



March 7, 2016

Ms. Heather Bourassa, Chair
Sahtu Land Use Planning Board
PO Box 235
Fort Good Hope, NT
X0E 0H0

Dear Ms. Bourassa:

Re: Information Request for Conformity Determination

Pursuant to the above captioned notice of December 14, 2015, in a letter from Scott Paszkiewicz to Doug Reeve, the Board has requested that we provide additional information to determine which of the 19 SLUPB Conformity Requirements the Howard's Pass Access Road Upgrade project will be required to demonstrate conformity.

For clarity, we have repeated each of the Board's request from the original letter in this letter, followed by our responses.

- 1. Please provide shapefiles with their associated metadata for the features listed below, for the portion of the project that lies within the Sahtu Settlement Area from the Naats'ihch'oh National Park Reserve of Canada boundary to the Northwest Territories- Yukon border.**
 - **Howard's Pass Access Road (HPAR) Upgrade Alignment;**
 - **Borrow Sources, with their coordinates in Degrees Minutes Seconds;**
 - **Bridges, with their coordinates in Degrees Minutes Seconds;**
 - **Construction Camps, with their coordinates in Degrees Minutes Seconds.**
 - **Please provide the shapefiles in the NAO 1983 NWT Lambert coordinate system (Lambert Conformal Conic projection).**

SCML has provided the SLUPB Executive Director with the requested shapefiles on February 17, 2016.

- 2. Please confirm the completion, or provide an update on the status of the following items identified "as planned for 2015" in the PDR.**

- **Sahtu Traditional Knowledge Study (CR 2)**
- **Heritage Resource Impact Assessment (CR 4)**
- **Invasive plant survey (CR 8)**
- **Rare plant survey (CR 9)**
- **Baseline surveys (CR 7, 9)**

A work plan for further Traditional Knowledge (TK) studies in the Sahtu portion of the Project lands has been developed by Stantec Consulting, in collaboration with a Sahtu Dene elder (December 2015). A schedule for implementation has not yet been established. SCML is committed to completing the TK studies as a high-priority component of ongoing baseline data collection.

Heritage Resource Impact Assessment work along the HPAR is being undertaken by Kalo-Stantec (a Sahtu Beneficiary business). All field work was completed during 2015, and a final report is expected to be complete during Q1 of 2016.

A survey of rare and invasive plants was completed along the HPAR alignment during August of 2015.

Other baseline surveys completed along the HPAR alignment during 2015 include ungulate surveys, a survey of grizzly denning sites, and a survey of terrain types, aggregate characteristics, surface water, and permafrost conditions. All these reports and surveys will be included as supporting documents to the DAR we are preparing for the MVEIRB.

- 3. Provide evidence that demonstrates traditional knowledge was, or will be, incorporated into the Project and that affected Sahtu communities are satisfied with the level of engagement. To support conformity to the CR, the proponent should be able to supply evidence that traditional knowledge was gathered specifically for this project, or demonstrate that the affected traditional land users are satisfied with the efforts to consider and incorporate traditional knowledge into the Project. (CR 2)***

Traditional Knowledge specific to the Howard's Pass Access Road has been collected by SCML and its predecessor companies since at least 2006. Mackay Range Development Corp was commissioned to prepare an interview-based TK report in 2006 (the lead author was Leon Andrews). As noted above, work is underway to update that TK information. In addition to the TK data, SCML has been consulting with Sahtu community members on an ongoing basis. The most recent report outlining SCML's consultation efforts was included in the Land Use Application for HPAR Upgrade¹.

¹ See <http://www.mvlwb.ca/Boards/MV/SitePages/search.aspx?app=MV2015F0012>

Traditional Knowledge has been, and will continue to be, incorporated into our project planning. As an example, community members have made it clear to SCML that caribou are especially important to them and are of great importance for food, cultural and spiritual reasons. As a result, SCML has identified caribou as the wildlife species of highest significance in its application for upgrading the HPAR. SCML will continue to work closely with communities in the planning of mitigation and monitoring of caribou as the HPAR Upgrade project advances.

