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## **DEZÉ ENERGY CORPORATION TALTSON EXPANSION PROJECT**

### **RESPONSE TO PUBLIC COMMENTS IN REGARDS TO LAND USE PERMIT APPLICATION MV2007I0033 AND WATER LICENCE APPLICATION MV2007L4-0029**

**September 19, 2007**

**Submitted to:**

**Mackenzie Valley Land and Water Board  
Yellowknife, Northwest Territories**

**Submitted by:**

**Dezé Energy Corporation  
Yellowknife, Northwest Territories**

## 1 OVERVIEW

This document is in response to the Public Comments received by the Mackenzie Valley Land and Water Board (MVLWB) in regards to the Dezé Energy Corporation Taltson Expansion Project Land Use Permit Application MV2007I0033 and Water Licence Application MV2007L4-0029.

Attached to this document, please find the following recent study information for Trudel Creek and the transmission line:

- ◆ Attachment I – Trudel Creek
  - Trudel Creek Minimum Flow Assessment Methodology – Sept. 2007
  - Trudel Creek August 2007 Fish and Fish Habitat Data Report – Sept. 2007
  - Trudel Creek: Spring Low Flow Fisheries Assessment Data Report (Draft) – July 2007
  - Taltson Expansion Project: Trudel Creek Fish and Fish Habitat Assessment (Draft) – Nov. 2006
  - Trudel Creek Photomosaics 1:2200 and 1:14000
- ◆ Attachment II – Transmission Line Wildlife Studies
  - Impacts to Rare Plants by the Taltson Expansion Project – Sept. 2007
  - Autumn and Early Winter Wildlife Surveys, Taltson Expansion Project Feb. 2007
  - Wildlife and Wildlife Habitat Studies along the Taltson Expansion Project – May 2006

Environmental and design progress also continue on other aspects of the Project, as discussed in the Project Description, including the archaeological assessment, transmission line and staging area terrestrial assessment, Taltson basin hydrological model, and Taltson River environmental assessment. We will continue to share this information with the MVLWB and the stakeholders as the assessments are completed.

## 2 PROJECT UPDATE

Throughout this year, Dezé Energy Corporation has continued with ongoing baseline study programs and associated environmental assessments. Below is a summary of progress that has occurred on these programs and assessments since the submission of the Project Description and applications.

### 2.1 Aboriginal Engagement

Since the submission of the applications, Dezé Energy Corporation initiated contact with First Nation and Metis groups as identified by the MVLWB, which had not previously been contacted or which Dezé Energy Corporation had not spoken with in regards to recent Project

updates. Initial contact was conducted via phone with the purpose of establishing a date for in-person Project presentations. All groups identified to the Dezé Energy Corporation by the MVLWB have been contacted, and to date, the following groups or communities have been involved with presentations or open-houses:

- Ft. Smith with invitations to Salt River and Smith's Landing
- Ft. Resolution
- Lutsel'ke
- Northwest Territory Métis Nation
- Wek'eezii Renewable Resources Board
- North Slave Métis Association
- Deninu Kue First Nation

The Dezé Energy Corporation continues communications with the groups, including identification of mutually agreeable meeting dates with groups that have not yet been met with, listed below.

- Tli Cho Government
- Athabasca Denesuline c/o Prince Albert Grand Council
- Hay River Metis Government Council
- Katlodeeche First Nation
- Yellowknives Dene First Nation (Dettah and Ndilo)
- West Point First Nation

## 2.2 Heritage Resources

An archaeological (heritage resources) overview assessment of the transmission line, staging areas, winter road, and other associated land disturbances was initiated in summer 2007. This assessment builds on past archaeological work, and utilizes existing databases to identify known sites in proximity to the Project, as well as mapping and other ground based products to identify areas of potential probability for sites. At the time of writing, the overview assessment is in the final stages of completion.

Once the overview is complete, a heritage resources impact assessment will be undertaken, based on the findings of the overview assessment. The impact assessment will request local knowledge, feedback and input to the archaeological overview and impact assessments. This opportunity to gain Traditional Knowledge for heritage resources will also be used to understand current harvesting activities and land uses. The impact assessment will also undertake field studies along line segments and sites, based on the findings of the overview assessment. The heritage resources impact assessment will include mitigation options to avoid or reduce negative impacts. Mitigation options may include, but not be limited to, actions such as: alignment or staging area alternatives, locating poles away from identified sites, avoiding ground disturbances beneath the transmission line, or trimming vegetation as opposed to clearing.

## 2.3 Traditional Knowledge

As discussed in Section 6 of the Project Description, aboriginal leaders proposed a self-directed approach to gathering and presenting Traditional Knowledge for the Project, in terms of the method for compilation of information as well as disclosure of Traditional Knowledge towards design, impact prediction, and mitigation. Prior to the communities engaging in their individual Traditional Knowledge programs, Dezé Energy Corporation presented the leaders with environmental components of Project interest. At the time of writing, communities have not yet presented the Dezé Energy Corporation their Project related Traditional Knowledge.

The Dezé Energy Corporation recognizes the importance of including Traditional Knowledge in the environmental assessment for the Project. Therefore, as information has not yet been received and as Dezé Energy Corporation is in the process of scoping environmental effects, Traditional Knowledge was requested for specific environmental components where limited scientific knowledge or documented Traditional Knowledge exists. The specific environmental components include:

- Trudel Creek hydrology and aquatic habitat,
- Trudel Creek area traditional, cultural and spiritual use,
- Trudel Creek and Taltson River winter travel routes and ice regimes,
- Observations, distribution, frequency, and trapping or hunting, of:
  - ◆ Wood Bison
  - ◆ Woodland Caribou
  - ◆ Peregrine Falcon
  - ◆ Rusty Blackbird
  - ◆ Whooping Crane
  - ◆ Yellow Rail
  - ◆ Northern Leopard Frog
  - ◆ Woodland Caribou
  - ◆ Other species of interviewee's interest related to the Project.

## 2.4 Transmission Line

The wildlife and vegetation baseline program has continued over summer 2007. Key environmental components have included, but are not necessarily limited to:

- Caribou,
- Raptors,
- Waterfowl,
- Migratory birds,
- SARA listed species,
- Critical habitat, and
- Rare and endangered plants.

A component of this program is agency consultation to fully understand potential issues, explore potential project linkages and effects, and identify the level of information required to complete the assessment. This co-operative approach to scoping the assessment needs is ongoing, specifically in regards to caribou, waterfowl, and migratory birds.

Two data reports, focussing primarily on ungulates, carnivore, raptors, and land cover, are attached, as is a letter-report regarding rare and endangered plants. Additional information, including waterfowl, migratory birds, and SARA listed species, will be available once documentation is complete.

The Project is completing the baseline information needs and is commencing an assessment of the specific project linkages and environmental effects, in part identified through the agency communications. The assessment will also include the identification of additional mitigation measures to reduce or negate negative effects associated with construction and operations. The work will be completed in late 2007 or early 2008.

As part of the baseline program, the proposed transmission line corridor is being reviewed in its entirety to identify potential critical habitats. A transmission line alternatives assessment will be conducted for each of these habitat sites. These sites are in addition to the lower Lockhart River crossing within the proposed park. To date, the review has identified two habitat sites, a narrow strip of land between Lac de Gras and Lac du Sauvage, which tends to concentrate caribou during their southern migration. The second location is the east side of MacKay Lake in the upper Lockhart River area. Studies indicated that this area had large numbers of caribou trails, indicating it is an area of potential higher use than other areas.

The objective of the alternatives assessment will be to identify alternative alignments that balance economic and engineering feasibility with environmental impacts (and balance the environmental impacts between different receptors, such as caribou versus waterfowl). Information to be considered in identifying alternatives includes proximity to eskers and cliffs, land use, heritage resources, and the historical movements of Bathurst caribou as determined by trails and satellite-collared caribou movements. The alternatives assessment will explore mitigation opportunities, including, but not limited to, alternative alignment options, tower placements, span distances, and timing windows.

A multi-disciplinary team (engineering-design-environment) of consultants was scheduled to conduct field assessment of these sites in late August or early September 2007; however, no helicopter was available to support the program, although multiple companies were contacted. Therefore, this program has been scheduled for spring 2008.

## **2.5 Staging Areas, Land Disturbances, and Winter Road**

The Project has identified eight proposed staging areas and four barge landing sites and staging areas. A multi-disciplinary field program was scheduled for 2007 to assess potential effects of these sites, identify any mitigation measures to reduce or negate impacts, and prepare specific site preparation and reclamation plans.

The assessment program includes an assessment of the vegetation communities present at the site; the presence of raptor nests; proximity to waterbodies and their suitability for fish, waterfowl or aquatic mammals; and physical aspects such as cliffs, eskers, site drainage, slope and aspect, and access points. The assessment would also include a cursory inventory of wildlife, wildlife sign, and species at risk habitat and evidence of previous disturbance or human activity in the area. If conflicts with environmental values are noted, mitigation options and solutions would be discussed and developed in the field during the investigations.

A temporary winter road of approximately 200 km is required from Twin Gorges to Nonacho Lake to supply the proposed staging areas and Nonacho Lake site works. To assess potential effects of the winter road, the assessment program will confirm mapped water crossings, identify cliffs within 500 metres, and describe the vegetation classes present along the portages. Areas where the environment may benefit from alignment alterations will be discussed in the field, to immediately identify alternatives and mitigation options.

As per the transmission line alternatives assessment discussed above, this program was scheduled for late August or early September 2007; however, no helicopter was available to support the program. Therefore, this program has been scheduled for spring 2008.

## **2.6 Talton Basin Hydrological Model**

As discussed in Section 9.5 of the Project Description (Talton River Basin Model), a basin model has been developed for the Talton system from Nonacho Lake to the outlet of Tsu Lake. Although the Project will maintain flows and water elevations as per the existing Twin Gorge's water licence, the Project may change the range, frequency, and duration, of water elevations from baseline conditions.

The model outputs include baseline monthly flows and water elevations for various points between Nonacho Lake and the outlet of Tsu Lake, and operating scenario flow and water elevations based on flows through the power plant and over the South Valley Spillway to Trudel Creek.

The Talton Basin model uses HEC-ResSim software developed by the US Army Corps of Engineers (USACE). This model is part of the popular HEC suite of hydrological and hydraulic models. HEC-ResSim is a 'Reservoir System Simulation' model, developed to allow modelling and management of reservoir operations, including simulation of hydropower operations and impacts on downstream flows. To build the model, field data including flows, transects, and elevations were measured at various points in the system under different flows conditions. At the time of writing, the model was in the final stages of refinement, and outputs will be generated for different power plant and South Valley Spillway (Trudel Creek) flow scenarios.

One of the key purposes for which the model was developed is to understand how the Talton River will react to the new power plant, in terms of change to the range, frequency, and

duration of the water elevation. Based on the model outputs, a prediction of potential effects of the project on environmental components can be assessed.

## **2.7 Taltson Basin Environmental Assessment**

With the near completion of the Taltson Basin Hydrological Model (Section 2.6 above), the Project has commenced an assessment of effects associated with the change in flow regime, even though the Project will maintain flows and water elevations contained in the existing Twin Gorge's water licence.

The assessment will be based on issues scoping methodology, which provides early identification of environmental concerns, presented in a table of potential impacts and associated mitigation measures. Selection of environmental components for the assessment will be based on the existing Water Effects Monitoring Program as well as SARA listed species and waterfowl.

A preliminary list of potential components includes:

- Beaver,
- Muskrat,
- Fish and fish habitat,
- Aquatic characteristics,
- Waterfowl,
- Sara listed species, and
- Social users.

The Taltson Basin Hydrological Model will be the primary tool used to identify potential linkages to the project and the potential effects. Once potential effects are identified, mitigation measures will be developed in consultation with the engineering and design teams, as variations to proposed Project flow regimes directly affect the power plant's generating capacity and potentially Project feasibility. Once mitigation measures are identified, residual effects will be characterized using common descriptor criteria.

The target date for completion of the basin model environmental assessment is December 2007.

## **2.8 Trudel Creek**

Studies on Trudel Creek have been ongoing throughout 2007. Fish and habitat studies completed to date and the minimum flow release assessment methodology complete with key supporting information from the baseline studies are attached.

The biological components and methodology for the assessment are based on two primary documents, namely the DFO pathways-of-effect for "Change in Timing, Duration and Frequency of Flow" and the "Assessment Methods for Aquatic Habitat and Instream Flow

Characteristics in Support of Applications to Dam, Divert, or Extract Water from Streams in British Columbia". Specific biological components include:

- Fish habitat structure and cover,
- Water quality,
- Erosion and turbidity,
- Benthic invertebrates,
- Temperature effects and frazil ice,
- Fish migration,
- Ramping,
- Entrainment, and
- Total gas pressure.

