



5 May 2021

Ryan Fequet

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

RE: NIGHTHAWK – WATER LICENCE AMENDMENT APPLICATIONS AND LAND USE PERMIT APPLICATION – RESPONSE TO APRIL 25, 2022 INFORMATION REQUEST – SCOPE OF AUTHORIZATIONS

Dear Mr. Fequet:

Thank you for the April 25, 2022 Information Request. Nighthawk is pleased to provide this response and to answer any additional questions the Board or Staff may have.

Clarity regarding scope of the Applications

Nighthawk has made applications for a non-federal area water licence [W2021L2-0004](#), a federal area water licence [W2021L2-0005](#), and a land use permit [W2021C0009](#) (the “**Current Applications**”). The scope of each of these is discussed in further detail below.

Non-federal water licence

The applied-for scope for the non-federal licence W2021L2-0004 includes the following activities:¹

- “ii. maintenance, reclamation, and closure, including management of waste rock, ore, and underground portal, and any associated Seepage or discharge of water;
- iii. use and storage of explosives for trenching and bulk sampling if required;”

The non-federal licence application covers all non-federal mineral tenures at the Indin Lake property.² The activities applied for in the current application track the activities that are currently authorized by non-federal licence [W2018L2-0003](#) on Indin Lake property, among others:

- “ii. maintenance, reclamation, and closure, including management of waste rock, ore, and underground portal, and any associated Seepage or discharge of water;
- iii. use and storage of explosives for trenching and bulk sampling if required”

¹ See Draft Water Licence submitted as part of application package for [W2021L2-0004](#).

² This includes all NWT mineral leases and claims (many now converted to leases) shown on the last page of the [Water Licence Application Questionnaire](#) for existing W2018L2-003, plus additional leases added through an [amendment](#) to licence W2018L2-003. Together, these comprise the NWT mineral tenures provided in the list of Claims and Leases submitted with Nighthawk's Current Applications, with modifications noted in response to the Board's April 25 Supplemental IR 6 enclosed with this letter.

Pursuant to page 1 of W2018L2-0003, the location of the currently authorized activities consists of Damoti, Spider, Diversified and areas surrounding Colomac, meaning all non-federal mineral claims and leases at the Indin Lake property.³

Federal water licence

The applied-for scope of federal licence W2021L2-0005 includes the following activities:⁴

- "i. advanced mineral exploration, including use of water and deposit of waste for a camp and use of water for drilling;
- iii. use and storage of explosives for trenching and bulk sampling if required;"

The federal licence application covers all federal mineral tenures at the Indin Lake property.⁵ The activities applied for in the current application track the activities that are currently authorized by [W2018L2-0002](#) on the federal part of the Indin Lake property, among others:

- "i. advanced mineral exploration, including use of water and deposit of waste for a camp occupied by more than 50 persons and use of water for drilling;
- iii. use and storage of explosives for trenching and bulk sampling if required;"

The federal part of the Indin Lake property is shown on the map on the last page of the [Water Licence Application Questionnaire](#) for W2018L2-0002, consisting of the 16 "NHK federally- managed Mineral Leases" depicted therein. As such, while the "Location" stated on page 1 of the water licence states "Colomac Mine Site", the actual area applied for and authorized consists of a larger area including the Colomac Mine Site and the nearby Diversified and Spider Lake Reclamation Sites.

Land Use Permit

The applied-for scope of land use permit W2021C0009 includes the following activities:⁶

- a) Mineral Exploration including diamond drilling;
- d) Use and storage of explosives;
- f) Use of vehicles and equipment.

The current land use permit application covers all mineral tenures at the Indin Lake property.⁷ The activities applied for in the current application track the activities that are currently authorized by [W2018C0007](#) on the Indin Lake property, among others:

- a) Mineral Exploration including diamond drilling;

³ See above for full list of tenures included in the application and authorization for W2018L2-0003.

⁴ See Draft Water Licence submitted as part of application package for [W2021L2-0005](#).