SCML's application to upgrade the HPAR was referred to the Mackenzie Valley Environmental Impact Review Board (MVEIRB) for Environmental Assessment (EA). As part of the EA process, SCML will be preparing a Developer's Assessment Report (DAR). The methods used in the acquisition, analysis and presentation of TK data for the DAR will be done following the MVEIRB's "Guidelines for Incorporating Traditional Knowledge into the Environmental Impact Assessment Process"²

SCML has entered into a Cooperation Agreement with Land Corporations of the Tulita District (Tulita Land Corp, Fort Norman Metis Land Corp, and Norman Wells Land Corp); the parties have worked together to develop a respectful and cooperative relationship. The communities have provided letters of support for SCML's application to upgrade the HPAR. Those letters are attached.

- 4. It is understood that the Cooperation Agreement with the Tulita District Land Corporation is the basis for participation of all beneficiaries in project exploration and development activities, employment training and service contracts, and in review of environmental, social and economic matters related to environmental assessment and permitting. Provide evidence that the Cooperative Agreement has been signed (i.e. photocopy of signature page). (CR 2,3, 11).***

A copy of the signature page from the Cooperation Agreement between SCML and the three Tulita District Land Corporations is attached.

- 5. The Wildlife Mitigation and Monitoring Plan (June 22, 2015) was submitted as "Draft for Discussion". Clarify how this plan, including monitoring approaches described in Table 4 of the document, will be brought to completion and with input from wildlife managers in the Sahtu, including: Renewable Resource Councils, Sahtu Renewable Resources Board, GNWT-Environment and Natural Resources, Canadian Wildlife Service, Parks Canada Agency, and Fisheries and Oceans Canada. (CR 7,11)***

² See

http://www.reviewboard.ca/upload/ref_library/1247177561_MVReviewBoard_Traditional_Knowledge_Guidelines.pdf

Following extensive consultation with communities and regulators³, SCML's application for the HPAR Upgrade Project, including draft Wildlife Mitigation and Monitoring Plans, was submitted to the Mackenzie Valley Land and Water Board (MVLWB) and Parks Canada. As noted earlier, the application was subsequently referred to EA, and is currently in the MVEIRB EA process.

The MVEIRB EA process will be an open forum for review and comment of the proposed HPAR Upgrade project and all management and mitigation plans. Both SCML and MVEIRB will continue to consult with communities and regulators throughout the EA process to solicit direct input on the HPAR Upgrade project, including the draft Wildlife Mitigation and Monitoring Plans.

In addition, the Cooperation Agreement between SCML and the Tulita District Land Corporations provides the communities with specific rights for pre-review and input to all permit applications and supporting data, prior to their submission to regulatory agencies. SCML is committed to ongoing consultation with the Land Corporations prior to submission of all applications, including the Wildlife Mitigation and Monitoring Plans.

6. Provide clarification on how the Project will conform to the wildlife setbacks, minimum altitude and sensitive periods as listed in the SLUP CR 7 Table 4 page 40. (CR 7)

There will be no major alignment changes to the existing HPAR. Construction will involve widening of the road, which will require clearing of land for the road allowance and for temporary construction camp sites and borrow pits. Culverts will be lengthened and, in some cases, realigned, but no changes will be made to the existing bridges and no stream diversions will be undertaken.

The plans and procedures described below are as identified in the Project Description Report (PDR) and the draft Wildlife Mitigation and Monitoring Plan (WMMP). As the HPAR Upgrade is now undergoing an assessment through the MVEIRB, these mitigation measures will be reviewed and improved with the benefit of input from experts (including traditional knowledge experts). In addition to the sensitive periods identified in Table 4, SCML is planning around the sensitive periods identified for the region by Fisheries and Oceans Canada for protection of fish and by the Canadian Wildlife Service for the protection of migratory birds (as noted in the PDR and in the draft WMMP).