The fish and habitat field study program for Trudel Creek commenced in late summer 2006, and continued in spring and summer 2007. Field studies built on the findings of each previous study, with a focus on identifying potential fish habitat, characterizing fish abundance, and identify habitat preferences.

## **2.9 In-stream Works**

In-stream works will be required at Nonacho Lake to upgrade the existing dam, gate structures, and spillway weir. In-stream works will also be required to a lesser extent to connect the North Canal at Twin Gorges at the intake and the tailrace. These activities will be managed to protect fish and fish habitat in accordance with the Federal Fisheries Act.

A habitat assessment of the sites was completed in August 2007; however, a habitat assessment report has not been completed at the time of writing. The habitat information will be used to develop, in co-operation with design and engineering, construction methodology and mitigation measures to protect fish and fish habitat. The methodology and mitigation will assist in determining if a Fisheries Act authorization for the works is required.

## **3 RESPONSE TO COMMENTS**

Responses to the individual correspondent's comments are provided in the following table. Comments have been organized according to their receipt at the MVLWB office, and include:

### **July LUP public review**

- GNWT – Prince of Wales Heritage Center
- Deninu Kue First Nation
- Environment Canada
- GNWT – Environment and Natural Resources

September Joint WL/LUP public review

- GNWT-health
- Ronnie Schaefer
- Katlodeeche First Nation
- Akaitcho Treaty 8
- Environment Canada
- INAC
- North Slave Metis Association
- GNWT – Environment and Natural Resources
- Yellowknife Dene First Nation
- Wek'ezhii Renewable Resources Board
- Parks Canada
- Fisheries and Oceans Canada

| ID      | PUBLIC COMMENT  | DEZÉ ENERGY CORPORATION RESPONSE  |
|---------|---|---|
| PWNHC   | <b>PRINCE OF WALES NORTHERN HERITAGE CENTRE</b>   |   |
| PWNHC 1 | We have reviewed land use permit application MV20071003 and note several heritage concerns with the proposed project. Given the scope of the project, especially its extensive linear nature, we are concerned that heritage resources might be subject to negative effects.<br><br>We note that the proponent has already undertaken some exploratory archaeological research and, on page 16-29 (s. 16.6.2.1 of the March 2007 Project Description) indicates that further work is planned at ‘pre-determined sections.’ While we agree that further work is needed we feel that the nature of the project requires an extensive heritage resource impact assessment before any ground disturbance is permitted through a land use permit. Therefore, we recommend that the proponent be directed to undertake a heritage resource impact assessment before permits are approved. We would be available to assist the archaeological contractors in the design of the assessment should the proponent require it. | The Project will undertake a heritage resource impact assessment.<br><br>Please refer to Section 2.1 above.   |
| DKFN    | <b>DENINU KUE FIRST NATION</b>  |   |
| DKFN 1  | Deninu Kue First Nation must be assured that the developers proposal will not interfere with existing Aboriginal and Treaty rights among others to hunt, fish, trap and gather in our traditional territory. Deninu Kue First Nation - Issues of concern are: <ul style="list-style-type: none"><li>• Impacts and effects hydro lines might have on caribou migration routes.</li></ul>   | The Project is in the process of assessing the effects of the Project land developments (construction and operation stages) on environmental components, including, but not limited to: caribou, carnivore, raptors, migratory birds, waterfowl, and species at risk.<br><br>The Project will maintain water levels and flows within the existing Twin Gorge’s water licence limits. No new flooding is required.<br><br>See DKFN 1 |
| DKFN 2  | • Impacts and effects from increased flooding. Ie; mercury levels in aquatic habitat  |   |
| DKFN 3  | • Impacts and effects from increased activities in this pristine area from initial stage of development   |   |
| DKFN 4  | • Archaeological site assessments need to be completed with Prince of Wales Northern Heritage Centre and Akaitcho Dene First Nations.   | See PWNHC 1   |
| DKFN 5  | • Cumulative Effects Assessment must be included.   | The Project is in the process of assessing the effects of the Project on environmental components. Upon completion of the effects assessment, the Project will assess the cumulative effects.   |

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| EC   | <b>ENVIRONMENT CANADA – Land Use Permit Application</b>  |   |
| EC   | Environment Canada cannot conduct a review of the above applications without the following information:  | See DKFN 5  |
| EC 1 | An assessment of cumulative effects.   | The Project is in the process of identifying potential impacts to terrestrial, aquatic, social and archaeological components, and identifying mitigation measures to reduce or negate negative effects.   |
| EC 2 | Identification of predicted impacts of the project and the appropriate mitigation measures. Environment Canada supports the use of Best Management Practices (bmp).  | The Project fully supports the development and implementation of Management Plans. The plans noted by EC will be submitted for review.  |
| EC 3 | The proponent is requested to provided the following plans: <ul style="list-style-type: none"> <li>a. Operational Water Management Plan</li> <li>b. Material and Waste Management Plan</li> <li>c. Helicopter Protocols to Protect Wildlife</li> <li>d. Vegetation Management</li> <li>e. Erosion and Sediment Control, and</li> <li>f. Emergency Response Plan</li> </ul>   | Results of the on-going studies and prediction of impacts will be submitted upon completion. A summary of progress to date for key components is contained in Section 2 above. Also attached to this document are the results of studies to date undertaken on Trudel Creek and the transmission line.                                      |
| EC 4 | The proponent has identified a number of on-going studies in relation to this project. The results of these studies may assist in the prediction of impacts and identification of appropriate mitigation measures. The proponent is requested to provide these results upon completion of the studies.   | An ARD test program will be developed by a qualified professional (e.g. Geologist, geotechnical engineer) for the 2008 field season. The program will generally entail identification of rock formations, surface sampling in 2008 of un-weathered rock from each formation at a frequency determined by the professional, and lab testing. |
| EC 5 | The proponent has indicated that issues related to Acid Rock Drainage (ARD) are not anticipated. Further, the Proponent has stated that drill cuttings / samples will be tested for acid-base accounting, and that surface samples of exposed rock would be tested for net neutral potential. However the proponent has not provided sufficient details in a number of areas, including: <ul style="list-style-type: none"> <li>a. The type of ARD testing methodologies to be used.</li> <li>b. Where (by who?) the ARD testing will be carried out.</li> <li>c. Whether (and how?) additional testing (e.g. additional static and/or kinetic testing) will be carried out should preliminary tests indicate ARD potential?</li> <li>d. Contingency planning should acid generating rock be detected?</li> <li>e. It is recommended that sample design adequately test ARD potential of all formations to be excavated in the area</li> </ul> | Rock will be sent to an accredited lab for mineral characterization and Net Neutral Potential (e.g. Modified Sobek method). The results of this test work will identify the need for further sampling and test programs prior to construction; and the level of contingency planning that should be developed.                              |
| EC 6 | The proponent has indicated that incineration will be used to dispose of   | Incinerator supply, maintenance and training will be the  |

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|      | kitchen and paper waste. Please provide the following information: <ol style="list-style-type: none"> <li>The make, model and year of each incinerator to be used</li> <li>The training that the incinerator operator has had</li> <li>The volume of waste to be incinerated</li> <li>Description of waste segregation plan</li> <li>How will the Proponent demonstrate compliance with the Canada Wide Standards for the Dioxins &amp; Furans and Mercury</li> </ol>   | responsibility of the construction contractor; therefore this specific information will not be available until a contractor has been retained in late 2008 or early 2009. The Project will require the contractor to supply incinerator(s) that meet or exceed the most current guidelines and standards.<br><br>As the contractor will be responsible for the exact camp size at any time, the volume of waste will be identified by the construction contractor as a requirement of their contract.  |
| EC 7 | The proponent has indicated that large quantities of fuel will be stored in staging areas. Please provide clarification as to how the fuel will be transported (in fuel bladders or in barrels, transportable tanks?), and how the fuel will be stored. It is recommended that all fittings as well as fuel containers be contained within an appropriate berm (insta-berms highly recommended). Further, the containers should be inspected regularly to ensure containment.   | The Project will develop a waste management plan that will incorporate methods to reduce the creation of waste, including purchasing policies, segregation of wastes, recycling, etc. The plan will detail types of wastes for segregation, safe storage and handling, and disposal methods (i.e. transport off site for recycling or authorized landfill disposal, or on-site incineration) as described by Environment Canada in comment EC-L-38.  |
| EC 8 | Section 6 (a) of the Migratory Birds Regulations states that no one shall disturb or destroy the nests or eggs of migratory birds. The project description states that line construction would occur almost completely outside of the winter season, but it is not clear from the project description exactly what activities might occur during the migratory bird nesting season (approximately May 15 to July 31). There is a risk of disturbing or destroying nests or eggs during land clearing activities. The proponent is asked to clarify what project activities will be occurring during the | Detailed fuel transportation and storage will be the responsibility of the construction contractor; therefore this specific information will not be available until a contractor has been retained in late 2008 or early 2009. The Project will require the contractor to meet or exceed the most current guidelines and standards, to avoid fuel spills, including spill containments, drip pads, etc.<br><br>The Project is currently identifying mitigation measures to avoid or reduce impacts to migratory birds. The primary Project activity associated with potential impacts during the nesting season is clearing of nest habitats along the transmission line right-of-way and other land development areas. Mitigation measures are being developed in consideration of other species protection construction timing windows (ie caribou migration). |

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|       | migratory bird nesting season and what mitigation measures will be undertaken to ensure that the nests or eggs of migratory birds are not disturbed or destroyed.  | Please refer to Sections 2.4 and 2.5 above.   |
| EC 9  | The proponent notes that waterfowl have been identified as a Valued Component (page 17-8), yet limited information is presented on baseline data collected for waterfowl and other Migratory Birds in the area. The proponent is asked to provide more information on waterfowl and other migratory birds in the area. This baseline information for birds should also include information on Whooping Cranes and Yellow Rail, two Species at Risk that the proponent has indicated as potentially occurring in the project area. This information is needed so that the impact of the project on waterfowl and other Migratory Birds can be adequately assessed.  | The assessment program discussed in Section 2.4 above, includes the characterizing of potential of mortality to birds from collisions with the transmission line, and development of potential mitigation measures.   |
| EC 10 | Mortality of birds can result when birds collide with power lines. What mitigation measures is the proponent proposing to undertake to minimize the risk of bird collisions with the power lines?  | The assessment program discussed in Section 2.4 above, includes an assessment of the potential for towers to provide nesting and roosting habitat, and development of potential mitigation measures.  |
| EC 11 | The structures associated with transmission lines can provide nesting and roosting sites for ravens and raptors. These birds are predators of other birds and increased numbers of these predators in an area can negatively impact local bird populations. What mitigation measures is the proponent proposing to undertake to minimize the likelihood of birds nesting on the transmission structures and other project infrastructure?  | Camp waste can attract predators of migratory birds (e.g., foxes and ravens) to an area if not disposed of properly. What mitigation measures will be undertaken by the proponent to ensure that wildlife is not attracted to the project activities?   |
| EC 12 |  | A waste management plan describing waste segregation, storage and handling will be developed to ensure animals are not attracted to the Project activities.   |
| EC 13 | The following comments are pursuant to the Species at Risk Act (SARA), which came into full effect on June 1, 2004. Section 79 (2) of SARA, states that during an assessment of effects of a project, the adverse effects of the project on listed wildlife species and its critical habitat must be identified, that measures are taken to avoid or lessen those effects, and that the effects need to be monitored. This section applies to all species listed on Schedule 1 of SARA. However, as a matter of best practice, Environment Canada suggests that species on other Schedules of SARA and under consideration for listing on SARA, including those designated as at risk by the Committee on the Status of Endangered Wildlife in Canada (COSEWIC), | As described in Section 2.4 above, the Project is currently in the process of identifying the SARA listed species that may be present within the project and developing mitigation measures to reduce or avoid negative effects. The Project will also conduct construction and post-construction monitoring for identified SARA listed and/or any other identified environmental components. |

