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April 2, 2020

File: MV2014D0001
MV2014L2-0001

Mr. Mark Cliffe-Phillips
Mackenzie Valley Environmental Impact Review Board
200 Scotia Center
Box 938, 5102 - 50th Avenue
Yellowknife NT X1A 2N7

Sent via Email

Dear Mr. Cliffe-Phillips,

Re: Notice of Preliminary Screening Determination – Amendment Application for Land Use Permit – Mining and Milling – Thor Lake Property, NT

The Mackenzie Valley Land and Water Board (Board) met on April 2, 2020 and considered the Amendment Applications from NWT Rare Earths Ltd. (NWT-RE) to Type A Land Use Permit (Permit) MV2014D0001 and Type B Water Licence (Licence) MV2014L2-0001 for mining and milling on the Thor Lake Property NT (Project) in accordance with the *Mackenzie Valley Resource Management Act* (MVRMA).

The Board conducted a preliminary screening based on the Application and the public record for the proceeding. Based on the evidence provided, the Board is satisfied the screening has been completed according to section 125 of the MVRMA and has decided **not to refer** the project to environmental assessment. The Preliminary Screening Report includes the Board's reasons for decision, as required by section 121 of the MVRMA (attached).

If the Board does not receive notice of referral to environmental assessment, it will proceed with the issuance of the Amended Permit MV2014D0001 and Licence MV2014L2-0001 on **Monday April 13, 2020**.

Our Board and staff look forward to continued communications throughout the pause period. If you have any questions or concerns regarding this letter, please contact Shelagh Montgomery at (867) 766-7457 or email smontgomery@mvlwb.com.

Yours sincerely,

A handwritten signature in blue ink, appearing to read "Elizabeth Wright".

Elizabeth Wright
MVLWB, Acting Chair

Copied to: Akaitcho – Distribution List;
Mr. Geoff Atkins – NWT Rare Earths Ltd.

Attached: Preliminary Screening Report, including Reasons for Decision

Preliminary Screening Report Form

<p>Preliminary screener: MVLWB</p> <p>Reference / File number: MV2014D0001 MV2014L2-0001</p> <p>TITLE: Mining and Milling</p> <p>ORGANIZATION: NWT Rare Earths Ltd.</p> <p>MEETING DATE: April 2, 2020</p>	<p>EIRB</p> <p>Reference number:</p>
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Type of Development:
(CHECK ALL THAT APPLY)

- | | |
|-------------------------------------|--|
| <input type="checkbox"/> | New |
| <input checked="" type="checkbox"/> | Amend, EIRB Ref. # |
| <input checked="" type="checkbox"/> | Requires permit, licence, or authorization |
| <input type="checkbox"/> | Does not require permit, licence, or authorization |

Project Summary:

Small scale demonstration project through the extraction of ore from the Upper Zone utilizing open cast methods. Extracted materials will be sorted using a machine specifically designed for identifying rare earths (Senor-Based Ore Soring Plant). Waste rock will be left on site and uses for further construction. The extracted or will be sent off site for further refinement.

Scope:

Preliminary site preparation and construction, including:

- a) Site preparation (clearing);
- b) Construction, maintenance, use and upgrading of site roads, laydown areas, and pads;
- c) Construction of sediment erosion control structures;
- d) Construction of an all-season airstrip and apron;
- e) Construction, operation, and maintenance of a construction camp;
- f) Construction of a preliminary diesel fuel storage tank;
- g) Use and storage of fuel;
- h) Establishment of temporary power supply;
- i) Temporary storage of explosives;
- j) Crushing of mine rock for site preparation;
- k) Construction of concrete foundation for project infrastructure; and
- l) Development of a portal at surface.

Use of Water and dispose of Waste for industrial undertakings for early mine set up and pre-construction and associated uses at the Nechalacho Project, as described in the Amended Water License Application, submitted February 27, 2014 and supporting documents, and includes the following:

- a) Withdrawal and use of water from Thor Lake;
- b) Construction of the portal;
- c) Construction of sediment control structures;
- d) Quarrying of materials from specified locations and crushing;
- e) Bulk fuel storage;
- f) Use and storage of explosives;
- g) Construction and operation of a camp; and
- h) Construction and operation of site services infrastructure such as water lines, electrical distribution, site roads, airstrip, sewage treatment, incinerator, and material sorting facilities.

