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November 30, 2020

File: W2018C0007

Michael Byron
Nighthawk Gold Corp.
141 Adelaide St. W., Suite 301
Toronto, ON M5H 3L5

Sent by email

Dear Michael Byron,

Re: Nighthawk Gold Corp. – Issuance Package – Land Use Permit W2018C0007 – Amendment – Damoti Lake and Colomac Mine Site Area, NT

The Wek'èezhìi Land and Water Board (Board) met on November 19, 2020 and considered the Request from Nighthawk Gold Corp. (Nighthawk) to amend Land Use Permit (Permit) W2018C0007 in accordance with the *Mackenzie Valley Resource Management Act* (MVRMA).

The amended Land Use Permit W2018C0007 has been issued, effective November 30, 2020 and expiring February 14, 2024 and is supported by the Board's Reasons for Decision (attached).¹ These documents are posted to the Board's Public Registry.

Security Deposit

A security deposit is required prior to commencement of Project activities, as per Permit Condition 57. The security deposit is **payable to the Government of the Northwest Territories (GNWT)** and submitted to the following individual, to whom questions regarding security should also be directed:

Charlene Coe, 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 for [W2018C0007 – Nighthawk – Land Use Permit – Amendment – Nov 30 20](#)

Management Plans – Revision and Resubmission Required

The Board requires that the Waste Management Plan² (Plan) be revised to include all changes detailed in the attached Reasons for Decision and resubmitted for Board approval.

Inspectors:

The office of the Inspectors responsible for this Permit can be contacted using the following link:
<https://www.lands.gov.nt.ca/en/services/inspections-and-enforcement>.

AND

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

Permit Lifecycle

Sections 5 and 6 of the Board's *Guide to the Land Use Permitting Process*³ (Guide) contains detailed information on enforcement of this Permit, and processes which may occur post-issuance, such as amendments to conditions, and assignment to another company. Please be familiar with this section of the Guide and reach out to Board staff with any questions about Board processes related to this Permit.

Full cooperation of Nighthawk is anticipated and appreciated. Please contact Meaghan MacIntyre-Newell at (867) 765-4584 with any questions or concerns regarding this letter.

Yours sincerely,



Joseph Mackenzie
Wek'èezhìi Land and Water Board, Chair

Copied to: Wek'èezhìi West Distribution List
 Tim Morton – Inspector, CIRNAC
 Clint Ambrose – Inspector, GNWT-Lands
 Charlene Coe, GNWT-Lands OR Dan Carmichael, GNWT-Lands

Attached: Reasons for Decision

² See WLWB Online Registry for [W2018C0007 – Nighthawk – Waste Management Plan – Version 3.1 – Jun 7 19](#)

³ See WLWB Website >> Apply for Permit/Licence >> [Guide to the Land Use Permitting Process](#) (2020).



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Preliminary Screener	WLWB
Reference/File Number:	W2018C0007 (Type "A" Land Use Permit)
Permittee:	Nighthawk Gold Corp (Nighthawk)
Subject:	Land Use Permit Amendment Request

Decision from the Wek'èezhìi Land and Water Board Meeting of November 19, 2020

1.0 Decision

On November 19, 2020, the Wek'èezhìi Land and Water Board (the Board) met and considered a Land Use Permit Amendment Request (Request) from Nighthawk Gold Corp (Nighthawk).¹ Nighthawk is requesting to increase: camp capacity referenced in the complete application, the amount of equipment referenced in the complete application, and the security to reflect the Request.

The Board conducted a preliminary screening in accordance with subsection 124(1) of the *Mackenzie Valley Resource Management Act* (MVRMA).² Based on the evidence provided, the Board was satisfied the screening had been completed according to section 125 of the MVRMA and decided not to refer the project to environmental assessment.

In consideration of the Application, reviewer comments, and proponent responses, the Board decided the following:

1. If the Board does not receive a notice of referral to Environmental Assessment by November 29, 2020, the Board will issue amended Land Use Permit W2018C0007 on November 30, 2020; and
2. If the Board does not receive a notice of referral to Environmental Assessment by November 29, 2020, the Board directs Nighthawk to submit an updated version of the Waste Management Plan

¹ See WLWB (www.wlwb.ca) Online Registry for [W2018C0007 – Nighthawk – Land Use Permit – Amendment Request – Oct 15 20](#)

² See WLWB Online Registry for [W2018C0007 – Nighthawk – LUP Amendment – PS Determination Notification and RFD – Nov 19 20](#)

to reflect the increased camp capacity and incorporate the incinerator management plan within 60 days.