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|       | <p>be considered during an environmental assessment in a similar manner.</p> <p>Impacts could be disturbance, attraction to operations, and habitat destruction.</p>   | <p>The project description has identified Species at Risk with potential to exist in the Project Area (Table on A-2 to A-3). However, Environment Canada recommends that further information is required to properly assess the impacts of the project on Species at Risk. For each species identified as at risk by COSEWIC (this includes species listed in SARA) and potentially occurring in the project area, the following questions should be addressed:</p> <ul style="list-style-type: none"> <li>• Are there any potential adverse effects to the species from the project? If so, what are the adverse effects?</li> <li>• What measures would the proponent undertake to avoid or to lessen the adverse effects?</li> <li>• What monitoring would the proponent undertake to determine the effectiveness of mitigation measures or to identify where further mitigation may be required?</li> </ul> <p>For migratory bird species (e.g. Whooping Crane, Yellow Rail), Environment Canada will be able to provide further advice on adverse effects, and appropriate mitigation and/or monitoring measures. For species under the responsibility of the Territorial Government, the Territorial Government should be consulted to identify appropriate mitigation and/or monitoring measures to minimize effects to these species from the project. Mitigation and monitoring measures must be taken in a way that is consistent with applicable recovery strategies and action/management plans.</p> |
| EC 14 | <p>In regards to Species at Risk, Environment Canada also notes that there are some omissions in the information presented on the Table “Species at Risk with Potential to exist in the Project Area” (Table on A-2 to A-3). The following information was missed:</p> <ol style="list-style-type: none"> <li>a. Northern Leopard Frog and Yellow Rail are listed on Schedule 1 of SARA.</li> <li>b. Short-eared Owl is on Schedule 3 of SARA.</li> <li>c. Rusty Blackbird was listed as Special Concern by</li> </ol> | <p>The Project recognizes this omission and has included these three species in the assessment</p>   |

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|       | COSEWIC in April 2006.   | Schedules of SARA and the COSEWIC status of species are amended on a regular basis. The proponent should check the SARA registry ( <a href="http://www.sararegistry.gc.ca">www.sararegistry.gc.ca</a> ) to get the current status of all Species at Risk in their project area and for more information on specific species.                                    |
|       | In light of this further information required, Environment Canada offers the following recommendations to be considered while further developing this proposal:  | All Acts and Regulations will be adhered to. The Project recognizes the broad interpretation of deleterious substances under the Fisheries Act and will ensure protection of watercourses at all times. Should material deposition within a waterbody be required, (i.e. placement of rock), authorization will be obtained from DFO prior to commencing works. |
| EC 15 | Meeting the requirements of the <i>Fisheries Act</i> is mandatory, irrespective of any other regulatory or permitting system. Section 36(3) of the <i>Fisheries Act</i> specifies that unless authorized by federal regulation, no person shall deposit or permit the deposit of deleterious substances of any type in water frequented by fish, or in any place under any conditions where the deleterious substance, or any other deleterious substance that results from the deposit of the deleterious substance, may enter any such water. The legal definition of deleterious substance provided in subsection 34(1) of the <i>Fisheries Act</i> , in conjunction with court rulings, provides a very broad interpretation of deleterious and includes any substance with a potentially harmful chemical, physical or biological effect on fish or fish habitat. | All Acts and Regulations will be adhered to. The Project recognizes the broad interpretation of deleterious substances under the Fisheries Act and will ensure protection of watercourses at all times. Should material deposition within a waterbody be required, (i.e. placement of rock), authorization will be obtained from DFO prior to commencing works. |
| EC 16 | Section 35 of the <i>Migratory Birds Regulations</i> states that no person shall deposit or permit to be deposited, oil, oil wastes or any other substance harmful to migratory birds in any waters or any area frequented by migratory birds.   | All Acts and Regulations will be adhered to.  |
| EC 17 | A copy of the spill contingency plan should be posted where crew members have access to it, and at each fuel cache and refuelling station.   | Copies to be posted as noted by EC.   |
| EC 18 | The Proponent should reference in their Spill Contingency plan the attached <i>Schedule 1 from the Spills Working Agreement</i> for conditions that require immediate reporting as well as immediately reportable quantities.  | The reportable spill quantifies Schedule will be included.  |
| EC 19 | Fuel containers, including barrels, should be marked with the responsible party's name, product type, and year purchased or filled.  | Fuel containers will be marked as noted by EC.  |
| EC 20 | Fuel caches shall be located above the high water mark of any waterbody and in such a manner as to prevent the contents from entering any waterbody frequented by fish.  | Fuel caches will be located as noted by EC.   |
| EC 21 | The fuel caches shall be inspected on a regular basis and locations of all fuel caches provided to authorities.  | Fuel caches will be inspected as noted by EC.   |

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| EC 22 | Environment Canada recommends the use of secondary containment with an impervious liner, such as self-supporting insta-berms, for storage of all barreled fuel rather than relying on natural depressions to contain spills.   | Fuel storage will employ secondary containments.   |
| EC 23 | A spill kit including shovels, barrels, sorbents, pumps, etc. shall be consistently maintained and readily available at each fuel cache and re-fuelling station.   | Complete spill kits will be located at each fuel cache and re-fuelling station.  |
| EC 24 | Fuel or hazardous substance transfers – Secondary containment or a surface liner (drip pans, fold-a-tanks, etc) should be placed under all containers or vehicle fuel tank inlet and outlet points, hose connections and hose ends during fuel or hazardous substance transfers. Secondary containment should be of adequate size and volume to contain and hold fluids for the purpose of preventing spills (the worst-case scenario). Appropriate spill response equipment and clean-up materials (absorbents, containment devices, etc) must be on hand during any transfer of fuel or hazardous substances and at vehicle-maintenance areas. | Secondary containment or surface liners will be employed as noted by EC.   |
| EC 25 | Transfer operations should be attended by trained personnel at all times.  | Trained personnel will attend all fuel transfers.  |
| EC 26 | Berm areas - Decanting of snow or water from the berm area should proceed only if the appropriate chemical analysis has determined the contents meet the requirements of Section 36(3) of the <i>Fisheries Act</i> .   | All Acts and Regulations will be adhered to,   |
| EC 27 | Waste tracking, or “manifesting,” should be implemented to ensure proper use, storage, and management of materials. Manifests provide detailed information to first responders in the event of an accident and serve as a tool for confirming that shipments of dangerous or hazardous waste are properly handled, transported, and disposed of.   | Waste tracking will be implemented as noted by EC.   |
| EC 28 | The proponent shall ensure that all hazardous wastes, including waste oil, receive proper treatment and disposal at an approved facility.  | All hazardous wastes will be managed as noted by EC.   |
| EC 29 | All non-combustible solid wastes (e.g. portable water bottles) shall be disposed of at an appropriate facility, e.g., Yellowknife, NT, or Inuvik, NT. The proponent is encouraged to make use of recycling facilities for all recyclable materials.  | All non-combustible solid wastes will be disposed of as noted by EC.   |
| EC 30 | The proponent must ensure that camp wastes to be burned are incinerated in an efficient burner and that incinerator wastes are disposed of appropriately.  | The Project will require the contractor to supply incinerator(s) that meet or exceed the most current guidelines and standards. Incinerator wastes will be disposed of in an appropriate manner. |
| EC 31 | Water crossings should be at right angles to streams. Snow and ice fill crossings should be used and removed or V-notched when finished to avoid ice-jamming in the spring.  | Water crossings will be at right angles to the watercourse. Winter crossings will be in accordance with the DFO Operational Statement for Ice Bridges, which include the procedures noted by EC. |

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| EC 32 | Winter lake/stream crossings shall be located to minimize approach grades and shall be constructed entirely of ice and snow materials. The banks of any watercourse or waterbody are to be protected at all times. Bank disturbance is to be avoided, and mechanized clearing should not be done immediately adjacent to any watercourse; water crossings should be at right angles to streams and stream crossings shall be removed or notched prior to spring break-up.  | Water crossings will be at right angles to the watercourse. Winter crossings will be in accordance with the DFO Operational Statement for Ice Bridges, which include the procedures noted by EC. |
| EC 33 | No disturbance of the stream bed or banks of any definable watercourse is permitted; clearing adjacent to streams/lakes should be done without disturbing the organic layer. Suitable erosion control measures shall be implemented at all stream/lake crossings.  | Stream beds and riparian zones will be managed as noted by EC.   |
| EC 34 | In order to reduce disturbance to nesting, moulting, and migrating birds, Environment Canada recommends that aircraft used for travelling between project sites maintain a flight altitude of at least 650 m during horizontal (point to point) flight unless safety or cloud ceiling do not permit.   | Point to point air travel will be at a flight altitude of 650m or greater where possible in consideration of flight safety, as noted by EC.  |
| EC 35 | In order to reduce disturbance to resting, feeding, or moulting birds, Environment Canada recommends that aircraft used in conducting project activities maintain a vertical distance of 1000 m and minimum horizontal distance of 1500 m from any observed concentrations (flocks / groups) of birds.   | Air travel will maintain, where possible in consideration of flight safety, the clear zone distances noted by EC.  |
| EC 36 | The proponent has identified Eskimo Curlew as a potential Species at Risk in the Project Area. No verified nests (or young) have been found for over 100 years, although occasional sightings of non-breeding birds have occurred as recently as 1998. The National Recovery Team for this species has determined that recovery for this species is not feasible at this time. Recovery of this species is not possible unless the existence and location of breeding birds can be established. In light of its current status, there is no need for further action with respect to Eskimo Curlew. An appropriate mitigation and monitoring plan will be developed with the Proponent if it is established that this species does occur in the area. | The Project appreciates EC management approach to this species.  |
| EC 37 | EC recommends that all field operation staff be made aware of the proponent's commitments to these mitigations measures and provided with appropriate advice/training on how to implement them.  | All project personnel (contractors and subcontractors) will be required to attend environmental awareness training programs.   |
| EC 38 | Waste Management & Incineration Environment Canada recognizes that timely disposal of camp waste - specifically food waste - is of critical importance to minimize safety risks  | The Waste Management Plan and incineration will be as noted by EC.   |

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|    | <p>associated with wildlife attraction. Timely disposal is usually achieved through burning. However, burning of waste products releases numerous contaminants to the air, many of them persistent, bioaccumulative and toxic (e.g. polycyclic aromatic hydrocarbons - PAH's - heavy metals, chlorinated organics - dioxins and furans). These contaminants can result in serious impacts to human and wildlife health through direct inhalation and they can also be deposited to land and water, where they bioaccumulate through food chains affecting wildlife and country foods. Therefore, burning should only be considered after all other alternatives for waste disposal have been explored.</p> <p>A variety of incineration devices are available and selection of the most appropriate will depend on considerations of technical and economical feasibility for each situation. Installation of an incineration device capable of meeting the emission limits established under the Canada-wide Standards (CWS) for Dioxins and Furans and the CWS for Mercury Emissions is required (both the Government of Canada and the Government of the Nunavut are signatories to these Standards and are required to implement them according to their respective jurisdictional responsibility). The proponent should review the incineration options available and provide justification for the selected device to the regulatory authority.</p> <p>If burning is the only alternative available, the proponent should ensure that the waste is burned in a device that promotes efficient combustion and reduction of emissions, and that the amount of waste burned is reduced as much as possible. The use of appropriate waste incineration technology should be combined with a comprehensive waste management strategy (especially waste segregation) that is designed to reduce and control the volumes of wastes produced, transported, and disposed of.</p> <p>The Waste Management Plan Waste should consider and include:</p> <ul style="list-style-type: none"> <li>• Purchasing policies that focus on reduced packaging,</li> <li>• On-site diversion and segregation programs (i.e. the separation of non-food waste items suitable for storage and subsequent transport and disposal or recycling).</li> </ul> |                                  |

