



January 6, 2012

Mr. Paul Latour
Canadian Wildlife Service
P.O BOX 2310
Yellowknife, NT

Dear Mr. Latour,

Re: Proposed Boundary for Ts'ude niline Tu'eyeta candidate protected area

The NWT and Nunavut Chamber of Mines is pleased to provide its views and recommendation on the draft boundary report for the Ts'ude niline Tu'eyeta candidate area.

The Chamber of Mines is the leading champion for mineral exploration and mining in the Northwest Territories and Nunavut. Our Industry members are engaged in activities that create opportunities and benefits through prospecting, exploration and mining.

If industry is to be able to successfully work with communities to generate benefits, it must be able to access land to prospect, explore and mine. If we maximize the amount of land available for exploration then we can increase the odds of exploration success. For this reason, industry continues to ask that permanent protection – or looked at another way, alienation from development – be minimized as much as possible.

Mineral deposits rich enough to mine are rare and hard to find, being found where Mother Nature put them, not necessarily where we might prefer they be located. Given their rarity and their importance to future economic development, they are also deserving of protection.

The Ts'ude niline Tu'eyeta area holds some very good mineral potential that, if developed, can provide socio-economic benefits to the K'asho Got'ine people, to the Sahtu region, to the Northwest Territories and to Canada. To maximize that opportunity and the chances of success, we recommend changes to the draft recommendations report for the Ts'ude niline Tu'eyeta candidate national wildlife area.

Let us explain.

VARIOUS METHODS TO PROTECT OF LAND

There are a variety of tools and methods to consider when contemplating protection of the Ts'ude niline Tu'eyeta area. These are:

- **Status quo, ie, add no specific protected area designation.** Under the current situation, the region is remote, has not had much geoscience research or exploration, and minimal infrastructure. There is virtually no interest from industry to explore there as a result. Land ownership and control remains 'as is'.
- **Use laws and regulations to provide protection.** The Status quo approach above would rely on the variety of NWT laws and regulations that guide how and when development can occur.
- **Use land use plans.** This new tool in the NWT, created through land claims, holds great potential to help balance development and protection needs. The Gwich'in Region has completed the first approved plan, and the Sahtu plan is moving closer to completion. Land Use Plans share decision making between government and local residents and Aboriginal groups. The plans designate where and how lands can be developed and/or protected, over and above the protection of regulations. The advantage of land use plans is that they provide great flexibility as they can be customized to current needs. As they can be revisited on a regular basis (generally every 5 years), they allow changes to be made. Lands that were once designated for protection can be opened to development or vice versa, or no changes need be made. Land use plans allow future generations to make changes should new technologies become available, for example. Another benefit is that land ownership is not affected and control stays close to the community.
- **Use 'ultimate protection' mechanisms.** The most common designations for ultimate protection are National Parks, National Wildlife Areas, and bird or game sanctuaries. These are Federally legislated mechanisms and generally close lands forever to development. Any attempts to remove the designations in future are deemed impossible. Land ownership and control is with the Federal Government.

Proposed Ts'ude niline Tu'eyeta Boundary Is Overly Large

The currently proposed candidate area covers 10,000 square kilometres. This is a very large area from a development perspective – it is twice the size of Prince Edward Island, and would encompass all three of the NWT's diamond mines.

Ts'ude niline Tu'eyeta Contains Areas of Very Good Mineral Potential

Government geoscientists have concluded that the Ts'ude niline Tu'eyeta area has very high potential to host economic deposits of zinc-lead and oil and gas. It also has moderate potential to host gold, copper and diamonds. It should be noted that since so little exploration has been done in the area, it bodes well for future discovery.

This kind of mineral potential is worth protecting.

Currently industry has shown little interest in exploring the region. Reasons for this include:

- **Lack of geoscience information:** It is difficult for industry to find mines, which have been compared to finding a needle in a haystack. Government invests in geoscience to help industry to know where the haystacks are, where to begin looking. But very little geoscience has been done in Ts'ude niline Tu'eyeta.
- **High costs:** The region is remote and the lack of transportation infrastructure adds to the hurdles. Industry is challenged to afford building this infrastructure on its own, unless it finds something of tremendous size and/or value that it can afford to pay for that infrastructure.
- **Uncertainty:** The simple act of considering the creation of a protected area over Ts'ude niline Tu'eyeta has put uncertainty on its future. Industry is not interested in risking moneys on land that might become a protected area. It would not be a wise investment.