Land Use Eligibility - Section 18 Mackenzie Valley Land Use Regulations:

Type of Disposition	Disposition Number(s)
<input checked="" type="checkbox"/> Mineral Claims	K12405, K12406, K12407
<input type="checkbox"/> Prospecting Permit (s)	
<input checked="" type="checkbox"/> Mineral Leases	3178, 3179, 3265, 3266, 3267

- Oil and Gas: EL/SDL/PL
- Quarry Permit
- Timber Permit
- Other:

Principal Activities (related to scoping) (CHECK ALL THAT APPLY)

- | | | |
|--|---|--|
| <input checked="" type="checkbox"/> Construction | <input checked="" type="checkbox"/> Exploration | <input type="checkbox"/> Decommissioning |
| <input checked="" type="checkbox"/> Installation | <input type="checkbox"/> Industrial | <input type="checkbox"/> Abandonment |
| <input type="checkbox"/> Maintenance | <input type="checkbox"/> Recreation | <input type="checkbox"/> Aerial |
| <input type="checkbox"/> Expansion | <input type="checkbox"/> Municipal | <input type="checkbox"/> Harvesting |
| <input checked="" type="checkbox"/> Operation | <input type="checkbox"/> Quarry | <input type="checkbox"/> Camp |
| <input type="checkbox"/> Repair | <input type="checkbox"/> Linear / Corridor | <input type="checkbox"/> Scientific/ |
| <input type="checkbox"/> Research | <input type="checkbox"/> Sewage | <input type="checkbox"/> Solid Waste |
| <input type="checkbox"/> Water Intake | | |
| <input type="checkbox"/> Other: | | |

Principal Development Components (related to scoping) (CHECK ALL THAT APPLY)

- | | |
|---|---|
| <input type="checkbox"/> Access Road | <input type="checkbox"/> Waste Management |
| <input type="checkbox"/> construction | <input type="checkbox"/> disposal of hazardous waste |
| <input type="checkbox"/> abandonment/removal | <input type="checkbox"/> waste generation |
| <input type="checkbox"/> modification e.g., widening, straightening | <input type="checkbox"/> sewage |
| <input type="checkbox"/> Automobile, Aircraft or Vessel Movement | <input type="checkbox"/> disposal of sewage |
| <input checked="" type="checkbox"/> Blasting | <input type="checkbox"/> Geoscientific Sampling |
| <input type="checkbox"/> Building | <input type="checkbox"/> Trenching |
| <input type="checkbox"/> Burning | <input type="checkbox"/> Diamond drill |
| <input type="checkbox"/> Burying | <input type="checkbox"/> Borehole core sampling |
| <input type="checkbox"/> Channelling | <input checked="" type="checkbox"/> Bulk soil sampling |
| <input type="checkbox"/> Cut and Fill | <input checked="" type="checkbox"/> gravel |
| <input type="checkbox"/> Cutting of Trees or Removal of Vegetation | <input type="checkbox"/> hydrological Testing |
| <input type="checkbox"/> Dams and Impoundments | <input checked="" type="checkbox"/> Site Restoration |
| <input type="checkbox"/> construction | <input type="checkbox"/> fertilization |
| <input type="checkbox"/> abandonment/removal | <input type="checkbox"/> grubbing |
| <input type="checkbox"/> modification | <input type="checkbox"/> planting/seeding |
| <input type="checkbox"/> Ditch Construction | <input type="checkbox"/> reforestation |
| <input type="checkbox"/> Drainage Alteration | <input type="checkbox"/> scarify |
| <input checked="" type="checkbox"/> Drilling other than Geoscientific | <input type="checkbox"/> spraying |
| <input type="checkbox"/> Ecological Surveys | <input type="checkbox"/> re-contouring |
| <input type="checkbox"/> Excavation | <input type="checkbox"/> Slashing and removal of vegetation |
| <input type="checkbox"/> Explosive Storage | <input type="checkbox"/> Soil Testing |
| <input type="checkbox"/> Fuel Storage | <input type="checkbox"/> Stream Crossing/Bridging |
| <input checked="" type="checkbox"/> Topsoil, Overburden or Soil | <input type="checkbox"/> Tunnelling/Underground |
| <input type="checkbox"/> fill | <input type="checkbox"/> Other: |
| <input type="checkbox"/> disposal | |
| <input type="checkbox"/> removal | |
| <input type="checkbox"/> storage | |

NTS topographic map sheet numbers:

85I 1/2

Latitude / longitude and UTM system:

62.13663N

112.66986W

62.13597N

112.47788W

62.06220N

112.67126W

62.06154N

112.47718W

Nearest community and water body:

Yellowknife, NT
Great Slave Lake

Land Status (consultation information)

Free Hold/Private Commissioner's/Territorial Lands Federal Crown Land Municipal Land

Transboundary/Transregional Implications

British Columbia Alberta Saskatchewan Yukon
 Nunavut National Park Inuvialuit Settlement Region
 Wek'èezhii Gwich'in Sahtu

Type of transboundary implication: Impact / Effect Development

Public concern: _____
(Describe.)

