



Mackenzie Valley Land and Water Board

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April 28, 2003

File: MV2003C0008

Mr. Paul Cowley
North American Resources Corporation
80-8190 King George Highway
SURREY, BC V3W 5B7

Fax (604) 594-1047

Dear Mr. Cowley:

North American Resources Corporation, MV2003C0008
Mineral Exploration, Wool Bay

FAXED
April 28, 2003
SA

The Mackenzie Valley Land and Water Board (MVLWB) met on April 24, 2003 to deal with the aforementioned application. The decision was made to refer the application to the Mackenzie Valley Environmental Impact Review Board (MVEIRB) for an environmental assessment pursuant to Subsection 125 (1) of the *Mackenzie Valley Resource Management Act*. The reasons for decision and the preliminary screening report are attached for your information.

If you have any questions, contact Peter Lennie-Misgeld, Senior Regulatory Officer at (867) 669-0506 or email mvlwbpermit@mvlwb.com.

Yours sincerely,

A handwritten signature in cursive script, appearing to read "Melody J. McLeod".

Melody J. McLeod
Chair

Copy to: Vern Christensen, Mackenzie Valley Environmental Impact Review Board
Ed Hornby, South Mackenzie District, DIAND, Yellowknife
Steve Mathyk, MVLWB

Attachment

REASONS FOR DECISION

MACKENZIE VALLEY LAND AND WATER BOARD (MVLWB or the Board)

IN THE MATTER OF:

**An Application by North American General Resources Corporation for
a Type 'A' Land Use Permit for Mineral Exploration in the Wool Bay
Area;**

and

**A Preliminary Screening of the North American General Resources
Corporation application for a Type 'A' Land Use Permit for Mineral
Exploration in the Wool Bay Area.**

Background:

North American General Resources Corporation (the Applicant) applied to the Mackenzie Valley Land and Water Board (the MVLWB or the Board) on February 14, 2003 for Type 'A' Land Use Permit MV2003C0008 to conduct Mineral Exploration in the Wool Bay Area. The proposed operation as applied for included drilling of two or three holes, two hundred metres off the shore of Great Slave Lake. All support for this operation is to be based via ice road from Yellowknife N.T.

The MVLWB conducted a preliminary screening of the applications and received comments from government agencies, communities, and First Nations. Several First Nations organizations expressed concern over potential impacts from mineral exploration in the Drybones and Wool Bay Areas. These concerns related to impacts from mineral exploration to the cultural, social and traditional land use importance that the Drybones and Wool Bay Areas signify to first nations.

The Issue:

The MVLWB is aware and concerned that the Drybones and Wool Bay Areas will experience steady increases in mineral exploration in the near future. The MVLWB decided that this increased mineral exploration constitutes a concern of cumulative negative environmental effects for the Drybones and Wool Bay Areas.

Evidence of Public Concern

On April 15, 2003, the MVLWB received a copy of a letter from the Yellowknives Dene First Nation (YKDFN). This letter emphasized the cultural, social and traditional land use importance of the Drybones and Wool Bay Areas and expressed concern over cumulative impacts resulting from increased mineral

exploration. The YKDFN also encouraged the MVLWB not to issue any more Land Use Permits until these issues have been addressed.

Reasons

The text outlined in Subsection 125 (1) required that the MVLWB determine whether the development might in its opinion:

- a) Have a significant adverse impact on the environment or be a cause for public concern.

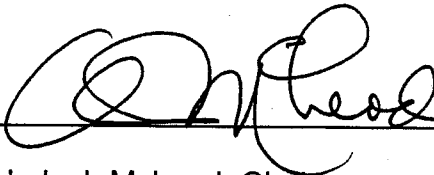
The responses provided to the Land and Water Board by the YKDFN are a clear indication of public concern about development in the Drybones and Wool Bay Areas.

Given the evidence of the cultural, spiritual and environmental importance of the Drybones and Wool Bay Areas, the Board decided that the test in Section 125 (1) had not been met with regard to public concern.

Decision:

On April 24, 2003 the MVLWB held a meeting to consider the above noted application. During this meeting the Board determined that the proposed operation might be a cause for public concern. Therefore, pursuant to Section 125 (1) (b) of the *Mackenzie Valley Resource Management Act* the application was referred to the Mackenzie Valley Environmental Impact Review Board (MVEIRB) for an Environmental Assessment.

Signed on behalf of the Mackenzie Valley Land and Water Board:



A handwritten signature in black ink, appearing to read 'Melody J. McLeod', is written over a horizontal line.

Melody J. McLeod, Chair
April 28, 2003