



STAFF REPORT

Company: Fortune Minerals Ltd.	
Location: Nico Lake	Applications: W2011L2-0002
Date Prepared: Jan 18, 2012	Meeting Date: January 20, 2012
Subject: Type B Water Licence Renewal	

Purpose/Report Summary

This report presents Fortune's application for a renewal of Water Licence W2006L2-0002. Board staff recommends that the Board approve Water Licence W2011L2-0002 (renewal of W2006L2-0002) for a period of five years.

Background

Fortune's Water Licence W2006L2-0002 allows for water use and waste disposal associated with advanced mineral exploration, including the development of underground workings and bulk sampling, at the NICO deposit near Lou Lake in the Northwest Territories. In August 2011, the WLWB approved an amendment of Fortune's Licence allowing the company to decommission the minewater settling ponds because the underground program and bulk sampling were completed in 2007 and no further underground programs are planned for the NICO site. The Surveillance Network Program attached to Fortune's Water Licence was also amended in August 2011 to be consistent with the Licence Amendment. Fortune continues to test the water quality in the underground portal during periods of flow, in accordance with the conditions of the current Water Licence.

Fortune also holds a Land Use Permit for drilling, care and maintenance, and environmental baseline studies at the Nico site (expires March 25, 2014).

The Nico site is currently in care and maintenance, with minimal activities on site, while Fortune's proposed mine development is under Environmental Assessment. There are no plans to change activities on site until after the conclusion of the assessment.

Discussion

Public notice of the Water Licence Renewal process was published in the NWT newspaper *News/North* on January 2, 2012 in accordance with section 23 of the NWTWA.

Fortune's Water Licence amendment application was distributed for review on December 21, 2011 and the deadline for comments was January 12, 2012. The attached Review Comment Table contains the comments and recommendations received from DFO, GNWT-ENR, and AANDC-Waters. Only AANDC-Waters provided recommendations to the company or the WLWB; topics include:

- landfarm management and soil and water quality; and
- updates to Fortune's Waste Management, Spill Contingency, and Closure and Reclamation Plans;

Regarding the landfarm:

- Fortune's responses indicate that the company operates the landfarm according to the approved design plan (2010) and that soil/water sampling results are reviewed by an Inspector prior to removal/discharge. The landfarm plan references the parkland criteria under the 2003 NWT Environmental Guideline for Contaminated Site Remediation. Fortune also notes that the landfarm has an impermeable liner, contains soil with low contaminant levels, and contaminants have not been detected in water samples.
- Board staff recommends that soil and water quality criteria for the landfarm be included as conditions in the renewed Water Licence. Please see the attached draft Water Licence Terms and Conditions. Fortune discussed creation of the landfarm with the AANDC Inspector in 2010, the company has been responsibly operating the landfarm since then, and the Inspector has been satisfied with the landfarm (as noted in the June 28, 2011 Water Licence Inspection Report).

Regarding management plans:

- Fortune's responses note that some of the information requested by AANDC has already been submitted and the company suggests that updates to the management plans are not worthwhile at this time.
- Board staff recommends that the management plans do not need to be updated at this time since the plans contain an appropriate level of detail and are adequate for the current phase of the project. Plans may need to be updated, in consultation with the WLWB and the Inspector, prior to changes in the activities on site.

Please see the attached Review Comment Table for further detail.

The draft terms and conditions of the Water Licence Renewal are unchanged from the conditions issued with Water Licence Amendment 1 in August 2011, aside from the addition of two conditions and three definitions related to landfarm soil and water quality criteria (please see the highlighted conditions in the attached Draft Water Licence). No other changes to the Licence are recommended at this time.

Preliminary Screening

In the opinion of Board staff, a preliminary screening is not required in relation to the current Water Licence Application (W2011L2-0002), in accordance with Schedule 1 of the Preliminary Screening Exemption List Regulations, because the development corresponding to this Licence: (a) has not been modified; and (b) has fulfilled the requirements of the environmental assessment process, established by the Mackenzie Valley Resource Management Act. The environmental assessment process, under Part 5 of the *MVRMA*, includes a preliminary screening, and may include an environmental assessment

and/or environmental impact review. In this case, the development has been screened pursuant to Part 5 of the MVRMA – once for the original Water Licence Application and once for the Water Licence Amendment 1 (August 2011 - regarding decommissioning of the minewater settling ponds) – and has not been modified since the screening conducted in August 2011.