Physical - Chemical Effects

Impact

Mitigation

1) Ground Water

- water table alteration
- water quality changes

A Spill Contingency Plan will address potential spills.
Waste will be incinerated or flown off site as per the Waste Management Plan
Fuel caches and refueling must have adequate secondary containment

- infiltration changes
- other:

- N/A

Impact

Mitigation

2) Surface Water

- flow or level changes
- water quality changes

A Spill Contingency Plan will address potential spills.
Waste will be incinerated or flown off site as per the Waste Management Plan
Fuel caches and refueling must have adequate secondary containment
Water will be tested prior to discharge

- water quantity changes
- drainage pattern changes
- temperature
- wetland changes/loss
- other:
- N/A

Impact
3) Noise

- noise in/near water
- noise increase

- other:
- N/A

Mitigation

No mitigation, noise disturbance is temporary in nature

The application and associated documents were distributed to the distribution list which includes a lodge in the vicinity and no comments or recommendations were received relating the notice of the operation.

Impact
4) Land

- geologic structure changes
- soil contamination

- buffer zone loss
- soil compaction and settling
- destabilization/erosion
- permafrost regime alteration
- explosives/scarring
- other:
- N/A

Mitigation

A Spill Contingency Plan will address potential spills.

Waste will be incinerated or flown off site as per the Waste Management Plan

Fuel caches and refueling must have adequate secondary containment.

Impact
5) Non-renewable natural resources

- resource depletion
- other:
- N/A

Mitigation

No mitigation – sample material (drilling, trenching and bulk sampling) and quarry material extraction are necessary for the completion of the project.

Impact
6) Air/climate/atmosphere

- other:
- N/A

Mitigation

Air quality will be temporarily affected by vehicle, aircraft and equipment use. Not mitigation

BIOLOGICAL ENVIRONMENT

Impact

1) Vegetation

Mitigation

- species composition
- species introduction
- toxin/heavy accumulation
- other: Linear Migration routes, habitat fragmentation
- N/A

Impact

2) Wildlife and Fish

Mitigation

- effects on rare, threatened or endangered species
- fish population changes
- waterfowl population changes
- breeding disturbance
- population reduction
- species diversity change
- health changes
- behavioural changes

The Permittee has committed to minimizing the effect on wildlife as a result of the operation.

Certain animals may avoid areas of operations due to noise/activity. This impact is temporary in nature.

- habitat changes / effects

The Permittee is required to take all reasonable measures to prevent damage to wildlife and fish habitat during the land use operation.

- game species effects
- toxins/ heavy metals
- forestry changes
- agricultural changes
- other:
- N/A

Interacting Environment

Impact

1) Habitat and Communities

Mitigation

- predator-prey
- wildlife habitat/ecosystem composition changes

The Permittee is required to take all reasonable measures to prevent damage to wildlife and fish habitat during the land use operation.

- reduction/removal of keystone or endangered species
- removal of wildlife corridor or buffer zone
- other:
- N/A

Impact

Mitigation

2) Social and Economic

- planning/zoning changes or conflicts
- increase in urban facilities or services use
- rental house
- airport operations/capacity changes
- human health hazard
- impair the recreational use of water or aesthetic quality
- affect water use for other purposes
- affect other land use operations
- quality of life changes
- public concern
- other:
- N/A

Impact

Mitigation

3) Cultural and Heritage

- effects to historic property
- increased economic pressure on historic properties
- change to or loss of historic resources
- change to or loss of archaeological resources
- increased pressure on archaeological sites

change to or loss of
aesthetically important sites

effects to aboriginal lifestyle

other:

N/A

- Pursuant to Schedule 4.1 of the **Northwest Territory Métis Nation (NWTMN)** Interim Measures Agreement, the MVLWB determined that written notice was given to the NWTMN and that a reasonable period of time was allowed for NWTMN to make representations with respect to the application.
- Pursuant to subsection 1.6, paragraphs (a) and (b) of the **Akaiicho Territory Dene First Nations (ATDFN)** Interim Measures Agreement, the MVLWB determined that written notice was given to the ATDFN and that a reasonable period of time was allowed for ATDFN to make representations with respect to the Application.

