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May 22, 2015

Mackenzie Valley Environmental Impact Review Board
Box 938, #200 Scotia Centre
5102 - 50 Avenue
Yellowknife, NT
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Attention: Simon Toogood, Environmental Assessment Officer

Via email: stoogood@reviewboard.ca

Re: Second Round of Information Requests for Environmental Assessment of Husky Oil Operations Limited Chedabucto Silica Project

Husky Oil Operations Limited (Husky) has received a second round of Information Requests (IRs) from the Tłıchǰ Government (TG) regarding the Environmental Assessment (EA) of Husky's Chedabucto Silica Project. The IRs were submitted to the Mackenzie Valley Environmental Impact Review Board (MVEIRB) on May 19, 2015 after the IR period closed.

Husky submits the following information in response to the IRs. Husky recognizes that four of the seven comments are directed to either the Government of Northwest Territories or to Government of Canada. Husky is only responding to the last three comments that are directed to the proponent.

IR#5 – Timing of Activities

To prevent possible impacts on harvesting activities and cultural sites from the development, the persons interviewed for the Tłıchǰ TK study has suggested the protection of the following areas: (1) the island Kòk'èdii` (Old Fort Island), (2) the area Kwehàgee and Kwehàgeet'aa (Wrigley Point), (3) the area surrounding the lakes Łietı (Chedabucto Lake) and Ts'ootı and (4) the four islands on Tideè northeast of the proposed development area, and (5) the island Dinàgaà including the smaller islands connecting to the mainland. The protection of these five areas is important in order to keep intact the cultural value of these important historical sites and maintain the possibility of future harvesting activities.

Please identify how the areas identified as culturally significant and needed for harvesting will be protected during the exploration of this region.



Husky's Response to IR#5

Husky has no plans for field operations on the areas identified in the Tłıchq TK study that lay outside of the mineral claims block (i.e. areas "(4) the four islands on Tideè northeast of the proposed development area"; or, on "(5) the island Dinàgà including the smaller islands connecting to the mainland").

As part of the planning for the exploration program, Husky commissioned an Archaeological Overview Assessment of the Chedabucto area and followed up with an Archaeological Impact Assessment for the Year-one drilling locations. Based on the findings of these studies, drilling plans were modified and no drilling locations were proposed for the Old Fort Island area. Subsequent information provided in Tłıchq TK study, which was received in April 2015, confirmed concerns for area "(1) the island Kòk'èdii` (Old Fort Island)". Prior to the receipt of the TK study, Husky was not aware of concerns about exploration activities in "(2) the area Kwehàgee and Kwehàgeet'aa (Wrigley Point)" and "(3) the area surrounding the lakes Łietì (Chedabucto Lake)"; Husky commits to engage further with the Tłıchq Research and Training Institute and concerned parties to better understand the sensitivities in these areas and to determine if additional mitigation or modification to the exploration program might be required before finalizing plans.

IR#6 – Site Access

All animals on the land, and especially the caribou, are at the heart and soul of the Tłıchq people and culture. Even though it might be found that the exploration project will not likely have any direct negative effects for the boreal caribou, the possible silica mine resulting from the exploration will indeed destroy prime boreal caribou habitat. A crucial part, under the federal and territorial Species at Risk Acts, is the protection of habitat. Those laws also cite the importance of cooperation and coordination to conserve species at risk and the recognition of their habitat.

Please explain what the best available mitigation strategies are for this culturally and ecologically important species.

Husky's Response to IR#6

It is Husky's intent conduct the exploration program in such a way as to minimize impacts on all wildlife species throughout the project area. This will be accomplished by employing the comprehensive set of mitigation measures outlined in the Land Use Plan application and further clarified in subsequent Information Requests (IR) responses.