Conclusion

None of the comments received by reviewers would prevent the Board from issuing this Licence Renewal. The primary motivation for renewing Fortune’s Water Licence is to ensure that monitoring of water flowing from the underground portal continues and that the effluent quality criteria in the Licence are met while the site remains in care and maintenance.

Recommendation

Board staff recommends:

1. The Board approves the renewal to Fortune’s Water Licence (W2011L2-0002, renewal of W2006L2-0002); and
2. The Board approves the attached Reasons for Decision for the Water Licence Renewal.

Respectfully Submitted,



Brett Wheler
Regulatory Specialist

Attachments

- Review Comment Table
- Water Licence Renewal Application
- Letters from Reviewers
- Draft Water Licence Terms and Conditions and Surveillance Network Program
- Draft Water Licence Reasons for Decision
- Draft Issuance Letter

Review Comment Table

W2011L2-0002 - Fortune - Type B Water Licence Application (Renewal of W2006L2-0002) (WLWB)

Proponent:	Fortune Minerals Limited
File(s):	W2011L2-0002
Document(s):	W2011L2-0002 - Fortune - Water Licence Renewal Application - Dec 12_11 (2.5 MB) W2006L2-0002 - Fortune - Water Licence Amendment 1 - Issuance and Board Decision Package - Aug 17_11 W2006L2-0002 - Fortune - Water Licence Inspection Report - June 28 2011 - Jul 18_11
Reviewer Comments Due By:	Jan 12, 2012
Proponent Responses Due By:	Jan 17, 2012
General Review Information:	<p>Fortune's NICO site is now in care and maintenance; no further exploration activities are planned while the proposed mine development undergoes Environmental Assessment. The primary activity on site, for water licensing purposes, is the monitoring of water that discharges from the portal, for example during spring runoff. Although this water discharges freely, Fortune is responsible for regular monitoring to ensure that the licenced effluent quality criteria are met. The licenced criteria have been consistently met since 2009 - when water in the underground portal first flooded to the surface.</p> <p>Direct links have been provided for three documents relevant to this review: (1) Fortune's Water Licence Renewal Application (W2011L2-0002); (2) Fortune's existing Licence (W2006L2-0002) and the Board Decision Package for Amendment 1 (August 2011); and (3) the most recent Water Licence Inspection Report (June 2011).</p>
Distribution List:	Dec 21 at 16:22.
Contact Information:	Brett Wheler 867-765-4590 Ryan Fequet 867-765-4589

Comment Summary

Fisheries and Oceans Canada: Rick Walbourne				
ID	Topic	Reviewer Comment/Recommendation	Proponent Response	Board Staff Response
2	General File	Comment: DFO Letter of Advice January 12,		

		2005		
3	General File	Comment: DFO Comments on WL Amendment - July 12th, 2011		
1	Water Licence Renewal	<p>Comment: DFO provided advice on this Water Licence to the Mackenzie Valley Land and Water Board on January 12th, 2005 as well as reviewed an amendment to this Water Licence in July 2011. DFO has no further comment regarding the renewal of Water Licence W2006L2-002, now referred to as Water Licence W2011L2-002.</p> <p>Recommendation: DFO will continue to review and/or provide advice on any reports or monitoring results as may be requested by the WLWB in relation to this Water Licence.</p>	Jan 17: Fortune has no comment.	No response necessary
GNWT - Environment and Natural Resources: Patrick Clancy				
ID	Topic	Reviewer Comment/Recommendation	Proponent Response	Board Staff Response
1	General Comment	<p>Comment: No Comment</p> <p>Recommendation: No Recommendation</p>		No response necessary
INAC-WRD: Jeanne Arsenault				
ID	Topic	Reviewer Comment/Recommendation	Proponent Response	Board Staff Response
16	General File	Comment: Cover letter		
1	Water licence renewal application - Landfarm operations	Comment: Section 4 of the current water licence renewal application states that current activities include camp maintenance, landfarm operations and monitoring. As such, the renewed water licence should include terms and conditions	Jan 17: The landfarm design plan which had been reviewed by the mining inspector and accepted was included with the application. The plan details construction, soil	Part A - Scope and Definitions has been revised to include the recommended definitions. Part D - Conditions Applying to Waste Disposal has been revised to