Preliminary Screener / Referring Body Information

Akaitcho IMA Implementation Office
Bathurst Inlet Development Ltd.
Bathurst Inlet Lodge
Canadian Northern Economic Development Agency - NWT Region
City of Yellowknife
Dene Nation
Deninu K'ue First Nation
Det'on Cho Corporation
Environment and Climate Change Canada
Fisheries and Oceans Canada
Fort Resolution Metis Council
Forward Mining
GNWT - ENR (Environment and Natural Resources)
GNWT - ENR - EAM (Environmental Assessment and Monitoring)
GNWT - ENR - North Slave Region
GNWT - ENR - South Slave Region - Fort Smith
GNWT - Executive and Indigenous Affairs
GNWT - HSS (Health and Social Services)
GNWT - INF (Infrastructure)
GNWT - ITI (Industry, Tourism and Investment)
GNWT - Lands
GNWT - Lands - Hay River Region
GNWT - Lands - North Slave Region
GNWT - Lands - South Slave Region - Fort Smith
GNWT - MACA (Municipal and Community Affairs)
GNWT - PPCA (Policy, Planning, Communications and Analysis (w/in ITI))

GNWT - PWNHC (Prince of Wales Northern Heritage Centre (w/in ECE))
Golder Associates
Hamlet of Fort Resolution
INAC - CARD
INAC - NWT Inspectors
INAC - Yellowknife
Katlocheeche First Nation
Lutsel K'e Dene First Nation - Chief or Wildlife, Lands and Environment
Mackenzie Valley Environmental Impact Review Board
Manitoba Denesuline
MVLWB
New Nadina Explorations Limited
North Slave Metis Alliance
Northwest Territory Metis Nation
NWT & Nunavut Chamber of Mines
NWT- OROGO
Parks Canada
Salt River First Nation
Smith's Landing First Nation
Snap Lake Environmental Monitoring Agency (SLEMA)
Tlicho Government
Tlicho Lands Protection Department
Town of Fort Smith
Town of Hay River
Wek' eezhii Renewable Resources Board
West Point First Nation
WLWB
Wood
Yellowknives Dene First Nation

Reasons For Decision

(List all reasons and supporting rationales for preliminary screening decision)

DECISION

The Mackenzie Valley Land and Water Board (the Board) is satisfied that the preliminary screening of Amendment Application MV2014D0001 MV2014L2-0001 – NWT Rare Earths Ltd. – Thor Lake NT has been completed in accordance with section 125 of the *Mackenzie Valley Resource Management Act (MVRMA)*.

The Board is satisfied that communities and First Nations affected by the Application have been notified and provided adequate time to provide comment on the Application as required by land claim and self government agreements, the MVRMA, policy directions relating to Interim Measures Agreements, and any other applicable legislation and agreements.

Having reviewed all relevant evidence on the Public Registry, including the submissions of the Applicant, the written comments received by the Board and any Staff Reports prepared for the Board, the Board has decided that in its opinion:

- The proposed development will not have a significant adverse impact on the environment; and
- The proposed development is not a cause of public concern.

The Board is also of the opinion that the Application can proceed through the regulatory process and that any impacts of the development on the environment can be mitigated through conditions of a land use permit and a water licence.

Preliminary Screening Decision	
<input checked="" type="checkbox"/>	Outside Local Government Boundaries
<input type="checkbox"/>	The development proposal might have a significant adverse impact on the environment, <i>refer it to the EIRB.</i>
<input checked="" type="checkbox"/>	<i>Proceed with regulatory process and/or implementation.</i>
<input type="checkbox"/>	The development proposal might have public concern, <i>refer it to the EIRB.</i>
<input checked="" type="checkbox"/>	<i>Proceed with regulatory process and/or implementation.</i>
<input type="checkbox"/>	Wholly Within Local Government Boundaries
<input type="checkbox"/>	The development proposal is likely to have a significant adverse impact on air, water or renewable resources, <i>refer it to the EIRB.</i>
<input type="checkbox"/>	<i>Proceed with regulatory process and/or implementation.</i>
<input type="checkbox"/>	The development proposal might have public concern, <i>refer it to the EIRB.</i>
<input type="checkbox"/>	<i>Proceed with regulatory process and/or implementation.</i>

Preliminary Screening Organization

Mackenzie Valley Land and Water Board

April 2, 2020

Signatures



Elizabeth wright, Acting Chair