2.0 Background

The WLWB issued the Permit W2018C0007³ (Permit) on February 15, 2019 for a period of five years commencing February 15, 2019 and expiring February 14, 2024. The Permit is to conduct exploration activities at the Damoti Lake and Colomac Mine areas. On October 15, 2020, Nighthawk submitted a complete Request to amend its Type A Land Use Permit.^{4,5} Nighthawk proposed conditions 13 and 57 be amended as follows:

- Condition 13: The Permittee shall not use any equipment except of a similar type, size, and number to that listed in the complete application dated 16 October 2018 and the amended application dated 15 October 2020. **[Only Approved Equipment]**; and
- Condition 57: Prior to the commencement of the land-use operation on non-federal lands, the Permittee shall deposit with the Minister a security deposit in the amount of \$420,178. **[Security Deposit]**.

Additionally, Nighthawk requested to increase the size of the camp. No changes to conditions were proposed to reflect this change, however, the Request would have an impact on reference documents related to the following condition:

- Condition 4: The Permittee shall use an existing campsite, as described in the complete application. **[Existing Camp]**.

The Request and Draft Permit⁶ were distributed for public review on October 15, 2020, inviting reviewers to provide comments and recommendations using the Online Review System (ORS). This Request is subject to preliminary screening, as required under subsection 124(1) of the Mackenzie Valley Resource Management Act (MVRMA). Reviewers were encouraged to provide comments and recommendations (e.g., on impacts and mitigations measures) to assist with the completion of the preliminary screening. Reviewer comments were due November 2, 2020. Comments and recommendations were received by the Crown Indigenous Relations Northern Affairs Canada – Inspector (CIRNAC Inspector), Government of the Northwest Territories – Environment and Natural Resources (GNWT-ENR), GNWT – Inspector, Tłı̄chǫ Government (TG); Board staff also submitted questions. The Wek'èezhii Renewable Resources Board (WRRB) indicated they had no comments or recommendations at this time. Nighthawk submitted responses to reviewer comments by the response deadline of November 6, 2020. Reviewer recommendations and the Proponent's responses are available on the WLWB Online Registry.⁷

³ See WLWB Online Registry for [W2018C0007 – Nighthawk – Land Use Permit – Feb 15 19](#)

⁴ See WLWB Online Registry for [W2018C0007 – Nighthawk – LUP Amendment – Engagement Log – Oct 15 20.pdf](#)

⁵ See WLWB Online Registry for [W2018C0007 – Nighthawk – LUP Amendment – Security Estimate – Oct 15 20.pdf](#)

⁶ See WWLB Online Registry for [W2018C0007 – Nighthawk – LUP Amendment – Draft Permit – Oct 15 20.pdf](#)

⁷ See WLWB Online Registry for [W2018C0007 – Nighthawk – LUP Amendment – Review Summary and Attachment – Nov 6 20](#)

3.0 Reasons for Decision

3.1 Eligibility

As per section 18 of the Mackenzie Valley Land Use Regulations (MVLUR), eligibility must be determined before the Board can issue a permit. The proposed activities are to take place at the Indin Lake Gold Property. It was confirmed that Nighthawk holds mineral claims for the Indin Lake Gold Property. This satisfies eligibility requirements under paragraph 18(a)(i) of the MVLUR and confirms that Nighthawk has eligibility to complete the proposed activities.

3.2 Preliminary Screening

In accordance with subsection 124(1) of the MVRMA, the Board must conduct a preliminary screening of the Application. As per section 125(1) of the MVRMA, the Board distributed the Preliminary Screening Determination to the Review Board and the Wek'èzhìi West Distribution List on November 19, 2020.⁸ 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 Decision, the Board is issuing the amended Permit W2018C0007.

3.3 Land Use Permit

A Draft Permit was included in the Item for Review. The Draft Permit was developed by updating the existing Permit⁹ to include the requested amendments. Comments and recommendations regarding the Draft Permit were provided by GNWT – Inspector that were supported by the CIRNAC Inspector. It is noted that during public review, Nighthawk confirmed that in consideration of the proposed increase in activities, the total water use for the seven diamond core drills will remain within the limits of the Water Licences (W2018L2-0002 and W2018L2-0003)^{10,11} and associated Water Use Plan (response to Board staff comment 3).^{12,13}

After reviewing the Request, as well as all reviewer comments and proponent responses submitted during the public review and as discussed below, the Board has decided to issue the amended Type A Land Use Permit.