		<p>relating to landfarm operations within Part A - Scope and Definitions - to include definitions for landfarm, fine grain soil and coarse grain soil. As well, Part D - Conditions Applying to Waste Disposal - should include details on how contaminated soil will be used, or disposed of, after being treated. Furthermore, maximum grab sample concentration to be met after treatment should be indicated for each parameter such as pH, Total Metals, Petroleum Hydrocarbons (4 Fractions), Benzene, EthylBenzene, Toluene and Xylene.</p> <p>Recommendation: AANDC recommends that these terms and conditions be inserted within W2011L2-0002 water licence.</p>	<p>placement, operations and decommissioning, and defines the 2003 NWT Environmental Guideline for Contaminated Site Remediation Tier 1 criteria for coarse-textured surface soil, eco-soil contact at a parkland site as the remediation objectives. We recommend that the water licence reference this Guideline for remediation objectives. The design plan indicates that upon achieving the objectives, final disposition of the soils would be discussed with the mining inspector.</p>	<p>include conditions (10 & 11) for soil and water quality for the landfarm.</p>
2	<p>Water licence renewal application - Landfarm operations</p>	<p>Comment: Part D - Conditions Applying to Waste Disposal - should also include fine grain soil and coarse grain soil criteria for Fraction 1 to Fraction 4 of Total Petroleum Hydrocarbons.</p> <p>Recommendation: AANDC recommends that these terms and conditions be inserted within W2011L2-0002 water licence.</p>	<p>Jan 17: Please see Fortune's response to the previous comment,</p>	<p>See response above.</p>
3	<p>Water licence - Part G: Condition Applying to Abandonment and Restoration</p>	<p>Comment: The term "Abandonment and Restoration" should be replaced by the more commonly used term "Closure and Reclamation".</p> <p>Recommendation: AANDC recommends this term be updated within W2011L2-0002. As well, it is recommended that terms and conditions relating to landfarm operations be added within this Closure and Reclamation section; which may also require updating of the Closure and Reclamation Schedule, if used in the water licence.</p>	<p>Jan 17: This is an administrative issue for the WLWB.</p>	<p>Terminology has been updated. Note that Fortune's Plan was already titled "Closure and Reclamation." In the opinion of Board staff, the closure of the landfarm can be adequately overseen by an Inspector, without requiring additional conditions in the water licence. The purpose of the landfarm is to remediate contaminated soil; the soil will then be removed and placed in a location authorized by an Inspector, as per Part D condition 11 of W2011L2-0002.</p>

4	Water licence - Surveillance Network Program	<p>Comment: There are currently no SNP stations to monitor landfarm operations. As such, an appropriate number of SNP stations should be added to confirm that water quality associated with leachate seepage or runoff from the landfarm is within acceptable limits; and that groundwater resources are not being affected. More than one groundwater monitoring wells may be required considering that the landfarm is located 70 meters from Lou Lake.</p> <p>Recommendation: Monitoring of the landfarm should be reflected within the Surveillance Network Program and therefore AANDC recommends this section to be updated accordingly.</p>	<p>Jan 17: The monitoring program for the landfarm was established in the design plan which was reviewed and accepted by the mining inspector and attached to this application. It involves composite soil sample collect to monitor the progress of remediation as well as sampling of accumulating water for analysis which is reviewed by the AANDC water resources officer and/or mining inspector prior to discharge. Fortune considers this program to be sufficient for this facility. The landfarm is quite small, is lined with an impermeable liner and the soils contained within it have diesel range impacts that generally only marginally exceed the remediation criteria, which in turn are the most conservative criteria of the Guideline. Furthermore, all accumulated water that has been pumped off the landfarm has been tested and contained no detectable concentrations of hydrocarbons. As a result, the risk to ground water or Lou Lake water is quite minimal.</p>	<p>In the opinion of Board staff, the monitoring requirements for the landfarm are sufficiently described in Part D conditions 10 and 11, which have been added to W2011L2-0002 and in the landfarm design document.</p>
5	Waste Management Plan	<p>Comment: The proposed Waste Management Plan (WMP) for Fortune Minerals reflects the renewal of water licence W2006L2-002 and specifies that it relates to NICO's care and maintenance status with no mining operations, pending the environmental assessment and approvals process for the proposed mine.</p> <p>Recommendation: Specifics relating to the WMP currently represents NICO's care and maintenance status. Therefore, details relating to</p>	<p>Jan 17: Fortune has no comment on this issue.</p>	<p>Board staff agree that the Waste Management Plan may need to be updated if activities change.</p>