⁵ See note 2 above, but with reference to federal mineral tenures.

⁶ See Draft Land Use Permit submitted as part of application package for [W2021C0009](#).

⁷ See list of mineral tenures provided in the list of Claims and Leases submitted with Nighthawk's current applications, with modifications noted in response to the Board's April 25 Supplemental IR 6 enclosed with this letter.

- d) Use and storage of explosives;
- f) Use of vehicles and equipment.

As previously noted by the Board in [Reasons for Decision](#) to amend Land Use Permit W2018C0007, the “The Permit allows Nighthawk to conduct exploration activities at the Indin Lake Gold Property.” The location of the authorized activities for W2018C0007 includes the entire Indin Lake Gold Property.⁸

The Current Authorizations

W2018L2-0003, W2018L2-0002 and W2018C0007 (together, the “**Current Authorizations**”), together list the activities that Nighthawk described in [response to IR #3](#) from the Technical Workshop. However, Nighthawk appreciates that response was general in that it grouped the contemplated activities together, and not by separate authorization. Nighthawk appreciates that response may have been confusing and thanks Board and staff for their diligence and the opportunity to clarify.

Nighthawk notes that “maintenance, reclamation, and closure, including management of waste rock, ore, and underground portal, and any associated Seepage or discharge of water” is absent from current federal licence W2018L2-0002, and absent from the Draft Water Licence submitted as part of the federal water licence application.⁹ As such, Nighthawk acknowledges that “maintenance, reclamation, and closure, including management of waste rock, ore, and underground portal, and any associated Seepage or discharge of water” does not form part of the scope of the current federal water licence application W2021L2-0005.

However, Nighthawk does not have the same recollection regarding discussion at the Technical Hearings about reducing “the scope of the Applications to exclude bulk sampling and the use of the settling pond.”¹⁰ In fact Nighthawk’s recollection is the exact opposite, that it clarified at the Technical Hearings that it did in fact intend to conduct bulk sampling as part of the Applications. Regardless, the scope of Nighthawk’s applications cannot be changed by informal comments made at Technical Hearings; changing the scope would require formal correspondence amending the application.

As more fully detailed below, bulk sampling is clearly contemplated in each of the Current Authorizations and the Current Applications. Accordingly, bulk sampling across the entire Indin Lake Gold Property (federal and non-federal) is contemplated both under the Current Authorizations and the Current Applications, whereas management of waste rock and ore is contemplated only under the non-federal water licence and application.

Clarity regarding bulk sampling

What is bulk sampling?

Given the possible confusion that has arisen, Nighthawk wishes to provide clarity on the activity of bulk sampling. A bulk sample, put simply, is a physical sample of a volume of mineral material taken during exploration for testing purposes. The sample is typically removed from the site and tested off-site to determine the physical and chemical properties of the material. To further the exploration process, once you have found minerals, in this

⁸ See Indin Lake Land Tenure Map submitted as part of application package for [W2018C0007](#), as amended by [Board decision](#) dated April 22, 2021 adding several tenures to the land use permit.

⁹ See Draft Water Licence submitted as part of application package for [W2021L2-0005](#).

¹⁰ Board [April 25, 2022 letter](#) at page 2.

case gold, you need to determine whether you have enough of it to make a particular deposit economic, and bulk sampling is a way of doing that.

