

MAR 08 2016

Ms. Heather Bourassa
Chair
Sahtu Land Use Planning Board
P.O. BOX 235
FORT GOOD HOPE NT X0E 0T0

VIA EMAIL

Dear Ms. Bourassa:

Review of DRAFT Sahtu Land Use Plan Amendment Application

The Government of the Northwest Territories (GNWT) is pleased to provide the Sahtu Land Use Planning Board (the Board) with the GNWT's comments and recommendations for the DRAFT Sahtu Land Use Plan Amendment Application (Draft Amendment). The GNWT reviewed the Draft Amendment using the following criteria:

- Consistency with northern legislation (e.g., Mackenzie Valley Resource Management Act (MVRMA); Sahtu Dene and Métis Comprehensive Land Claim Agreement (SDMCLA), the Vision and Goals of the Sahtu Land Use Plan, GNWT policy (e.g., Land Use and Sustainability Framework (LUSF)), and GNWT strategic initiatives (e.g., Mineral Development Strategy);
- Regulatory fit of the Draft Amendment within the land and water resource management system as contemplated under the MVRMA;
- Consistency with the concluded boundary decisions for Nááts'ihch'oh Park Reserve (NANPR).
- Consideration of the balance between conservation goals and potential economic opportunities in the Sahtu;
- Consistency with other regional land use plans in the Northwest Territories; and
- Factual and contextual accuracy, clarity, readability, and ease of implementation for land users and regulators.

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The Board provided the Draft Amendment in order for parties to identify potential issues that could prevent approval. Through our review, the GNWT identified potential issues that could prevent approval to the Draft Amendment. The GNWT focused comments on what it interpreted to be within the scope of the Amendment process.

The GNWT concluded that it can support aspects of the Draft Amendment; however, it identified issues for consideration by the Board related to lands with high potential economic value and Conformity Requirement #14 as it relates to the Draft Amendment. Based on the significant mineral deposits that exist in lands that were left outside of the NANPR, it is critical that appropriate zoning is in place to provide future economic development opportunities in the Sahtu. These issues, as described in the attached *Issues for Consideration*, could prevent GNWT approval of certain proposed zoning found within the Draft Amendment.

The GNWT commends the Board for their efforts in working towards a final Amendment. If you have any questions, or wish to set up a meeting to discuss these issues, please contact Darha Phillpot, Manager, Land Use Planning at Darha_Phillpot@gov.nt.ca (867) 767-9183 ext. 24077.

Sincerely,



Terry Hall
Director
Land Use and Sustainability

Attachment

c. Ms. Catherine Conrad
Director
Indigenous and Northern Affairs Canada

Mr. David Little
Executive Director
Sahtu Secretariat Incorporated

ISSUES FOR CONSIDERATION

ISSUE FOR CONSIDERATION 1: ACCESS TO HIGH MINERAL POTENTIAL LANDS

The Government of the Northwest Territories (GNWT) is concerned that the proposed rezoning in the Draft Amendment is not balanced given the conservation decisions that have preceded this rezoning, notably the establishment of the expanded Nahanni National Park Reserve (NNPR), followed by the establishment of Nááts'ihch'oh National Park Reserve (NANPR).

The GNWT is of the view that aspects of the Draft Amendment could be reconsidered to better support economic goals of the Sahtu Dene and Métis Comprehensive Land Claim Agreement (SDMCLA), Sahtu Land Use Plan (SLUP), and the GNWT's Land Use and Sustainability Framework (LUSF), which all state that social, cultural, and economic well-being must be protected and promoted through land use planning processes.

The 2007 Mineral and Energy Resource Assessment (MERA) was undertaken as part of the NANPR planning process. As a result, some lands with high potential deposits identified by the MERA were ultimately included in NANPR, and most high mineral potential areas were left out of the final NANPR boundary to provide future economic development opportunities.

In the Draft Amendment, the remaining areas of high mineral potential are now located within Zone 67 (parcels A, B, and C) and Zone 68 (parcel A and B).

- Zone 67 Parcel A has high mineral potential for gold, zinc, silver, lead, copper, gemstones, and antimony (NANPR MERA). There is an active mineral claim in the zone.
- Zone 67 Parcel B has high mineral potential for gold, zinc, silver, lead, copper, gemstones, and antimony (NANPR MERA).
- Zone 67 Parcel C has high mineral potential for tungsten, lead, silver, zinc, lithium, and gemstones and is part of the Howard's Pass sedimentary exhalative ("sedex") deposit is the second largest deposit of its type in Canada and is in the top 10 of global deposits. There is also the Lened tungsten deposit, which is an important resource in the southern part of this parcel with an estimated reserve of 18.5 million pounds of tungsten oxide ore (NANPR MERA).

Existing infrastructure exists in Zone 67 Parcel C, which includes the proposed Howard's Pass Access Road (HPAR) and other minor access routes. Original infrastructure was constructed and permitted in the 1970s and goes through a portion of the proposed Zone 67 C.