		waste types' respective volumes, water & sewage systems, wastewater quality, etc. will have to be updated if site activities change.		
6	Waste Management Plan - Introduction	<p>Comment: The Introduction section of the WMP prepared for the NICO's mine project provides some project information but does not provide a description of the site physical, surface and subsurface characteristics, site water management (i.e. flow/drainage patterns) and geotechnical characteristics.</p> <p>Recommendation: As suggested in the MVLWB Guidelines for Developing a Waste Management Plan (March 2011), AANDC recommends that this information be inserted within the WMP.</p>	<p>Jan 17: Given that this site is currently in care and maintenance, this additional information would not add value to the WMP. These issues are described in considerable detail in the Developer's Assessment Report for the proposed mine site. In the interim, Fortune recommends referencing this documents.</p>	Proponent response is acceptable; Board staff recommend that this information is not necessary in the current version of the Waste Management Plan.
7	Waste Management Plan - Combustion equipment	<p>Comment: The section relating to Infrastructure Required for Waste Management states that the incinerator is not being used during the care and maintenance stage.</p> <p>Recommendation: Any change in status will require additional details such as rationale for the selected incinerator technology choice, residue management plan (fly ash and bottom ash), operator training and records management and reporting should be updated within the WMP .</p>	<p>Jan 17: Any changes in status will be discussed with the mining inspector and WLWB. However, Fortune does not anticipate any changes in status during this water licence.</p>	Proponent response is acceptable; Board staff agree that the Waste Management Plan may need to be updated if activities change.
8	Spill Contingency Plan	<p>Comment: The proposed Spill Contingency Plan (SCP) for Fortune Minerals reflects the renewal of water licence W2006L2-002 and specifies that it relates to NICO's project care and maintenance status with no mining operations; pending the environmental assessment and approvals process for the proposed mine.</p> <p>Recommendation: Specifics relating to SCP currently represents NICO's care and maintenance status. Details relating to list of hazardous materials stored on site and their</p>	<p>Jan 17: Fortune has no comment on this issue.</p>	Board staff agree that the Spill Contingency Plan may need to be updated if activities change.

		respective storage locations, water & sewage systems, wastewater quality, etc. will have to be updated if site activities change.		
9	Spill Contingency Plan - Introduction	<p>Comment: INAC Spill Contingency Guidelines (2007) suggest that the SCP Introduction identifies potentially impacted communities and traditional use areas (e.g. parks, games preserves, resources harvesting areas, fish spawning areas, etc.)</p> <p>Recommendation: AANDC recommends that details relating to potentially impacted communities and traditional use areas be inserted within NICO's SCP. As well, details on how to get additional copies of the plan should be provided.</p>	<p>Jan 17: As the figures provided with the application and SCP demonstrate, this site is quite remote relative to any communities. Traditional use of the area is addressed in the Developer's Assessment Report. Fortune does not consider the addition of these issues to the current SCP for the care and maintenance of this existing site to be of value.</p>	Proponent response is acceptable; Board staff recommend that this information is not necessary in the current version of the Spill Contingency Plan
10	Spill Contingency Plan - Introduction	<p>Comment: Map(s) illustrating the following should also be provided within the Introduction: buildings, roads, airstrips, surface water bodies, hazardous material storage locations, emergency response equipments locations, sensitive areas, disposal sites and topography of the site be provided.</p> <p>Recommendation: AANDC recommends that these details be inserted within Fortune Minerals NICO's SCP, per the INAC Spill Contingency Guidelines (2007).</p>	<p>Jan 17: Fortune directs the reviewer to the maps provided with the application and management plans: Figures 1 and 2. These features are illustrated there.</p>	Proponent response is acceptable: this information has been provided with the application.
11	Spill Contingency Plan - Response Organization	<p>Comment: Organization and Responsibilities under Spill Response (p. 6) provides the names and contact information of Fortune's personnel (or Response Team) who are responsible to successfully clean-up hazardous materials spills. In order to best support the proponent in the eventuality of an emergency situation, a flowchart indicating the lines of communication and response duties from each personal member should be provided.</p>	<p>Jan 17: Fortune acknowledges that a flow chart is not in the SCP; however, all relevant details requested in this comment are provided, just not in a flow chart. Fortune does not see value in revising this document for this purpose during the care and maintenance stage of the project.</p>	Proponent response is acceptable.

