



SAHTU Land & Water Board
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File: S07C-004

Facsimile Cover Sheet

To: Vern Christensen
MVEIRB, Executive Director

Fax Number: (867) 766-7074

From: George Govier

Number of Pages (incl. cover) 10

Date: July 21, 2007

Comments: Land Use Permit S07C-004
Mineral Exploration – McTavish Arm Great Bear Lake
Hunter Bay Resources
Preliminary Screening Report

Reference: Your letter dated July 6, 2007

1. Please see letter attached.
2. Your thoughts and comments always welcome.

George Govier
Executive Director

copy to: Larry Wallace, Chairman, SLWB Fax : (867) 587-2861

**SAHTU Land & Water Board**

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July 21, 2007

Vern Christensen
Executive Director
Mackenzie Valley Environmental Impact Review Board
Box 938, Scotia Centre
5120-50th Ave.
Yellowknife, NT
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Our File: S07C-004
Your File:

Dear Vern:

**Re: Land Use Permit S07C- 004
Mineral Exploration – McTavish Arm Great Bear Lake
Hunter Bay Resources
Preliminary Screening Report**

I am replying to your correspondence dated July 6, 2007, regarding your request for additional information.

- 1. The SLWB did not conclude that the proposed development might be a cause of significant adverse impact on the environment.**

The Sahtu Renewable Resources Board (SRRB) in its letter of May 11, 2007 states its concern with the disruption of migrating caribou during scheduled operations. The Deline Renewable Resources Council in its letter of May 8, 2007 states its concern that the area is a very important caribou migration route. GNWT-ENR in its letter of May 15, 2007 states that the mitigations proposed by the developer are not sufficient to minimize impacts on wildlife. On page 3 of that letter, ENR identified 3 specific and necessary mitigation measures, however the Preliminary Screening Report of June 26th and the Land Use Permit do not capture these mitigation measures.

Relevant information is provided from the following sources.

Application: Page 5, Section 2.2 (c) Wildlife & Vegetation
Page 1,2,3, Summary Notes of Community Consultation Meeting Deline Dec. 6, 2006
Page 2, Minutes of Public Consultation Meeting Deline Dec. 6, 2006
Page 3,4,5,8,9, Maps 1,2,3 Traditional Environmental Knowledge Study for Hunter Bay Resources

Staff Report: Page 4, Staff Report No. 2 Community Consultation
Page 5,6 Staff Report No. 2 Traditional Environmental Knowledge

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- 2 -

July 21, 2007

Page 11, Staff Report No. 2 Other Agency Comments – Deline Land Corporation
Page 9,10,11,13,14 Staff Report No. 1 Other Agency Comments

Response to Comments from Applicant: Fax letter Hunter Bay Resources to DIAND-Norman Wells dated June 27, 2007

Fax letter Hunter Bay Resources to Sahtu Renewable Resources Board dated June 27, 2007

E-mail letter Hunter Bay Resources to Great Slave Helicopters dated May 12, 2007

E-mail letter Hunter Bay Resources to Aggressive Diamond Drilling Ltd. dated May 12, 2007

E-mail letter Hunter Bay Resources to Environment Canada dated May 12, 2007

Preliminary Screening Report: Page 5, 6, Wildlife & Fish

Land Use Permit: Face page refers to "authority granted to proceed with the land use operation described in the application."

Conditions of Permit – 2.13 Closure, 8.1 Habitat Damage

In summary, it should be noted that statements made in letters from the applicant in reply to comments from referral agencies were convincing that adverse impact on the environment would be mitigated.

2. On the subject of public concern.

The May 11, 2007 letter from the Sahtu Renewable Resources Board identified a lack of consultation with the Deline Renewable Resources Council. The June 26, 2007 letter by the Sahtu Renewable Resources Board repeats its position that the issues in its previous letter still required consideration.

Relevant information is provided from the following sources.

Application:

Page 1,2,3, Summary Notes of Community Consultation Meeting Deline Dec. 6, 2006

Page 2, Minutes of Public Consultation Meeting Deline Dec. 6, 2006

Staff Report: Page 4, Staff Report No. 2 Permission of Land Owner

Page 4, Staff Report No. 2 Community Consultation

Page 11, Staff Report No. 2 Other Agency Comments – Deline Land Corporation

In a fax letter dated June 19, 2007 the Deline Land Corporation said that:

- it supports the application submitted by Hunter Bay Resources.
- it will make sure Hunter Bay conforms to the A&B agreement and the land use permit.
- Hunter Bay will hire Heritage Site Monitors to scout the target area prior to commencing exploration each year, and the company has undertaken to modify the exploration program, should it be necessary, to avoid heritage locations.
- Hunter Bay will hire Wildlife Monitors to ensure the impact on wildlife is minimized.

