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December 1, 2023

File: MV2023C0034

Mark Cliffe-Phillips
Mackenzie Valley Review Board
200 Scotia Centre
Box 938, 5102-50th Avenue
Yellowknife NT X1A 2N7

Sent by email

Dear Mark Cliffe-Phillips,

Re: HWY4 Lithium LTD – Notice of Preliminary Screening Determination – Application for Land Use Permit – Mining Exploration – Hidden Lake, NT

The Mackenzie Valley Land and Water Board (Board) met on November 30, 2023 and considered the Application Package from HWY4 Lithium LTD (HWY4) for Land Use Permit (Permit) MV2023C0034 for the Hidden Lake Lithium Project (Project) in accordance with the *Mackenzie Valley Resource Management Act* (MVRMA).

The Board conducted a preliminary screening based on 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 Board's Preliminary Screening Determination and Reasons for Decision, as required by section 121 of the MVRMA, is attached.

If the Board does not receive notice of referral to environmental assessment, it can proceed with issuance of Permit MV2023C0034 on **Tuesday December 12, 2023**.

The Board and staff look forward to continued communications throughout the pause period. Please contact Kathy Racher via [email](#) or at (867) 766-7457 with any questions or concerns regarding this letter.

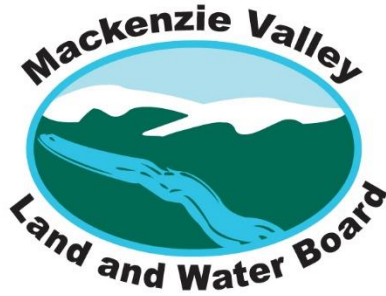
Yours sincerely,

A handwritten signature in blue ink that reads "Tanya MacIntosh". The signature is written in a cursive style with a long horizontal stroke at the beginning.

Tanya MacIntosh
Chair, Mackenzie Valley Land and Water Board

Bcc'd to: Akaitcho Distribution List
Darren Allingham, HWY4
Eileen Marlowe, HWY4

Attached: Preliminary Screening Determination and Reasons for Decision



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Preliminary Screening Determination and Reasons for Decision

Land Use Permit Application	
File Number	MV2023C0034
Company	HWY4 Lithium Ltd.
Project	Hidden Lake Lithium Project
Location	Hidden Lake, NT
Activity	Mining Exploration
Date of Decision	November 30, 2023

1.0 Decision

In accordance with subsection 124(1) of the [Mackenzie Valley Resource Management Act](#) (MVRMA), the Mackenzie Valley Land and Water Board (MLWB or Board) met on November 30, 2023 to make a preliminary screening determination on the Application from HWY4 Lithium Ltd. (HWY4) (Applicant) for Land Use Permit MV2023C0034 (Permit)¹ for the Hidden Lake Lithium Project – Hidden Lake, NT (Project).

The Board has decided not to refer the proposed Project to the Mackenzie Valley Environmental Impact Review Board (the Review Board) for Environmental Assessment because, based on the evidence, it is the Board's opinion that the proposed Project will not have a significant adverse impact on the environment or be a cause of public concern.

The Board's determinations, including reasons for its decisions, are detailed in sections [3.0](#) and [4.0](#).

¹See MLWB Online Registry www.mvlwb.com for [Hidden Lake Lithium Project – Permit Application – Oct16 23](#)

2.0 List of Defined Terms and Acronyms

Applicant	HWY4 Lithium Ltd.
Application	The complete application package submitted by the Applicant for Land Use Permit MV2023C0034.
Board	Mackenzie Valley Land and Water Board
CRP	Closure and Reclamation Plan
EA/EIR	Environmental Assessment/Environmental Impact Review
GNWT	Government of the Northwest Territories
GNWT-ECC	Government of the Northwest Territories – Environment and Climate Change
MVLWB	Mackenzie Valley Land and Water Board
MVRMA	Mackenzie Valley Resource Management Act
Minister	Minister of the Government of the Northwest Territories – Environment and Climate Change
ORS	Online Review System (www.new.onlinereviewssystem.ca)
Party	As per the LWB Rules of Procedure , an applicant, a person, or an organization participating in the regulatory proceeding for the Application.
Project	Hidden Lake Lithium Project, which is the proposed development (as defined in Part 5 of the MVRMA). ²
Review Board	Mackenzie Valley Environmental Impact Review Board
SCP	Spill Contingency Plan
Standard Permit Conditions	LWB Standard Land Use Permit Conditions Template
TG	Tłı̨chǫ Government
WMP	Waste Management Plan

