

**Mackenzie Valley Land and Water Board**

7th Floor - 4910 50th Avenue • P.O. Box 2130  
YELLOWKNIFE, NT X1A 2P6  
Phone (867) 669-0506 • FAX (867) 873-6610

July 2, 2004

File: MV2004C0021

Mr. Derek Mulligan  
Fortune Minerals Ltd.  
148 Fullarton St., Suite 1508  
LONDON, ON N6A 5P3

Fax: (519) 858-8155

Dear Mr. Mulligan:

**Fortune Minerals Ltd., MV2004C0021 Mineral Exploration, Meridian Lake**

The Mackenzie Valley Land and Water Board (MVLWB) met on June 30, 2004 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. Please note that the referral is based specifically on traditional land use conflicts with the proposed site, as expressed in the attached letter from Lutsel K'e Dene First Nation dated June 7, 2004.

If you have any questions, contact Bob Wooley, Executive Director at (867) 669-0506 or email [mvlwbpermit@mvlwb.com](mailto:mvlwbpermit@mvlwb.com).

Yours sincerely,

A handwritten signature in black ink, appearing to read "Stephen Nielsen".

Stephen Nielsen  
Interim Chair, MVLWB

**Attachments**

Copies to: Vern Christensen, Mackenzie Valley Environmental Impact Review Board  
Ed Hornby, South Mackenzie District, DIAND, Yellowknife  
Mr. Peter Enzoe, Lutsel K'e Dene First Nation

**PRELIMINARY SCREENING REPORT FORM**

<b>PRELIMINARY SCREENER: MVLWB</b> <b>REFERENCE / FILE</b> <b>NUMBER: MV2004C0021</b> <b>TITLE: Mineral Exploration, Meridian Lake</b> <b>ORGANIZATION: Fortune Minerals Ltd.</b> <b>MEETING DATE: June 30, 2004</b>	<b>EIRB</b> <b>REFERENCE</b> <b>NUMBER:</b>
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**Type of Development:**  
(CHECK ALL THAT APPLY)

- New
- Amend, EIRB Ref. #
- Requires permit, license or authorization
- Does not require permit, license or authorization

**Project Summary**

Fortune Minerals Limited is proposing to conduct a mineral exploration programme in the vicinity of Meridian Lake. The programme will include:

- Geological mapping;
- Ground geophysics;
- Diamond drilling;
- Fuel storage;
- The operation of a camp capable of supporting up to 10 people
- The use of land and air vehicles to move personnel and equipment.

Access to the site will be from existing cut lines which may have to be widened to accommodate all equipment.

The following fuel will be stored at the camp site:

- 20 -25 barrels of diesel fuel (5125 litres);
- 1 barrel of gasoline (205 litres);
- 5-10 45Kg tanks of propane; and
- 5 barrels of Jet B fuel (1025 litres).

The following equipment will be used on site:

- 1 Drill;
- 1 Supply pump;
- 1 Drill pump;
- 2 All terrain vehicles; and
- possibly 1 Skidder.

All combustible solid wasted will be incinerated on site. Non-combustibles will be flown to Yellowknife to be disposed of at the solid waste facility. All sewage and grey water will be disposed of in a sump. All cut brush and trees will be de-limbed, cut and laid flat.

**Scope**

This permit entitles Fortune Minerals Ltd. to conduct the following activities:

- a) A mineral exploration programme including geological mapping, ground geophysics, and diamond drilling;
- b) The establishment of a camp able to support up to 10 people on the shoreline of either Meridian Lake or Great Slave Lake; and
- c) The storage of fuel to support land vehicles and aircraft.

