

From: Laurence Stephenson [mailto:lstephenson@wascomgt.com]

Sent: August 29, 2007 6:34 PM

To: Martin Haefele

Cc: Abby Farrage; Kamal Alwas (Kamal Alwas); Greg McKillop

Subject: RE: CGV (EA0506-005) and Sidon (EA0506-006) - Additional Information Requests

Attached is our response to the additional IR's. Since both additional IR apply to both company's we have only sent one response but for both EA's.

This is the third year we have been at this process and it appears a few more years are ahead. We were delayed in our response in that our consultant was sick and we had extensive exploration operations in the US and elsewhere in Canada that we had to attend too. It goes without saying that in those areas where native land claims are still not settled we have been able to conduct our exploration programs to the benefit of all parties, without any degradation or lasting impact on the area.

The companies' property rights have not been addressed in any of the Board's IR's to all of the parties but there has been an effort to indirectly extinguish them by unrealistic demands for controls on a minimal impact exploration program and the unreasonable 3 year delay.

What should be considered at this time is the recovery of costs direct and indirect (including future) that both CGW (Consolidated Goldwin Ventures) and SD (Sidon International Resources Corp) have been legally obliged and mandated by the companies' legally granted mineral claims.

With the summer over another mineral exploration season has been missed in the area which would have led to a better definition of drill sites and mitigation processes if needed.

Be that as it may the attached addresses the additional IR's for both companies. The comments are highlighted in red and CGW and SD are identified where appropriate. Both are making the comments in response to the IR's where no definitive mention is made.

Submitted on Behalf of the Developers

Laurence Stephenson

From: Martin Haefele [mailto:MHaefele@mveirb.nt.ca]

Sent: Wednesday, August 01, 2007 1:16 PM

To: gmckillop@rescan.com; hannab@dfo-mpo.gc.ca; 'Gavin More; 'Glen MacKay; jacorn@ykdene.com; 'Joel Holder; 'Kim McDonald; lands@tlich.com; 'Laurence Stephenson; 'Lionel Marcinkoski; 'Lorne Napier; 'Louie Azzolini; 'Mike Fournier; 'Mike Palmer; 'Ram Mudalier; 'Rosie Bjornson; 'Roy Scott; 'Sheryl Grieve; 'Steve Ellis; kalawas@aol.com; 'Lionel Marcinkoski

Subject: CGV (EA0506-005) and Sidon (EA0506-006) - Additional Information Requests

Dear interested parties:

Please find attached a number of additional information requests for the environmental assessments of CGV (EA0506-005) and Sidon (EA0506-006). The Review Board is requesting the view of parties on a number of issues. Please see the introduction to the information requests for more information. Responses should be submitted to Alan Ehrlich by August 29, 2007.

regards

Martin (for Alan Ehrlich)



**Mackenzie Valley
Environmental Impact
Review Board**

Re: Developer's Response

Mackenzie Valley Environmental Impact Review Board

Consolidated Goldwin Ventures (EA 0506-05)

Supplementary Information Requests

August 3rd 2007

Introduction

The public record for this development closed on May 3, 2007. Since that time, the Review Board has analyzed the evidence on the public record and deliberated on the potential impacts, and whether they can be mitigated. The Review Board has made *preliminary* conclusions about the impacts of the proposed development. However, the Review Board's final decision per s.128 of the MVRMA has not yet been reached. In considering its decision the Review Board is evaluating a range of possible mitigation measures.

The Review Board wishes to consider parties' views regarding proposed mitigation measures, and invites parties to provide alternative or additional measures (and/or commitments). For this purpose, the Public Record has been re-opened. Responses are required from the parties to whom each Information Request is directed, but any other parties to the Environmental Assessment may also provide their responses.

The opportunity for parties to express their views at this juncture relates only to the responses to the specific questions regarding mitigation measures. The basis in evidence for the Review Board's ultimate conclusions will be described in the final *Report of Environmental Assessment*. Parties are cautioned not to view this as an opportunity to raise arguments concerning the validity of the preliminary conclusions of the Review Board.

Please submit your responses to the Review Board by August 29th 2007. Following this, there will be a period of one week when parties will have the opportunity to review and comment on the responses of other parties to this series of Information Requests.

IR Number: 2.1

To: Indian and Northern Affairs Canada, the Yellowknives Dene First Nation, the Government of the Northwest Territories, and Consolidated Goldwin Ventures Inc.

Subject: Increased access

Preamble

The Review Board has reached the preliminary conclusion that disturbance to traditional harvesting activities is in part attributable to recreational access to the area. The proposed development is likely to increase recreational access to the area, contributing to this cumulative problem.

The Review Board has not yet concluded that this impact can be mitigated, but is considering recommending the following potential mitigation measure:

- allowing drill site access by helicopter only.

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The intent of the potential mitigation is to ensure that the proposed development does not create new ground access which may be used by recreational hunters or snowmobiles.