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|         | <ul style="list-style-type: none"> <li>If incineration is required, ensure diligent operation and maintenance of the incineration device and ensure appropriate training is provided to the personnel operating and maintaining the incinerator.</li> </ul> <p>The objective should be to ensure that only food waste and food-contaminated waste is burned (the use of paper, cardboard and clean wood as supplementary fuel is acceptable).</p> <p>Used absorbent materials, oily or greasy rags, and equipment servicing wastes (such as used engine oil, antifreeze, hydraulic oil, lead acid batteries, brake fluid and other lubricants) should be safely stored and transported in sealed containers (odour free to prevent animal attraction) and safely transported to a facility that is authorized for the treatment and disposal of industrial hazardous wastes.</p> |  |
| ENR     | <b>GNWT - ENVIRONMENT AND NATURAL RESOURCES</b><br><br>ENR would like to identify the following species-specific concerns that need detailed mitigative measures to avoid or reduce impacts  |  |
|         | <b>WILDLIFE</b>  |  |
| ENR 1   | <p><b>Caribou</b></p> <p>Project within the range of Barren Ground Caribou, specifically the Bathurst, Ahiak and Beverly herds Satellite maps of herd locations shows that it is likely caribou will be present in the project area during operations. Mitigation measures are necessary to reduce impacts to caribou in the project area</p>  | <p>Dezé Energy Corporation is completing an assessment of potential effects associated with the transmission line and land disturbances, and develop specific mitigation measures for the protection of caribou as well as other ungulates and species of interests.</p> <p>Mitigation measures identified to date include, but are not limited to:</p> <ul style="list-style-type: none"> <li>• Retaining vegetation less than 3 m in height,</li> <li>• Implementing seasonal timing windows for construction around migration timing and life-stages</li> <li>• Developing and implementing management plans (i.e. wildlife protection, waste management, etc)</li> <li>• Assessing alignment option in areas of high caribou use</li> </ul> <p>Once road corridors are no longer required, the roads will be fully reclaimed, including pulling back any material in proximity to a watercourse, scarifying the road surface if necessary to promote re-vegetation, and placing slash across the road surface.</p> |
| ENR 1.1 | <ul style="list-style-type: none"> <li>Road Corridors – when road corridors are no longer required, periodically place slash material across the corridor (every 80 m) in order to provide obstacles to wolf movement.</li> </ul>  | A Management Plan for the protection of wildlife will include air  |
| ENR 1.2 | <ul style="list-style-type: none"> <li>Encounters - If caribou are encountered during development the</li> </ul>   |  |

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|         | proponent should shut down operations if they approach within 500m of drilling operations/sites; suspended activities include drilling, aircraft overflights, and ATV or snowmobile use. When caribou are further than 500m away operations may resume.   | and ground travel protocols, human disturbance protocols, no recreational use of ATVs, no hunting by project personnel (contractors and subcontractors), environmental awareness training programs, and cease operation protocols in the event caribou are encountered during construction activities. Protocols will be use existing guidelines and standards, where available, including the GNWT Flying Low brochure. All protocols will be strictly enforced.<br><br>See ENR 1.2 |
| ENR 1.3 | <ul style="list-style-type: none"> <li>No wildlife should be disturbed, chased, or harassed by human beings on foot, in a motorized vehicle, or by aircraft. Chasing, harassing or molesting wildlife is prohibited by the Wildlife Act (s. 38 (1) (a)). These activities can lead to greater expenditures of energy on the part of the animal and a loss of fitness. This is especially important for mammals in the winter and when female animals are still feeding their young through lactation. This is also critically important for raptors during the nesting season. ENR staff consider the chasing or stalking of wildlife for photography or during Ecotourism to be harassment.</li> </ul> | The construction area, including the Twin Gorges site will be a controlled site to protect the safety of both project personnel and site visitors. The construction area is strictly off-limits to any persons that are not directly involved with the Project. Therefore there will be no public access to Twin Gorges or any points beyond.  |
| ENR 1.4 | <ul style="list-style-type: none"> <li>The recreational use of all-terrain vehicles and snow machines by personnel will not be permitted in the project area.</li> </ul>  | See ENR 1.2<br><br>See ENR 1   |
| ENR 1.5 | <ul style="list-style-type: none"> <li>Winter Land Access – increases the likelihood that hunting and recreation will use the new access throughout the area. What will be the mitigative measures to ensure that access is restricted to the public?</li> </ul>  | The construction area, including the Twin Gorges site will be a controlled site to protect the safety of both project personnel and site visitors. The construction area is strictly off-limits to any persons that are not directly involved with the Project. Therefore there will be no public access to Twin Gorges or any points beyond.  |
| ENR 1.6 | <ul style="list-style-type: none"> <li>Rutting and Calving – What are the mitigative measures for development taking place during periods of increased caribou sensitivity?</li> </ul>  | See ENR 1  |
| ENR 1.7 | <ul style="list-style-type: none"> <li>Winter Operations – What are the mitigative measures for the construction that is going to be taking place at Nonacho Lake were caribou are present?</li> </ul>  | See ENR 1  |
| ENR 1.8 | <ul style="list-style-type: none"> <li>Water/Ice crossings - Water crossings are limited on the landscape and as such are very important in facilitating movements across the landscape. Any diversion from a crossing could result in substantial increases in energy expenditures as caribou backtrack to find another appropriate route on their migratory path. Therefore, no</li> </ul>  | See ENR 1  |

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|         | drilling activity should be conducted within 5 km of a recognized caribou water crossing from May 15th till Oct 15th.  |  |
|         | <b>Birds (Raptors, Migratory Birds)</b>  |  |
| ENR 2   | Disturbance of peregrine falcons and shorteared owls while nesting can affect incubation success, survival and/or fitness of the young. Therefore, if a nest site of either species is identified in the project area, a buffer of 1.5 km should be maintained between development activities and the nest site from April 15th to September 15th. | Dezé Energy Corporation recognizes the need to protect raptors during the nesting and fledgling season. Existing raptor nest identification has commenced and will continue to assist with development of the detailed transmission line design and construction planning. Dezé Energy Corporation will maintain a construction buffer of 1.5 km around active nests, where possible, and in consideration of other species protection construction timing windows (ie caribou). In the event that construction would be proposed within 1.5 km of an active nest, Dezé Energy Corporation would discuss with ENR and Environmental Canada, specific construction activities, noise levels, potential disturbances, and mitigation measures such as restricted work hours, noise reduction, and nest monitoring, which may enable construction to proceed. |
|         | <b>Forestry</b>  |  |
|         | <b>Windrows</b>  |  |
| ENR 3   | <ul style="list-style-type: none"> <li>Windrowing of slashed vegetation can restrict and/or alter wildlife movements on the landscape. ENR recommends that breaks occur every 60m and are at least 10 m in length to reduce the disruption of natural wildlife movements and prevents wicking in the event of forest fire.</li> </ul>              | <p>Vegetation windrows will be left as prescribed by ENR.</p>  |
| ENR 3.1 | <ul style="list-style-type: none"> <li>Disposal of vegetative debris should be windrowed to the side of the cleared areas and compacted to lie flat. A 2-metre buffer from the standing timber should be maintained.</li> </ul>  | <p>Vegetation debris will be left as prescribed by ENR where equipment will be used to clear land (i.e. winter road portages; staging areas; camps).</p> <p>Vegetation debris associated with the transmission line clearing (ie. branches, etc) cannot be compacted as all clearing will be conducted by hand with helicopter transport. Any vegetation debris will either be incorporated in the windrows, or scattered flat on the ground.</p>  |
|         | <b>Merchantable Timber</b>   |  |
| ENR 4   | <ul style="list-style-type: none"> <li>If deemed merchantable and practical, any transfer of ownership of this timber, will require a forest authorization pursuant to the Forest Management Act.</li> </ul>   | All Acts and Regulations will be adhered to, and permits, authorizations or licences obtained prior to commencing related works.   |
| ENR 4.1 | <ul style="list-style-type: none"> <li>Merchantable timber located on the area of the proposed land use activity must be stockpiled.</li> </ul>  | Merchantable timber will be stockpiled for removal where equipment will be used to clear land (i.e. winter road portages;  |

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|         |   | staging areas; camps).<br>Any merchantable timber associated with the transmission line clearing cannot be removed from site in an economical manner; therefore, this timber will be windrowed as per ENR 3.1 above.  |
| ENR 5   | <ul style="list-style-type: none"> <li>Mitigation measures to reduce the detrimental effects of permafrost areas will be implemented using best practices methods.</li> </ul>   | Permafrost will be protected through a series of mitigation steps. Tower site selection will focus on rock or competent soils that are free of permafrost. Where rock or competent soil foundations are not attainable, towers may have to be located in soils that have a poor foundation quality. Within these areas, attempts will be made to locate towers at sites that are free of permafrost. In the event that a tower must be located in permafrost, thermo-siphons will be installed at the site to protect the permafrost. Thermo-siphons have been installed on the Snare transmission line with very high success. |
|         |   | <b>ENVIRONMENT</b>  |
|         |   | <b>Waste Management</b>   |
| ENR 6   | <ul style="list-style-type: none"> <li>The proponent should ensure that the amount of waste burned is reduced as much as possible through implementation of pollution prevention strategies such as purchasing policies that focus on reduced packaging, and on-site diversion and segregation programs (i.e. the separation of non-food waste items suitable for storage and subsequent transport and disposal or recycling).</li> </ul> | Project will incorporate methods to reduce the creation of waste, including purchasing policies, segregation of wastes, recycling, etc.).   |
| ENR 6.1 | <ul style="list-style-type: none"> <li>If burning is the only alternative available, installation of an incineration device capable of meeting the emission limits established by the Canadian Council of Ministers of the Environment (CCME) under the Canada-wide Standards (CWS) for Dioxins and Furans and the CWS for Mercury Emissions is required for a camp(s) of this size and duration.</li> </ul>                              | The Project will use incinerators that meet the most current guidelines and standards.  |
| ENR 6.2 | <ul style="list-style-type: none"> <li>Open burning of camp waste is not acceptable.</li> </ul>   | No open burning of camp or industrial waste will occur.   |
|         |   | <b>GENERAL RECOMMENDATIONS</b>  |
|         |   | ENR provides the following general recommendations/concerns with respect to sufficiently minimizing potential impacts:  |
|         |   | <b>Wildlife</b>   |
| SARA    |   |   |
| ENR 7   | <ul style="list-style-type: none"> <li>The federal Species At Risk Act (SARA) states that adverse effects on listed species must be identified, and regardless of significance,</li> </ul>  | The Project is currently in the process of identifying the SARA listed species that may be present within the project and developing  |

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|         | mitigated and monitored (s.79). It is ENR's view that those species listed under the Act (i.e. those species listed on Schedule 2 and 3 of the Act) be treated in a similar fashion consistent with recommendations in "The Environmental Assessment Best Practice Guide for Wildlife at Risk in Canada".   | mitigation measures to reduce or avoid negative effects. The Project will also conduct construction and post-construction monitoring for identified SARA listed and/or any other identified environmental components.  |
| ENR 8   | <p>Ungulates (Caribou &amp; Moose)</p> <ul style="list-style-type: none"> <li>Mineral/salt licks - Mineral/salt licks are a key habitat area for ungulates and as such tend to attract them. If a mineral lick is present in the project area, the proponent should maintain a 300m buffer zone between any development activities and the lick ensuring minimal disturbance to the animals as they access these sites.</li> </ul>  | Dezé Energy Corporation recognizes the need to protect mineral licks and animal use of licks. The Project will maintain a 300 m construction buffer around identified licks, where possible, and in consideration of other species protection construction timing windows (ie caribou). In the event that construction would be proposed within 300m of a lick, Dezé Energy Corporation would discuss with ENR and Environmental Canada, specific construction activities, noise levels, potential disturbances, and mitigation measures such as restricted work hours, noise reduction, and monitoring, which may enable construction to proceed. |
|         | Bears/Carnivores - Safety, Denning, Territorial Displacement, Bear-Human Conflict   |  |
| ENR 9   | <ul style="list-style-type: none"> <li>Safety in Bear Country: A Reference Manual - human interaction, including measures to deter bears from camps and other facilities.</li> </ul>  | The Project will identify measures to avoid bear-human interactions, including measures to deter bears from Project facilities.  |
| ENR 9.1 | <ul style="list-style-type: none"> <li>Food and Waste Management Guidelines - Impacts to carnivores will be adequately mitigated with the proper handling and storage of food and food wastes.</li> </ul>   | The Project commits to proper handling of food and wastes to avoid impacts to carnivores.  |
| ENR 9.2 | <ul style="list-style-type: none"> <li>Bear Response Guidelines - In the event that a grizzly bear is disturbed and/or encountered during project operations, information on the sighting should be forwarded to the local Wildlife officer at the earliest opportunity. This will allow the Department a greater ability to relocate bears that frequent areas of development before they become habituated and must be destroyed as nuisance wildlife. Any defence of life and property (DLP) kills must be reported ASAP. Since all human caused mortalities are accounted for under the quota any DLP kills will result in a reduction of the community quota.</li> </ul> | All grizzly bear encounters and disturbances, will be reported. Defence kills will be reported as soon as possible.  |
| ENR 9.3 | <ul style="list-style-type: none"> <li>NWT Mine Health and Safety Regulations (s. 15.05) - require that all field personnel involved in mineral exploration undertake bear-</li> </ul>  | All site personnel, including contractors and subcontractors will be required to participate in a project specific environmental training  |