These hurdles are not impossible to overcome.

Very Good Opportunity Potential, Too

If industry can be convinced to come and invest in exploring the region, and to determine just what resources might be hidden there, it will be able to create employment, business and other opportunities for the K'asho Got'ine, for the Sahtu, and for the NWT.

The socio-economic assessment that was done on the Ts'ude niline Tu'eyeta area was to have indicated the size of those opportunities.

However, our review of that assessment found it to be weak and a difficult read that paints an overly pessimistic view of what is possible. It is not as effective as it could be to help communities and decision makers understand just what is possible from non-renewable resource development in the Ts'ude niline Tu'eyeta area. For example, the Assessment Report:

- does not identify new technologies that could allow development to proceed with much reduced environmental footprint and impact;
- indicates that few benefits would be available for the community of Good Hope from mining development when, in fact, mining has made great strides in recent years to benefit local communities, so much so that mining is now the largest employer of Aboriginal people in Canada;
- pessimistically states that community opportunities from a mine would be so far in the future (2050) as to render them negligible;

- takes an unusual and highly questionable approach to value the land based on the assumption that each Canadian household might invest \$5.50 to protect it;
- contains a variety of complex economic calculations and terms like Net Present Value, Internal Rate of Return, etc. that are confusing; and
- ironically, paints a picture of the odds being so great against development that one might naturally draw the conclusion that no protected areas designation is required. Why protect if there is no threat?

We found the document quite discouraging from a minerals development perspective and we are very concerned that decision makers will read it equally as bleakly and reduce the importance of future non-renewable resource development in drawing their conclusions.

A Positive Industry Perspective of Ts'ude niline Tu'eyeta

In our response (attached), we took a much more positive and realistic approach to describe what we believe is possible. We cited examples of how seemingly difficult development obstacles have been overcome elsewhere, including:

- The Ekati diamond mine 300 kilometres north of Yellowknife: Prior to production, it was in much the same situation as any potential mine in the Ts'ude niline Tu'eyeta area. The mine is located in a remote area that attracted very little exploration interest (much like the Ramparts area is now). Yet from the initial discovery of diamond deposits in 1991 to having an operating world class diamond mine was less than seven years. While this is an exceptional case, it does illustrate what is possible in the face of obstacles.
- The Diavik diamond mine, also north of Yellowknife: Fifteen years ago, people would have said that it would be impossible to mine diamonds from an open pit on the bottom of a 60 km-long lake. The Diavik diamond mine's engineers rose to the challenge and developed an innovative new dike technology that has allowed them to "borrow" the lake bottom for mining. They are now able to mine three ore bodies from under Lac De Gras, and most importantly they have been able to create hundreds of jobs and new business opportunities for northern communities and residents. This has all been done with no significant adverse impacts to the environment. In fact, the company will create fish habitat when they are finished mining. Diavik's success with their new dike technology received Canada's highest engineering award.
- New transportation technology: The report assumes that the only way a zinc or copper mine can be developed is by using a very traditional approach that would require an all weather road be built to the Mackenzie River, along with a bridge over the river to get the product to an as yet un-built Mackenzie Valley highway. This is a large hurdle that indeed will make mining very difficult. However, the report does not consider other technologies like winter roads to a port on the

Mackenzie River. It does not contemplate emerging Hybrid Air Vehicle technology which could see airships replace roads. This exciting new technology could allow development to occur with little environmental footprint or costs to build roads, railroad, bridges, or ports. This technology could be a complete “game changer”.

- Exciting new production technology: Today, the technology exists to produce oil and gas without creating any footprint on the surface above the deposits. Directional drilling technology allows the drill to be situated outside a protected area and to drill to a target horizontally some distance away, thus not disturbing the land above. New technologies like this will facilitate significant leaps forward for sustainable development, and allows us to be much better at combining development and protection.
- Great employment opportunities for Aboriginal people in industry: The report is quite pessimistic on employment opportunities for K’asho Got’ine. A mere 10 years ago, others were also pessimistic. Thankfully though, there were those who challenged this. As a result of very effective training programs and a belief in “what is possible”, there are an increasing number of Aboriginal underground miners working in the diamond mines today. They join a significant number of Aboriginal and other northerners who were already working in the mines. By 2010, nearly 18,000 person years of northern employment had been created at the mines, and half of those jobs were filled by Aboriginal workers. This kind of success reinforces why the mining industry has become the largest employer of Aboriginal people in Canada. We believe that if industry is given the opportunity to work with the K’asho Got’ine, many jobs and business opportunities could be created.