Information Request:

1. Please provide your views on the feasibility of the measure.
This provision imposes severe constraints on the program as it limits crew changes to daylight hours. To be economically viable, drilling usually employs two 12 hr shifts so that the drill operates 24 hrs a day. The hole can be lost to freezing or other problems if it is shut down. Limited daylight means that crews would have to spend up to 24 hrs on the site between transfers. This schedule is inefficient and could lead to safety issues due to lack of sleep. A camp on the site would eliminate this problem, but would increase the footprint of the disturbed area at each drill site.
2. Please provide your views on the capacity of the measure to reduce or prevent the impact described.
This measure would eliminate a snowmobile trail from the lake to the drill sites that might be accessed by recreational users.
3. Is there any mitigation measure your organization would like to propose instead, or in addition, as a reliable alternative to achieve the same intent? If so, please describe the alternative measure, and describe why you view it as a feasible and effective mitigation for the impact described above.

For discussion:

- Fly camp into another lake, and snowmobile out from there
- Use original plan, but somehow "disable" the trails to make them unattractive to recreational users (gates, barriers, park equipment on trail, etc.)

IR Number: 2.2

To: **Indian and Northern Affairs Canada, the Yellowknives Dene First Nation, the Government of the Northwest Territories, and Consolidated Goldwin Ventures Inc.**

Subject: **Impacts on heritage sites and burial sites**

Preamble

The developer has not conducted preliminary work to identify drill targets in an area which may have a high density of heritage sites or grave sites. The Review Board has reached the preliminary conclusion that the proposed development could disturb heritage sites.

The Review Board has not yet concluded that this impact can be mitigated, but is considering recommending the following potential mitigation measures:

- requiring that the developer **conduct heritage surveys on whole claim blocks** before any other work is conducted on the ground; or,
- requiring the developer to conduct some geophysical work on the ground to identify drill locations. Once locations have been identified, the measure would require **heritage surveys only on areas surrounding the drill locations** before conducting the remainder of the project.

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The intent of the potential mitigation is to ensure that the proposed development does not disturb any heritage or burial sites, including those as yet undocumented.

Request

1. Please provide your views on the feasibility of these measures.
Whole claim blocks – expensive and time consuming, not warranted at this stage
Drill sites only – reasonable proposition. Probably survey drill sites and 100 m radius. Need to consider also water sources, helicopter landing areas, camps (if required), etc. Archaeologist would require a plan for each drill site to ensure all potentially affected areas are surveyed.
2. Please provide your views on the capacity of these measures to reduce or prevent the impact described.
Focused heritage surveys of drill sites and adjacent areas are consistent with CGW’s commitments to the project and should prevent adverse impacts on

heritage sites. In addition, such surveys would increase the knowledge of heritage sites in the area.

3. Is there any mitigation measure your organization would like to propose instead, or in addition, as a reliable alternative to achieve the same intent? If so, please describe the alternative measure, and describe why you view it as a feasible and effective mitigation for the impact described above.

No.

IR Number: 2.3

To: Indian and Northern Affairs Canada, the Yellowknives Dene First Nation, the Government of the Northwest Territories, and Consolidated Goldwin Ventures Inc.

Subject: Cumulative impacts on traditional harvesting and culture

Preamble

The Review Board has reached the preliminary conclusion that the proposed development will add to the existing disturbances in the area in general and the Shoreline Zone¹ in particular. The increased disturbance in this area is disrupting traditional activities such as hunting and trapping, which is likely to cause a cumulative impact on cultural activities. The Review Board has not yet concluded that this impact can be mitigated, but is considering recommending the following potential mitigation measures:

- project activities only occur inland of the Shoreline Zone; or
- allowing the project to proceed at all sites, but restricts timing to periods when less traditional harvesting occurs.

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The intent of the potential mitigation is to protect traditional practices in the Shoreline Zone by ensuring that this proposed development does not add to the level of disturbance in the area.

Request

1. Please provide your views on the feasibility of these measures.
CGW opposes a prohibition of exploration activities in the Shoreline Zone. CWG has made significant investments in good faith with the understanding that the claims provide the right to explore and develop the claims in an environmentally and socially responsible manner. Outright prohibition does not allow the investigation of innovative approaches to address the concerns of stakeholders. Further, prohibition of exploration will send a clear signal to the mineral exploration and mining industry that the NWT does not offer a predictable environment for investment. Time limited exploration activity is an interesting concept, but one which requires

¹ The Shoreline Zone refers to the area within three kilometers of the Great Slave Lake shoreline between Wool Bay and Gros Cap.

further definition before CGW can provide in-depth comment. It is necessary for CGW to know at what times of the year and for how long exploration activities will be permitted. Furthermore, would all activity be subject to this schedule, or only activity that disturbs the land? For instance, geological mapping and sampling could likely be conducted concurrently with most traditional harvesting without measurable impact.