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|          | safety training. ENR staff supports this requirement, as it is both a worker safety and wildlife issue. If all field workers have bear safety training and learn how to react to bears, this will decrease the cases of bear attacks and the number of bears destroyed as nuisance wildlife. This training is also important because it will inform employees and owners on proper bear proofing methods for camps.  | program including bear safety training.   |
| ENR 9.4  | <ul style="list-style-type: none"> <li>Berry Patches/Denning Sites – If a bear is located in, at or near a den site, work in the area must halt. Staff from ENR should be notified as they will assess the site and may implement measures to ensure bears are not unduly disturbed. This may include the establishment of an exclusion zone of 300 meters around the den in which no work will be permitted. Work inside the exclusion zone will remain stalled until after den emergence.</li> </ul> | Dezé Energy Corporation recognizes the need to protect bear denning sites. In the event that a denning site is observed near the project area, the Project will work cooperatively with ENR to mitigate negative effects to the site. |
| ENR 10   | <b>Forestry</b><br><br>Summer Operation – ENR's South Slave Regional Office requires a burning plan, which includes an advisement on operating locations and numbers of persons and facilities in use on an ongoing basis for forest fire response.  | Prior to construction, the Project will submit a burn plan to the satisfaction of ENR.  |
| ENR 10.1 | <ul style="list-style-type: none"> <li>Disposal of debris by burning during the closed season (May 1 to September 30) requires a permit to burn issued pursuant to the Forest Protection Act (RSNWT). A permit to burn may be obtained from regional offices of ENR.</li> </ul>  | All Acts and Regulations will be adhered to, and permits, authorizations or licences obtained prior to commencing related works.  |
| ENR 10.2 | <ul style="list-style-type: none"> <li>The operator should have available in good working order at the work site a forest fire suppression kit for remote camps. The details of such a kit may be obtained from the regional offices of ENR.</li> </ul>  | All burn operators will have the appropriate fire suppression equipment at the site.  |
|          | Reclamation/Revegetation - Past use of seed mixes for reclamation purposes in the Northwest Territories has led to the introduction of non-native plant species, many of which are considered invasive. Therefore, ENR staff recommend that:   |   |
| ENR 11   | <ul style="list-style-type: none"> <li>Seeding be avoided whenever possible and that minimally disturbed ground be replanted with tree seedlings, native plant cuttings or propagules, or left to natural regeneration depending on site specific objectives.</li> </ul>   | The Project will revegetate disturbed sites with methods other than seeding.  |
| ENR 11.1 | <ul style="list-style-type: none"> <li>Any seed mix that is used for stabilizing areas of greater disturbance should be free of invasive, alien species, sub-species or varieties and should be approved by regional ENR staff.</li> </ul>   | Should seed be identified as the best means for ground stabilization or erosion control, the Project will consult with ENR.   |

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| ENR 12 | <p>Environment - GWNT is responsible for initiatives, which control the discharge of contaminants and their impacts on the natural environment.</p> <p>EPS is responsible for ensuring that environmentally acceptable management procedures, emission levels and disposal methods are maintained. By practice EPS programs are applied to commissioners Land, lands administered by municipal governments or GNWT undertakings.</p> <ul style="list-style-type: none"> <li>• Environmental Protection Website lists numerous guideline documents. Proponents should review and adhere to all of these documents prior to conduction operations.</li> </ul> <p><a href="http://www.enr.gov.nt.ca/eps/leg.htm">http://www.enr.gov.nt.ca/eps/leg.htm</a></p>   | <p>The Project will review and adhere to the environmental protection guidelines</p>   |
| ENR 13 | <p><b>REQUESTS OF THE PROPONENT</b></p> <p>Lastly, ENR makes the following requests:</p> <p>Cumulative Effects - ENR believes that the potential project-specific effects on species at risk may contribute to regional cumulative effects on some wildlife species. Further consideration of cumulative effects on species at risk is required.</p>   | <p>See DKFN 5</p>  |
| ENR 14 | <p>Waste Management Plan – Proponents should supply a Waste Management Plan including waste segregation and disposal and the strategy for implementation that includes:</p> <ul style="list-style-type: none"> <li>• The identification of non-hazardous, hazardous, combustible, and non-combustible wastes, and plans of waste segregation and the strategy/plan for its implementation.</li> <li>• A listing of expected waste quantities (as related to waste types identified) to be generated.</li> <li>• Detailed waste treatment and disposal plans.</li> <li>• Listing of expected waste types and quantities to be transported off-site.</li> <li>• Identification of acceptable and alternate hazardous waste disposal facilities.</li> <li>• Confirmation that the community referenced has authorization to accept proposed wastes types and quantities at community waste handling facilities.</li> <li>• Confirmation that the Proponent has received permission from the community referenced to transfer proposed waste types and quantities to community waste handling facilities.</li> </ul> | <p>A comprehensive Waste Management Plan will be submitted as part of the Environmental Management Plans. The Waste Management Plan will include all items noted by ENR.</p> |

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|        | <ul style="list-style-type: none"> <li>• Alternate disposal options in the case that the referenced community's waste handling facility cannot accommodate the proposed and estimated waste types and quantities listed</li> </ul> <p>The Waste Management Plan should also consider and include:</p> <ul style="list-style-type: none"> <li>• Purchasing policies that focus on reduced packaging,</li> <li>• On-site diversion and segregation programs (i.e. the separation of non-food waste items suitable for storage and subsequent transport and disposal or recycling).</li> <li>• If incineration is required, ensure diligent operation and maintenance of the incineration device and ensure appropriate training is provided to the personnel operating and maintaining the incinerator.</li> <li>• A waste tracking system will manage and account for all waste.</li> <li>• Sewage disposal methods.</li> </ul> |  |
| ENR 14 | Burning Plan – this should include a list of equipment being used in the process (construction and operation), along with a clearer definition of what they consider combustible and hazardous waste.  | A comprehensive burning plan will include the items noted by ENR.  |
| ENR 15 | Reclamation - forestry would like more detailed information on method of disposal for vegetative debris/merchantable timber, and physical site restoration of cleared areas and revegetation process.  | Disposal of vegetation will be as prescribed by ENR (see ENR 3 3.1, 4 and 4.1). Prior to construction, the Project will identify transfer of ownership of the timber for sale and relocation off site. Upon completion of detailed design and prior to construction, a reclamation plan will be developed for individual site disturbances.  |
| ENR 16 | Incorporating Traditional Knowledge - A relationship between the developer and traditional knowledge holders should be established in order to gain the full value of traditional knowledge during the project planning stages.  | <ul style="list-style-type: none"> <li>• Statement Policy for GNWT Traditional Knowledge – “The Government of the Northwest Territories recognizes that the aboriginal peoples of the Northwest Territories have acquired a vast store of traditional knowledge through their experience of centuries of living in close harmony with the land. The Government recognizes that aboriginal traditional knowledge is a valid and essential source of information about the natural relationship of people to the land and to each other, and will incorporate traditional</li> </ul> |

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|                     | knowledge into government decisions and actions where appropriate”<br><a href="http://www.enr.gov.nt.ca/plc/pdf/Traditional%20Knowledge%20Policy%20-%20FINAL.pdf">http://www.enr.gov.nt.ca/plc/pdf/Traditional%20Knowledge%20Pol</a>   |   |
| <b>GNWT</b>         | <b>GNWT – Health</b><br>No Comments  |   |
| <b>Public</b><br>P1 | <b>R. Schaefer</b><br>Salt River member with general Project interests and concerns with Salt River council's Project interests.   | Dezé Energy Corporation supports public interests in the Project and noted that Mr. Schaefer participated in a Project community meeting on Feb 20, 2007.<br>Should Mr. Schaefer identify specific Project issues to MVLWB, they will be addressed.   |
| <b>KFN</b>          | <b>Katlodeeche First Nation</b><br>Chief and Council have met to discuss the above land application and have no comments or concerns. However the Chief and Council are interested in discussing the potential economic and employment opportunities that will become available with the construction of the dam. Our community is constantly seeking training and employment opportunities that will benefit our community members. | Dezé Energy Corporation is available to discuss potential Project opportunities. [Clarification note: works at Nonacho Lake include upgrades to the existing weir and dam infrastructure. There will be no new dam construction]  |
| <b>AT8</b>          | <b>Akaitcho Treaty 8</b><br>AT8 1 The impact of the proposed transmission line on wildlife is largely unknown. Of particular concern is the potential impact of the transmission line upon the movement of large ungulates caribou, moose, muskox and their predators.<br>AT8 2 The technologies to be employed to run the transmission line across permafrost must be examined in depth.  | The assessment program discussed in Section 2.3 above is in the process of assessing the potential impacts on wildlife, including caribou, moose, muskox and carnivore, among other species.  |
| AT8 3               | The potential effects of the upgraded gate at Nonacho Lake are of significant concern to current and former residents of Fort Resolution, Lutsel'ke, and Rocher River. Many residents still remember the flooding and subsequent destruction of traditional homelands caused by the original gate works, and are concerned that these impacts may be further compounded  | Please refer to Section 2.6 above.<br>The Project will maintain water levels and flows within the existing Twin Gorge's water licence limits. No new flooding is required. Nonacho Lake elevations will be maintained within the existing water licence limits, although the range, frequency, and duration of the high water levels will be adjusted. The environmental assessment discussed in Section 2.7 includes Nonacho Lake. |
| AT8 4               | The proposed transmission line might impinge upon the integrity of the proposed national park in the East Arm of Great Slave Lake and Artillery Lake currently being advanced by the Akaitcho Dene First Nations. How  | As per Section 16.8.1 and 17.8.2 of the Project Description, Dezé Energy Corporation has been establishing a committee of all key proposed park stakeholders, to identify the preferred transmission  |

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|       | the transmission line might potentially coexist with a national park must be explored.   | line routing(s) through the park. The committee will provide recommendation(s) to the Dezé Energy Corporation for one or more park crossing locations that the committee feels accommodates and protects the objectives   |
|       |  | In addition to identifying the stakeholder preferred line routing, mitigation measures for construction, operations and maintenance would be established to ensure initial and ongoing protection of proposed park. Potential mitigation measures may include site avoidances designed in support of park objectives, vegetation retention or partial cutting to retain the aesthetic value associated with specific ground or water perspectives, and clearing techniques to selectively remove only those trees identified as posing a real and immediate threat to the line or to worker safety. |
| AT8 5 | There must be an analysis of the cumulative effects of these proposed developments. The creation of a hydroelectric power source in the Slave Geological Province may significantly increase the economic viability of many base metal and gem deposits in the region. The incidence of ‘reasonably foreseeable’ developments in the region may correspondingly increase. Conversely, hydropower in the Slave Province will likely reduce greenhouse gas emissions and ease pressure off the existing ice road corridors. Some careful visioning and forecasting must be completed | Dezé is in the process of assessing the effects of the Project on environmental components. Upon completion of the effects assessment, the Project will assess the cumulative effects.  |
| AT8 6 | The transmission towers and lines might create / destroy bird nesting and roosting habitat. The significance of such impacts must be examined  | See EC 11.  |
| AT8 7 | Alternate routes for the transmission line must be considered, both very generally crossing over Great Slave Lake at the Simpson Islands, going around the western part of the lake alongside existing transportation corridors and specifically location of transmission structures around/over water structures, etc..   | Section 10 of the Project Description overviews three alternate transmission line routes assessed during the prefeasibility study of the Project. Routing the transmission line around the west site of Great Slave Lake was not considered an option for assessment as the line-losses associated with the length of this route would be extremely high.<br>Please refer to Section 2.4 above, re critical habitat alternatives. Specific tower locations and impact mitigation distances from waterbodies will be finalized during the detailed design process.                                   |
| AT8 8 | The specific routing of the ice road during the construction phase on lakes and portages, the location and capacity of construction and maintenance camps, and the management of ice road traffic must be carefully  | Dezé recognizes the importance of harvesting activities. The winter road will be used for 3 years with limited industrial traffic associated with transporting supplies to the staging areas and removing waste.  |

