 | Within ninety days (90) of issuance of the amended Permit, the Permittee shall submit to the Board, for approval, a Wildlife Management and Monitoring Plan (WMMP) to the Board for approval. The Permittee shall comply with the Wildlife Management and Monitoring Plan, once approved. | WILDLIFE
MANAGEMENT AND
MONITORING PLAN |
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26(1)(i) Storage, Handling, and Disposal of Refuse or Sewage

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| 30 | The Permittee shall dispose of all Waste as described in the Waste Management Plan , once approved, and shall annually review the plan and make any necessary revisions to reflect changes in operations, technology, chemicals, or fuels, or as directed by the Board. Revisions to the plan shall be submitted to the Board for approval. | WASTE
MANAGEMENT |
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| 31 | The Permittee shall keep all garbage and debris in a secure container until disposal. | GARBAGE
CONTAINER |
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| 32 | The Permittee shall dispose of all Sewage and Greywater as described in the approved Waste Management Plan. | SEWAGE DISPOSAL -
PLAN |
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26(1)(j) Protection of Historical, Archaeological, and Burial Sites

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| 33 | The Permittee shall not operate any vehicle or equipment within 150 metres of a known or suspected historical or archaeological site or burial ground. | ARCHAEOLOGICAL
BUFFER |
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| 34 | The Permittee shall not knowingly remove, disturb, or displace any archaeological specimen or site. | SITE DISTURBANCE |
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| 35 | The Permittee shall, where a suspected archaeological or historical site, or burial ground is discovered: | SITE DISCOVERY AND
NOTIFICATION |
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- a) immediately suspend operations on the site; and

- b) notify the Board at (867) 765-4592 or an Inspector at (867) 767-9188, and the Prince of Wales Northern Heritage Centre at 767-9347 ext. 71251 or ext. 71255.

36 At least 30 days prior to any new land disturbance, including new drill sites, the Permittee shall conduct an Archaeological Overview to identify areas of high and low potential for archaeological and burial sites and shall submit a summary report to the Board and the Prince of Wales Northern Heritage Centre. **ARCHAEOLOGICAL OVERVIEW**

37 Prior to disturbance in areas of high potential for archaeological or burial sites identified in the Archaeological Overview, the Permittee shall conduct an Archaeological Impact Assessment of the sites where disturbance is planned and shall submit a summary report to the Board and the Prince of Wales Northern Heritage Centre. **AIA – HIGH POTENTIAL**

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

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26(1)(l) Security Deposit

38 Prior to the commencement of the land-use operation, the Permittee shall deposit with the Minister a security deposit in the amount of \$66,876.56. **SECURITY DEPOSIT**

39 All costs to remediate the area under this Permit are the responsibility of the Permittee. **RESPONSIBILITY FOR REMEDIATION COSTS**

26(1)(m) Fuel Storage

40 The Permittee shall place Fuel Storage Containers and or Tanks a minimum of 100 metres from the Ordinary High-Water Mark of any Watercourse, unless otherwise authorized in writing by an Inspector. **FUEL STORAGE SETBACK**

41 The Permittee shall ensure that all fuel caches have adequate Secondary Containment. **FUEL CACHE SECONDARY CONTAINMENT**

42 The Permittee shall set up all refueling points with Secondary Containment. **SECONDARY CONTAINMENT - REFUELING**

43 The Permittee shall mark all Fuel Storage Containers and Tanks with the Permittee's name. **MARK CONTAINERS AND TANKS**

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| 44 | The Permittee shall mark all stationary fuel caches and fuel storage facilities with flags, posts, or similar devices so that they are at all times plainly visible to local vehicle travel. | MARK FUEL
LOCATION |
| 45 | Within ten days of the establishment of any fuel cache, the Permittee shall report the location and quantity of the cache in writing to the Board and an Inspector. | REPORT FUEL
LOCATION |
| 46 | The Permittee shall seal all outlets of Fuel Storage Containers and store the containers on their sides with the outlets located at 3 and 9 o'clock, except for containers currently in use. | SEAL OUTLET |
| 47 | The Permittee shall comply with the Spill Contingency Plan , once approved, and shall annually review the plan and make any necessary revisions to reflect changes in operations, technology, chemicals, or fuels, or as directed by the Board. Revisions to the plan shall be submitted to the Board for approval. | SPILL CONTINGENCY
PLAN |
| 48 | Prior to commencement of the land-use operation the Permittee shall ensure that spill-response equipment is in place to respond to any potential spills. | SPILL RESPONSE |
| 49 | All equipment that may be parked for two hours or more, shall have a hazmat/drip tray under it or be sufficiently diapered. Leaky equipment shall be repaired immediately. | DRIP TRAYS |
| 50 | The Permittee shall clean up all leaks, spills, and contaminated material immediately. | CLEAN UP SPILLS |
| 26(1)(n) Methods and Techniques for Debris and Brush Disposal | | |
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| 26(1)(o) Restoration of the Lands | | |
| 51 | Prior to the end of the land-use operation, the Permittee shall complete all cleanup and restoration of the lands used. | FINAL CLEANUP AND
RESTORATION |
| 26(1)(p) Display of Permits and Permit Numbers | | |
| 52 | The Permittee shall display a copy of this Permit in each campsite established to carry out this land-use operation. | DISPLAY PERMIT |