2. Please provide your views on the capacity of these measures to reduce or prevent the impact described.

Outright prohibition of exploration activities in the Shoreline Zone would prevent impacts on traditional activities, but would cast a shadow on investment in the NWT.

A scenario that imposes timing windows on exploration activities may reduce or prevent impacts on traditional harvesting activities. The viability of this scenario from an exploration perspective would be subject to the scheduling of the timing windows and the definition of activities that would be regulated by those windows. Keeping in mind that most exploration activities are short term and relatively low impact, the cumulative impacts of these activities may be difficult to distinguish from other activities, such as recreation, on the Shoreline Zone.

3. Is there any mitigation measure your organization would like to propose instead, or in addition, as a reliable alternative to achieve the same intent? If so, please describe the alternative measure, and describe why you view it as a feasible and effective mitigation for the impact described above.

Timing windows that restrict noisy (e.g. low flying aircraft) or land disturbing (e.g. road construction, blasting) activities during specific periods may be acceptable depending upon the selected timing windows and affected activities. Low impact activities such as waterborne access, prospecting, geological mapping, geochemical sampling, ground geophysics (not requiring explosives), construction and use of small tent camps, etc. should not be restricted.

IR Number: 2.4

To: **Indian and Northern Affairs Canada, the Yellowknives Dene First Nation, the Government of the Northwest Territories, and Consolidated Goldwin Ventures Inc.**

Subject: **Cumulative impacts and planning**

Preamble

The Review Board is concerned that this development is contributing to a larger problem in the Shoreline Zone, where a cultural landscape that is very important to Aboriginal parties is progressively changing without any deliberate plan. With uncoordinated mineral development, any future land use planning will be less useful for protecting the cultural landscape. The Review Board has reached the preliminary conclusion that this is a potentially significant impact.

The Review Board has not yet concluded that this impact can be mitigated, but is considering recommending the following potential mitigation measure:

- requiring that no new land use permits be issued for developments within the Shoreline Zone until an interim plan is created that duly considers the values of Aboriginal land users (as per the suggestion on in the previous Report of Environmental Assessment for Consolidated Goldwin Ventures (p58, EA0304-02)).

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The intent of this potential mitigation is to prevent this development from contributing to uncoordinated development within a sensitive cultural landscape, by ensuring that development within the Shoreline Zone reflects interim land use planning that incorporates the values of Aboriginal land users.

Request

1. Please provide your views on the feasibility of this measure.
This mitigation as stated is very difficult to assess. There is no timeline for the planning process and no terms of reference for it. How long will CGW have to wait to learn whether they will be permitted to proceed? Time is money and investors will not stand by without some indication of when an answer may be expected. Without terms of reference that indicate whether or not exploration and mining will even be considered as future land uses, it is not reasonable to accept this option.

2. Please provide your views on the capacity of this measure to reduce or prevent the impact described.

Please see comments under 1 above.

3. Is there any mitigation measure your organization would like to propose instead, or in addition, as a reliable alternative to achieve the same intent? If so, please describe the alternative measure, and describe why you view it as a feasible and effective mitigation for the impact described above.

CGW believes that it would be preferable to allow activities to proceed with conditions that protect the values of Aboriginal land users pending a decision on land use.

IR Number: 2.5

To: Indian and Northern Affairs Canada, the Yellowknives Dene First Nation, the Government of the Northwest Territories, and Consolidated Goldwin Ventures Inc.

Subject: Monitoring for Enhanced Management

Preamble

There is little quantitative information available on the cumulative changes in the area. This information will be needed to make decisions to manage cumulative impacts of future developments in the area. The Review Board has reached the preliminary conclusion that there is public concern regarding cumulative impacts of the proposed development in combination with past, present and reasonably foreseeable future developments. This concern might be partly mitigated by a focused monitoring program, to provide an improved basis for enhanced decision making in the future.

The Review Board has not yet concluded that this impact can be mitigated, but is considering recommending the following potential mitigation measure:

- requiring a long-term monitoring program, focusing on cumulative effects in Shoreline Zone and resulting impacts on culture and well-being of the Aboriginal users of the land.

The intent of the potential mitigation is to ensure that the combined impacts of this and other developments can be managed through enhanced future decision making that includes a quantitative analysis of cumulative changes.

Request

1. Please provide your views on the feasibility of these measures.
It is not clear what parameters would be monitored, how they would be monitored, who would conduct the monitoring, or who would pay for it.
2. Please provide your views on the capacity of these measures to reduce or prevent the impact described.
It is questionable whether it will be feasible to detect changes and to determine which activities contribute to any changes that are detected. For instance, how much may be due to global warming, to recreational activities, improved economic conditions for the NWT population or to the general population increase in the region?

3. Is there any mitigation measure your organization would like to propose instead, or in addition, as a reliable alternative to achieve the same mitigation? If so, please describe the alternative measure, and describe why you view it as a feasible and effective mitigation for the impact described above.