The most immediate economic concern of the Draft Amendment could be on the proposed open-pit zinc-lead mine that borders Zone 67 C. Between 2010 and 2014, local contractors and joint venture companies have been awarded more than \$12 million in contracts for work on the road¹ Employment opportunities included mobilization of heavy equipment, as well as community wildlife monitors on site throughout.²

NI 43-101 compliant resource estimate completed in 2012 concluded that the mine hosts an indicated resource of 9.7 million tonnes of zinc and 3.3 million tonnes of lead within 185.6 million tonnes of ore with an average grade of 5.20% zinc and 1.79% lead, and an additional 238 million tonnes of inferred resources. At current metal prices (Summer 2015) the deposit's metal value in the ground exceeds \$20 billion in the Yukon and the NWT.

- Zone 68 Parcel A has high mineral potential for gold, tungsten, lead and zinc (NANPR MERA). There is an active mineral claim on the northern boundary. This area is considered to be prospective for the presence of Carlin-type gold deposits as well as carbonate-hosted and sedex style silver-lead-zinc deposits and sediment-hosted copper deposits. The area has garnered further attention recently with the discovery of Carlin-style mineralization in the Yukon Territory gold zone. The area has prospective targets with both Carlin-style stratigraphy and promising geochemical signatures. The area is also prospective for Cretaceous intrusive-related gold systems found within the Tintina Gold Belt of the Yukon and Alaska.
- Zone 68 Parcel B has high mineral potential for gold, zinc, silver, lead, copper, gemstones, and antimony (NANPR MERA). Recent information obtained by the Northwest Territories Geological Survey shows that this area is more prospective for gold than was previously identified in the NANPR MERA.

The overall area of Zone 67 Parcels A and B and Zone 68 Parcel B hosts a large igneous intrusion (O'Grady batholith) that has likely provided heat and fluids for

¹ Howard's Pass Access Road Upgrade Project 2015 Land Use and Water Licence Application Package
June 2015 Volume 2: Project Description Report

² Ibid.

generating a variety of mineral showing types in this region. A similar geological situation also exists in Zone 68 Parcel A where another igneous body is found. These are potentially two of the most prospective mineral exploration areas in the entire Sahtu Settlement Area.

The SLUP states numerous goals, including the goal of increasing the economic self-sufficiency of the Sahtu through sustainable development.³ It is the GNWT's view that areas of high economic value should be made available to provide benefits to Sahtu and NWT residents through employment, tax revenue, resource royalties (to the GNWT and Aboriginal government partners), and Impact Benefit Agreements, where appropriate. Region specific benefits include local employment, infrastructure, and increased training opportunities. The GNWT remains committed to partnering with the Sahtu to continue advancing economic opportunities.

ISSUE FOR CONSIDERATION 2: CONFORMITY REQUIREMENT #14

The GNWT is concerned that the special management zoning in the Draft Amendment may have negative implications to economic opportunities by adding uncertainty to the regulatory process. In particular, Conformity Requirement #14 (CR14), which is intended for the protection of special values, states that values of the zone must be respected and remain *substantially unaffected*. The CR14 recognizes that there will inevitably be some impact, but that the values should continue to exist unaffected during and after the land use activity. The GNWT is concerned that CR14 may serve to reduce investment interest or ability for companies to obtain financing to initiate projects in the region, which could reduce employment opportunities for Sahtu residents. The GNWT recognizes that special management zoning was selected because these areas also hold important ecological and cultural values. The GNWT is of the view that the regulatory and environmental assessment processes will ensure these values are taken into account.

³ Sahtu Land Use Plan. Section 1.5.2, Goal 4, p14.

CONCLUSION

The SLUP has been a major contributor to the advancement of the Sahtu vision through proactive planning to sustain and nourish people spiritually, culturally, physically, economically, and socially. The SLUP and national park establishment initiatives have contributed greatly to meeting the overall goals of core conservation, and providing opportunities for tourism, recreation and traditional activities. The establishment of Nahanni and NANPR now ensures permanent protection of 86% of the South Nahanni watershed. The GNWT acknowledges that areas of the Draft Amendment hold important ecological values and are important areas of traditional use.

The GNWT wants to ensure that the Draft Amendment is consistent with the objectives of SDMCLA, SLUP, and LUSF and considers all values required to protect the Sahtu for current and future generations. The issues for consideration and the criteria described guided the GNWT in identifying aspects of the Draft Amendment that it could approve and parts of the Draft Amendment that could potentially prevent GNWT approval.

Based on the above rationale, the GNWT could approve the following aspects of the Draft Amendment:

- Zone 38 SMZ extension
- Zone 67 (parcel D) SMZ
- Zone 68 (parcels C - P) CZ

Based on the above rationale, the following zones were identified as potential issues that could prevent GNWT approval:

- Zone 67 (parcels A-C) SMZ
- Zone 68 (parcels A-B) CZ

The GNWT respects the legislation that gives the Board authority and jurisdiction for developing a land use plan for the Sahtu and for reviewing and proposing approvals, exceptions, and amendments to the SLUP. The GNWT respectfully asks the Board to reconsider the zoning for 67 (parcels A-C) and 68 (parcels A-B). The GNWT is of the view that General Use zoning for these areas would more effectively promote the existing and future well-being of the residents and communities of the Sahtu and have regard to the interests of all Canadians.