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

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| 53 If any plan is not approved by the Board, the Permittee shall revise the plan according to the Board's direction and re-submit it to the Board for approval. | RESUBMIT PLAN |
| 54 The Permittee shall comply with the Engagement Plan , once approved, and shall annually review the plan and make any necessary revisions to reflect changes in operations or as directed by the Board. Revisions to the plan shall be submitted to the Board for approval. | ENGAGEMENT PLAN |
| 55 All revised plans submitted to the Board shall include a brief summary of the changes made to the plan. | SUMMARY OF CHANGES |



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Preliminary Screener:	WLWB
Reference/File Number:	W2017C0005 (Type "A" Land Use Permit)
Permittee:	Arctic Star Exploration Corp.
Subject:	Type A Land Use Permit Amendment Request

Decision from the Wek'èezhìi Land and Water Board Meeting of October 28, 2021

1.0 Decision

On October 28, 2021, the Wek'èezhìi Land and Water Board (WLWB or the Board) met to consider an Amendment Request by Arctic Star Exploration Corp. (Arctic Star) to its Type A Land Use Permit W2017C0005.

The Board conducted a preliminary screening based on the application package and the public record for the proceeding. Based on the evidence provided, the Board was satisfied the screening had been completed according to section 125 of the Mackenzie Valley Resource Management Act (MVRMA) and decided not to refer the project to environmental assessment.

The Board has therefore decided that if it does not receive a notice of referral to Environmental Assessment by November 7, 2021, it will issue Arctic Star's Amended Land Use Permit W2017C0005 on November 8, 2021.

2.0 Background

The WLWB issued Permit W2017C0005 on December 13, 2017 for a period of five years commencing December 13, 2017 and expiring December 12, 2022. The Permit is to conduct mineral exploration activities including: operation and maintenance of a camp; prospecting; mapping; till sampling; ground and airborne geophysics; diamond core and reverse circulation drilling; fuel storage; and use of vehicles and equipment at Hardy Lake, NT.

On September 17, 2021, the WLWB received an application to assign the Permit to Arctic Star Exploration Corp.¹ On September 17, 2021, Arctic Star also submitted a complete Request to amend the Type A Land Use Permit.² Arctic Star is requesting to include additional mineral claims staked contiguous to the 23 mineral claims already held by Arctic Star. The additional mineral claims were previously held by Aurora Geosciences Ltd. and were transferred to Arctic Star Exploration Corp. In Arctic Star's Request, the Applicant stated they would like the new claims to become part of the 'complete application'; this means the amendment would not require revisions to the wording of any Permit conditions but would update the 'complete application' referenced in Part C, Condition 3 of the Permit.

The Assignment Application and Amendment Request were distributed for public review on September 21, 2021, along with the previous Preliminary Screening, inviting Parties to provide comments and recommendations using the Online Review System (ORS).³ A draft Permit was also circulated for review.⁴ All standard land use permit conditions in the original Permit were updated to match wording from MVLWB's current *Standard Land Use Permit Condition Template*.⁵ The Amendment Request was subject to preliminary screening, as required under subsection 124(1) of the *Mackenzie Valley Resource Management Act* (MVRMA). Parties were encouraged to provide comments and recommendations (e.g., on impacts and mitigation measures) to assist with the completion of the preliminary screening. Reviewer comments were due October 12, 2021. Comments and recommendations were received by the Government of the Northwest Territories Department of Lands North Slave Region (Lands Department and Lands Inspector), Wek'èzhii Renewable Resources Board (WRRB), the Government of the Northwest Territories Environment and Natural Resources (GNWT-ENR) submitted comments and recommendations. WLWB staff also submitted questions. The applicant submitted responses on October 14, 2021. Reviewer recommendations and the proponent responses are available on the WLWB Online Registry.⁶

Since no concerns regarding timelines were received during the public review and no requests to extend the reviewer comment deadline were received, the Board is satisfied that a reasonable period of notice was given to affected communities and First Nations, as required by subsection 63(2) of the *Mackenzie Valley Resource Management Act* (MVRMA). The Board is also satisfied that the Tłı̨çhǫ Government has been consulted in accordance with section 63(3) of the MVRMA.