- ***Decision #1: If the Board does not receive a notice of referral to environmental assessment by November 29, 2020, the Board will issue the amended Land Use Permit W2018C0007 on November 30, 2020.***

⁸ See WLWB Online Registry for [W2018C0007 – Nighthawk – LUP Amendment – PS Determination Notification and RFD – Nov 19 20](#)

⁹ See WLWB Online Registry for [W2018C0007 – Nighthawk – Land Use Permit – Feb 15 19](#)

¹⁰ See WLWB Online Registry for [W2018L2-0002 – Nighthawk – Amended Water Licence \(federal\)](#)

¹¹ See WLWB Online Registry for [W2018L2-0003 – Nighthawk – Amended Water Licence \(non-federal\)](#)

¹² See WLWB Online Registry for [W2018L2-0002 – Nighthawk – Water Use Plan V3.1 – Jun 30 20](#)

¹³ See WLWB Online Registry for [W2018L2-0003 – Nighthawk – Water Use Plan V3.1 – Jun 30 20](#)

3.3.1 Permit Conditions

During public review, the GNWT-Inspector recommended that Condition 13 of the Draft Permit (Only Approved Equipment) be updated to remove “dated 16 October 2018 and the amended application dated 7 October 2020” (GNWT-Inspector comment 1). The GNWT-Inspector recommended removing this portion of the condition, stating it is unnecessary. This recommendation was supported by the CIRNAC Inspector (CIRNAC Inspector comment 1) and Nighthawk agreed with the proposed changes. It is understood that the “complete application” referred to in the amended Permit conditions refers to both the October 16, 2018 application (the 2018 Application) and October 15, 2020 Request and the Permit has been updated accordingly.

The GNWT-Inspector also recommended removing Condition 16 (Refill Craters, GNWT-Inspector comment 2), stating that the condition is for seismic operations and does not apply to the activities allowed at the Indin Lake Gold Property. This recommendation was supported by the CIRNAC Inspector (CIRNAC Inspector comment 1). In response, Nighthawk agreed to the proposed change. As detailed in the January 24, 2019 Reasons for Decision (2019 Reasons for Decision),¹⁴ the Board considered this same recommendation when the Permit was originally issued. At the time, the Board decided that the inclusion of Condition 16 was reasonable because the use of explosives was included in the 2018 Application¹⁵ and the craters resulting from the use of explosives can be a safety hazard to people and animals. No new evidence to support the removal of Condition 16 was provided for Board consideration. For the reasons presented above, the Board has made no changes to Condition 16 of the Permit.

The GNWT-Inspector highlighted an administrative error in the Permit (GNWT-Inspector comment 3). Condition 60, Check for Leaks, states “the Permittee shall: a) examine all Fuel Storage Containers and Tank for leaks a minimum regularly; and b) repair all leaks immediately.” The GNWT-Inspector recommended removing “a minimum” from this condition and Nighthawk agreed to the proposed change. In the 2019 Reasons for Decision,¹⁶ the Board decided, at the recommendation of the CIRNAC Inspector, that the condition should only apply when the camp is occupied. This previous decision is consistent with the recommendations made by GNWT and CIRNAC Inspectors. The Board agrees that this appears to be an administrative error and has updated the Permit accordingly.

GNWT-ENR commented that in an effort to understand cumulative effects in the NWT, the Inventory of Landscape Change (ILC) uses data from the public registry to document areas that have been disturbed (GNWT-ENR comment 20). GNWT-ENR recommended Nighthawk submit geospatial data for the proposed project footprint and for the completed project footprint. Nighthawk responded that the project location files would be provided at the Boards’ direction. According to the Guide to the Land Use Permitting Process, Geographic Information System (GIS) Data should be submitted as an attachment to the

¹⁴ See WLWB Online Registry for [W2018C0007 – LUP and WL applications – Reasons for Decision – Jan 24 19](#)

¹⁵ See WLWB Online Registry for [W2018C0007 – Nighthawk – Land Use Permit Application – Oct 16 18](#)

¹⁶ See WLWB Online Registry for [W2018C0007 – LUP and WL applications – Reasons for Decision – Jan 24 19](#)

Application Form.¹⁷ This information was provided with the 2018 Application and has been uploaded to the public registry.¹⁸

Security

Nighthawk provided a proposed Security Estimate which estimated \$20,449 to reflect the Request. Nighthawk requested Condition 57 (Security Deposit) be updated to reflect this increase in security.¹⁹ It is noted that as discussed in the 2019 Reasons for Decision, security was set based on the recommendation of the landowner, GNWT-Lands, and there was no approved cost estimate for the Permit that could be updated.²⁰ In the 2019 Reasons for Decision, the Board recognized the “need for Nighthawk to assess and potentially refine the security estimate during the [interim Closure and Reclamation Plan] review”. At this time, the Board has only evaluated changes to security that result from the Request.