The most common way of collecting a bulk sample is by trenching. Trenching typically involves using a small amount of explosives to conduct a surface excavation several meters in length, at limited depth. The excavation is usually conducted by a small excavator. Sometimes, no explosives are needed where the material is loose enough to be excavated. Sometimes a trench only consists of a small surface pit, called a test pit. Another method of collecting a bulk sample is by reverse circulation drill sampling, conducted using a larger diameter diamond drill. Once the bulk sample is removed for testing, these methods typically do not result in any waste or ore rock piles at all. At the recently concluded hearing, some reviewers may have been given the impression that all bulk sampling programs would resemble what we see at Damoti, namely a portal into the underground and resulting waste and ore rock piles. In fact, what occurred historically at Damoti is not a common method of bulk sampling. It is far more intrusive than what would occur today, or than what Nighthawk is planning for in the Current Applications. In the vast majority of cases, any bulk samples taken by Nighthawk would include minimal soil removal (which would be kept for restoration purposes). The majority of the bulk sample would be placed into mega bags and removed from the site. Any resulting trenches or pits on the land would need to be restored as per standard land use permit conditions. In the unlikely event that a bulk sample results in waste or ore rock piles, they would be managed in accordance with the methods described in the responses to IRs enclosed with this letter. Nighthawk acknowledges activities creating waste and ore rock piles could only occur in the non-federal water licence area and accordingly, prior to any bulk sample, the Inspector would be notified.

Nighthawk's current [land use permit application](#) at section 12 lists all the equipment that Nighthawk would require for conducting bulk samples at the Indin Lake Gold Property.

Further information on Nighthawk's intentions for bulk sampling in the scope of the Current Applications is found in the enclosed responses to IRs.

Bulk sampling permitted by Current Authorizations

Both current water licences contemplate bulk sampling under the activity "use and storage of explosives for trenching and bulk sampling if required". Under "Description of Undertaking", both the [application](#) for the non-federal licence and the [application](#) for the federal licence describe "Use and storage of explosives for trenching and bulk sampling (if required)".

The current land use permit [W2018C0007](#) contemplates bulk sampling in Part A under the activities "Mineral Exploration including diamond drilling", "use and storage of explosives", and "use of vehicles and equipment". The Land Use Permit application for W2018C0007 describes the "use of explosives for trenching and/or bulk sampling".¹¹ The Land Use Permit Conditions themselves contemplate bulk sampling (see for example Condition 16 "Refill Craters" and Condition 20 "Excavated Material Test Pits").

All activities have been subject to Part V of the MVRMA

Nighthawk maintains that all activities and locations it has applied for in WL2021L2-0004, W2021L2-0005, W2021C0009 have already been subject to Part 5 of the MVRMA.

¹¹ [LUP Application](#) at p 2.

As noted above, the activities applied for in the non-federal area water licence application W2021L2-0004 track the activities that are currently authorized by non-federal area licence [W2018L2-0003](#) on the Indin Lake property:

- “ii. maintenance, reclamation, and closure, including management of waste rock, ore, and underground portal, and any associated Seepage or discharge of water;
- iii. use and storage of explosives for trenching and bulk sampling if required”

And the activities applied for in the federal area water licence application W2021L2-0005 track the activities that are currently authorized by federal area licence W2018L2-002, including the following:¹²

- “i. advanced mineral exploration, including use of water and deposit of waste for a camp and use of water for drilling;
- iii. use and storage of explosives for trenching and bulk sampling if required;”

And the activities applied for in land use permit W2021C0009 track the activities that are currently authorized by land use permit W2018C0007, including:

- a) Mineral Exploration including diamond drilling;
- d) Use and storage of explosives;
- f) Use of vehicles and equipment.

All of the activities in each of W2018C0007, W2018L2-0002, and W2018L2-0003 have been exempted from preliminary screening by the Board in accordance with the *Exemption List Regulations*, as described in this Board's [Reasons for Decision](#) dated January 24, 2019, at section 3.1. Those Reasons specifically discuss bulk sampling, at page 7. The area of the activities permitted by those authorizations, collectively, covers the entire Indin Lake Gold Property.

As such, the answer to Undertaking #5 from the hearing, as to whether bulk sampling, management of waste rock, and management of ore beyond the Damoti site were previously subject to Part 5 of the MVRMA must invariably be yes. Bulk sampling beyond Damoti is contemplated by all three Current Authorizations, and management of waste rock and ore beyond the Damoti site is contemplated by non-federal area licence W2018L2-0003.