All activities will take place within 62° 37' N by 109°19'W and 62° 40' N by 109° 28' W

**Principal Activities (related to scoping)**  
(CHECK ALL THAT APPLY)

- |  |   |  |
|--|---|--|
| <input type="checkbox"/> Construction<br><input type="checkbox"/> Installation<br><input type="checkbox"/> Maintenance<br><input type="checkbox"/> Expansion<br><input type="checkbox"/> Operation<br><input type="checkbox"/> Repair<br><input type="checkbox"/> Research<br><input type="checkbox"/> Water Intake<br><input type="checkbox"/> Other: | <input checked="" type="checkbox"/> Exploration<br><input type="checkbox"/> Industrial<br><input type="checkbox"/> Recreation<br><input type="checkbox"/> Municipal<br><input type="checkbox"/> Quarry<br><input type="checkbox"/> Linear / Corridor<br><br><input type="checkbox"/> Sewage | <input type="checkbox"/> Decommissioning<br><input type="checkbox"/> Abandonment<br><input type="checkbox"/> Aerial<br><input type="checkbox"/> Harvesting<br><input checked="" type="checkbox"/> Camp<br><input type="checkbox"/> Scientific/<br><input type="checkbox"/> Solid Waste |
|--|---|--|

**Principal Development Components (related to scoping)**

- Access Road  Waste Management

MV2004C0021, Fortune Minerals Ltd., Meridian Lake

- construction
- abandonment/removal
- modification e.g., widening, straightening
- Automobile, Aircraft or Vessel Movement
- Blasting
- Building
- Burning
- Burying
- Channeling
- Cut and Fill
- Cutting of Trees or Removal of Vegetation
- Dams and Impoundments
  - construction
  - abandonment/removal
  - modification
- Ditch Construction
- Drainage Alteration
- Drilling other than Geoscientific
- Ecological Surveys
- Excavation
- Explosive Storage
- Fuel Storage
- Topsoil, Overburden or Soil
  - fill
  - removal
  - disposal
  - storage

- disposal of hazardous waste
- waste generation
- Sewage
- disposal of sewage
- Geoscientific Sampling
- trenching
- diamond drill
- borehole core sampling
- bulk soil sampling
  - Gravel
  - Hydrological Testing
  - Site Restoration
  - fertilization
  - grubbing
  - planting/seeding
  - reforestation
  - scarify
  - spraying
  - recontouring
- Slashing and removal of vegetation
- Soil Testing
- Stream Crossing/Bridging
- Tunneling/Underground
- Other (describe):

**NTS Topographic Map Sheet Numbers**  
 (LIST ALL THAT APPLY)  
 75K11

**Latitude / Longitude and UTM System:**  
 62° 37' N by 109° 19' W and 62° 40' N by 109° 28' W

**Nearest Community and Water Body:**  
 Reliance and Meridian Lake

**Land Status (consultation information)**

- Free Hold / Private
- Commissioners Land
- Federal Crown Land
- Municipal Land

**Transboundary Implications**

- British Columbia
- Alberta
- Saskatchewan
- Yukon
- Nunavut
- Wood Buffalo National Park
- Inuvialuit Settlement Region

**Type of Transboundary Implication:**  Impact / Effect  Development

Public Concern

The Lutsel K'e Dene First Nation has submitted comments outlining their concerns with this development. They have indicated that the proposed area of operation has significant spiritual, cultural and historical value to their people and have rejected the issuance of a permit in this area.

**PHYSICAL - CHEMICAL EFFECTS**

**IMPACT**

**1. Ground Water**

- water table alteration
- water quality changes

- infiltration changes
- other
- N/A

**MITIGATION**

Containing drill cuttings and following fuel handling and spill protocols should mitigate this concern. Sealing artesian aquifers, when encountered, should also mitigate this impact.

**IMPACT**

**2. Surface Water**

- flow or level changes

**MITIGATION**

water quality changes

Containing drill cuttings and following fuel handling and spill protocols should mitigate this concern.

water quantity changes

Drainage pattern changes

temperature

wetland changes / loss

other:

N/A

**IMPACT**

**3. Noise**

**MITIGATION**

noise in/near water

other: noise increase

Any increase in noise should be limited to the immediate location of a drill and to the periods when the drill is active or being moved by the helicopter.