Minimum altitude: The project will not make use of aircraft except for emergencies such as medical evacuation or fire suppression, and for periodic wildlife surveys. Flights will adhere to the minimum altitudes in the SLUP which, as noted in Table 4, correspond to Transport Canada requirements.

³ See <http://www.mvlwb.ca/Boards/MV/SitePages/search.aspx?app=MV2015F0012>

Predators: Horizontal setbacks for bears, wolverine and wolves are related to denning areas. A bear denning survey conducted in 2015 did not identify any grizzly or black bear dens or likelihood of bear dens within or close to the HPAR corridor. Although wolves and wolverine are known to occur along the HPAR corridor, no dens have been located in surveys or through observations. However, further denning surveys will be conducted prior to vegetation clearing. If bear, wolf or wolverine denning sites are located along the corridor, construction will be restricted during the sensitive periods to outside of the setback zones to minimize disturbance. These contingency mitigation measures will be further developed through the EA process and will be presented in the WMMP.

Sheep and goats: Ungulate surveys conducted in the region of the Selwyn mine site since 2006 and extended along the HPAR in 2012 have not encountered Dall's sheep near the HPAR. However, should this species be found in future surveys (or through other observations) to occur in the vicinity of the HPAR, lambing areas will need to be identified and road upgrading and maintenance activities adapted as needed to reduce disturbance, following the setback and sensitive period guidance in Table 4. Surveys have identified a small population of mountain goats in the headwaters of March Creek. Based on these observations, the nearest point of the HPAR to the goats is at the Steel Creek bridge (km 62.7), which is about 4 km northwest of a south-facing escarpment used by the goats. This is beyond the setback area of 2 km for kidding areas. Nonetheless, given the sensitivity of mountain goats to disturbance, SCML will also design mitigation measures to ensure that mountain goats are protected year-round from disturbance by such activities as avalanche control. Continued ungulate surveys and input from experts, including traditional knowledge experts, will assist in identifying if there are any mountain goat or Dall sheep that could be affected by the HPAR Upgrade and in designing further mitigation measures as needed.

Waterfowl and raptors: The section of the road that is subject to the Sahtu Land Use Plan (km 60 to km 79) is in mountainous terrain and does not contain habitat that supports year-round or staging concentrations of waterfowl. Vegetation clearing is planned to occur in the winter, outside of the sensitive time periods listed for nest sites of waterfowl and raptors in Table 4, with the possible exception of the winter period specified for raptor nests. If vegetation clearing is required within nesting season or periods when nests are still occupied, pre-clearing nest surveys will be conducted and no-work zones will be established as needed to minimize disturbance to identified active nesting sites.

- 7. As described in the PDR (5.1.3.2), the road may pass over ice-rich, thaw-susceptible permafrost. In these instances, describe the steps for how mitigation measures will be chosen, communicated to appropriate regulatory bodies, approved for construction, and monitored. (CR 10)**

Detailed road designs for the HPAR Upgrade Project will be prepared by a Professional Engineer licensed to practice in the Northwest Territories. That engineer will take into account all terrain conditions and will design the road accordingly, including development of mitigation measures for road work in permafrost zones. SCML also conducted a 2015 terrain/soils baseline program to delineate the type, distribution and overall characterization of permafrost along the HPAR corridor.

Formal approval for implementation of the HPAR road designs, including any permafrost mitigation measures, will be via issuance of a Land Use Permit from the MVLWB. Typically, the MVLWB will require submission of detailed engineering design/mitigation well in advance of construction. At this point the regulator can request further information or modification to the engineering design. In addition, it is anticipated that there will be the requirement for surveillance monitoring as a term and condition in the Land Use Permit(s) that will be issued by the MVLWB. Pursuant to the Cooperation Agreement between SCML and Tulita District, detailed road design will also be made available to Tulita District communities for pre-review and input prior to submission to regulators.