Yes, hurdles do exist to any future development in the Ts’ude niline Tu’eyeta area, but as these recent examples show, it does not mean it will never be possible.

Industry Boundary Recommendations

We are a firm believer in the “art of the possible”, that we can do whatever we set our minds to, particularly when we know the future will bring new technologies, new ways of thinking, new needs, etc.

In the interests of future generations and the creation of future opportunities, we believe that other solutions should be found rather than to permanently protect subsurface lands from development forever.

The Chamber of Mines understands the values the area holds traditionally and culturally for the K’asho Got’ine people and is sympathetic to the desire to protect Ts’ude niline Tu’eyeta area from permanent damage. We believe that there are ways to do that by using environmental protection legislation and by using the Sahtu Land Use Plan to maximize future opportunities for the K’asho Got’ine, the Sahtu and the NWT while still protecting the environmental values.

With respect to the boundary for Ts'ude niline Tu'eyeta area, the following are our recommendations in order of declining preference:

1. **Create no permanent withdrawal of any subsurface lands.** If the lands under the candidate protected area are not permanently withdrawn, then the option to explore and potentially take advantage of economic opportunities from the area can exist in the future. This means relying on environmental laws and regulations for protection. Mining, exploration and other land use activities are among the most heavily regulated activities in the country and must meet stringent thresholds to ensure their activities create no significant adverse environmental effects on the land, water or wildlife.
2. **Do not permanently withdraw any of the lands with moderate to very high mineral potential.** Lands of with this kind of mineral potential are also rare and thus worthy of protecting for economic development reasons. Given that there are strong environmental regulations in place, these lands can be developed without any significant adverse environmental effects.
3. **Protect using the Sahtu Land Use Plan as much as possible.** A designation as a "Conservation Zone" will prevent development from occurring today and could be used on areas of highest community concern. Areas of lower concern could be designated as special management zones under the plan; development will be possible in these areas but will be subject to conditions aimed at minimizing the environmental impacts. Using the Land Use Plan allows the community the ability and flexibility to re-evaluate the protective designation on a regular basis. The community can choose to protect indefinitely, or they can choose to remove or reduce protections some time in the future based on new needs or technologies, for example.
4. **Make permanent protections as small as possible.** If the community feels it is absolutely necessary to establish a permanent protected area that will never, ever be developed, then we recommend that this be confined to the smallest area possible. A better option for future flexibility would be to seek to have only the surface protected under that designation, and use the Sahtu Land Use plan to protect the subsurface. For example, we understand that the most sensitive part of the area is the wetlands which occupy roughly a quarter of the proposed area. If the community is insistent on a national wildlife area in this area, the Chamber recommends that you seek only surface protection through the National Wildlife Area, and subsurface protection through the Sahtu Land Use Plan. There are examples from the US of oil and gas production from under bird sanctuaries. There is no threat to the birds or their habitat and industry creates benefits and pays royalties – truly an example of a win: win situation.

Conclusion

The Chamber of Mines urges minimal permanent protection of land in order to leave options open for the future as technology advances and needs of future generations become clearer. If permanent protection is given now, what is possible with future technology and what the needs of future generations are will not matter, as any resource development opportunities provided by the Ts’ude niline Tu’eyeta area will have been nullified.

We believe in “the art of the possible”. We do not believe in the simple black and white of development being bad and environmental protection being good. We believe that creative thinking can create very interesting outcomes that can allow us to create development opportunities for communities AND protect the environment.

We encourage the K’asho Got’ine people of Ft. Good Hope and other decision makers to take a creative approach in finding win: win situations through their deliberations on how to best protect both the environmental aspects and the mineral potential of the Ts’ude niline Tu’eyeta area.

We would be pleased to provide any additional thoughts at your request.

Yours truly,

A handwritten signature in black ink, appearing to read 'Tom Hoefler', with a stylized, cursive script.

Tom Hoefler
Executive Director