N/A

**IMPACT**

**4. Land**

**MITIGATION**

geologic structure changes

soil contamination

Containing drill cuttings, and following fuel handling and spill protocols should mitigate this concern.

buffer zone loss

soil compaction & settling

Destabilization / erosion

permafrost regime alteration

other: explosives/scarring

N/A

**IMPACT**

**5. Non Renewable Natural Resources**

**MITIGATION**

resource depletion

other:

N/A

**IMPACT**

**6. Air/Climate/ Atmosphere**

**MITIGATION**

Other

N/A

**BIOLOGICAL ENVIRONMENT**

**IMPACT**

**1. Vegetation**

**MITIGATION**

species composition

- species introduction
- toxin / heavy accumulation
- other:

N/A  
**IMPACT**

**2. Wildlife & Fish**

**MITIGATION**

- effects on rare, threatened or endangered species
- fish population changes
- waterfowl population changes

Minimizing activity when any rare or threatened species are present, or when migratory birds are present, should mitigate this impact.

- breeding disturbance
- population reduction
- species diversity change
- health changes (Identify)
- behavioural changes (Identify)

Minimizing activity when migratory birds are present should mitigate this impact.

Ceasing activity during caribou migration in the area should mitigate this impact.

- habitat changes / effects
- game species effects
- toxins / heavy metals
- forestry changes
- agricultural changes
- other:

N/A  
**INTERACTING ENVIRONMENT**

**IMPACT**  
**1. Habitat and Communities**

**MITIGATION**

- predator-prey
- wildlife habitat / ecosystem Composition changes
- reduction / removal of keystone or endangered species
- removal of wildlife corridor or buffer zone
- other:

N/A  
**IMPACT**  
**2. Social and Economic**

**MITIGATION**

- planning / zoning changes or conflicts

- Increase in urban facilities or services use
- rental house
- airport operations / capacity changes
- human health hazard
- Impair the recreational use of water or aesthetic quality
- affect water use for other purposes
- affect other land use operations
- quality of life changes
- public concern

The Lutsel K'e Dene First Nation has voiced strong opposition to this permit being issued. They have stated that the proposed development area is sacred to them and holds significant spiritual, cultural, archaeological, and harvesting value to them.

other:

N/A

#### IMPACT

##### 3. Cultural and Heritage

#### MITIGATION

- effects to historic property
- increased economic pressure on historic properties
- change to or loss of historic resources
- change to or loss of archaeological resources
- increased pressure on archaeological sites
- change to or loss of aesthetically important site
- effects to aboriginal lifestyle

The Prince of Wales Northern Heritage Centre has noted that many archaeological sites have been discovered near the proposed area of development. They believe that the potential for the discovery of sites within the project area is very high and have recommended that the proponent be required to undertake an archaeological impact assessment prior to the permit being issued.

The Lutsel K'e Dene First Nation has voiced strong opposition to this permit being issued. They have stated that the proposed development area is sacred to them and holds significant spiritual, cultural, archaeological, and harvesting value to them. The Lutsel K'e Dene First Nation has voiced strong opposition to this permit being issued. They have stated that the proposed development area is sacred to them and holds significant spiritual, cultural, archaeological, and harvesting value to them.

other:

N/A

#### NOTES:

##### Consultation

- Pursuant to Section 1.6 (a) and (b) of the Akaltcho Territory Dene First Nations (ATDFN) Interim Measures Agreement, the MVLWB 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
- Pursuant to Schedule 4.1 of the Northwest Territory Métis Nation (NWTMN) Interim Measures Agreement, the MVLWB 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

