



April 13, 2022

Wek'eezhii Land and Water Board
#1-4905 48th St
Yellowknife, NT X1A 3S3

Dear Mr. Fequet:

Re: W2018L2-0003
Update to Surveillance Network Program
Removal of SNP 5-10

Pursuant to Condition B6 of non-federal water licence W2018L2-0003 (the “**Licence**”) issued to Nighthawk Gold Corp. (“**Nighthawk**”), Nighthawk respectfully requests the Board to exercise its discretion to update the Surveillance Network Program (“**SNP**”) annexed to the Licence by removing SNP station 5-10. Condition B6 of the Licence reads:

6. The Schedules, the Surveillance Network Program, and any compliance dates specified in this Licence may be updated at the discretion of the Board.

As this would not be an amendment to the Licence itself, no formal amendment to the Licence is required. We would request the Board to exercise its discretion on an expedited basis so that the update to the SNP Program can occur during the course of current proceedings for W2021L2-0004.

SNP 5-10 is essentially a large seasonal puddle sitting in a depression at the base of a historic rock pile, with limited connectivity to the downstream area. It is described in the SNP Program as a “Pool of standing water between waste rock / ore stockpiles”. The puddle ranges in volume from being dry to an estimated 60 cubic metres in July 2021 (a large puddle). The puddle does not support fish, has limited connectivity to bodies of water, has limited potential to support benthic invertebrates because it is a depression lined with rock (i.e., no depositional habitat), and freezes to the bottom in winter.

SNP 5-10 typically meets all effluent quality criteria, except for many years it has experienced low pH levels, which we believe are due to natural background levels of pH. Regrettably, this has resulted in SNP 5-10 being in non-compliance with the Licence. In an attempt to remedy this, Nighthawk in 2021 several times treated the puddle with sodium carbonate. However, depositing a harmful chemical into the environment with limited results is contrary to the letter and spirit of the MVRMA. This is not to mention the cost and greenhouse gas emissions associated with making frequent trips to site to address this issue.

Accordingly, as part of its current application for Type A water licence W2021L2-0004, Nighthawk is actively seeking a permanent solution to address this issue. Notably, on April 12, 2022 in those proceedings in response to questions posed by Board staff and others, Nighthawk

#301 – 141 Adelaide St. W.
Toronto, ON, M5H 3L5



committed to exploring a solution that would see the depression at SNP 5-10 filled-in with alkaline fill (limestone). This would serve the dual purpose of filling the depression such that we expect standing water would be eliminated from the area, and would also raise the pH of any contact water. We expect that any contact water infiltrating the rock piles in this area would seep through the limestone, thereby raising the pH, before continuing on a drainage path down towards the compliance point at SNP 5-6. Sampling has shown that runoff water downstream of the waste rock piles entering the natural Receiving Environment is within the licence effluent quality criteria.

Nighthawk can confirm that the proposed limestone fill was transported by way of the 2022 winter road to Leta Arm, approximately 0.2km away from the Damoti site. It is currently being stored in bags, ready to be transported by helicopter to the site. The bags have a “quick-release” bottom, which would allow depositing of the limestone directly from the bags into the depression without the need for any heavy machinery on the ground.

Nighthawk believes that this proposal is currently permitted under Land Use Permit W2018 C0007 and Water Licence W2018 L2003, as well as the *Mackenzie Valley Land Use Regulations* and the *Waters Regulations*. As such, Nighthawk does not believe that it needs to wait until and if the new Type A water licence is approved to implement this proposal.

During the W2021L2-0004 hearing, Nighthawk committed to discussing the limestone-fill solution with the land and water use inspectors, as well as seeking this update from the Board. Nighthawk can confirm that it is in active discussion with the inspectors, and by way of this letter gives notice to other interested stakeholders of this proposal. We also believe this proposal is acceptable to the Tłı̨chǫ Government. Should the proposal meet with approval from the Board, Nighthawk expects the update will provide clarity and resolve an outstanding issue not only for the current Licence but also for the Type A licence currently under consideration. This will ensure the EQC at the SNP compliance points are reasonably achievable and consistent with the overall goal of protecting the Receiving Environment.

Thank you in advance for your consideration, guidance, and advice, and your prompt attention to this matter. We would be pleased to provide further information at your request.

Sincerely,

“Original signed by Denise Lockett”

Denise Lockett
Manager, Stakeholder Relations, Licensing and Permitting

cc. Tasha Hall, Golder



April 14, 2022

Wek'eezhii Land and Water Board
#1-4905 48th St
Yellowknife, NT X1A 3S3

Dear Mr. Fequet:

Re: W2018L2-0003, Update to Surveillance Network Program, Removal of SNP 5-10

Further to our letter of April 13, 2022, Nighthawk confirms that the water licence inspector and the land use inspector have indicated they have no operational concerns with Nighthawk's plans to infill the puddle at SNP 5-10 at the Damoti Site. No approvals are required from water licence inspectors as the infilling volume is under the threshold in the *Waters Regulations*, which allows infilling to occur without this activity being in the scope of the current licence. Similarly, there are no operational concerns from the perspective of the *Mackenzie Valley Land Use Regulations*.

As such, Nighthawk confirms that it will proceed with infilling SNP 5-10 at the earliest opportunity prior to freshet. This would negate the requirement to treat SNP 5-10 with soda ash to lower the pH in the event there are compliance issues under the current Licence, as was done several times over the course of 2021.

In the meantime, Nighthawk acknowledges that its April 13, 2022 request to update the SNP Program by removing station 5-10 is a public Board process and that interested parties including the GNWT will have an opportunity to provide further comment, if any, through that process. Nighthawk notes that there appeared to be tentative support from interveners during current proceedings for W2021L2-0004 to remove station 5-10 from the SNP program if the puddle is filled-in.

Again we respectfully request that the Board expedite that process and conduct its review at the earliest opportunity. We would be pleased to answer any further questions you may have.

Sincerely,

Denise Lockett
Manager, Stakeholder Relations, Licensing and Permitting

cc. Tasha Hall, Golder

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Toronto, ON, M5H 3L5**