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Requested changes documented in these notes do not mean that the Board will make these changes. Some requests are beyond the Board's mandate or jurisdiction to address. The Board must consider all comments and requests and balance the interests of multiple parties. The Board will revise the Plan as it deems appropriate to achieve the right balance.

Yellowknife Industry (Mining) Draft 2 Community Consultation Summary Notes

Wednesday, November 18, 2009, 2-5pm

Yellowknife Inn

Participants:

Arthur Boutilier, Environment and Conservation, INAC
Austin Tokarek, ITI, GNWT
Frank Pope, ITI, GNWT
Joel Holder, ENR, GNWT
John Hogg, MGM Energy Corp
Justin Himmelright, Selwyn Resources Ltd.
Ken Drummond, Drummond Consulting
Kris Johnson, ITI, GNWT
Raymond Davies, Talmora Diamonds Inc.
Ryan Silke, NWT Chamber of Mines
Troy Gill, Santana Diamonds Inc.
Valerie Gordon, Mineral Development Division, INAC
Wilson Dimsdale, ITI, GNWT

SLUPB

Judith Wright-Bird, Chair
Bob Overvold, Board member
Collin Bahyha, Board member
Edna Tobac, Executive Director
Heidi Wiebe, Lead on Plan
Ida Mak, Communications Coordinator/Planner

Joel Ashworth, GIS Analyst

Meeting start: 2:10 pm

Judith introduced the Board Members and staff. Participants introduced themselves.

Heidi went over the agenda and asked if anyone wanted to add anything. There were no comments.

Opportunities & Constraints

1. Geology: Geologically speaking, which areas of the Sahtu are the most attractive for mineral and hydrocarbon exploration and why?

Heidi: spoke briefly about the data that the SLUPB uses and asked for feedback regarding areas with development potential.

Justin: What we know about the area is very fluid. If you follow the process of designating large areas for conservation you will prevent investment and information gathering in that area. The process that you are proposing in the SLUP (pie cutting into Conservation Zones etc.) will put a stop to exploration thereby limiting our understanding of what's there.

Bob: What alternative approach would work?

Justin: Establish key values and key socio-cultural, environmental values and work with industry to build a set of best management practices with companies to work towards allowing development in all areas.

Bob: The Board and the communities are not the only ones suggesting Conservation Zones. The government does it also with Parks and protected areas.

Justin: Since Nááts'ihch'oh has been put forth for Protected Areas Strategy (PAS), it has undergone a number of assessments like MERA which found a concentration of mineral values in the southern end. If that assessment hadn't been done they would not have known what lies there. It is good that PAS does not just designate whole areas as conservation without taking into account the area's economic values.

Bob: In terms of Conservation Zones proposed by communities, are you suggesting that there will not be any assessments done and so they will not know what the economic potentials are?

Justin: If you allowed for research in those areas (to find out what's underground) then you could propose changing the status at the 5 year reviews.

Bob: You seem to be suggesting that the land use plan will not be helpful.

Justin: The land use plan can be helpful but what I interpret from the past drafts is that mineral and oil and gas development are at odds with communities. That is why you carve up the land into different zones. I am suggesting that development activities and conservation can coincide.

Bob: I think some of the Dene and Métis are saying that there are some areas that they want protected, irrespective of what might be under the ground.

Justin: I think most of us respect that but we wonder if the protected areas need to be as large as they are. If we are talking about specific sites for protection, the Conservation Zones do not need to be as large as they are. And we will work to protect the values of interest if we are allowed to do work in sensitive areas.

Heidi pointed out the PAS areas on the map. She then spoke to the difference between size and scope in PAS areas (very large) and the Conservation Zones under the Plan that are much smaller.

Heidi: Which areas are your concerns?

Arthur: I was in Nunavut for 10-15 years and we stayed away from zoning. We tried to minimize the areas that were off limits to development. When the Gwich'in LUP was approved there was no PAS in it but they had very large protected areas. The Minister made a deal with the Chief to fund mineral research and data gathering in their Conservation Zones. There was an interim land withdrawal for the Conservation Zone and thorough funding was provided to find out what was under their protected lands. INAC made an effort to balance interests and protect the areas that are valuable while allowing development.