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|         | considered. The Ice road will provide industrial access to an area that has been largely untouched except by aboriginal harvester, an area that continues to be readily used in the winter months by trappers and hunters. The impacts upon their way of life must be considered   | Dezé will obtain an understanding of the locations, scope, and season of harvesting. This Traditional Knowledge will help frame the development of mitigation measures to avoid interference with harvesting activities. |
| AT8 9   | The impacts of the proposed barge activity in the East Arm of Great Slave Lake associated with transmission line construction must be explored in detail.  | Please refer to Section 2.5 above.<br>In addition to the site assessments, Dezé will assess the impacts associated with barge activity in the East Arm of Great Slave Lake.  |
| EC-W    | <b>Environment Canada (Joint Application Review)</b>   | Dezé supports revisions to the existing WEMP to monitor the Project effects and mitigation measures.   |
| EC-W A1 | Aquatic Monitoring:<br><br>EC recommends that development of a comprehensive aquatic effects monitoring plan be a condition of the new licence, with Board approval required. The plan should include results of the historical and recent data collection efforts, and indicate how the proponent will monitor aquatic ecosystems to detect potential effects, as well as validating effectiveness of the mitigation plans that are being developed (Section 17.3.1 of the Project Description). The following paragraphs provide some rationale as well as specific items to be addressed.   | Dezé is interested in discussing the scope of a water quality baseline program, as well as a sediment sampling program, to ensure the parameters and purpose reflect the potential Project effects.                      |
| EC-W A2 | Section 16.3 of the Project Description refers to work done under the existing Water Effects Monitoring Program (WEMP) that was initiated over the years 2003-2004 for fish and aquatic parameters. This work was generally well done and provides an initial snapshot of the current status of fish, plants, and the limited aquatic parameters measured. The original intent of the 1999 WEMP was to provide ongoing measurements of aquatic parameters in order to detect changes in the aquatic environment and to inform stakeholders of current conditions prior to any alterations in the operating regime. However, revisions to the program as proposed last fall would discontinue sampling, and not resume sampling until one year after any change in operating conditions. For water quality, the work to be completed focused on a limited set of parameters, with the understanding that a more extensive set of water chemistry measurements would be made in the two years prior to any change in the mode of operation (WEMP Terms of Reference, page 10). Whereas NTPC has done a good job on the fish and aquatics monitoring required in the first two sampling years, it would be most prudent to confirm and/or expand on this information prior to any change in operations. Specifically, more detailed water quality work is needed. |  |

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|         | <p>Under the WEMP, sediment concentrations of mercury were measured in the top 5 cm layer, as well as in the lower 5-10 cm layer. Although some mixing by organisms could occur within the top few centimeters, it is likely that the thickness of the sediment layer analyzed would mask any increases in mercury concentrations occurring over time. Therefore, EC recommends that sediment cores should be taken prior to the proposed expansion and a more superficial layer be analyzed for mercury. This will provide a more meaningful baseline against which future comparisons can be made to determine effects associated with the expansion.</p>   | <p>Please refer to Section 2.8 above.</p> |
| EC-W A3 | <p>Section 16.2.2 of the Project Description mentions that two additional study areas were added to the baseline work: Trudel Creek from the South Valley Spillway to the new facility tailrace confluence in the Talson River, and water bodies being crossed by the transmission line corridor. The proponent outlines the reconnaissance survey for the transmission line, and notes that a biological and physical baseline characteristics assessment is in progress for Trudel Creek. However, no details of the parameters measured, sampling locations, frequency of sampling, data acquired or results of analyses are provided. The results of these studies may assist in the prediction of impacts and identification of appropriate mitigation measures. The proponent is requested to provide these results upon completion of the studies.</p> | <p>Please refer to Section 2.8 above.</p> |
| EC-W 1  | <p>General Comments</p> <p>The following plans are considered essential and should be developed by the proponent and provided for review:</p> <ol style="list-style-type: none"> <li>Operational Water Management Plan</li> <li>Material and Waste Management Plan</li> <li>Erosion and Sediment Control, and</li> <li>Emergency Response Plan</li> </ol>   | <p>See EC 3</p>                           |
| EC-W 2  | <p>Meeting the requirements of the <i>Fisheries Act</i> is mandatory, irrespective of any other regulatory or permitting system. Section 36(3) of the <i>Fisheries Act</i> specifies that unless authorized by federal regulation, no person shall deposit or permit the deposit of deleterious substances of any type in water frequented by fish, or in any place under any conditions where the deleterious substance, or any other deleterious substance that results from the deposit of the deleterious substance, may enter any such water. The</p>  | <p>See EC 15</p>                          |

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|         | legal definition of deleterious substance provided in subsection 34(1) of the <i>Fisheries Act</i> , in conjunction with court rulings, provides a very broad interpretation of deleterious and includes any substance with a potentially harmful chemical, physical or biological effect on fish or fish habitat. |  |
| EC-W 3  | Section 35 of the <i>Migratory Birds Regulations</i> states that no person shall deposit or permit to be deposited, oil, oil wastes or any other substance harmful to migratory birds in any waters or any area frequented by migratory birds  | See EC 16  |
| EC-W 4  | The proponent has indicated that large quantities of fuel will be stored in staging areas. However, details of how this fuel will be transported and stored are not provided   | See EC 7   |
| EC-W 5  | An updated spill plan should be a requirement under the water licence, and a copy of the spill contingency plan should be posted where crew members have access to it, and at each fuel cache and refuelling station   | The Spill Plan will be updated and posted (as per EC 17)                                     |
| EC-W 6  | The Proponent should reference in their Spill Contingency plan the attached <i>Schedule 1 from the Spills Working Agreement</i> for conditions that require immediate reporting as well as immediately reportable quantities   | See EC 18  |
| EC-W 7  | Fuel containers, including barrels, should be marked with the responsible party's name, product type, and year purchased or filled   | See EC 19  |
| EC-W 8  | Fuel caches shall be located above the high water mark of any waterbody and in such a manner as to prevent the contents from entering any waterbody frequented by fish   | See EC 20  |
| EC-W 9  | The fuel caches shall be inspected on a regular basis and locations of all fuel caches provided to authorities   | See EC 21  |
| EC-W 10 | Environment Canada recommends the use of secondary containment with an impervious liner, such as self-supporting insta-berms, for storage of all barreled fuel rather than relying on natural depressions to contain spills  | See EC 22  |
| EC-W 11 | Secondary containment should be of adequate size and volume to contain and hold fluids for the purpose of preventing spills (the worst-case scenario).   | Secondary containment will be adequately sized to contain and hold fluids to prevent spills. |
| EC-W 12 | A spill kit including shovels, barrels, sorbents, pumps, etc. shall be consistently maintained and readily available at each fuel cache and refueling station  | See EC 23  |
| EC-W 13 | Fuel or hazardous substance transfers – Secondary containment or a surface liner (drip pans, fold-a-tanks, etc) should be placed under all containers or vehicle fuel tank inlet and outlet points, hose connections and hose ends   | See EC 24  |

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|             | during fuel or hazardous substance transfers. Appropriate spill response equipment and clean-up materials (absorbents, containment devices, etc) must be on hand during any transfer of fuel or hazardous substances and at vehicle-maintenance areas   |  |
| EC-W 14     | Transfer operations should be attended by trained personnel at all times  | See EC 25  |
| EC-W 15     | Berm areas - Decanting of snow or water from the berm area should proceed only if the appropriate chemical analysis has determined the contents meet the requirements of Section 36(3) of the <i>Fisheries Act</i>  | See EC 26  |
| EC-W 16     | Water crossings should be at right angles to streams. Snow and ice fill crossing should be used and removed or V-notched when finished to avoid ice-jamming in the spring   | See EC 31  |
| EC-W 17     | Winter lake/stream crossings shall be located to minimize approach grades and shall be constructed entirely of ice and snow materials. The banks of any watercourse or waterbody are to be protected at all times. Bank disturbance is to be avoided, and mechanized clearing should not be done immediately adjacent to any watercourse; water crossings should be at right angles to streams and stream crossings shall be removed or notched prior to spring break-up. | See EC 32  |
| EC-W 18     | No disturbance of the stream bed or banks of any definable watercourse is permitted; clearing adjacent to streams/lakes should be done without disturbing the organic layer. Suitable erosion control measures shall be implemented at all stream/lake crossings  | See EC 33  |
| EC-W 19     | EC recommends that all field operation staff be made aware of the proponent's commitments to these mitigation measures and provided with appropriate advice/training on how to implement them   | See EC 37  |
| <b>INAC</b> | <b>INDIAN AND NORTHERN AFFAIRS CANADA</b>   |  |
| INAC 1      | Type A Land Use Permit MV200710045  | <p>INAC has identified several interests in lands which are near to or immediately adjacent to the proposed route for the Taltson Hydroelectric Expansion Project. These interests can be found in Attachment 1. Additionally, please see Attachment 2 for INAC's suggested conditions annexed to and forming part of Land Use Permit MV200710033.</p>   |
|             |   | <p>Dezé appreciates INAC providing the list of land interests near or adjacent to the Project.</p> <p>Dezé is also in agreement with the suggested conditions of the Land Use Permit. Dezé would like to comment on condition #50 requiring windrow brush and debris to be crushed with heavy machinery. Vegetation debris will be crushed where equipment is used to clear land (i.e. winter road portages; staging areas; camps).</p> <p>Vegetation brush and debris associated with the transmission line</p> |

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|        |  | clearing cannot be compacted as all clearing will be conducted by hand with helicopter transport. Any vegetation debris will either be incorporated in the windrows, or scattered flat on the ground.  |
| INAC 2 | <b>Type A Water Licence Application MV2007L4-0029</b><br><br>Camps INAC supports the use of a package sewage treatment system. Is there a contingency plan for treatment should the system not be operating adequately? As a precaution the package sewage treatment system should be located at least 100m from the high water mark.<br><br>With regards to all the proposed camps, both land and barge based, the following details should be provided: camp fuel storage locations, equipment /vehicle storage locations, water requirements for camps (in m <sup>3</sup> per day). | The supply and maintenance of the sewage system will be the responsibility of the construction contractor. The requirement for a contingency plan will be a requirement of their construction contract.<br><br>The treatment system will be located at least 100 m from the high water mark.<br><br>As the contractor will be responsible for camp details, therefore fuel storage locations, equipment/vehicle storage location and water consumption will not be available until a contractor has been retained in late 2008 or early 2009.<br><br>However, based on typical camp construction rates of 180L/person/day, the following water requirements can be anticipated:<br><br>Twin Gorges – 150 person camp: 27 m <sup>3</sup> /d<br>Nonacho Lake – 100 person camp: 18 m <sup>3</sup> /d<br>Barge Camps – 50 person camps each: 9 m <sup>3</sup> /d (each) |
| INAC 3 | Dam/canal construction<br><br>Mitigating the deposit of sediment in water is imperative during the proposed construction, drilling and blasting of a new 1250m canal and associated penstocks and tailrace canal at the North Gorge as well as the building of the Nonacho Lake control structure. If deemed necessary, a silk curtain could be placed at the outflow of the new canal to ensure sediment does not enter downstream water bodies. Mitigations would also be needed to ensure ammonia does not enter water bodies during blasting.                                      | Please refer to Section 2.9 above.<br><br>Construction methods and mitigation will include sediment control and ammonia residue from blasting.   |
| INAC 4 | Transmission line and tower construction<br><br>Several water bodies will need to be spanned to construct the transmission lines for the proposed project. INAC is pleased that all efforts would be made to avoid placing towers in or adjacent water bodies; however, mitigation will still be required such that construction materials and fuels   | The Spill Plan will include mitigation measures to avoid fuel from entering waterbodies, and will include specific mitigation of for the transmission line and tower construction  |

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|        | do not enter nearby water bodies. The spill contingency plan should refer to specific mitigations for transmission line and tower construction.  |  |
| INAC 5 | Winter roads   | Winter roads will be constructed and monitored as noted by INAC  |
| INAC 6 | Winter roads should be constructed of clean snow and ice with a minimum thickness of 10cm. Monitoring should occur along the entire road, throughout the season, to ensure adequate snow/ice depth and sufficiently frozen soil to prevent rutting, compaction or admixing.  | All stream crossings should occur at 90' to the channel, be constructed of clean snow and ice and only occur at locations where the stream bank have minimal grade.  |
| INAC 7 | All water withdrawals need to follow Fisheries and Oceans Canada Protocols, specifically the 5% of available winter lake volume (under the ice) and 5% of the maximum instantaneous flow volume for streams  | Water withdrawals will follow protocols Spill Contingency Plan   |
| INAC 8 | Please refer to INAC's <i>Guidelines for Spill Contingency Planning (April 2007)</i> which can be downloaded at <a href="http://lnwt-nlo.inac-ainc.gc.ca/lwrd-pe.htm">http://lnwt-nlo.inac-ainc.gc.ca/lwrd-pe.htm</a> for more information which should be included in a spill plan, such as list of hazardous materials stored on-site, type of storage container, normal and maximum storage quantities, and storage locations, as well as potential discharge events/volumes and response procedures. | A revised Spill Response Plan will include the items noted by INAC. Caution should be used during helicopter and vehicle refueling and drip trays utilized when vehicles are stationary for more than 12 hours. Spill kits should be kept with all major construction equipment and at refueling locations. Specific preventive measures such as secondary containment used for various materials on-site should be presented. Maps and/or imagery, in the form of large scale maps showing areas of impact is recommended (e.g., environmentally sensitive areas, public or private water supplies, etc.) Material Safety Data Sheets (MSDS1s) for each hazardous material stored on- site should be provided in the Spill Contingency Plan. Additional information is required to describe response for spills that occur under the ice (e.g. trucks through the ice). |
| INAC 9 | Hydrology and Water Quality  | Please refer to Section 2.8 above.   |
| INAC 9 | INAC understands that there will be no additional flooding of the existing   |  |