		Recommendation: The proponent should include such a flowchart within their SCP as per the INAC Spill Contingency Guidelines (2007).		
12	Spill Contingency Plan - Initial Action	<p>Comment: Initial Action procedures, p. 7, describes the steps to be undertaken by the first responder on a spill. Among the various steps enumerated, it would be useful to add: shutting off potential ignition sources, activation of Fortune's "Response Team", as well as recording relevant information for reporting purposes (eg. approximate quantity, product type, location, whether spill is still in progress, odour, color, etc.)</p> <p>Recommendation: AANDC recommends that these details be inserted within Fortune Minerals NICO's SCP as per the INAC Spill Contingency Guidelines (2007).</p>	Jan 17: Fortune will consider the need to update the SCP if its plans for the NICO site change.	Board staff agree that the Spill Contingency Plan may need to be updated if activities change.
13	Spill Contingency Plan - Procedures for containing and cleaning up the spill	<p>Comment: To best support the proponent in the eventuality of a spill, Fortune SCP should include most probable spill scenarios specific to the NICO project. Detailed instructions provided should describe proactive strategies aiming at addressing each spill as quickly as possible.</p> <p>Recommendation: AANDC recommends that these details be inserted within Fortune Minerals NICO's SCP as per INAC's Spill Contingency Guidelines (2007).</p>	Jan 17: Appendix B-2 describes the most probable spill scenario and response with respect to a fuel spill.	Proponent response is acceptable: this information has been provided in the Spill Contingency Plan as Appendix B-2.
14	Spill Contingency Plan - On or Off site disposal	<p>Comment: The SCP plan should specify whether spill-related waste materials are to be disposed on site, or transported off site. For both disposal scenarios, the plan should describe disposal methods as well as approved locations.</p> <p>Recommendation: AANDC recommends that these details be inserted within Fortune Minerals NICO's SCP as per INAC's Spill Contingency Guidelines (2007).</p>	Jan 17: Since the most probable spill anticipated on site would be fuel and more specifically diesel, the scenario described in Appendix B-2 anticipates using existing empty drums to contain spill material. Contaminated soils would be considered for the landfarm in discussion with the mining inspector. Other wastes would be	Proponent response is acceptable.

			drummed for off-site disposal or possibly on-site incineration, in discussion with the mining inspector.	
15	Spill Contingency Plan - Restoring affected areas	<p>Comment: AANDC recommends that determining the required level of final cleanup and restoration is to be completed in consultation with, or to the satisfaction of, the AANDC Inspector.</p> <p>Recommendation: AANDC recommends that this procedure be inserted within Fortune Minerals NICO's SCP as per INAC's Spill Contingency Guidelines (2007).</p>	Jan 17: The SCP indicates that spills and remediations would be discussed with the mining inspector.	Board staff are unable to find reference to an Inspector within the Spill Contingency Plan. However, Board staff recommend that Fortune's commitment to discuss spill cleanup with an Inspector, combined with Land Use Permit conditions related to spills, will provide adequate environmental protection and will ensure that final cleanup is appropriate. Fortune's response to the 2010 diesel spill, including discussions with an Inspector and establishment of a landfarm to remediate contaminated soil, was appropriate.

**DFO Comments on August 2011 WL Amendment
(copied from Online Review System by WLWB staff)**

COMMENT

I have reviewed the attached application with the proposed works consisting of:

- Decommissioning of settling ponds which no longer collect water from underground workings as bulk sampling is complete.
- Elimination of SNP-1 as it is no longer accessible
- Elimination of SNP-3 as there will be no further settling pond discharge
- Elimination of SNP-4 at Little Grid Pond (low/no potential for fish habitat as per documentation from Nico mine proposal)
- Elimination of SNP-6 at stockpile which has had insufficient water to sample

RECOMMENDATION

- DFO has no concern with these activities under the habitat protection provisions of the *Fisheries Act*.