On October 28, 2021, the Board decided to assign Permit W2017C0005 from Margaret Lake Diamonds Inc. to Arctic Star Exploration Corp., in accordance with the *Mackenzie Valley Resource Management Act* (MVRMA).⁷ The Board subsequently considered Arctic Star's request to amend W2017C0005 to include the additional mineral claims.

¹ See WLWB Online Registry for [W2017C0005 - Diagrass - Assignment Application - Sept 17 21](#)

² See WLWB Online Registry for [W2017C0005 - Diagrass - Amendment Request - Sept 17 21](#)

³ See WLWB Online Registry for [W2017C0005 - Margaret Lake Diamonds - Preliminary Screening - Dec 13 17](#)

⁴ See WLWB Online Registry for [W2017C0005 - Diagrass - Draft Land Use Permit - Sept 21 21](#)

⁵ See WLWB Policies and Resources webpage to access the [MVLWB Standard Land Use Permit Conditions Template Version 2.3 \(2020\)](#)

⁶ See WLWB Online Registry for [W2017C0005 - Diagrass - Assignment and Amendment - Review Summary and Attachments - Oct 19 21](#)

⁷ See WLWB Online Registry for [W2017C0005 - Diagrass - Land Use Permit - Assignment - Oct 28 21](#)

In Arctic Star's submission, the Company stated its Request to amend the Permit was to include an additional 27 mineral claims that are staked contiguous to their existing claims. While the Request stated 27 claims, the map and list of claims included in the submission was for an additional 35 claims. During the public review, Board staff requested that the Company clarify which of the 35 mineral claims transferred from Aurora Geosciences Ltd. is part of the 27 additional claims that Arctic Star is requesting be included in the amended Permit (WLWB staff comment 1). Arctic Star apologized for the typo and clarified that its Request was for the additional 35 claims included in the map and the list attached to the Amendment Request. Because the full 35 claims were included in the map and the list circulated to parties, the Board is of the opinion that this information was available for consideration as part of the public review. Thus, the Board considered the Request to include all 35 claims; this was reflected in the Preliminary Screening referenced below.

3.0 Reasons for Decision

3.1 Eligibility

As per section 18 of the Mackenzie Valley Land Use Regulations, eligibility must be determined before the Board can issue a permit. The Board requires evidence from the applicant that the applicant holds an appropriate interest (e.g., mineral claim) or right of access. Arctic Star has obtained all of the 35 mineral claims included in the Request from Aurora Geosciences Ltd. and the Mining Recorder's Office confirmed receipt and transfer of claims with Board staff. Thus, the Board believes eligibility requirements under paragraph 18(a)(i) of the MVLUR has been satisfied.

3.2 Preliminary Screening

In accordance with subsection 124(1) of the MVRMA, the Board must conduct a preliminary screening of the Request. As per section 125(2.1) of the MVRMA, the Board distributed the Preliminary Screening Determination to the Review Board and the Wek'èzhìi Distribution List on October 28, 2021.⁸

The Board did not receive a referral to Environmental Assessment during the 10-day pause period; therefore, as discussed in Section 3.3 of this Reasons for Decision, the Board is issuing W2017C0005.

3.3 Land Use Permit

A draft Permit was included in the Item for Review for distribution. The original Permit was updated to reflect the MVLWB's current *Standard Land Use Permit Conditions Template*.

3.3.1 Permit Conditions

Arctic Star is requesting to amend its Permit to allow the Company to conduct project activities on 35 additional mineral claims. This change would be through an update to the complete application referenced in Part C, Condition 3; no Permit conditions would require changes to their wording. During the public review the Department of Lands, North Slave Regional Office (GNWT-Lands comment 1) submitted a letter stating it recommends that the amendment be granted.

⁸ See WLWB Online Registry for [W2017C0005 - Diagrás - Preliminary Screening Determination and Reasons For Decision - Oct 28 21](#)

As mentioned above, a draft Permit was circulated for review during the Assignment Application and Amendment Request. The Board notes that the original Permit was updated to reflect the MVLWB's current Standard Land Use Permit Conditions Template (Standard List; see Attachment 6). The Board notes that the template now includes two conditions related to Notification - Contact Inspector (i.e., Initial Notification - Contact Inspector and Seasonal Notification - Contact Inspector); these two conditions replaced the non-standard condition (Contact Inspector) from the existing Permit in the draft Permit that underwent Public Review. The Board also notes the non-standard condition 'Remove Garbage' was removed from the draft Permit as the Permit already contained standard conditions related to the management of waste (i.e., Waste Management and Garbage Container). No other changes were made to the draft Permit that was circulated for public review.

