

Mineral exploration regulated out of the NWT?

Recently the Wek'eezhii Land and Water Board referred a fledgling exploration project to an environmental assessment because it "might be a cause of public concern."

A cause for bigger public concern should be the rapid decline in mineral exploration investment in the NWT and its long-term effects to weaken the mining industry as the foundation of our economy. While our current mines will continue to operate until their ore bodies are depleted, it will take significant outside investment to sustain our industry.

Recent government statistics forecast a worrisome and dramatic 54 per cent drop in exploration expenditures in the NWT compared to 20 per cent increases in Nunavut and Yukon. Why the big difference between the NWT and our two Northern neighbours?

Put candidly, money is a coward. It flees

uncertainty and goes where it is welcomed. Mining is a global business and the NWT must compete with jurisdictions around the world to attract investment. Decisions like the one the board made on the fledgling exploration project send a confusing message to investors about the certainty of our regulatory process, and investing in the NWT.

Mineral exploration is already high risk. Finding a mine takes years, and the odds are against you. Regulatory certainty is a significant risk factor that investors increasingly use to select jurisdictions in which to invest. The recent Wek'eezhii board decision to send a very early stage exploration project, a sand project at that an environmental assessment now adds uncertainty, particularly when another board allows kilometres of all-weather road construction and two large drilling projects to proceed without an assessment.

The potential to discover exceptional mineral deposits like Ekati and Diavik has historically attracted exploration investment despite the high cost of discovery and development in the North. But by increasing regulatory uncertainty, the additional risks and costs that it imposes on investors will motivate them to look elsewhere for opportunities.

Mining is the NWT's economic strength. Our mines have ushered in a new era of prosperity and environmental responsibility. In a post devolution world where we are now responsible for creating our own wealth and opportunities, mining can provide the significant benefits we need, not just with jobs and business but with taxes to support the public services that we have come to enjoy.

Exploration is the lifeblood of mining. We should be concerned when the NWT continues to struggle to regain the levels we need

GUEST Comment

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to sustain our industry. Government work on the NWT Mineral Development Strategy is helping, but decisions that unnecessarily refer early-stage exploration projects to environmental assessment are not. They run the risk of snuffing out any advances we might make.

We urge all levels of government, the regulators and regulatory boards and residents of all communities in the NWT, large and small, to come together and help create an environment that makes investors feel welcome here. Our future economic well-being depends on it.