The Current Authorizations were themselves subject to subsection 124(1) of the MVRMA. Authorization for activities in those could not have been granted had the Board not been satisfied that any requirements of MVRMA Part V were fulfilled. Nighthawk maintains that the requirements of MVRMA Part 5 have in fact been fulfilled as demonstrated in Table 1 of the Board's April 25, 2022 letter, and in particular the [Board's Reasons for Decision](#) dated January 24, 2019. Nighthawk is entitled to rely on the Current Authorizations, and the Board's previous decision in authorizing the activities in those authorizations cannot be reopened, consistent with section 2.1 of Schedule 1 of the *Exemption List Regulations*.

¹² See Draft Water Licence submitted as part of application package for [W2021L2-0005](#).

Accordingly, combined with the Preliminary Screening determination that the Board has already made for the additional activities sought by Nighthawk in the Current Applications,¹³ Nighthawk maintains that all elements of Part 5 of the MVRMA have been satisfied for the Current Applications.

Closing

Nighthawk thanks the Board for the opportunity to provide additional clarity to these matters. Nighthawk is pleased to provide the enclosed responses to the Board's Supplemental April 25, 2022 Information Requests (IRs). Please do not hesitate to contact us, should you require further information.

Yours sincerely,

ORIGINAL SIGNED BY

Nighthawk Gold Corp.

Denise Lockett
Manager, Stakeholder Relations, Licensing and Permitting

CC: Meghan Schnurr, Wek'eezhii Land and Water Board

Attachement 1: Geomark Exploration Ltd. – Letter of eligibility for mineral leases NT-3538, NT-3655, NT-3656 and NT-3380

¹³ [Nighthawk - Preliminary Screening Determination and RFD - Feb 9 22.pdf](#)

Supplemental IR #1:

Additional information regarding the mechanism by which bulk sampling would be completed beyond the Damoti site. This information should be consistent with the equipment, machinery, water use, and deposits of waste included in the current Applications.

As outlined in the cover letter, a bulk sampling process involves extraction of mineralized rock for metallurgical testing. Bulk sample extraction can involve excavation of a trial drift, shaft, box cut, open pit, conducting large diameter drilling or /trenching to enable collection of a mineral sample.

Unless advised otherwise in the future, bulk sampling beyond Damoti at the Indin Lake property will be completed by blasting and trenching, using explosives and the equipment listed in the current Land Use Permit Application W2021C0009¹⁴ such as an excavator (see response to IR3). If this mechanism changes during the course of the permit, additional equipment will be requested through an amendment to the Land Use Permit. This method of bulk sampling is consistent with the water use and deposits of waste included in the current Applications.

Prior to bulk sampling, Nighthawk will provide notification and further details to the Inspector (see response to IR5).

Supplemental IR #2:

Additional information regarding waste rock and ore management beyond the Damoti site. Including clarification of whether any waste rock and/or ore would be stockpiled on site.

Nighthawk does not have plans to stockpile waste rock or ore beyond the Damoti site. Material excavated from trenches will be contained in “mega” bags and flown by helicopter to Colomac camp for storage, and subsequent transport by truck off-site on the winter road for metallurgical testing. Nighthawk has no current plans to conduct bulk sampling by means of declines or adits. A small amount of organic material may be temporarily stored for reclamation purposes, once the rock has been exposed for bulk sampling or trenching. Prior to commencing bulk sampling beyond Damoti, Nighthawk will notify the Inspector for compliance with the conditions of the Permit (e.g., water use, deposit of waste, fuel storage etc.) and provide the necessary information (see response to Supplemental IR 5).

Supplemental IR #3:

Additional information regarding proposed trenching beyond the Damoti site.

Trenching may be completed to collect bulk samples as part of mineral exploration activities. Trenches will be excavated utilizing explosives, and heavy equipment included in the permit application (e.g., excavator). The location and volumes of bulk samples is yet to be determined and will be contingent on the incorporation of the drill results, and notification will be provided to the Inspector. Progressive reclamation of trenches will be completed following bulk sampling and/or exploration work.