Ryan: We would like scientific research to continue in Conservation Zones so we can identify vales under the ground. I was a part of the Edézhíe Working Group and was very happy with the final boundaries. A lot of the mineral potential was excluded from the PAS boundary.

Draft 2 has a lot of prescriptive terms that do not need to be there because the regulatory system already addresses them.

John: Speaking from a hydrocarbon perspective, we can't just dig 2-3 meters in a conservation zone to find out what's underground. We need to shoot seismic in an area such as the Stewart and Tate Lake. Once you block off areas like that we will never know what is there because we would never be able to get into Conservation Zones to do seismic.

Justin: Like Arthur mentioned, if you were to use Best Practices you could allow for private sector investment if they could continue to explore and research.

John: We could drill directionally or horizontally for 15 km now. So the question is, is it important for the people of the Sahtu that we completely leave the Conservation Areas or can we drill at an angle (leaving the surface intact) and access what is there?

Heidi: The Board's concern is that we would not be able to prohibit surface access if subsurface rights were granted, thereby nullifying the protection.

John: INAC can put whatever conditions they want on our permits. They can tell us that we can't access the surface. It could be done.

Heidi: Asked Justin to show where their mineral interests are on the maps.

Justin: We're down in the S-W end of Nááts'ihch'oh. We are mostly operating in the Yukon. We have been working there for the last 4 years and have identified the largest lead-zinc deposits in the world. Unlike oil and gas we do all our work in the summer. We know from placer dome work done in the 1970's that there are more deposits farther up north, in the same area.

It is a relatively small area given the size of the Sahtu and we know that it constitutes about 10-15% of the world's supply. On the scale of the map, it is just a point. MERA shows a number of other deposits in a band formation in the Mountain Range with high potential. We're nailing down the exact location and determining exactly how much is there. In 2 seasons MERA and GNWT have found out about 10 times more than what we knew about the area previously. It's important to allow exploration to continue.

Ryan: Is the easiest way to get to the deposits from the NWT side?

The Cantung mine is the largest tungsten deposit. The south of the Sahtu has been mined since 1956. We already have a road from the Yukon so why would we build another road? We should think of infrastructure support as well. The Mactung is a large deposit.

Eagle Plains is doing some work further up the mountains. Historically it has been difficult to do work.

The Great Bear Magmatic area would have the other deposits. This is also where the historic mining has occurred. The potential is great. There are kimberlite pipes being found in the Great Bear Lake (GBL) area.

Troy: We have been in the GBL area for a long time now. We had the whole area covered with permits but there are none left now. The claim coverage now reflects the database of information that we have.

Edailla is an example of the Sahtu scaring off industry. We spent hard money to acquire the claims and sending people out to cut lines and put stakes in the ground. It costs about \$1 per acre. The investment has been made but now we are scared that we can't go in there.

We let a large number of permits lapse because we couldn't continue to pay the fees. We will concentrate on moving forward in areas where we know there is more certainty and we know that there will be a pay off.

We have worked in Deline and Colville Lake. As a small diamond explorer, our relationships with the communities is very important.

Ryan: It is interesting how much impact zoning can have on permits and leases. Companies can leave out of fear because they don't know if the process will work out or not.

Troy: it is hard for us as a small private company to decide to go into an area when we don't know whether we'll be able to go in there or not. We make our decisions based on business sense.

Justin: This is a perfect example of how private investment can be impacted by zoning. If the land use planning process is driving out private companies due to uncertainty, you have an issue because you can't survive on government money alone. You need private money and investments.

John: It is completely different for oil and gas. We nominate lands and we either get them or we don't. We start with seismic and it has surface disturbance. We can spend \$10 million on seismic and walk away. Our concern is with taking lands out of operations such as in Conservation Zones without considering that our disturbance can be minimal. We can drill a small hole and then walk away.