3.0 Background and Scope of Screening

HWY4 Lithium Ltd. applied for a Permit to conduct mineral exploration in support of Hidden Lake Lithium Project on October 16, 2023. The project is located to the east of Hidden Lake, approximately 50 km east of Yellowknife, NT.

Approximately 10-20 drill holes will complete a preliminary drill program over nine primary areas to assess the potential for lithium. Two helicopter transported drill rigs will be used to complete the drilling, though overland drill transport will occur in the winter when ground conditions permit. Winter roads are proposed to enable movement of personnel.

The term requested is five years.

Affected parties identified in the Application include:

² “development” is defined in Part 5 of the [MVRMA](#) as:

“any undertaking, or any part or extension of an undertaking, that is carried out on land or water and includes an acquisition of lands pursuant to the *Historic Sites and Monuments Act* and measures carried out by a department or agency of government leading to the establishment of a park subject to the *Canada National Parks Act* or the establishment of a park under a territorial law.”

- Yellowknives Dene First Nation;
- Lutselk'e Dene First Nation;
- Deninu Kue First Nation;
- North Slave Metis Alliance;
- NWT Metis Nation;
- Ingraham Trail Cabin Owners and leaseholders;
- Tłıchǫ Government; and
- Smith's Landing First Nation.

The initial engagement emails were sent out from April 17 to July 10, 2023 with the majority of follow up correspondence and engagement sessions took place between June - September 2023. The wildfire evacuations delayed some of the in-person engagement sessions, but HWY4 commits to following up and continuing engagement into the winter.

The following Affected parties were approached but declined engagement sessions:

- West Point First Nation;
- Katlodeechee First Nation; and
- Salt River First Nation.

HWY4 Lithium Ltd. have initiated a Traditional Knowledge survey with YKDFN consultants, which will be undertaken before the project begins. An Archaeological Overview Assessment and Archaeological Impact Assessment is being completed.

In accordance with paragraph 125(1)(a) of the [MVRMA](#), the Board must conduct a preliminary screening of the proposed Project to determine and report to the Review Board whether, in its opinion, the proposed Project might have a significant adverse impact on the environment, or might be a cause of public concern. The details of the Board's analysis are set out in section [4.0](#) below.

3.1 Scope of Screening:

New Areas and Activities:

