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March 1, 2019

File: W2018L2-0002,
W2018L2-0003

Mr. Michael J. Byron
Nighthawk Gold Corporation
141 Adelaide St. W., Suite 301
Toronto, Ontario
M5H 3L5

Sent by email

Dear Mr. Byron,

APPROVAL OF WATER USE PLAN

The Wek'èezhì Land and Water Board (WLWB or the Board) has approved Version 1.0 of the Water Use Plan. The Board requires Nighthawk Gold Corp to submit Version 1.1 of the Water Use Plan, as per the Board's direction in the attached Reasons for Decision.

Yours sincerely,

A handwritten signature in blue ink, appearing to read "Joe Mackenzie".

Joe Mackenzie
Chair, Wek'èezhì Land and Water Board

Copied: Wek'èezhì East Distribution List



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Reasons for Decision

Reference/File Number:	W2018L2-0002 and W2018L2-0003
Licensee:	Nighthawk Gold Corp
Subject:	Water Use Plan, Version 1.0

Decision from the Wek'èezhìi Land and Water Board Meeting of February 27, 2019

1.0 Decision

On February 27, 2019, the Wek'èezhìi Land and Water Board (the Board) met to consider a request by Nighthawk Gold Corp (Nighthawk) for the approval of Version 1.0 of the Water Use Plan for the W2018L2-0002 and W2018L2-0003 Water Licences. The Board has approved Version 1.0 of the Water Use Plan, and directs Nighthawk to submit Version 1.1 within 30 days with the following:

- a. include Baton Lake and Steeves Lake and their respective information, as per the requirements of Part D, Condition 2;
- b. specify which Water Licence applies to which Water Source, in the table identifying the names and locations of water sources; and
- c. include a commitment to conduct a lake estimate of depth and volume if the proposed depth at the proposed water withdrawal location is 3m or less. This will be verified with an Inspector prior to the use of water.

2.0 Background

Nighthawk is a gold exploration company in the preliminary stages of mineral exploration. Its primary exploration property is the Indin Lake Gold Project, located in the Wek'èezhìi area. Nighthawk's Indin Lake Gold Project consists of mineral leases and staked claims in an 899km² area (as shown in Attachments 1a, 1b, and 1c), and contains the former Colomac Mine (222km north-northwest of Yellowknife), the Damoti Lake exploration area (200km north-northwest of Yellowknife), and several other former exploration sites.

The Board recently issued Water Licences W2018L2-0002¹ and W2018L2-0003² to Nighthawk, where Part D, Condition 2 requires the following:

2. A minimum of 60 days prior to the use of Water, the Licensee shall submit a **Water Use Plan** to the Board, for approval. The **Water Use Plan** shall contain the following information:
 - a. Name and location of the lake(s) to be used as a Water Source;
 - b. Anticipated daily withdrawal volumes and duration of use, including a comparison of the total water volume requested for use against the total water volume available;
 - c. Any available bathymetric information, including maximum depths;
 - d. Any available information on other water uses from the source(s).³

On February 18, 2019, Nighthawk submitted Version 1.0 of the Water Use Plan. In the Water Use Plan, Nighthawk stated the purpose of the Plan is to identify the water sources for drilling planned in March and April 2019.

2.1 Public Review

Version 1.0 of Nighthawk's Water Use Plan proposes the use of water sources that Nighthawk has used previously and reported on in its Annual Reports submitted to the Board. Nighthawk indicated that this submission was time-sensitive based on anticipation of drilling March and April 2019. In consideration of these circumstances, Parties were given one week to comment on Nighthawk's Water Use Plan.

The Water Use Plan was distributed for public review on February 18, 2019. Reviewer comments were due February 25, 2019, and proponent responses by February 26, 2019. Comments were received from the Government of the Northwest Territories' Department of Environment and Natural Resources (ENR). Reviewer comments and proponent responses can be viewed in the Review Summary Table on the WLWB Registry.

3.0 Reasons for Decision

The Board believes that Nighthawk has satisfied the requirements of the Water Licences and has adequately addressed public review comments; however, the Board has identified revisions that are administrative in nature and are to be incorporated into Version 1.1.

Decision #1: The Board approves Version 1.0 of the Water Use Plan.

¹ See WLWB Registry for [W2018L2-0002 - Nighthawk - Water Licence \(federal\) - Feb 15 19.pdf](#)

² See WLWB Registry for [W2018L2-0003 - Nighthawk - Water Licence \(non-federal\) - Feb 15 19.pdf](#)

³ See WLWB Registry for [W2018L2-0003 - Nighthawk - LUP and WL applications - Reasons for Decision - Jan 24 19.pdf](#)

3.1 Water Sources and Water Use

ENR (ENR comment 1) noted that “water sources such as Baton and Steeves Lake have not been listed in the Water licence” and that “Additional water sources that are being proposed as water sources subject to approval can be included in a Water Use Plan”. ENR recommended:

Baton and Steeves Lake (should) be added to the applicable Water Licence as an approved source as this is standard Water Licence process. However, given that both the federal and non-federal Water Licences have been issued, the licensee can include these sources in an updated Water Use Plan.

Nighthawk responded that they would follow the guidance of the WLWB to include Baton and Steeves Lake as approved sources for W2018L2-0003. As per Part D, Condition 2 of Nighthawk’s Water Licences, Nighthawk must submit a revised Water Use Plan prior to withdrawing from Water Sources not identified in the Water Use Plan. Given that the water use information for Baton and Steeves Lake is not included in the Water Use Plan, the Board directs Nighthawk to include the water use information for Baton and Steeves Lake in Version 1.1 of the Water Use Plan, as per Part D, Condition 2 of the Water Licences.

ENR (ENR comment 3) commented that:

Given that these Water Licences cover activities to be conducted in areas of differing authorities (i.e. enforcement) it should be clear in the plan which specific Water Licence the water sources apply.

Nighthawk responded that they would update the Water Use Plan to indicate it is applicable to W2018L2-002 (non-federal lands). The Board agrees with ENR, because as the Water Use Plan applies to both Water Licences, it should be clear which Water Source applies to which Water Licence. The Board directs Nighthawk to specify which Water Licence applies to a Water Source within the Water Use Plan.

ENR (ENR comment 5) recommended:

If Spider Lake is less than 3 meters deep at the proposed water withdrawal site, Nighthawk should conduct a lake assessment to determine its overall depth and total volume. The information should be provided to the inspector or the Board for approval 48 hours prior to withdrawing water from Spider Lake.

Nighthawk responded that they can incorporate this change into the Water Use Plan. The Board believes that if Spider Lake is less than three metres deep at the withdrawal site, a lake assessment providing information on the Water Source would satisfy Part D, Condition C of the Water Licences. The Board directs Nighthawk to include a commitment to conduct a lake assessment of Spider Lake in Version 1.1 of the Water Use Plan, if the proposed depth at the proposed water withdrawal location is 3m or less.

Decision #2: The Board directs Nighthawk to submit Version 1.1 of the Water Use Plan, within 30 days incorporating the following:

- a. Include information on Baton Lake and Steeves Lake and their respective information, as per the requirements of Part D, Condition 2;***
- b. Specify which Water Licence applies to which Water Source, in the table identifying the names and locations of water sources; and***

- c. Include a commitment to conduct a lake estimate of depth and volume if the proposed depth at the proposed water withdrawal location is 3m or less. This will be verified with an Inspector prior to the use of water.*

Signed the February 28, 2019, on behalf of the Wek'èezhii Land and Water Board



Witness



Joe Mackenzie
Chair, Wek'èezhii Land and Water Board