Fish Habitat Management
Suite 101, 5204-50th Avenue
Yellowknife, Northwest Territories
X1A 1E2

Gestion de l'Habitat du Poisson
Suite 101 5204, 50e Avenue
Yellowknife (Territoires du Nord-Ouest)
X1A 1E2

Your file *Votre référence*

Our file *Notre référence*
SC01086
SC04061

January 12, 2005

Fortune Minerals Limited
c/o Robin E. Goad, President
1508-148 Fullarton Street
London, Ontario N6A 5P3

Dear Mr. Goad:

RE: Fortune Minerals Advanced Mineral Exploration – NICO and JBG Claims, and Sue-Dianne Lease Land Use Permit Amendment (MV2002C0002) and Water Licence (MV2004L2-0005) Applications, Lou Lake, NT (63°33' N; 116°45' W)

The Department of Fisheries and Oceans, Fish Habitat Management – Western Arctic Area (DFO) has reviewed the information provided in the applications for Amendment of Land Use Permit MV2002C0002 and Water Licence MV2004L2-0005 submitted on your behalf by the Mackenzie Valley Land and Water Board in correspondence dated November 29, 2004, pursuant to the habitat protection provisions of the *Fisheries Act*.

It is my understanding that the proposed work involves:

- The collection of a 30,677 tonne bulk ore sample of the NICO deposit using a decline ramp and trackless mining equipment. No tailings will be generated from the bulk sample program because all processing will be carried out off-site.
- Disturbing an area of approximately 14 hectares, including: the portal and sample storage site (300m x 300m), a spur from the existing winter access road for mobilization of heavy machinery (5500m x 5m), upgrading 2.5 km of existing all weather service roads and trails at the project site for transport between existing camp and mine working areas (2500m x 5m), and a trail from portal site to the water source/pump house on Peanut or Nico Lake (1800m x 5m). No fish-bearing watercourses will be crossed.
- The construction of a level working area for the bulk sample containment site using the approximately 117,000 tonnes of waste rock excavated.
- Extracting approximately two to three cubic metres of water per day from Lou Lake to supply the camp.
- Extracting approximately 60 cubic meters of water per day from either Peanut or Nico Lake per day to supply diamond drilling activity or bulk sample extraction.
- Collecting mine discharge water in an underground sump where fines will be allowed to settle out prior to pumping to an external, 400 m³ rubber-lined settling pond adjacent to the portal entrance and stockpile area. Water will be decanted from the

pond and filtered through approximately 800 meters of muskeg before reaching Ponds 8, 9 and 10.

- Reclaiming the site in the event the mine did not proceed to development, including closing the ramp access, removing all buildings and facilities, and cleaning the site up.

Please note, the documentation provided does not show that ponds 8, 9 and 10 downstream from the proposed settling pond are non fish-bearing. Inundated vegetation in intermittent waterbodies often provides important spawning habitat for fish in permanent waterbodies downstream in the spring.

Based on the information provided, DFO concludes that since it is to occur near fish-bearing waters, the proposed work may result in the harmful alteration, disruption or destruction of fish habitat if the appropriate mitigation is not applied. In addition to the measures set out in the project proposal, the following mitigation measures, if incorporated into the project, are intended to prevent any potentially harmful impacts to fish and fish habitat:

- Where water withdrawal is required, the *DFO Protocol for Winter Water Withdrawal in the Northwest Territories* is applied. Please contact DFO if you do not have access to this protocol.
- The *Freshwater Intake End-of-Pipe Fish Screen Guideline* (DFO 1995) is applied to all water intakes. To prevent the entrainment of fish, the mesh size should not exceed 2.54 mm. The intake should not disturb the sediment and the screen should be cleaned regularly. Please contact DFO-WD if you do not have access to these guidelines.
- Mechanized clearing should not occur within one hundred (100) metres of the normal high water mark of any stream or lake to protect bank stability, avoid soil compaction and retain a vegetated area critical for protection of littoral and riparian habitats.
- Every effort should be made to retain riparian vegetation, as it is critical for the protection of littoral and riparian fish habitats as well as for providing cover and enhancing bank stability.