¹⁴ <http://registry.mvlwb.ca/Documents/W2021C0009>

Supplemental IR #4:

Identification of potential impacts and associated mitigations associated with bulk sampling, waste rock management, ore management, and trenching, beyond the Damoti site.

Nighthawk does not propose to conduct waste rock management and/or ore management beyond the Damoti site. Ore recovered by trenching will be bagged at the trench site, removed by helicopter to Colomac, and then transported for off-site testing on the winter road.

Table 1 below provides impacts and mitigations specific to trenching and bulk sampling with use of explosives. The information included in this table has largely been adapted from the initial application and preliminary screening documents for the Land Use Permit and Water Licence applications W2006C001¹⁵ and W2006L2-001¹⁶ and the subsequent Land Use Permit amendment W2010C0008¹⁷.

Table 1: Bulking Sampling and Trenching - Impacts and Mitigations

Activity	Potential Environmental Effects (s)	Proposed Mitigations Measures (s)
Trenching and/or bulk sampling with use of explosives and heavy equipment	Release of sediment and blasting residuals into surface waters impacting water quality	<ul style="list-style-type: none"> Bulk sample material will be removed from the site for testing Bulk sample material will be directly bagged into “mega” bags for transport; no contact with water is expected Waste rock or ore will not be stockpiled at surface
	Stockpiled rock of unknown geochemistry may have acid rock drainage potential which could affect surface water quality	
	Pooling of surface water on and around waste rock and ore stockpiles	
	Safety hazard to people and animals from blasted areas (craters) and open trenches/excavations	<ul style="list-style-type: none"> Refill and restore craters caused by explosives Progressive reclamation of trenches following exploration phase (i.e., backfill trenches, replace ground cover) to reduce possibility of contact with water and mitigate hazards of open excavations to people and wildlife
	Minor changes in surface drainage patterns from blasting excavation of trenches	<ul style="list-style-type: none"> Progressive reclamation of trenches following exploration and sampling
	Soil and water contamination from fuel used by heavy equipment	<ul style="list-style-type: none"> Proper handling, storage, re-fueling techniques, and equipment maintenance in accordance with LUP conditions and Spill Contingency Plan
	Clearing of vegetation	<ul style="list-style-type: none"> Access using existing trails where possible Update the Wildlife Mitigation and Monitoring to mitigate clearing as required
	Removal of non-renewable natural resources	<ul style="list-style-type: none"> No mitigation. Removal of sample materials from site for bulk sampling and testing.

¹⁵ <https://registry.mvlwb.ca/Documents/W2006C0001>

¹⁶ <https://registry.mvlwb.ca/Documents/W2006L2-0001>

¹⁷ <https://registry.mvlwb.ca/Documents/W2010C0008>

Activity	Potential Environmental Effects (s)	Proposed Mitigations Measures (s)
Use of winter road to transport bulk sample	Terrain disturbance, water quality changes due to accidental spills, removal and destruction of habitat	<ul style="list-style-type: none"> • Use existing winter road route where portages have already been cleared • A Spill Contingency Plan will be in place to deal with any spills of contaminants and/or ore material to the environment
Activities that cause disturbance to land surface	Disturbance, removal and/or destruction of archaeological specimens or sites	<ul style="list-style-type: none"> • Project activities that encounter or disturb an archaeological site or specimen shall be stopped, and the WLWB and Tłı̄chq̄ Government shall be immediately notified • All persons working on site will be made aware of this mitigation procedure/licence condition • Archaeological specimens or sites shall not knowingly be removed, disturbed, or displaced
	Minor changes in surface drainage patterns through the excavation of trenches	<ul style="list-style-type: none"> • Bulk sampling to be conducted in accordance with Land Use Permit conditions • Progressive reclamation of trenches following exploration and sampling including recontouring, backfilling trenches and replacing top soil after use • Trenches not located in areas that may cause obstruction to any natural drainage including cut any stream banks • Minimize damage to wildlife and fish habitat, including no removal of vegetation or soil, or use of heavy equipment within 100 m of any water body
Noise	Increase in localized noise during blasting	<ul style="list-style-type: none"> • Complete work efficiently to minimize the duration of disturbance