Justin: The plan will impact us differently because we have different processes. The Board should also consider future economic development opportunities and make sure that you are considering them, whatever they may be.

Bob: A lot of the people in communities see land use plans as conservation plans and perhaps industry would like to see them as development plans. So perhaps you should be having this discussion in and with communities. There should be forums where industry and communities can engage in discussions. There is still confusion in communities about how industry works.

We tell communities that we have 3 bosses (SSI, GNWT, INAC). Just because a request has been made does not mean that the Board can deliver it.

Arthur: There is very much confusion. I think one of the things that we're trying to do with land use plans and their Conservation Zones is to have some clarity. Everyone may not agree but they'll be able to live with it. People remember what happened in the past and so they have very negative ideas of mining. Today we live in a different regime and reality so I think that communication is very important.

2. Access and Infrastructure

Ryan: [Talked about the proposed infrastructure north of 60 Chamber map. Infrastructure includes highways, town sites, etc. The Chamber did not carry out consultation in developing their map but developed it as a part of their vision.]

We have always wanted a road from YK to the coast. We looked at setting up an arsenal of nuclear plants or connecting to the grid lower down south. We need alternatives to oil. Hydro and other alternatives will probably not sustain the country, especially not the north. Nuclear energy can be clean. We proposed a nuclear reactor at Howard's Pass. The idea was to have a network of reactors, one on the coast, one at Baker and one in the Yukon. We also envisioned a railroad up the mountains to Norman Wells. Howard's Pass and Mactung will be serviced by the Yukon side. We understand that but if the NWT wants to benefit we could consider the options.

The Canol is the only proven route through the mountains so it could be a transportation corridor but we understand that it will eventually be designated a park. If the Plan does not allow for access and infrastructure corridors there is time to address it later but we wanted people to start considering it.

Ryan: At Howard's Pass there used to be a corridor from the Mountains.

John: Allowing for access and infrastructure in the Conservation Zones would be a lot of help because we don't know what's coming down the pipes.

Justin: When you're considering the development of a mine you also consider infrastructure and access. In our case, all our access is from the Yukon because we have the infrastructure for it. If it was readily available in the NWT we would probably move everything through the NWT.

John: If the Mackenzie Gas Project (MGP) was in operation we would use their corridor. The road to Colville from Fort Good Hope is very important to us.

Heidi: If the MGP does not go through how will you get the oil out?

John: We will not. That's why the project has been stalled since the 1970's.

Ryan: There is also going to be a hydro workshop in Deline regarding the Great Bear River in December.

Justin: The Canol Corridor is a key infrastructure area for access. Selwyn will use diesel as our power source. It is reliable technology but prices rising so we are looking for replacements.

Frank: The land is still under DIAND protection. They are currently doing assessments of toxins. The priority is to get rid of the telephone wires that are killing animals. It is slated to become a territorial park but needs to be cleaned up first.

Break

Resumed from break: 3:52pm

Justin: In the Yukon we are working on a collaborative project with the Kaska First Nations. Everyone has pitched in for workshops where companies are trying to identify the values on the land that communities want protected. It will include TK and we are working on Best Management Practices (BMP) so that companies can use the complete landscape but respect the specific values of specific areas. We are calling it a Resource Management Plan. There is no land use plan. First nations will identify the areas where they do not want development and although our plan does not have any legal authority, the companies have agreed to respect their interests and to stay out of those areas.

Heidi: How would this be different from what we are trying to do here? You will still have no go zones (Conservation Zones) and Special Management Zones that emphasize the protection of specific values. Is the difference that it is a voluntary process?

Justin: We were not involved in the SLUP. In the Yukon, industry has been involved from the start. The relationship is more intimate. We have a strong role. We know what we are doing to protect the environment and given the opportunity to we will. Without having a discussion and engagement with companies you don't know what is possible. There is a lot of time and history

that has gone into the area which is why our relationship with the Kaska is so good. We just got all our funding in place. We will begin this year.

Joel: How long do you think this will take?