**PRELIMINARY SCREENER / REFERRING BODY INFORMATION**  
(CHECK ALL THAT APPLY)

	RA or DRA	ADVICE	PERMIT REQUIRED
<b><u>Federal/Territorial</u></b>			
Environment Canada	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Fisheries and Oceans	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Indian and Northern Affairs Canada	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Canadian Heritage ( Parks Canada)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
National Energy Board	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Natural Resources Canada	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Public Works and Gov't Services	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Transport Canada	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Northern Oil and Gas Directorate	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Canadian Nuclear Safety	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Industry Canada	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Canadian Transportation Agency	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
National Defence	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
GNWT - RWED	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
GNWT - MAQA	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
GNWT - Transportation	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Prince of Wales Heritage Center	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
MVEIRB	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<b><u>Aboriginal / First Nations</u></b>			
<b><u>Deh Cho</u></b>			
Deh Cho First Nations	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Lidlii Kue First Nation (Ft Simpson)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Deh Gah Got'ie Dene Council (Ft Prov.)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Acho Dene Koe First Nation (Fort Liard)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Nahanni Butte First Nation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Pehdzeh Ki First Nation (Wrigley)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
TihedzehK'edeli First Nation (JMR)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Ka'a'gee Tu First Nation (Kakisa)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sambaa K'e Dene Band (Trout Lake)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
K'atlodeeche First Nation (Hay River)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
West Point First Nations (Hay River)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Hamlet of Fort Providence	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Hamlet of Fort Liard	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Village of Fort Simpson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Town of Hay River	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Enterprise Settlement Corporation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b><u>North Slave</u></b>			
Dogrib Treaty 11 Council	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Dogrib Rae Band	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Wha Ti First Nation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Dechi Laot'i Council (Wekweti)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Gameti First Nation (Rae Lakes)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Lutselk'e Dene First Nation	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Yellowknives Dene First Nation (Ndilo)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Yellowknives Dene First Nation (Dettah)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Rea-Edzo Metis Local #64	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
North Slave Metis Alliance	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Hamlet of Rae Edzo	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Charter Community of Wha Ti	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
City of Yellowknife	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b><u>South Slave</u></b>			
Fort Smith Metis Council	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Salt River First Nations	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Smith Landing First Nation	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Katlodeeche First Nation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
West Point First Nation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Northwest Territory Metis Nation	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Hay River Metis Council	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Deninu Ku'e First Nations	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Fort Resolution Metis Council	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Deninu Ku'e Env. Working Committee	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Akaiicho Territory Government	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Town of Hay River	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Deninoo Community Council	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Town of Fort Smith	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Enterprise Settlement Corporation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**REASONS FOR DECISION**  
**(LIST ALL REASONS AND SUPPORTING RATIONALES FOR PRELIMINARY SCREENING DECISION)**

**DECISION:**

The Mackenzie Valley Land and Water Board (The Board) is satisfied that the preliminary screening of application MV2004C0021, Fortune Minerals Ltd., Mineral Exploration has been completed in accordance with Section 125 of the *Mackenzie Valley Resource Management Act*.

The Board is satisfied that a reasonable period of notice was given to Communities and First Nations affected by the application as required by Subsection 63(2) of the *MVRMA* so that they could provide comments to the Board.

Having reviewed all relevant evidence on the Public Registry, including the submissions of the Applicant, the written comments received by the Board and any staff reports prepared for the Board, the Board has decided that in its opinion that the proposed development might be a cause of public concern.

As a result, the Board, having due regard to the facts and circumstances, the merits of the submissions made to it, and to the purpose, scope and intent of the *Mackenzie Valley Resource Management Act* and the Mackenzie Valley Land Use Regulations has decided that this Land Use Permit be referred to the Mackenzie Valley Environmental Impact Review Board for Environmental Assessment pursuant to Subsection 125(1) of the *MVRMA*.