A Professional Engineer will be overseeing the HPAR upgrade work to ensure that specific design measures for permafrost zones are implemented appropriately. The work will also be overseen by environmental monitors from Tulita and/or Norman Wells Renewable Resources Councils. NWT Lands Inspectors will typically monitor this type of work as well.

Once the HPAR upgrading is complete, SCML's road maintenance crews will be responsible for day-to-day monitoring and maintenance of the HPAR alignment, including any remedial work related to permafrost issues.

8. Provide SCML's rationale for not providing information to support conformity with CR 14 Protection of Special Values. Alternatively, SCML may provide information to support the Project's conformity with CR 14. (CR 14)

The HPAR falls within Land Use Zone 41, designated as a Proposed Conservation Initiative (PCI). It is SCML's understanding that this Zone was initially established to set aside areas destined to become part of Naats'ihch'oh National Park Reserve. PCI's have the same status as Conservation Zones (CZs). CZs are significant traditional, cultural, heritage and ecological areas in which specified land uses are prohibited. Permitted land uses (anything not prohibited, or grandfathered uses) are subject to the general CRs and applicable special management CRs outlined in the Land Use Plan.

The Upgrade of the HPAR and its ongoing use to support mineral exploration, mine development, and mine operation are grandfathered uses. Nonetheless,

CR 14 requires that land use activity "must be designed and carried out in a manner that protects, respects or takes into account the values of the zone".

Values specific to Zone 41 (per the SLUP) include:

Cultural Importance - none listed.

Sensitive Species and Features - may be at-risk plants, hot/warm springs, glacial refugia, eskers, wetlands.

Wildlife Values - Mountain Woodland Caribou, Redstone Calving Areas, Redstone Migration Routes, South Nahanni Herd Calving Areas, Bears, Dalls Sheep, Fish, Moose, Mountain Goat, Waterfowl and Migratory Birds, Important Wildlife Areas.

Economic Importance - Mineral Rights -Claims & Leases, Outfitting Region & Tourism Establishments.

As noted elsewhere herein, the application to widen the HPAR was referred to EA via the MVEIRB. All Zone 41 values will be taken into account through the MVEIRB EA process in compliance with CR 14.

Please feel free to contact us if further clarifications are required.

Sincerely,
SELWYN CHIHONG MINING LTD.

A handwritten signature in black ink, appearing to read 'M. Albert', written in a cursive style.

Maurice Albert
Vice President, External Affairs

Att: 4

**FORT NORMAN METIS LAND
CORPORATION**



P.O. BOX 36
TULITA, NT X0E 0K0
Ph. (867)588-3201 Fax (867)588-3806
Email: fnmlc.nogco@gmail.com

July 06, 2015

Mackenzie Valley Land and Water Board
Yellowknife, NWT

Parks Canada
Nahanni National Park Reserve
Fort Simpson, NWT

Parks Canada
Naatsi'ihch'oh National Park Reserve
Tulita, NWT

Re: Selwyn Chihong Mining Ltd. application for widening of the Howard's Pass Access Road

The Ft. Norman Metis Land Corporation supports Selwyn Chihong's application for a Land Use Permit and Water Licence to widen the Howard's Pass Access Road. The Company has fulfilled its obligations for consultation with our organization and in our community.

We think there should be good economic opportunities for our members and their companies coming from this work. We look forward to Selwyn Chihong maintaining their commitments under our Cooperation Agreement and ensuring that jobs and contracts flow to Tulita District people. Selwyn Chihong has demonstrated that they can do the road work in a way that is safe for the environment.

We hope the permitting will be done quickly so we can move forward on the work.

Best Regards,

A handwritten signature in black ink, appearing to read 'Eddy McPherson', written over a faint circular stamp.

