

Regulatory headaches continue for Northern miners

Selwyn and Canadian Zinc face challenges in NWT

by Sara Wilson

Northern News Services

NWT

Two more Canadian mining companies are going public with their frustrations with the regulatory process in the Northwest Territories, citing long waits and an ineffective system.

Selwyn Resources, a Vancouver-based company, is currently trying to battle red tape to get through the regulatory system for the Selwyn project; a lead and zinc project that straddles the NWT and Yukon border.

Selwyn's operations lie mainly on the Yukon side, with 95 per cent of its activity happening in that territory, but a small portion of the exploration occurs on the NWT side.

Permits were required to get through the Nahanni Park and then the new park extension. Then Parks Canada proposed another park which is still in the discussion stages. These are only two examples of delays underlying the frustrations.

"We are trying to work within the system, and with the system and with the people, there are a lot of great people ... but it shouldn't take five years to get a permit,"

said Jason Dunning, VP of exploration on the Selwyn project. "Where in the Yukon they have timelines and a set process, something that took me 18 months in the NWT took me less than three months in the Yukon."

According to Dunning, it took Selwyn five years to obtain a drilling permit for the project, and a year-and-a-half to obtain permits to use the existing road to transport mining equipment.

As far as comparing the two markets, Dunning is clear about his preference.

"You sit back and think about 'if you're a businessman where do you want to put your money,'" Dunning said.

"There's a very big difference if you look back and look at the stats that are put out by the Chamber of Mines in the N.W.T and the Chamber of Mines in the Yukon, I think it's self-evident – just on dollar value, expenditures and number of companies that are very active – it will be very evident as to the jurisdictional differences in terms of government regulations and such."

Tribulations that the chairman of Canadian Zinc sympathizes with.

"We would say that the

industry does experience that kind of problem," said John Kearney, chairman of Canadian Zinc. "The Mackenzie Valley regulatory process is a major problem, the totality of the process is complex, very slow, very uncertain and it does need to be improved (and) everybody recognizes that."

In response to growing frustrations, the Mackenzie Valley Environmental Impact Review Board hired an independent consultant, Stantec, to review its regulatory process.

"The consultants that we hired did look at other jurisdictions including the Yukon and to identify things that we might do to improve its timeliness," said Vern Christensen, executive director of the Mackenzie Valley Review Board.

"Placing timelines around certain parts of the process that we go through that might help increase certainty in our process, that was one of the recommendations they made."

The Stantec report outlined the main recommendations, which focused on improving scoping efficiency, developing a defined process for referrals to environmental impact reviews, developing

environmental assessment processes for large versus small projects, improving guidance materials and implementing rules-based timelines. "They recognize the problem and they are taking steps to deal with it," Kearney said. "The federal government recognizes the problem and they've launched the Northern Regulatory Improvement and Action Plan, and I think the industry recognizes the problem. I think the aboriginal governments themselves recognize the problem, I believe they have an important role to play in improving the situation. They are beginning to take a leadership role and saying 'OK this isn't working efficiently and what do we have to do to fix it?'"

Complicated

While the process includes government bodies and the companies themselves, Christensen said the process is more complicated than it seems.

"It takes time to examine significant impacts on proposed developments," Christensen said. "The review board is an administrative tribunal and it needs to govern its processes according to the administrative law that applies."

"That process needs to be fair, so it needs to provide a quality assessment at the end of the day. We're trying to balance timeliness and fairness and also try to provide some certainty and predictability in our processes. Those are the challenges that we have."

In comparison, the Yukon Environmental and Socio-Economic Assessment Board (YESAB) marked a milestone in April 2010 by completing their 1000th assessment since its inception in 2005. Breaking down the numbers, the Yukon assessment board completes 166 assessments per year, a figure the Mackenzie River Valley is hoping to achieve in the future.

"We have in terms of preliminary screenings in the Mackenzie Valley between 60 to 80 preliminary screenings per year. The level of activity might not be as high as it is in the Yukon right now," Christensen said. "Of those, less than five per cent get referred



photos courtesy of Mackenzie Valley Review Board

Vern Christensen, executive director of the Mackenzie Valley Environmental Impact review Board, and Richard Edjericon, chairperson, during a board meeting.

for environmental assessment. We have somewhere between five to seven environmental assessments in the course of a year, but it's important to know what they (YESAB) are calling an assessment."

According to the Mackenzie Valley Resource Management Act, it aims to establish three progressive stages of environmental impact assessment of which environmental assessment is the middle step.

On average, typical environmental assessments are becoming longer and more detailed and may have surpassed the original expectations of the comprehensive land claims agreements and the legislation for the middle stage between preliminary screening and environmental impact review. "We have the Mackenzie Valley Resource Management Act and it has arisen out of settled land claims," Christensen said. "It's really a product of the land claims process and what the Government of Canada and the N.W.T has wanted in terms of environmental assessment and regulatory process and what we do is govern what's in the

legislation. We have to observe what is in the legislation, that is one constraint, but we want the process to be as efficient as possible and still provide a fair and quality result."

Aboriginal Affairs and Northern Development Canada announced a Northern Regulatory Improvement Action Plan that will address regulatory improvement from a broader perspective, and includes process clarification and efficiencies that can be gained through legislative amendments.

The Review Board is complementing the Northern Regulatory Improvement Action Plan with its own set of internal process improvements.

"The timeliness of the whole process really relies on the timeliness and participation of all the parties in the process," Christensen said.

"That includes the review board of course, but part of that process is really under control by the developer and government. If everyone is communicating well and working to be as timely as possible we can achieve the best result."



Alan Ehrlich, an environmental impact assessment manager, presents to the Review Board members during a board meeting.

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A SECTION

Peregrine Diamonds has discovered seven kimberlites with economic potential on its 8,580 sq. km Chidliak property on Baffin Island. A drilling program to further explore the property's potential is expected next year.

photo courtesy of Peregrine Diamonds

B SECTION

Canadian Zinc's Prairie Creek zinc, lead, silver and copper deposit is sifting through the regulatory process as the NWT project moves closer to construction. The company has signed a training agreement with the federal government and the Mine Training Society to help fund training programs.

photo courtesy of Canadian Zinc

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