



News Release

NWT minerals industry seeking judicial review of Land Use Permit decision

(Yellowknife, NT – May 26, 2021) The NWT & Nunavut Chamber of Mines (Chamber), supported by the Mining Association of Canada, is seeking judicial review of the Mackenzie Valley Land and Water Board's recent decision to deny more than a single Land Use Permit extension.

The Chamber believes the Mackenzie Valley Land and Water Boards (Boards) have jurisdiction to extend land use permits more than once, where it is appropriate to do so and where a project has not materially changed and community engagement is maintained. The Boards would retain their oversight role, while reducing unnecessary regulatory burden and duplication. We believe this will help align the Boards' practice more closely with their mandate under the *Mackenzie Valley Resource Management Act* (MVRMA) "to provide for the conservation, development *and* utilization of land and water resources in a manner that will provide the optimum benefit generally for all Canadians and in particular for residents of the Mackenzie Valley."

Over the last three years – and starting well before the COVID pandemic – territorial and Indigenous governments along with economic institutions including the Conference Board of Canada, have flagged the serious economic decline the NWT is facing due to its ailing minerals industry (the biggest contributor to the economy). Additional information was published recently by Statistics Canada showing that economic decline and productivity in the NWT is now the worst in Canada, largely connected to declines in mineral resource exploration and development. The NWT Finance Minister said the numbers "highlight the urgency of the situation" the territory faces.

The NWT minerals industry continues its efforts to help governments and regulatory boards identify and make improvements to address ailing mineral exploration investment and declining mineral production. Allowing more than one land use permit extension is not advocating a rubber-stamping exercise, rather, we maintain that the MVRMA was not intended to require proponents to re-invent the wheel and expend significant resources (often in the hundreds of thousands of dollars) to apply for a new permit every seven years if nothing has changed and circumstances necessitate an extension.

The Chamber believes that the Board's decision was made without full consideration of these factors and the appropriate legal framework, and is therefore asking the court to revisit the issue. The intent of the Chamber's application is to improve regulatory certainty and efficiency, and still respect the letter and spirit of the MVRMA, to protect the environment *and* contribute to economic prosperity in the NWT. If adopted, the Chamber's position could benefit not only the critically important minerals industry, but also permit holders across other sectors including governments, municipalities, Indigenous communities, and scientific research.

See *Backgrounder* attached for permit renewal process and important NWT economic indicators.

For more information on the NWT and Nunavut mining industries, including a copy of the judicial review application filed in the Supreme Court of the Northwest Territories, please visit the NWT & Nunavut Chamber of Mines website at www.miningnorth.com or contact Tom Hoefer, Executive Director at Tel: 867-873-5281 (ext 2) or email: executivedirector@miningnorth.com.

Backgrounder

Permit renewal processes

- Most land use operations in the NWT, including mineral exploration and construction activities, whether by industry, governments, municipalities or Indigenous communities, require a Land Use Permit.
- The Boards issue Land Use Permits for these activities with terms of up to 5 years after a rigorous application process.
- Reasons to ask for multiple extensions to Land Use Permits could include a downturn in the markets, financing challenges, unforeseen delays, and most recently, the inability for companies to access their projects due to COVID-19 travel restrictions.
- Once a Land Use Permit expires, it must be renewed to continue operations.
- The MVLWB treats renewals the same as a new permit application and requires the proponent to start the process essentially from the beginning. This is a costly and lengthy process with uncertain outcomes and is typically redundant for projects where the scope has not changed from the initial permit approval.
- A process began in late 2019 for public and Indigenous governments, agencies, Boards, and industry to find ways to make improvements to the NWT's regulatory environment. The process is ongoing.
- The Chamber of Mines continues its efforts to recommend improvements that would encourage resource companies to invest and work in the NWT, and in so doing, revitalize mineral exploration and mining that also provide many significant benefits to communities, residents, businesses and governments.

Important NWT Mineral Industry Economic Indicators

- CBC reports [NWT productivity declines while other territories surge](#): *Amid a historic national rise in labour force productivity, the Northwest Territories is alone among jurisdictions in Canada in seeing a significant decline. Productivity drop attributed to 'considerable scaling back' in mining industry. ([Statistics Canada](#))*
- [Alberta's GDP plummeted most of all provinces in 2020, while N.W.T. hit hardest in country](#): *GDP declined 10.4% in the Northwest Territories in 2020. Goods-producing industries decreased 15.6% and services-producing industries dropped 8.3%. Diamond mining fell 30.3%, in part because of the Ekati mine's suspension of production text ([Statistics Canada](#))*
- [Economic Review 2021-2022 Northwest Territories Department of Finance](#): *Expansion of the mining industry depends on successful exploration programs to identify potential new mine projects, as well as the deposit appraisal and environmental review process ...*
- [NWT 2020 Environmental Audit](#) (a legislated requirement of the MVRMA): *Despite the efforts of LWBs, small exploration companies continue both to struggle with the application process and to meet its requirements. If allowed to persist, this disconnect between industry and regulators will continue to affect the level of exploration activity in the territory which, in turn, will affect the NWT's socio-economic environment.*
- [Conference Board of Canada June 2020 Outlook](#): *The Northwest Territories' economy will contract 3.3 per cent in 2020, a downward revision from the 5.5 per cent expansion we forecast in February. Mining is also hurting the outlook for the Northwest Territories this year ...*
- [Conference Board of Canada Summer 2019 Outlook](#): *Weaker growth in mining in the Northwest Territories will affect other areas of the economy, notably construction activity.*
- [Conference Board of Canada Autumn 2018 Outlook](#): *Left behind is the Northwest Territories, where the economy is forecast to contract at an average annual pace of 1.6 per cent between now and 2025.*
- [Conference Board of Canada Spring 2018 Outlook](#): *The Northwest Territories' economy is about to shift into a lower gear.*
- January 2016: [Choosing a Path Forward, a long term outlook for Denendeh](#) (NWT) produced for Denendeh Development Corporation: *Denendeh's prolonged period of economic prosperity and stability as a direct result of the investments in the oil and gas and diamond industries ... will soon be replaced with a period of change and instability.*