Eddy McPherson
President, Ft. Norman Metis Land Corporation



P.O. Box 69, Norman Wells, NT X0E 0V0
Phone: (867) 587-2455 Fax: (867) 587-2545
Email: president@nwlc.ca

Mackenzie Valley Land and Water Board
Yellowknife, NWT

Parks Canada
Nahanni National Park Reserve
Fort Simpson, NWT

Parks Canada
Naatsi'ihch'oh National Park Reserve
Tulita, NWT

Re: Selwyn Chihong Mining Ltd. application for widening of the Howard's Pass Access Road

The Norman Wells Land Corporation supports Selwyn Chihong's application for a Land Use Permit and Water Licence to widen the Howard's Pass Access Road. The Company has fulfilled its obligations for engagement with our organization and the community of Norman Wells.

We feel that this widening work can be done in an environmentally responsible manner. The project also presents good socioeconomic opportunities for our community through participation in employment, contracting and training. The Company has demonstrated its capacity and willingness to carry out the work in an environmentally and socially responsible manner through its engagement with the community and past work on the road.

We encourage the efficient permitting of this project and look forward to the beginning of the work.

Best Regards,

A handwritten signature in blue ink, appearing to read 'Sherry Hodgson', with a long horizontal flourish extending to the right.

Sherry Hodgson
President, Norman Wells Land Corporation



TULITA LAND/FINANCIAL CORPORATION

Box 63, Tulita, NT X0E 0K0
Phone: (867) 588-3734/3830 • Fax: (867) 588-4025 • Toll Free: 1-855-778-3830
www.tulitalandcorp.ca

Mackenzie Valley Land and Water Board
Yellowknife, NWT

Re: SELWYN CHIHONG MINING LTD. Application for widening of the Howard's Pass Access Road

The Tulita Land Corporation supports Selwyn Chihong's application for a Land Use Permit and Water Licence to widen the Howard's Pass Access Road. The Company has fulfilled its obligations for engagement with our organization and the community of Tulita.

We feel that this widening work can be done in an environmentally responsible manner. The project also presents good socioeconomic opportunities for our community through participation in employment, contracting and training. The Company has demonstrated its capacity and willingness to carry out the work in an environmentally and socially responsible manner through its engagement with the community and past work on the road.

We encourage the efficient permitting of this project and look forward to the beginning of the work.

Best Regards,

Clarence Campbell
President, Tulita Land Corporation

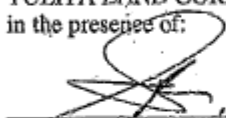
- (b) If a severance occurs under this section, the Parties shall use their respective best efforts to negotiate in good faith an enforceable replacement provision that, to the greatest extent possible, reflects the intent or serves the purpose of the severed provision.

12.9 Variations to Agreement

Except as provided as provided in section 12.8(a), any variation or addition or amendment to this Agreement shall be in writing, and shall not be valid unless duly signed and executed by the Parties.

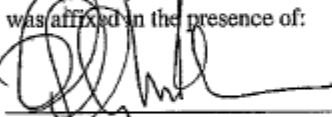
IN WITNESS WHEREOF the Parties have herunto caused to be affixed their respective seals attested by the signatures of their respective proper officers duly authorized for such purpose.

THE CORPORATE SEAL OF)
TULITA LAND CORPORATION was affixed)
in the presence of:)


_____)
Authorized Signatory)

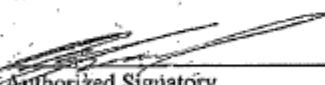
C/S

THE CORPORATE SEAL OF FORT)
NORMAN METIS LAND CORPORATION)
was affixed in the presence of:)


_____)
Authorized Signatory)

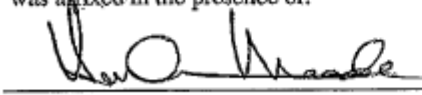
C/S

THE CORPORATE SEAL OF NORMAN)
WELLS LAND CORPORATION)
was affixed in the presence of:)


_____)
Authorized Signatory)

C/S

THE CORPORATE SEAL OF SELWYN)
RESOURCES LTD.)
was affixed in the presence of:)


_____)
Authorized Signatory)

C/S