Board staff asked questions regarding the security estimate provided; no comments or recommendations were received from other Parties during the public review. During the public review, it was confirmed that the maximum number of temporary structures to be built is 16 weatherhavens (Board staff comment 1). In addition, Nighthawk confirmed that the majority of activities would be taking place on previously disturbed land and therefore, the Environmental Risk Factor multiplier selected in the Security Estimate was appropriate (Board staff comment 2). In consideration of Nighthawk’s responses to comments, and no other comments or recommendations made by Parties, the Board determined that the security required by Condition 57 of the Permit be updated to reflect Nighthawk’s proposed security estimate, adding an additional \$20,449 to the original \$399,729 for a total of \$420,178.

3.4 Management and Monitoring Plans

During the public review, comments and recommendations were received from GNWT-ENR and the TG that related to management and monitoring plans associated with the Permit.

4.3.1 Wildlife Mitigation and Monitoring Plan

During the public review, GNWT-ENR submitted many comments and recommendations related to species at risk, potential impacts to wildlife habitat, and waste produced on site (GNWT-ENR comments 2-19). The Permit includes the standard condition Habitat Damage which requires the Permittee to take all reasonable measures to prevent damage to wildlife and fish Habitat during the land-use operation. Additionally, Nighthawk has submitted a WMMP²¹ that is not a Permit requirement. Nighthawk has indicated that the comments and recommendations from GNWT-ENR are covered in the WMMP. Nighthawk responded to these comments and recommendations indicating that the recommendations are already implemented through various management and monitoring plans or covered in standard conditions. As discussed in the

¹⁷ See WLWB ‘Policies and Guidelines’ webpage for [MVLWB Guide to the Land Use Permitting Process \(2020\)](#)

¹⁸ See WLWB Online Registry for [W2018C0007 – Nighthawk – LUP Application – Shapefiles – Oct 16 18](#)

¹⁹ See WLWB Online Registry for [W2018C0007 – LUP Amendment – Security Estimate – Oct 15 20](#)

²⁰ See WLWB Online Registry for [W2018C0007 – LUP and WL applications – Reasons for Decision – Jan 24 19](#)

²¹ See WLWB Online Registry for [W2018C0007 – Wildlife Mitigation and Monitoring Plan – Version 3.1 – Feb 28 19](#)

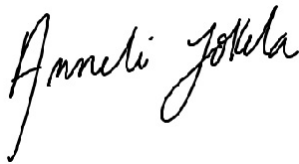
Preliminary Screening Determination,²² the Board believes the existing Permit conditions and WMMP²³ are sufficient to mitigate potential impacts.

4.3.2 Waste Management Plan

During the public review, the TG noted that the Waste Management Plan²⁴ includes the operation and maintenance of one camp at the Colomac site (TG comment 1). The TG recommended that Nighthawk update the Waste Management Plan to include information about how Nighthawk will handle the additional camp capacity. Additionally, the TG noted that Nighthawk communicated to the TG that they intend to submit an updated Waste Management Plan to address the additional waste that will be produced and incorporate the Incinerator Management Plan. Nighthawk responded that they are willing to update the Waste Management Plan at the direction of the Board. The Board directs Nighthawk to submit an updated version of the Waste Management Plan to reflect the increased camp capacity and incorporate the incinerator management plan.

- ***Decision #2: If the Board does not receive a notice of referral to environmental assessment by November 29, 2020, the Board directs Nighthawk to submit an updated version of the Waste Management Plan to reflect the increased camp capacity and incorporate the incinerator management plan within 60 days of issuance of the amended Permit.***

Signed the 30th Day of November, 2020, on behalf of the Wek'èezhii Land and Water Board



Witness



Joe Mackenzie
Chair, Wek'èezhii Land and Water Board

²² See WLWB Online Registry for [W2018C0007 – Nighthawk – LUP Amendment – PS Determination Notification and RFD – Nov 19 20](#)

²³ See WLWB Online Registry for [W2018C0007 – Wildlife Mitigation and Monitoring Plan – Version 3.1 – Feb 28 19](#)

²⁴ See WLWB Online Registry for [W2018C0007 – Nighthawk – Waste Management Plan – Version 3.1 – Jun 7 19](#)