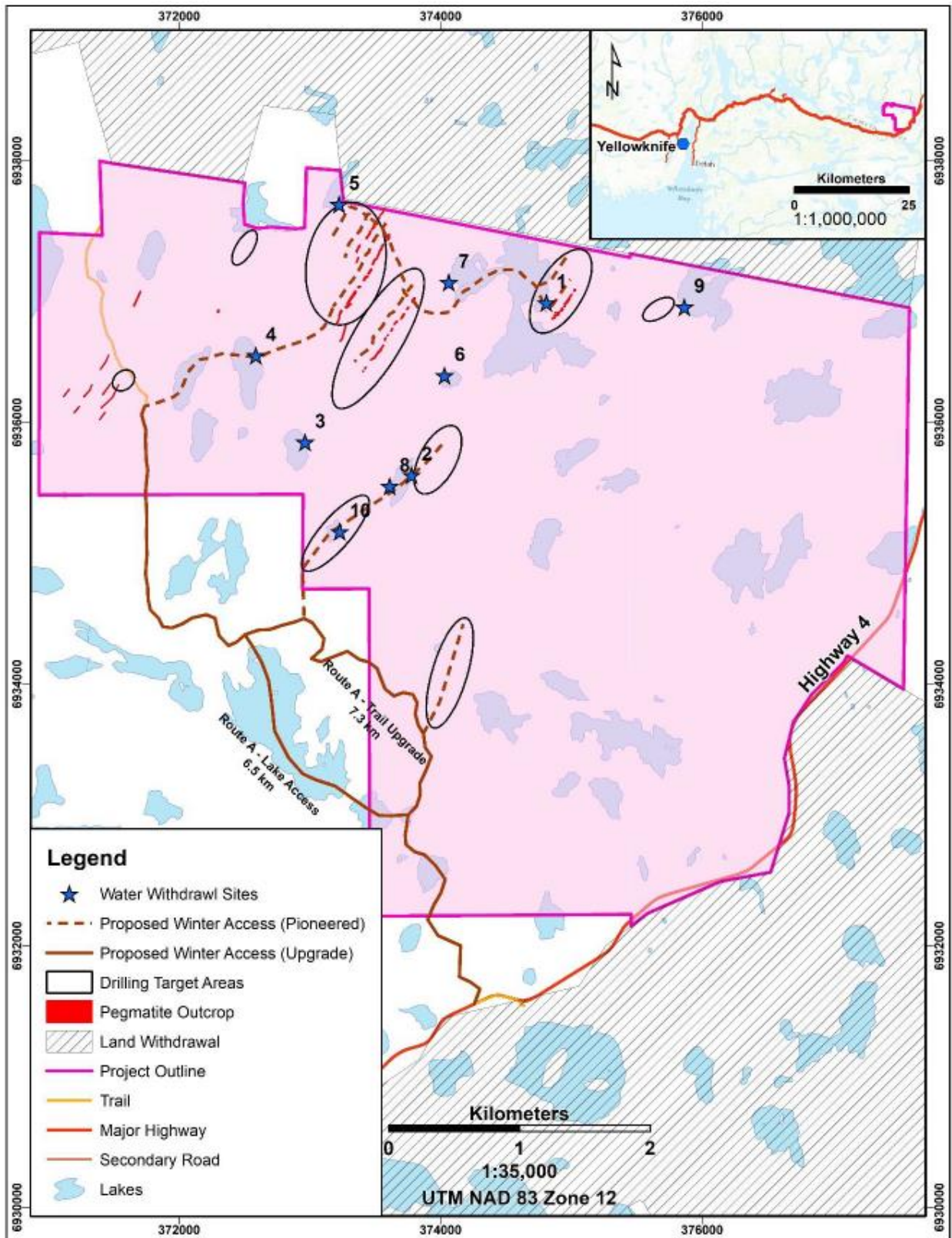
HWY4 Lithium Ltd. is conducting an exploration drilling program east of Hidden Lake, NT. Approximately 10-20 holes will be advanced during the first winter using helicopter-transported drill rigs to a depth of 50 – 400 m below surface (approximately 3000-4000 m). The first program is to take place upon Permit approval, to be completed between two to four months during the winter of 2023/2024. Dependant on the first year of drilling, the second phase will be completed in the fall of 2024 or winter of 2024/2025 and will determine the additional drilling to occur over the duration of the five-year requested permit in both the summer and winter months. Additional drilling phases may take place throughout the permit's timeline. After the initial drill program, 2000 - 10,000 m of drilling is predicted to be completed per year over the duration of the permit.

A helicopter will be used to transport the two drill rigs and personnel to sites. A total of approximately 3.65 hectares of upgraded winter roads and 4.815 hectares of pioneered winter roads are proposed in

this permit application to enable movement of personnel. The upgraded winter roads branch off from the pre-existing Thompson Lundmark (TL) trail and winter road, a previously serviced road from Highway 4 (Ingraham Trail) to the Thompson Lundmark Gold Mine at Thomson Lake. The TL and Winter Road require upgrades to ensure the trail is kept open during winter, two routes have been proposed for upgrades. Route A is 6.5 km long using mostly pre-existing TL Trail or Winter Road with 1.8 km of a frozen lake. Route B is entirely made up of pre-existing TL Trail or Winter Road to the drill areas, totalling 7.3 km. Additional 9.6 km of pioneered road would also be used, extending from pre-existing TL Trail or Winter Road to drill sites proximal to water withdrawal sites (Figure 1).

