



March 4, 2016

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

Dear Ms. Bourassa:

Re: Sahtu Renewable Resources Board Comments on the Proposed HPAR Upgrade Project and the Sahtu Land Use Plan

We have reviewed the letter submitted to the Sahtu Renewable Resources Board (SRRB) to the Sahtu Land Use Planning Board dated January 18, 2016. While many of the comments from SRRB are being addressed in our responses to queries posed by the SLUPB, we are responding to all of the SRRB comments here for clarity and completeness.

In order to facilitate the reading of this letter, we have repeated each of the SRRB's comments below, followed by our response.

CR #1. This appears to be the critical CR for this project. The section of the SSA in which the road is located is designated as a Proposed Conservation Initiative, which restricts development and a number of activities. However, the project is allowed if the major project is outside the PCI, fully permitted and there is no "feasible alternative" to the road upgrade. There is no discussion by SCM as to alternatives to the road upgrade (winter road only, more airlifts of supplies) or methods to mitigate expected impacts from the road construction, or the heavy use by trucks.

SCML believes that the Howard's Pass Upgrade Project is a legacy land use pursuant to SLUP 2.5.D, and therefore is exempt from CR #1.

The SLUP came into effect as of August 8, 2013. SCML and its predecessor companies have held permits for various uses of the HPAR lands dating back to 1977. Aboriginal Affairs and Northern Development Canada granted SCML a Licence of Occupation for the HPAR that became effective on January 1, 2012

(105I/1-14-2). Under that Licence, SCML became authorized to occupy a right-of-way approximately 57 kilometers long (the LOC specifically excluded the 23 kilometer portion of the HPAR within the Nahanni National Park Reserve) and sixty meters wide for "...the construction, operation, maintenance, inspection, alteration, replacing and repair of an all-weather access road."

CR #2. In their project description the developer states that previous companies have conducted interviews for traditional knowledge with members of the community of Tulit'a (Pacifica Resources Limited), and community meetings (Sidena Consulting Ltd.), presumably to help mitigate any potential impacts to wildlife and resource use in the area of the road during the upgrade. SCM indicates that there is little current or recent use of the area by First Nations. However, it is important to the SRRB that future resource use not be discounted or impacted. SCM indicates that they will undertake more traditional knowledge studies, although there is no firm commitment, and there is no indication of how traditional knowledge has been incorporated into project planning, design and implementation. There is also no indication of how the road upgrade and use will be conducted so as to ensure no interference with traditional uses of resources.

A work plan for further Traditional Knowledge (TK) studies in the Sahtu has been developed by Stantec Consulting, in collaboration with an elder of the Sahtu Dene. 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.

Traditional Knowledge has been, and will continue to be, incorporated into the 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 with communities to develop acceptable mitigations.

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). 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"¹.

¹ See

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

CR #7. The project description indicates that the South Nahanni woodland caribou herd, which extends into the SSA during the summer, is the major concern and that the effects of the project on the herd will be assessed. The extended construction activity and significant truck traffic on the upgraded road could have significant impacts on the ecology and distribution of the South Nahanni herd. Impacts on the Redstone herd in the SSA have not been considered. Other species (e.g., grizzly bear, mountain goats, Dall's sheep, furbearers, etc.) will be considered as "subjects of note" and are not appropriately prioritized given their ecological and cultural value. The SRRB is concerned that traditional land use and harvesting is not considered in a significant way. No mitigation strategies during construction are discussed.

As noted earlier, SCML's application to upgrade the HPAR was referred to the MVEIRB for EA. As such, we feel that this input would be best directed to the MVEIRB. MVEIRB is driving the EA process, including selection of Key Lines of Enquiry and Subjects of Note. These designations are based on input from communities, regulators, NGO's, and SCML.

CR #8. The project description indicates that the spreading and introduction of alien species by trucks and heavy equipment will be controlled. There is no plan as to how this will be controlled or assessed or how the presence of foreign species will be determined (e.g., monitoring, periodic surveys, etc.) or how introduced species will be controlled if they become established.

As noted above, SCML's application to upgrade the HPAR was referred to the MVEIRB for EA. The MVEIRB has identified vegetation, including introduction of invasive species and associated threats, as a Subject of Note. This topic will be studied accordingly, and mitigation measures will be developed if necessary.

CR#13. The developer states that after closure the borrow pits will be decommissioned and reclaimed, the roadbed stabilized to prevent erosion and maintain drainage, bridges and culverts removed and disturbed areas restored. It is unlikely that the company will undertake this considerable expense at the end of the project. The SRRB is concerned that plans be put in place for sections of the road in the SSA to be returned to their natural state after closure, especially since the area of the SSA is a Proposed Conservation Initiative.

Costs for road and borrow pit closing/decommissioning are typically covered by the developer posting a closure bond, which is held by government. This is normally addressed at the permitting stage.

Please feel free to contact me 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