During the public review of the Amendment, the WRRB noted a concern regarding the potential effects to barren-ground caribou, Species at Risk, Wildlife Habitat, and the barren-ground caribou migrations as a result of the increase in area of the Project (WRRB comment 2). The WRRB recommended that a Tier 1 Wildlife Management and Monitoring Plan (WMMP) be developed for the project to ensure proper mitigations and monitoring efforts are in place for wildlife in the project area (WRRB comment 2). Arctic Star responded that the Company will adhere to all conditions in the amended permit. While the current Permit does not include a condition for a WMMP the Board can consider the inclusion of a requirement for a WMMP to mitigate impacts to wildlife habitat as a result of the increase in area. Given the WRRB has identified potential impacts to wildlife habitat as a result of this amendment and that Arctic Star responded it would adhere to all conditions in the Permit, the Board is of the opinion that a condition requiring submission of a WMMP should be added to the Permit to ensure potential impacts are mitigated. The addition of this requirement will also address the wildlife comments submitted by GNWT-ENR during this review. The Board has thus included the following condition to the amended Permit:

Wildlife Management and Monitoring Plan - Within ninety days (90) of issuance of the amended Permit, the Permittee shall submit to the Board, for approval, a Wildlife Management and Monitoring Plan (WMMP) to the Board for approval. The Permittee shall comply with the Wildlife Management and Monitoring Plan, once approved.

GNWT-ENR also submitted several comments related to wildlife and wildlife habitat and recommended the inclusion of several conditions related to mitigating impacts to nests and dens (GNWT-ENR comments 3 and 4). Arctic Star responded that the Company will adhere to all conditions in the amended permit. The current Permit includes the 'Habitat Damage' standard condition, which is used to prevent damage to wildlife and fish habitat. During consideration of the initial application, the Proponent had committed that if any land clearing activities or land occupancy activities such as drill placement is to occur the Proponent committed to first having field crews investigate the location for migratory bird nest and eggs (response to ECCC comment 1; Initial Application 2017). The recommendations regarding inclusion of conditions provided by GNWT-ENR did not indicate that these were required to mitigate impacts as a result of the increase in project area that is being considered in the amendment. The rationale provided appears to be based on the fact that these conditions were not in the existing Permit. Based on the inclusion of the 'Habitat Damage' condition in the existing Permit and the commitments made by the Permittee to locate migratory bird nests prior to land occupancy activities, it appears that this potential impact and mitigation

had already been considered and no new mitigations are needed. The Board notes that amendments to conditions are made at the request of the proponent and that an amendment proceeding for a Permit is not a time to consider addition of new conditions. Exceptions have been made when conditions have been needed to mitigate impacts identified through the Preliminary Screening.

GNWT-ENR also submitted what appears to be a standard comment with regards to Species at Risk (GNWT-ENR comment 5). This comment was not accompanied by a specific recommendation related to the amendment request and the associated preliminary screening; thus, no changes to the Permit were made. Since the Board has decided to issue the amended permit with the inclusion of the WMMP condition, the GNWT-ENR will have an opportunity to provide feedback on the WMMP when it goes out for public review.

3.4 Security

A security worksheet was not submitted with the Assignment Application and/or Amendment Request. The Board reviewed the security amount included in the current Permit and confirmed that it reflects the permitted project. Since the Applicant stated that there are no changes to the activities aside from the additional claims added to the project area, the Board is of the opinion that no adjustment to the security needs to be made.

Arctic Star also noted in section 4 of the Assignment Application that the security in the amount of \$66,876.56 that is associated with this Land Use Permit will be transferred. The amount held in Part C, Condition 38 will need to be posted prior to any continuation/commencement of activities by Arctic Star.

3.5 Decision

After reviewing the Amendment Request, and comments and proponent responses submitted during the public review, if the Board does not receive a notice of referral to environmental assessment by November 7, 2021, the Board will issue Arctic Star's Amended Land Use Permit W2017C0005.

- ***Decision #1: If the Board does not receive a notice of referral to environmental assessment by November 7, 2021, the Board will issue Arctic Star's Amendment Request for Land Use Permit W2017C0005.***

Signed the 8th Day of November 2021, on behalf of the Wek'èezhìi Land and Water Board



Witness



Mason Mantla
Chair, Wek'èezhìi Land and Water Board