The first winter drill program will use 0.2 hectares of land for drill pads, over the total 10 hectares that is planned to be used for this project. Minimal impact methods will be used to prepare the drill pads, with little to no vegetation cut, and soils replaced on exploration sites to encourage natural revegetation establishment, though most drill pad sites are bedrock outcrops and do not have soil cover. It is estimated that a total of 1.5 hectares will be used for drill pads over the five-year timeframe of the permit, with progressive reclamation undertaken throughout.

Figure 1: Proposed Drilling Areas and Water Withdrawal Locations (1-10).



3.2 Public Record and Regulatory Proceeding

To assist the Board in its preliminary screening determination for the Project, the Board distributed the Application and a draft Permit for public review on October 20, 2023, inviting reviewers to provide comments and recommendations on the Applications and the preliminary screening (e.g., on impacts and mitigation measures) using the Online Review System (ORS). Comments were due November 10, 2023, with responses from the Applicant due November 17, 2023. The Board received comments and recommendations from Department of Fisheries and Oceans Canada (DFO), GNWT – Education, Culture and Employment (ECE)- Prince of Wales Northern Heritage Centre (PWNHC), GNWT – Environment and Climate Change (ECC) – North Slave Region (Inspector), GWNT-ECC, and Tlicho Government (TG). (attached).³ Board staff also submitted comments and questions for the purposes of clarification.

Since there were no requests to extend the reviewer comment deadline, the Board is satisfied that a reasonable period of notice was given to affected communities and First Nations, as required by subsection 63(2) of the [MVRMA](#).

Pursuant to Schedule 4.1 of [Northwest Territory Métis Nation \(NWTMN\) Interim Measures Agreement](#),⁴ the Board 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 [Akaitcho Territory Dene First Nations \(ATDFN\) Interim Measures Agreement](#),⁵ the Board 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.

4.0 Potential Impacts and Proposed Mitigations

Table 1 below summarizes:

- the potential impacts of the proposed Project;
- the concerns that were identified during the regulatory proceeding and how the Applicant addressed those concerns;
- the proposed and potential mitigations for the potential impacts; and
- the Board’s analysis of the potential impacts and proposed mitigations.

³ See MLWB Online Registry for [HWY4 Lithium LTD.- Hidden Lake – Review Comment Table – Dec 1 23](#).

⁴ See MLWB Land Claims, IMAs, and Land Use Plans webpage to access the [Northwest Territory Métis Nation Interim Measures Agreement](#).

⁵ See MLWB Land Claims, IMAs, and Land Use Plans webpage to access the [Akaitcho Territory Dene First Nations Interim Measures Agreement](#).

Table 1: Potential Impacts and Proposed Mitigations for the Proposed Project

Potential Impact	Activity	Proposed Mitigations <i>Description of measures to reduce potential impacts, including consideration of cumulative impacts and climate change.</i>	Board Analysis and Determination
Loss or change in extent of permafrost	Drilling	<ul style="list-style-type: none"> • HWY4 indicated that small scale thermokarst development are a potential impact from drilling. To mitigate, water will be directed and captured in small depressions by placing a collar containment and flow direction device around the drill hole collar and water will not be allowed to flow around the drill rig site. • The Board has standard permit conditions that are typically used to mitigate the identified potential impacts. These standard conditions include:⁶ <ul style="list-style-type: none"> • PERMAFROST PROTECTION • NATURAL DRAINAGE 	<p>Based on the described mitigations, it is the Board staff opinion that the proposed activities are not likely to have significant adverse impact on the environment and/or will not be a cause of public concern.</p> <p>The proposed project involves a small footprint on generally bedrock locations for short periods of time. The Project does not require any long-term infrastructure, no new technology, and no hazardous chemicals or effluents.</p>
Other Aquatic Habitat	Water use	<ul style="list-style-type: none"> • HWY4 indicated the potential impacts of water withdrawal sites on aquatic habitats. To mitigate, pump hoses with mesh screens will be used and avoid water withdrawal from small streams or lakes. HWY4 has indicated that the project will comply with the conditions and measures set out in the Interim Code of Practice and the Measures to protect fish and fish habitat. • The Board has standard permit conditions that are typically used to mitigate the identified potential impacts. These standard conditions include:⁷ <ul style="list-style-type: none"> • HABITAT DAMAGE 	<p>Based on the described mitigations, it is the Board staff opinion that the proposed activities are not likely to have significant adverse impact on the environment and/or will not be a cause of public concern.</p> <p>The proposed project involves less than 99 m³/day use of water, as it does not require a water licence, and involves a small footprint of water use spread across 10 potential water sources. The project could be of concern for aquatic environments without appropriate mitigation measures to ensure Project impacts</p>