- 3 -

July 21, 2007

Hunter Bay has committed to providing an annual update to the Deline people on the activities carried out in the previous exploration season and the planned activities in the upcoming exploration season.

The letter, written by the President of the Deline Land Corporation, also expressed support for the application submitted by Hunter Bay Resources.

Response to Comments from Applicant: N/A

Preliminary Screening Report: N/A

In summary, it should be noted that the letter of June 19, 2007 from Deline Land Corporation refers to an Access Agreement and Benefits Plan which our Board retains on confidential file. We therefore believe that consultation has been adequate.

3. Many drill targets are in an area defined as a Conservation Area in the Draft Sahtu Land Use Plan.

The Preliminary Screening Report identified that many drill targets are in an area defined as a Conservation Area in the draft Sahtu Land Use Plan, and that it fails to meet the criteria of an acceptable land use according to the Plan. The May 18th letter of the Sahtu Land Use Planning Board identifies the existence of the draft Sahtu Land Use Plan. It notes that the plan is not yet legally binding, but is based on extensive consultation with communities and others, and requests that the SLWB respect the intent of the plan when making permitting decisions.

Relevant information is provided from the following sources.

Application: Page 2,8,9, Map 2, Traditional Environmental Knowledge Study for Hunter Bay Resources

Staff Report: Page 4, Staff Report No. 2 Community Consultation
Page 5,6 Staff Report No. 2 Traditional Environmental Knowledge
Page 8, Staff Report No. 2 Conformity with Land Use Plan

Response to Comments from Applicant: N/A

Preliminary Screening Report: Page 7, Planning/Zoning Changes or Conflicts

In summary, it should be noted that the the "Sahtu Preliminary Draft Land Use Plan" published January, 2003 identified the entire area proposed for exploration by Hunter Bay Resources to be within a "Special Management Area", and not a "Conservation Area". It was only upon publication of the Draft 1 Land Use Plan February 16, 2007 that the Caribou Point Conservation Zone was extended south along the eastern shore of Great Bear Lake to include several islands.

To the best of our knowledge, the "Great Bear Lake Watershed Management Plan" has yet to be accepted and approved as part of the Sahtu Land Use Plan. It is also relevant to note that in a letter of June 27, 2007 the DIAND A/Regional Director General stated, "For clarity, I note that the provisions and conditions of the draft plan should not

- 4 -

July 21, 2007

be considered in regulatory processes prior to official approval of the plan." (copy enclosed)

We therefore believe that while we are able to understand the intent of the Draft 1 Land Use Plan, it is not an applicable plan as referred to in Sections 46 and 61 of the *Mackenzie Valley Resource Management Act*.

4. Development within an area that is currently within Step Two of the NWT Protected Area Strategy.

The Review Board noted that the preliminary screening focuses on a development within an area that is currently within Step Two of the NWT Protected Area Strategy. The establishment of this area is supported by the community of Deline and by the Sahtu Secretariat Inc.

Relevant information is provided from the following sources.

Application: N/A

Staff Report: N/A

Response to Comments from Applicant: N/A

Preliminary Screening Report: The Preliminary Screening Report makes no mention of the NWT Protected Area Strategy.

In summary, I can advise that SLWB staff did not contact the Protected Area Strategy secretariat during the preliminary screening. We have no knowledge as to whether the applicant, Hunter Bay Resources was in contact with the Protected Area Strategy secretariat.

As for an assessment of the potential for public concern with respect to the development in the context of the existing Protected Area Strategy proposal, there is no evidence of the issue being identified at any of the public consultation meetings, meetings with the Deline Land Corporation, or meetings to gather Traditional Environmental Knowledge. It is also relevant to note that no referral comments were received from the Charter Community of Deline, or the Sahtu Secretariat Inc.

We note that your reference to Step Two of the NWT Protected Area Strategy is a proposal. We believe that designation of future land use, including the identification and acceptance of Protected Areas in the Sahtu Settlement Area, should be incorporated within the Sahtu Land Use Plan and its approval process.

I trust this additional information will assist the Review Board to make its decision under Section 126 (3) of the *Mackenzie Valley Resource Management Act*

- 5 -

July 21, 2007

enclosure: 1

Respectfully yours,
SAHTU Land & Water Board



G.T. Govier
Executive Director

copy to: Larry Wallace, Chairman, SLWB