Justin: I don't think that it will end. It will become part of the process and our operations in the territory. We will build on it and new companies coming into the territory will take part. Right now it is the Ross River community and it is at the formal planning steering committee level. We have 2 companies, government and technical participants - a lot of that is being decided by Ross River. There are other companies involved in the steering committee.

What is also different is that it is Ross River that initiated this process.

Heidi: The key component seems to be that communities are talking to industry. Bob mentioned this earlier. Maybe we need to get companies to engage communities better. This is what happened with the Colville Lake community. We removed the Conservation Zones in the north because we were told that Colville is comfortable working with companies in their area.

Justin: The difference is that communities have initiated the discussion with us. You need someone in the community to champion it.

Heidi: Any sense of what drove that? What is different about Ross River?

Justin: I don't think they're any different. They saw lots of activity and they wanted to control it and participate. They saw a willingness on behalf of industry to discuss. That willingness exists with most companies. It took many years but the community taking the initiative was the driving force.

Heidi: What makes BMP more appropriate or preferred than what is currently in the Plan?

Ryan: The SLWB provides mitigative measures in the regulatory process. Draft 2 has terms that are very prescriptive. If you are duplicating current regulatory practices then you don't need those terms.

Remediation and no waste burial were terms that were unrealistic. There is quite a history of waste burial and remediation in the north and there is no reason for the Plan to ignore the history and outright disallow current practices.

Justin: We have standard operating procedures that are BMPs. We have practices that come from different government regulators. We try to meet their goals. That allows us to meet their goals with procedures that work for us – and that often we are already doing.

Plan Implementation

1. Discussion of options for CD process

Heidi summarized feedback provided to the SLUPB during consultations and presented different models for determining conformity with the Plan.

Justin: Make your process front end and simple. Have one simple submission rather than 2 separate ones. As long as you have clear information of Plan requirements, like a checklist, it can be simple.

Heidi: There were a lot of concerns regarding plan implementation during our consultations this summer. Are there other issues that you would like to raise?

Justin: How will you make the requirements of the Plan known to everyone? The system in the north is already very complicated.

Heidi: We would like to spell out a test for conformity determination in the Plan. We will also start testing applications to see if we can determine conformity before the plan is finalized. We want to ensure that if there are multiple reviewers of applications, conformity determinations will be consistent in arriving at the same decision.

Justin: Did we talk at all about a model to look at guidelines? Does the SLUPB get the application when it is forwarded to all interested parties?

Heidi: That is the current process spelled out in Draft 2. We got feedback that it is an issue.

Edna: I think one of the reasons the Sahtu Land and Water Board (SLWB) wants the SLUPB be responsible for conformity is because there may be applications that fall out of the SLWB's scope. So if all applications came through the SLUPB, all applications would be evaluated equally and by one party.

Heidi asked if there were more questions or issues.

Ryan: Based on the comments that you got on Draft 2, how different will Draft 3 be?

Heidi: Potentially very different. If you'll recall the cover letter on Draft 2, we kept all previous information without modifying it from previous drafts. We did not carry out any new research. The zoning will remain the same but we are reassessing how we approach General Use Zones and Special Management Zones. There is a potential for significant change.

Frank: Are you fully Boarded now? And fully staffed? What are your timelines?

Heidi went over the timelines for Plan completion.

Frank: It would be good to have the SLUP be completed so that it can be carried out as per the SLCA, as opposed to having all kinds of external processes coming in such as PAS.

Justin: So the Conservation Zone will not change much. Will you consider allowing research there as we suggested?

Heidi: We are not involved in the PAS discussions. They are determined under a different process, one that the Board is not involved in. It is a community-government initiative. We will build a process to designate the areas that have been excised from the PAS boundaries and give them the proper designation.

As for government research, the Board will need to consider whether or not we can build in a term to allow it. Whether or not it gets accepted is someone else's decision.

Justin: I commend the Board and staff over the last year and a half. The involvement process has been drastically different than in the past and it has been positive.

Meeting adjourned: 5:00pm