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| INAC 10     | <p>reservoir and, if at all, minimal changes will occur in the reservoir. One noted change from the proposed expansion would lead to decreased water flows in Trudel Creek and thus increased stability of the banks. INAC is pleased that erosion rates would potentially decrease but note that decreased water flows would pose a concern for fish habitat. As studies on Trudel Creek flows and hydrology are presently underway we would like to ensure the results of these studies are made available for review as soon as possible.</p> <p>INAC is pleased that ice quality in the Taltson Basin is also being further studied. Climate change scenarios should be considered in the base modeling for water flow in the Basin as it could also have an impact on ice quality and water flow. As per the Trudel Creek studies, again the results need to be thoroughly reviewed as soon as they are available.</p> <p>With the proposed expansion, more water will be released from Nonacho Lake in the winter which could potentially lead to weaker ice downstream, particularly on the rivers connecting the lakes in the Taltson basin, due to increased lake level fluctuations.</p> | <p>The ice monitoring program consisted of photo-documentation of the ice regime in the Taltson River from Nonacho Lake to Tsu Lake at two specific periods: early winter and mid-late winter, and ice cores at specific locations throughout the system.</p> <p>The program purpose was to re-document natural ice conditions under current flow regimes. Dezé Energy Corporation does not feel that the Project effects assessment would benefit from ice and climate change modeling, due to considerable uncertainty and questionable ability to generate predictions of any accuracy or validity.</p> <p>Dezé Energy Corporation has engaged in Traditional Knowledge gathering of ice and ice regimes in the Taltson River, as well as winter travel routes, ice crossing locations, and ice conditions along those routes.</p> <p>In addition, 2 new flow gauges have been installed in 2007 to better record the daily flow regime for the Taltson Basin between Nonacho Lake and the Forebay, and monitor flow change over time to assist in better tuning operations to seasonal flows, and well as potentially any flow trends that may appear over years or decades within the system.</p> <p>Annual maintenance shutdowns will be timed to minimize impacts.</p> |
| INAC 11     | Scheduled shutdowns at the Twin Gorges plant should be timed to minimize downstream impacts.   |   |
| <b>NSMA</b> | <b>NORTH SLAVE METIS ASSOCIATION</b>   |   |
| NSMA 1      | Since the applicant has not yet Consulted with the NSMA, and has made no attempt whatsoever to discuss compensation with the NSMA, it is certain that the applicant is unable to submit such proof. NSMA is unable even to   | Dezé initially contacted the NSMA on June 06, 2007 to request an in-person meeting to present the Project to Chief and Council, and obtain an understanding of their Project interests. At NSMA's   |

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|        | assess what mitigation or compensation might be required, since the Consultation has not yet begun. The application puts forth several proposals or options, all of which have the potential to cause adverse effects on NSMA interests.  | suggestion, the phone call was followed-up with a fax request. NSMA were contacted again on August 20, 2007, and a date of September 16 <sup>th</sup> was confirmed for an in-person meeting.  |
| NSMA 2 | <b>Physical Environment:</b><br><br>NSMA members are concerned about mercury contamination. The release of heavy metals to the environment is of great concern, especially in the development of hydroelectric dam projects such as this one. There is mention in the 2003 WEMP that current levels are under the acceptable levels, but there is little mention of predicted levels due to the expansion activities, or other "reasonable foreseeable" activities in the watershed. The NSMA must be involved in determining what mitigation measures might be acceptable. Because mercury is persistent, bioaccumulative, and toxic, it must be evaluated in terms of cumulative effects, not in isolation. | The Project will maintain water levels and flows within the existing Twin Gorge's water licence limits. No new flooding is required. Nonacho Lake elevations will be maintained within the existing water licence limits, although the range, frequency, and duration of the high water levels will be adjusted.<br><br>Increases in mercury concentrations are associated with flooding, therefore, the Project should not affect mercury concentrations. As per item EC-W A2, Dezé will discuss the scope of a water quality baseline program and sediment sampling focussing mercury. |
| NSMA 3 | Many studies have yet to be completed. In order to properly assess the potential environmental effects, those studies should be finalized. At a minimum, NSMA would require copies of the:<br><br>a. Operational Water Management Plan<br>b. Material and Waste Management Plan<br>c. Helicopter Protocols to Protect Wildlife<br>d. Vegetation Management<br>e. Erosion and Sediment Control, and<br>f. Emergency Response Plan  | Studies and management plans are being completed and will be available for review and further comment.   |
| NSMA 4 | The proponent states in the March 2007 Project Description that "issues related to Acid Rock Drainage (ARD) are not anticipated", but little details were provided on how this conclusion was obtained. We would like to therefore see a more thorough outline of the investigations as well as the results confirming the aforementioned assumption. Should ARD be detected at any time, what are the proposed mitigation and contingency measures proposed by the proponent?  | See EC 5   |
| NSMA 5 | <b>Cultural Environment</b><br><br>The NSMA has not been involved in the heritage resource assessment, although there are many NSMA heritage sites in the areas proposed for transmission line construction. The NSMA is the only entity authorized to speak on behalf of the North Slave Metis community regarding the   | Please refer to Section 2.2 above.<br><br>The current study program assesses the current transmission line route in its entirety, as well as other land disturbances.  |

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|        | identification and evaluation of North Slave Metis community heritage values. Archaeological assessments do not encompass the entire range of heritage values at risk. The proponent has undertaken some resource and archaeological investigations (as described on page 4-127 to 4-1 50 in the 2003 Baseline report - April 2004 as well as section 16.6 of the Project description - March 2007) but all were done prior to having finalized the transmission line route. More extensive assessments must be done, in partnership with the NSMA, once the route is finalized and prior to any ground disturbance is permitted through a land use permit. The risk of loss or damage to NSMA heritage resources is considered high, permanent, extensive, and therefore likely a significant adverse effect.                                  | Considerable mitigation measures exist to avoid heritage resources, and mitigation potential impacts, including, but not limited to: alignment shifts, locating towers to avoid sites, selective clearing or tree trimming, increasing or reducing span distances, or increasing or tower heights.   |
| NSMA 6 | During construction, and operation of this project, particularly the transmission line, there is a high potential that NSMA harvesting activities will be interfered with. This is potentially significant  | Dezé recognizes the importance of harvesting activities. Understanding of the locations, scope, and season of harvesting will enable Dezé to develop mitigation measures to avoid interference with harvesting activities.   |
| NSMA 7 | <b>Socioeconomic Environment:</b><br>There has been no consultation with the NSMA regarding the potential social or economic effects of this project, positive or negative. Since this project will cross a large portion of our traditional territory, we are entitled to participate in the benefits, and not just accept the costs. The first, preliminary meeting between NSMA and Dezé is scheduled for the 16th of September, well after the intervention deadline has passed. Therefore, NSMA has no alternative but to call for an environmental assessment based on the very significant level of concern that would be caused to the NSMA community if the project were to proceed to licensing prior to Consultation with the NSMA, and prior to identifying means of minimizing, avoiding, or compensating for the adverse effects. | Dezé is meeting with Chief and Council Sept 16, 2007 to present the Project and obtain an understanding of NSMAs Project interests.  |
| NSMA 8 | Part of NSMA's concerns with this project stem from the high level of uncertainty with regards to how and where the project will be carried out. Until we know more about the project, we can not know for certain what the effects will be on NSMA, or what the mitigation or compensation might cost. Therefore, it is not possible for NSMA, or the Board, to evaluate the financial responsibility of the applicant to carry out and complete the undertaking, such mitigation measures as may be required, or the satisfactory closure and restoration of the site in the event of any future permanent or temporary abandonment or closure. This uncertainty adds to  | As discussed in Section 2 above, many studies and assessments are underway and nearing completion.<br><br>Due to the current and foreseeable future demand for hydropower, decommissioning of the transmission line is not anticipated. However, in the unlikely event that the line is no longer required, it would be decommissioned. Due to the limited tower footprint (i.e. 1 m <sup>2</sup> on rock up to 25 m <sup>2</sup> in poor soils) decommissioning activities would also be easily reclaimed to a pre-project condition. |

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| ENR-W<br>1   | the public concern in the NSMA community.<br><br><b>GNWT – Environment and Natural Resources (Joint Application Review)</b>   |  |
| ENR-W<br>1.1 | ENR would like to identify the following species-specific concerns that need detailed mitigative measures to avoid or reduce impacts to:<br><br>Wildlife: <ul style="list-style-type: none"> <li>• Construction of the transmission line depends heavily on aircraft support. ENR requests that the proponent identify its proposed mitigative measures to reduce direct impacts to wildlife as result of aircraft disturbance.</li> <li>• ENR staff commends the proponent on the extent of consideration given to mitigating potential impacts to wildlife and wildlife habitat. However, ENR is concerned that the transmission line might act as a barrier to caribou movement. We request the proponent indicate what measures are proposed to mitigate caribou avoidance of this linear feature.</li> </ul> | See ENR 1.2, and EC 34 and 35<br>The management plan for helicopter protocols to protect wildlife will use existing guidelines and standards, where available, including the GNWT Flying Low brochure.<br><br>See DKFN 1<br>Anecdotal information from caribou movement in and around other existing transmission lines in the NWT indicate that caribou do not avoid the transmission line. |
| ENR-W<br>2   | Cumulative Effects:<br><br>Further analysis is required to determine total current land uses across the ranges of the Bathurst, Ahiak and Beverly barren ground caribou herds in northern Saskatchewan, the NWT and Nunavut, especially due to the declining status of most herds in the NWT.   | Dezé is in the process of assessing the effects of the Project on environmental components. Upon completion of the effects assessment, the Project will assess the cumulative effects.   |
| ENR-W<br>3   | Monitoring:<br><br>Recognizing the proponent's efforts in monitoring wildlife, as well as the proposed Helicopter Protocols to Protect Wildlife, ENR believes that more emphasis needs to be placed on assessing direct and indirect impacts to wildlife during the different phases of the project.  | See DKFN 1   |
| ENR-W<br>4   | Consistent with the monitoring obligations of SARA (s. 79(2)), a record of any wildlife sightings of SARA listed species, and all wildlife sightings and important wildlife habitat areas identified during the program should be provided to ENR's South Slave Regional Biologist, Deborah Johnson. This should include information on location (GPS, if possible), and number and reaction of the wildlife to the project activity. This information would be used to help plan future mitigation.  | All SARA and other species and habitats of importance will be reported as noted by ENR.  |
| ENR-W<br>5   | <b>GENERAL RECOMMENDATIONS</b><br><br>ENR provides the following general information with respect to sufficiently minimizing potential impacts:   | This information will be incorporated into the mitigation measures to avoid impacts.   |

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|                          | Flying Low: please find this guidance information attached.<br><br>Safety in Grizzly and Black Bear Country:<br><a href="http://www.nwtwildlife.com/Publications/safetyinbearcountry/safety.htm">http://www.nwtwildlife.com/Publications/safetyinbearcountry/safety.htm</a>   |  |
| REQUESTS OF THE PROPOSER |   | All SARA and other species and habitats of importance will be reported as noted by ENR.  |
| ENR-W 6                  | Lastly, ENR makes the following requests:<br><br>To aid in the Department's management of impacts to wildlife and to monitor the responses of species at risk to development activities, we request that Dezé Energy Corp., provide ENR's South Slave Regional Biologist with records of any wildlife sightings made during the duration of the programs, including information on location (GPS, if possible), number and reaction of the wildlife to overflights or other project activity (if applicable). This information could provide distribution information and can be used to help plan future mitigation. |  |
| YDFN                     | <b>YELLOWKNIVES DENE FIRST NATION</b><br><br>The following concerns need to be addressed in an environmental assessment before the proposed project is allowed to proceed. They are:<br><br>YDFN 1 The impact of the proposed transmission line on wildlife is largely unknown. Of particular concern is the potential impact of the transmission line on the movement of large ungulates such as caribou, moose, muskoxen, and their predators.  | See DKFN 1<br><br>See ENR 5  |
| YDFN 2                   | The technologies to be employed to run the transmission line across permafrost must be examined in depth.   | See AT8 3  |
| YDFN 3                   | The potential effects of the upgraded gate at Nonacho Lake are of significant concern to current and former residents of Fort Resolution, Lutsel'ke, and Roche River. Many residents still remember the flooding and subsequent destruction of traditional homelands caused by the original gate works, and are concerned that these impacts may be further compounded.   | See AT8 4  |
| YDFN 4                   | The impact of the Transmission line on birds is unknown.  | Please refer to Section 2.4 above<br>See EC 8 10 and 11; ENR 2   |
| YDFN 5                   | The proposed transmission line will impact the proposed national park in the east arm of Great Slave Lake and Artillery Lake.   | See AT8 4  |
| YDFN 6                   | There is serious concern about the cumulative impacts of the proposed project. Therefore, it is necessary to undertake an appropriate cumulative impacts study before the proposed project proceeds.  | Dezé is in the process of assessing the effects of the Project on environmental components. Upon completion of the effects assessment, the Project will assess the cumulative effects. |
| YDFN 7                   | Alternative routings and associated impacts of the transmission line need to  | See AT8 7  |