⁶ See the MVLWB Policies and Resources webpage to access the MVLWB [Standard Land Use Permit Conditions Template](#).

⁷ See the MVLWB Policies and Resources webpage to access the MVLWB [Standard Land Use Permit Conditions Template](#).

Potential Impact	Activity	Proposed Mitigations <i>Description of measures to reduce potential impacts, including consideration of cumulative impacts and climate change.</i>	Board Analysis and Determination
			are minimal/negligible.
Direct Loss or removal of habitat, dens, or nests	Drilling	<ul style="list-style-type: none"> • HWY4 Indicated the potential impacts for inadvertently disturbing animals with drilling. To mitigate, the crew will avoid interactions with any wildlife. The main drill sites are located on bedrock, or during the winter on snow and ice to reduce potential for permanent habitat loss. Shutdown of equipment will occur when mammals are identified within 500 m of the drill rig or heavy vehicles. Special attention made to minimize disturbance of and impact on species at risk in the area including wolverine, bank swallow, barn swallow, common nighthawk, horned grebe, olive-sided flycatcher, shortjaw cisco, red-necked phalarope, short-eared owl and rusty blackbird. • The Board has standard permit conditions that are typically used to mitigate the identified potential impacts. These standard conditions include:⁸ <ul style="list-style-type: none"> • HABITAT DAMAGE 	<p>Based on the described mitigations, it is the Board staff opinion that the proposed activities are not likely to have significant adverse impact on the environment and/or will not be a cause of public concern.</p> <p>The proposed project involves a small footprint on bedrock locations for short periods of time. The Project does not require any long-term infrastructure, no new technology, and no hazardous chemicals or effluents.</p>

⁸ See the MVLWB Policies and Resources webpage to access the MVLWB [Standard Land Use Permit Conditions Template](#).

4.1 Consideration of Potential Impacts

Based on the potential impacts and proposed mitigations identified above in Table 1, the Board considered whether the Project might have a significant adverse impact on the environment. In general, impacts of the Project on the environment can be mitigated through the use of standard permit conditions and/or project-specific conditions established by the Board as per the LWB [Standard Process for Creating New Conditions](#). These conditions may include requirements for management and monitoring plans that provide detailed information regarding the implementation of mitigation measures and the evaluation of their effectiveness.

A draft Permit was circulated for review during the regulatory proceeding, and all Parties were given the opportunity to provide comments and recommendations on the draft conditions. In finalizing the conditions, the Board will consider all of the evidence provided through the regulatory proceeding.

4.2 Consideration of Public Concern

In addition to considering the potential impacts of the Project, the Board considered whether the Project might be a cause of public concern.

Based on the evidence provided during the regulatory proceeding, the Board did not identify any comments or issues that indicate that the Project is a cause of public concern.

5.0 Conclusion

The Board has reviewed all the evidence received during the regulatory process with respect to the Preliminary Screening of the proposed Project. Based on the evidence, it is the Board's opinion that the proposed Project will not have a significant adverse impact on the environment or be a cause of public concern, as set out in paragraph 125(1)(a) of the [MVRMA](#). The Board has therefore decided not to refer the proposed Project to Environmental Assessment. If the Board does not receive a notice of referral to environmental assessment by Monday December 11, 2023, the Board can issue the Permit on Tuesday December 12, 2023.

SIGNATURE



Tanya MacIntosh, Chair
Mackenzie Valley Land and Water Board

December 1, 2023

Date