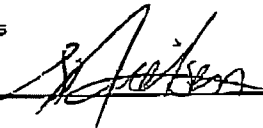
PRELIMINARY SCREENING DECISION	
<input checked="" type="checkbox"/>	<b>Outside Local Government Boundaries</b>
<input type="checkbox"/>	The development proposal might have a significant adverse impact on the environment, <i>refer it to the EIRB.</i>
<input checked="" type="checkbox"/>	<i>Proceed with regulatory process and/or implementation.</i>
<input checked="" type="checkbox"/>	The development proposal might have public concern, <i>refer it to the EIRB.</i>
<input type="checkbox"/>	<i>Proceed with regulatory process and/or implementation.</i>
<input type="checkbox"/>	<b>Wholly within Local Government Boundaries</b>
<input type="checkbox"/>	The development proposal is likely to have a significant adverse impact on air, water or renewable resources, <i>refer it to the EIRB.</i>
<input type="checkbox"/>	<i>Proceed with regulatory process and/or implementation.</i>
<input type="checkbox"/>	The development proposal might have public concern, <i>refer it to the EIRB.</i>
<input type="checkbox"/>	<i>Proceed with regulatory process and/or implementation.</i>

Preliminary Screening Organization

Mackenzie Valley Land and Water Board

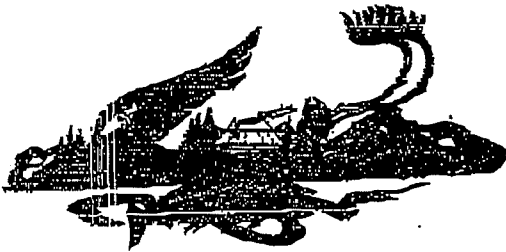
June 30, 2004

Signatures





**Lutsel K'e Dene First Nation**  
Wildlife, Lands & Environment Department  
P.O. Box 28  
Lutsel K'e NT  
XOE-1A0  
Phone: 867-370-3197  
Fax: 867-370-3143



Pete Enzoe, Chair  
Wildlife, Lands & Environment Committee  
Lutsel K'e Dene First Nation

Mackenzie Valley Land  
& Water Board

June 7, 2004

File

JUN - 8 2004

Greg Smith, Regulatory Officer  
Mackenzie Valley Land & Water Board  
7<sup>th</sup> Floor, 4910-50<sup>th</sup> Ave.  
Yellowknife, NT X1A 2P6  
Fax (867) 873-6610

Application # MV2004C0021  
Copied To AM/GS/Reg

**Re: Fortune Minerals Ltd. Application for Mineral Exploration at Meridian Lake (MV2004C0021)**

The Chief and Council and the Wildlife, Lands & Environment Committee have reviewed the above application, and hereby reject the issuance of this permit.

As you are aware, we do not recognize the jurisdiction of the MVLWB within Akaitcho Territory, and as such have evaluated this application based upon the provisions of the Interim Measures Agreement (2001). As per the IMA, we have assessed the potential impacts of this project on environmental, cultural, spiritual, and economic factors. We have concluded that the potential negative impacts on culturally important areas are too great to justify, no matter how short-term and low-impact the activities may be. We do not want to see any full-scale mining in this area, and therefore will not support even the initial stages of such activity.

The area around Meridian Lake is extremely important to our community. This is a vital traditional hunting area, a main travel route to our spiritual gathering site at Kache (Fort Reliance), a prime caribou migration route, a prime fishing area, and the location of numerous documented burial sites, archaeological sites, cabins, and traplines. For these reasons, no industrial development will be permitted in this area.

Please be advised that we expect the MVLWB to honour the spirit and intent of the Policy Directive from Minister Andy Mitchell, instructing the Board to work alongside Akaitcho First Nations to implement the provisions of the Interim Measures Agreement. We intend to be vigilant in the defence of our Treaty rights, and are prepared to take immediate action to protect them if they are not respected.

If you have any questions, please feel free to contact either Chief Archie Catholique at 867-370-3051 or Monica Krieger (Manager; Wildlife, Lands & Environment Department) at 867-370-3197.

Sincerely,

*Monica Krieger for*

Pete Enzoe