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|             | be fully considered.   |   |
| <b>WRRB</b> | <b>Wek'eezhii Renewable Resource Board</b>   |   |
| WRRB 1      | The WRRB is concerned about the potential impacts the Project may have on wildlife and wildlife habitat. Dezé Energy proposes to construct a 690 km transmission line that runs through the range of the Bathurst caribou herd and yet the applicant has provided no impact assessment to identify the effects this development could have on the Bathurst herd. The proper and effective management of the Bathurst caribou herd is currently a matter of significant public concern, particularly for residents in Wek'eezhii. As such, the WRRB believes it is vital to identify any potential effects this development may have on the herd prior to issuance of the above permit and license. | Please refer to Section 2.4 above.  |
| WRRB 2      | The WRRB is also concerned that the potential cumulative impacts of the proposed project on wildlife and wildlife habitat in the region are not known. The proposed Project has the potential to increase the longevity of the mines within and adjacent to Wek'eezhii by reducing the costs of operating and may also result in additional development on the Bathurst Caribou range if the proposed Project is constructed. As such, the WRRB believes it is imperative that the potential cumulative impacts of the proposed Project in light of present and future developments in the region be identified and assessed prior to the issuance of the land use permit and water license.       | The Project is in the process of assessing the effects of the Project on environmental components. Upon completion of the effects assessment, the Project will assess the cumulative effects. |
| WRRB 3      | The WRRB also has several additional wildlife concerns regarding the proposed Project that focus mainly on the construction of a 690 km transmission line including:   | Please refer to Section 2.4 above   |
| WRRB 4      | <ul style="list-style-type: none"> <li>• Effects of a 690 km transmission line corridor on wildlife;</li> <li>• Effects of Project on all barren-ground caribou and caribou habitat;</li> <li>• Effects of Project on the 39 listed species at risk identified in the project area                     <ul style="list-style-type: none"> <li>• Timing of Project activities in relation to nesting songbirds and raptors, migrating caribou, other wildlife species sensitive to disturbances</li> <li>• Potential destruction or alteration of sensitive or critical wildlife habitat;</li> </ul> </li> </ul>  |   |

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| WRRB 5 | <ul style="list-style-type: none"> <li>Placement of transmission line structures adjacent to waterbodies</li> </ul>  | Specific tower locations and impact mitigation distances from waterbodies will be finalized during the detailed design process.  |
| WRRB 6 | <ul style="list-style-type: none"> <li>Maintenance and repairs on the transmission line during operation and associated wildlife disturbances; and,</li> </ul>   | Planned maintenance activities will involve methodologies to minimize impacts to wildlife. Depending on the activity and the level of importance, this could include daily or seasonal work timing, among other mitigation measures. |
| WRRB 7 | <ul style="list-style-type: none"> <li>Possibility of raptors nesting on transmission line stations after construction and subsequent timing for maintenance and repairs.</li> </ul>   | Please refer to Section 2.4 above.   |
| PC     | <b>PARKS CANADA</b>  |  |
| PC 1   | <p>Parks Canada has reviewed the project description for the Taltson Hydroelectric Expansion Project (MV200710033, MV2007L4-0029). This project crosses through the area that has been withdrawn under the <i>Territorial Lands Act</i> for national park purposes on the East Arm of Great Slave Lake. As a result, if this project does not proceed to environmental assessment, Parks Canada would like an additional opportunity to comment.</p>   | See AT8 4 above  |
| DFO    | <b>FISHERIES AND OCEANS CANADA (DFO)</b>   |  |
|        | <p>DFO has identified the following areas of concern where aspects of the proposal that will likely result in impacts to the aquatic environment:</p>  |  |
|        | <b>Taltson River Drainage Basin</b>  |  |
| DFO 1  | <p>Prior to the expansion of the current hydroelectric facility, a comprehensive baseline habitat suitability survey should to be completed in all representative parts of the Taltson River Drainage Basin that would experience alteration in flow and/or water level as a result of the proposed project. The results of this survey would locate and quantify the current habitat within the drainage basin, and be used as a reference point in which to gauge the projected impact. This study should also predict reservoir sedimentation rates and potential impacts to fish communities and fish habitat. The proponent should be required to compare the projected post-expansion flow conditions to the baseline habitat study to determine the likely areas of habitat impact. These identified areas should be assessed to determine their level of importance to the fish community.</p> <p>Once the above habitat information is obtained, the proponent should develop mitigation strategies to minimize impacts to fish habitat, and identify impacts that are unavoidable.</p> | Please refer to Section 2.6 and 2.7 above.   |
|        | <b>Fish Migration</b>  |  |

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| DFO 2 | <p>The combination of flow regulation and control structures can drastically impact the ability and likelihood of fish migration. Fish migrate longitudinally, laterally and vertically within drainage systems for various reasons, including for spawning, rearing, over wintering, and feeding activities. Any barrier to fish passage can impact the productivity of the local fishery. It is necessary to identify all possible barriers to fish migration, and develop mitigation strategies to ensure proper fish passage, or predict impacts as a result of preventing fish passage. During the development of these mitigation strategies it is important to consider safe passage for both upstream and downstream migration of fish.</p> <p><b>Specific Components</b></p> | <p>Fish migration will be considered in the Talton Basin Environmental Assessment.</p>                    |
| DFO 3 | <p>North Gorge Power Generation Facility:</p> <p>The construction and operation of the proposed North Gorge Power Generation Facility has the potential to impact fish and fish habitat through a variety of venues including: structural footprint, in-water works, barrier to fish passage, blasting, total gas pressure, fish entrance into turbines, tailrace scouring, downstream sedimentation, acid rock drainage (ARD), flow/drainage shift within the Twin Gorges Reservoir, and flow alteration of the Talton River. All potential impacts should be identified and assessed, and appropriate mitigation strategies developed.</p>  | <p>Please refer to section 2.9 above.</p> <p>The assessment will include the parameters noted by DFO.</p> |
| DFO 4 | <p>Spillway (Trudel Creek):</p> <p>The diversion of water into the proposed North Gorge Generation Facility will reduce the average flow through the Trudel Creek spillway and create sudden spikes in flow during facility shutdown events and natural high water events. Further detail is required for the expected environmental shift in Trudel Creek, including: water level fluctuation range, timing, duration and frequency, habitat shift, and erosion potential. Strategies should be developed to re-establish fish passage at the spillway structure. The spillway structure also has the potential to impact the total gas pressure and gas saturation levels in the plunge pool downstream.</p>  | <p>Please refer to Section 2.8 above</p>  |
| DFO 5 | <p>Control Structure on Nonacho Lake</p> <p>The construction and operation of the proposed Nonacho Lake outflow control structure has the potential to impact fish and fish habitat.</p> <p>Mitigation for the potential impacts to fish and fish habitat during construction proposed new outflow control structures should be developed.</p> <p>Potential impacts include: loss of habitat through infilling and flow</p>   | <p>Please refer to Section 2.9 above.</p>   |

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| DFO 5.1 | <p>diversion during construction, fish entrapment, barriers to fish passage, blasting, impacts to water quality from concrete wash water, and potential for Acid Rock Drainage. Provision of migratory fish passage should also be incorporated into the design of the new control structures.</p> <p>Although the proposed outflow control structures are expected to maintain the lake level within the limits set by the existing water license (N1L4-0154), the timing and duration of flow releases will be more regulated with increased frequency in water level fluctuations. Construction of the new control structure will also alter the baseline drainage of Nonacho Lake, which may result in the alteration or elimination of fish habitat. Potential impacts include:</p> <ul style="list-style-type: none"> <li>• Flooding due to dam and diversion structure (unstable banks in drawdown zone, unreliable access of fish to important habitats, changes in water quality, accelerated sedimentation rate, unreliable chemoclines and thermoclines)</li> <li>• Reduction in stream flow and change in hydrology in all dependent waterbodies (flow diversion, unreliable flow in downstream environments, fish passage, inconsistent access to habitat, shift in water quality)</li> <li>• Changes in stream morphology (shift in existing habitats)</li> <li>• Diversion and relocation of drainage (fish passage, fish ability to locate and use new drainage)</li> </ul> | <p>Please refer to Section 2.6 and 2.7 above</p>  |
| DFO 6   | <p>As indicated previously, increased regulation of Nonacho Lake water level could impact fish and fish habitat throughout the Taltson River Drainage Basin, from Nonacho Lake to Great Slave Lake, including all drainage through the Tronka Chua Gap and Trude Creek. The watershed impact needs to be recognized, with projections for impacts on the aquatic ecosystem.</p> <p>Transmission Line / Substation</p> <p>A finalized plan for the transmission line should be provided, including locations of towers, proposed in-, and near-water works, including riparian clearing</p>  | <p>Upon development of detailed design, a plan will be provided with tower locations, and proximity to waterbodies, and riparian zone clearing protocols and mitigation measures.</p> |
| DFO 6.1 | <p>Complete details are required for the barge landings, staging areas, camps and access trails. Potential impacts to aquatic ecosystem should be identified, including potential cumulative impacts, and mitigation strategies</p>   | <p>Please refer to Section 2.5 above</p>  |

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| DFO 6.2 | to address these impacts should be included in the finalized plan.  | Dezé Energy Corporation will comply with the Operational Statement conditions and mitigation measures.<br><br>During the development of plans for the transmission line, we refer the proponent to the DFO Northwest Territories Operational Statement for Overhead Line Construction found on the website located at:<br><a href="http://www.dfo-mpo.gc.ca/regions/central/habitat/os-eo/prov-terr/nt/os-eo11_e.htm">http://www.dfo-mpo.gc.ca/regions/central/habitat/os-eo/prov-terr/nt/os-eo11_e.htm</a> . Provided it complies with the conditions found in the Operational Statement, incorporating the Measures to Protect Fish and Fish Habitat set out in the Operational Statement into the project will ensure that any potentially adverse effects on fish and fish habitat will be mitigated and no additional DFO review would be necessary. |
| DFO 7   | Winter Road / All Season Road:<br><br>A final route plan should be identified for the winter road between the Twin Gorges facility and North Noracho Lake, including details for the construction of the all-season portion(s) and staging areas. All potential impacts from stream crossings should be identified, including those resulting from any in-water works, explosive works, clearing of riparian vegetation, alteration of flows, and cumulative impacts. Appropriate mitigation should be developed to minimize these impacts  | Dezé Energy Corporation will provide the construction methodology, impacts, and mitigation measures associated with any potential all-season portions of the winter road and the staging areas.   |
| DFO 7.1 | During the development of plans for the winter road, we refer the proponent to the DFO Northwest Territories Operational Statements for Clear-Span Bridges (found at <a href="http://www.dfo-mpo.gc.ca/regions/central/habitat/os-eo/prov-terr/nt/os-eo05_e.htm">http://www.dfo-mpo.gc.ca/regions/central/habitat/os-eo/prov-terr/nt/os-eo05_e.htm</a> ) and Ice Bridges (found at <a href="http://www.dfo-mpo.gc.ca/regions/central/habitat/os-eo/prov-terr/nt/os-eo09_e.htm">http://www.dfo-mpo.gc.ca/regions/central/habitat/os-eo/prov-terr/nt/os-eo09_e.htm</a> ). Provided it complies with the conditions found in the Operational Statements, incorporating the Measures to Protect Fish and Fish Habitat set out in the Operational Statements into the project will ensure that any potentially adverse effects on fish and fish habitat will be mitigated and no additional DFO review would be necessary. | Dezé Energy Corporation will comply with the Operational Statement conditions and mitigation measures.  |