Depositing deleterious substances into fish bearing waters is prohibited as stated under Subsection 36(3) of the *Fisheries Act*. The following additional mitigation measures are intended to prevent the deposition of deleterious substances and possible habitat disturbance or loss:

- Sediment and erosion control measures should be implemented and maintained prior to, during and after construction to prevent entry of sediment into any waterbody. This includes stabilizing and revegetating disturbed slopes immediately after construction. Erosion control measures should be maintained and monitored until it is demonstrated that the measures have been effective.
- Stockpiles should be stored, and excavated material disposed of, on land a minimum of one hundred meters from high water level and suitably contained/stabilized to prevent them from being a potential source of sediment for any waterbody.

- All wastes, sewage containments, sumps and fuel caches should be located a minimum of one hundred metres from the normal high water mark of any water body, and be sufficiently bermed or otherwise contained to ensure that these substances do not enter any water body.
- All activities including maintenance procedures and vehicular refuelling should be controlled to prevent the entry of petroleum products, debris, slash, rubble, or other deleterious substances into the water.
- Spills of oil, fuel or other deleterious material should be reported immediately, as per existing reporting protocols, to the NWT/Nunavut 24-hour Spill Report Line at (867) 920-8130, including all spills near or into a water body.

Any harmful alteration, disruption or destruction of fish habitat and/or the deposition of deleterious substances into fish bearing waters occurring as a result of a change in plans or failing to implement the necessary mitigation measures may result in contravention of the Fisheries Act.

I recommend keeping a copy of this letter at the work site during construction, providing one to all contractors prior to the commencement of work, and notifying DFO of any changes in plans, specifications, or operating conditions that have the potential to adversely affect fish or fish habitat.

Please note this letter does not constitute authorization of these undertakings pursuant to the Fisheries Act. It is the proponent's responsibility to obtain any approvals that may be required under any other legislation.

Please contact me at (867) 669-4927 if you have any questions or wish to discuss any of the foregoing in more detail.

Sincerely,



Ernest Watson
Area Habitat Biologist
Fish Habitat Management
Department of Fisheries and Oceans - Western Arctic Area

cc J. Dahl, Area Chief, Habitat, DFO-FHM
L. Dow, Fishery Officer, DFO-C&P
A. Plautz, Regulatory Officer, MVLWB
M. Fournier, Environmental Assessment Coordinator, Environment Canada



January 13, 2012

Ryan Fequet
Regulatory Specialist
Wek'eezhii Land and Water Board
#1-4905 48th Street
Yellowknife, NT
X1A 3S3

Dear Mr. Fequet:

**Re: Fortune Minerals Inc.
Water Licence Renewal Application – W2011L2-0002
Request for Review and Comment**

The Department of Environment and Natural Resources has reviewed the above application based on its mandated responsibilities under the *Environmental Protection Act*, the *Forest Management Act*, the *Forest Protection Act* and the *Wildlife Act* and has no comments or recommendations at this time.

If you have any questions or concerns, please do not hesitate to contact Patrick Clancy, Environmental Regulatory Analyst at 920-6118 or email at patrick.clancy@gov.nt.ca.

Sincerely,

Patrick Clancy
Environmental Regulatory Analyst
Environmental Assessment and Monitoring
Land and Water Division
Department of Environment and Natural Resources
GNWT



File: W2011L2-0002

January 12th, 2012

Brett Wheler
Regulatory Specialist
Wek'eezhii Land and Water Board
#1-4905 48th St, Yellowknife, NT X1A 3S3

Fax: 867-669-9593

**Re: MV2011L2-0002 Water Licence application renewal - Waste
Management Plan & Spill Contingency Plan, Fortune Minerals
Limited – NICO Project, January 2012.**

Aboriginal Affairs and Northern Development Canada – Water Resources Division (AANDC) has reviewed Fortune Minerals Water licence renewal application for the NICO project currently in care and maintenance with no mining operations. AANDC provides the attached comments, in the Comment Table format, as requested by the Mackenzie Valley Land and Water Board.

Thank you for providing AANDC with the opportunity to comment on the above application. If you have any questions or concerns, please feel free to contact Ms. Jeanne Arsenault at 669-2658 or Jeanne.Arsenault@aandc-aadnc.gc.ca.

Sincerely,

Robert Jenkins
Manager
Water Resources Division
Aboriginal Affairs and Northern Development Canada
NWT Region