Mitigation measures that will be employed during exploration field operations to minimize impacts on all wildlife species throughout the project area include:

- Local environmental/wildlife monitors will be employed throughout the duration of the field program. The monitors will be expected to work with the Project Field Supervisor to identify potential denning locations and nesting habitats, and to make the Field Crew aware of any areas of concern, so that potential wildlife conflicts can be avoided;



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- During the site orientation all workers will receive awareness training which will include discussions on: not feeding the wildlife; no hunting/fishing; and no harassment of wildlife. All work crews will be encouraged to support the work that the wildlife monitors do;
- Restricting vehicle/equipment to the defined exploration program area (no off-roading);
- All vehicle/equipment operators associated with the program will be instructed, should they encounter wildlife, to stop and allow the wildlife to access and/or cross the vehicle's path without harassment;
- Food and waste management throughout program operations;
- All grease and oils from the exploration activities will be stored in sealed plastic pails and removed daily to reduce the release of odours and prevents wildlife from accessing the attractants;
- Husky employees and contractors working on the exploration program will be prohibited from hunting, fishing, and trapping;
- Unnecessary over-flights of fixed-wing aircraft and helicopters will be avoided;
- Helicopters will not land in any area where wildlife are present, except in documented emergency situations;
- Wildlife sightings will be recorded by all field program personnel using the GNWT Wildlife Observation forms to collect data on observations such as: species type, date, time, location, and animal activity;
- All activities will cease when caribou are present and may only resume once they have moved on;
- Small berms or drip trays will be used during transfer fuel operations at each drill site or water pump setup. Opened fuel barrels will be stored in secondary containment. Spills that may occur will be handled using small refueling berm kits and with absorbent pads at each transfer location with absorbent pads that will be available at each fuel transfer site. Spill kits will be located at the fuel cache and at each of the drilling rigs; and,
- By keeping the field programs (winter drilling, summer/fall geophysics, and winter mini-bulk sampling) all to a short duration Husky anticipates keeping impact to the practice of rights and access by Tlicho harvesters throughout the project area to a minimum.

In order to minimize impacts to wildlife habitat, mitigation measures to be employed will include:

- Drilling activity will be localized to the proposed hole locations;
- Due to the fact that the drilling rigs are light weight and heliportable, and that the drilling rig footprint can be kept to a minimum (approximately 6 m x 6 m for the RC pads and 8 m x 8 m for the DD pads);
- There will be no permanent camp; and the temporary emergency shelter/first aid tent and core shack will be located in the existing cleared DOT Quarry;
- Wherever possible, existing clearings will be utilized for heli-pads to limit new clearing;
- Frozen ground conditions will mitigate potential damage to ground vegetation, surface soils and permafrost. Care will be taken in ensuring that impacts to the ground are minimized;
- The active program area will be monitored ruts/gouges and repairs will be made as required using snow fills;



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- Husky and its contractors will work closely with the Land Use Inspector particularly at the end of the winter operating season to ensure the ground surface is not disturbed; and,
- Should over land access be required for a mini-bulk sample, a rubber tracked snow cat or equivalent vehicle with a sloop or sled will be employed to access program area along the existing winter access to the DOT rock quarry and on snow covered trail from the quarry to the sampling site. Trails will be scouted on foot or snowmobile to select a route around forested areas so that slashing can be kept to a minimum and large stands of trees will be avoided.

As a result of the employment of these measures, there is very little risk that the proposed Chedabucto exploration program will result in destruction of prime boreal caribou habitat.

IR#7 – Best Practices Guide from PDAC

In response to the NSMA request for identification of best practices, Husky used a definition from Wikipedia for best practices in the industry. Wikipedia does not set standards for the industry, but Prospectors and Developers Association of Canada does.

Please review the conformity of Husky's approach with the Best Practices Guide from PDAC on Mineral Exploration Guidelines.

Husky's Response to IR#7

Thank you for the reference to the Prospectors and Developers Association of Canada (PDAC). PDAC have made available on their website, a number of online toolkits (*e3Plus Framework for Responsible Exploration*) that provide guidelines for practical and effective mineral industry practices, based upon worldwide experience. The *Excellence in Environmental Stewardship* (EES) e-toolkit is a comprehensive resource for planning and conducting exploration practices in an environmentally responsible manner. Husky's approach for the proposed Chedabucto exploration program is quite consistent with the good industry practices recommended in the ESS guidelines.

I trust the additional information and clarifications provided are sufficient for your requirements. Should you have any further requests for information, please contact the undersigned by telephone at (403) 298-6655 or by email at ken.hansen@huskyenergy.com.

Sincerely,
HUSKY OIL OPERATIONS LIMITED

Kenneth F. Hansen, P. Geol.
Project Manager - NWT