Supplemental IR 5:

A detailed list of the additional information that would be provided by the Applicant prior [to] bulk sampling, waste rock management, ore management, and trenching beyond the Damoti site (e.g., location, updated to management plans, new management plans, details regarding volumes of rock, geochemistry of rock etc.); and

A detailed list of the additional information that would be provided by the Applicant prior [to] bulk sampling, waste rock management, ore management, and trenching at the Damoti site (e.g., location, updated to management plans, new management plans, details regarding volumes of rock, geochemistry of rock etc.)

Nighthawk would provide the following information prior to bulk sampling and trenching beyond the Damoti Site:

- Notification to the Inspector, including the following:
 - Location of bulk sampling and/or trenching activities
 - Detailed mechanisms of bulk sampling and/or trenching including use of explosives
 - Volume of bulk samples and expected geochemistry from drill core results
 - Dimension of trenches and expected geochemistry from drill core results
 - Reclamation details of bulk sampling location following work
- Updated Management Plans as required, including:
 - Wildlife Mitigation and Monitoring Plan with updated potential impacts and mitigation to wildlife including impacts resulting from additional land clearing, and use of explosives if required,
 - Spill Contingency Plan updated with additional fuel storage areas, if necessary, and added mitigations for potential spills of bagged ore material during transport,

- Explosives Management Plan updated as required.
- Waste Management Plan updated as required.
- Archeological Overview Assessment (AOA) if bulk sampling and/or trenching will be conducted in an area(s) not previously assessed for archaeological potential.

Given the anticipated mechanism of bulk sampling beyond Damoti (i.e., trenching, no waste rock or ore stockpiling) no updates to the Water Use Plan, or Water Management Plan are expected.

Supplemental IR 6:

Nighthawk is to provide to demonstration of eligibility under paragraph 18 of the MVLUR for areas identified in Table 2 above

Nighthawk can confirm that none of the mineral claims listed in Table 2 are within the scope of Nighthawk's applications. The only mineral leases listed Table 2 that are within the scope of Nighthawk's applications are NT-3538, NT-3655, NT-3656 and NT-3380. Please see the enclosed letter from Geomark Exploration Ltd. regarding Nighthawk's eligibility for those tenures.

Supplemental IR 7:

Nighthawk to provide clarification of whether it believes satellite camps greater than 15 persons have been subject to Part 5 of the MVRMA. If so, provide documentation. If not, identify any potential impacts or mitigations associated with the addition 5-15 people.

Nighthawk confirms that satellite camps of up to 15 persons have been subject to Part 5 of the MVRMA, as noted by the Board. As such Nighthawk revises its response to Undertaking #3 accordingly, to include satellite camps of up to 15 persons only.

To Whom It May Concern:

Geomark Exploration Ltd. (“**Geomark**”) is the recorded holder of the following mineral leases (“**Leases**”):

- NT-3538
- NT-3655
- NT-3656
- NT-3380

Geomark confirms that it has entered into an agreement (the “**Agreement**”) with Nighthawk Gold Corp. (“**Nighthawk**”) that grants Nighthawk the right to explore the Leases and an option to earn a 100% interest in the Leases. Geomark further confirms that Nighthawk is designated as the Operator and manager of operations under that Agreement within the meaning of section 18 of the *Mackenzie Valley Land Use Regulations*.

Geomark supports the issuance of a land use permit and water licence to Nighthawk over the area of the Leases. Should you have any further questions, please don’t hesitate to reach out to the undersigned at 403-750-2552 or phodge@pinecliffenergy.com.

GEOMARK EXPLORATION LTD.



Phil Hodge
President & Chief Executive Officer