

Mining Canada's North

An eye-opening interview with NWT & Nunavut Chamber of Mines General Manager Mike Vaydik



NWT & Nunavut Chamber of Mines General Manager, Mike Vaydik

By Edwin Kolausok

NJ: What was the mining industry like in Nunavut and the Northwest Territories in 2008?

Mike Vaydik: The first three quarters were great – particularly in Nunavut. Nunavut recorded the largest exploration expenditures it has ever had. They reported some great results and we have a mine under development, the Meadowbank property, and that is something that does not happen too often. Nunavut was quite upbeat.

The Northwest Territories was not that great. We've had a reduction in exploration expenditures, the only jurisdiction in Canada that had that with the commodities boom on. That was a big disappointment. We blame the regulatory process for putting road blocks in front of companies that are trying to do grass roots exploration with very low environmental impact. That is how we find mines. We have to get on the land to do very minimal work and only one in about ten thousand of those exploration activities turns out to be a mine. We think that maybe the regulatory process has been overreacting to some grass roots exploration.

NJ: In the NWT there are areas with land claims settled and areas with no land claims settled. Why is it that industry is having challenges in the unsettled areas of the NWT?

Mike Vaydik: Unsettled areas are quite different from settled areas. Often the mining industry is the meat in the sandwich in the unsettled areas and often the mining industry and sometimes oil and gas are the only ones out on the land exploring and often we are used as a kind of bellwether

for negotiations. Obviously it is a lot easier if claims are settled. Then we know what the rules are and who the landlord is and we are able to proceed in a business-like and orderly manner.

NJ: What about the regulatory system in the NWT? The Mackenzie Valley Resource Management Act (MVRMA) is an integrated resource management system that involves northerners and is supposedly made in the north but still resourced by Ottawa. How can the MVRMA be improved to facilitate development?

Mike Vaydik: The MVRMA could use some fine-tuning. One thing I would like to make clear is we never asked Mr. McCrank (Neil McCrank was a Conservative with regulatory experience in Alberta that reviewed and provided recommendations on how to improve the MVRMA for the federal government) or the Minister to re-open the land claims. We have concentrated our efforts on clarifying some terms and making some terms more clear and realistic and introducing timelines and a more efficient process into the system and also asking for more and better resources for the regulatory boards so they are better able to function with a higher level of confidence in the decisions they have to make.

NJ: In our recent trip down the Mackenzie Valley, Native Journal's Northern Correspondent heard a ground swell of frustration by leaders, Elders, business people, governments and others against the recent Joint Review Panel Regulatory Review process which has announced a delay of one more year before they release their recommendations on the Mackenzie Gas Pipeline proposal. Some people are saying that the pipeline review process has run over thirty years with literally warehouses of information and at a time when it appears that most of Justice Thomas Berger's concerns [laid out in his 1977 report] have been laid to rest it is time to move forward. We have also heard people say that the regulatory board is milking the system and turning the regulatory process into an artificial industry. This will discredit what is supposed to be an integrated process that was designed to streamline efficiencies into the process. What are your thoughts on this situation?

Mike Vaydik: One of our key messages to Mr. McCrank was to introduce timelines into the process and we have consistently asked for this. We now have the McCrank report and we need to act on it. I know it might not have an immediate impact on the MGP but it will provide an opportunity for us all to come together with a clearer understanding of what the regulatory system should do. It should be the best that we can possibly design and that not only means to protect the environment but also allowing businesses to invest with some degree of confidence and to develop an economy which means jobs and business opportunities and a better standard of living for us all. We also recommended that the board be provided with the proper funding allocations to do their job.

NJ: The NWT diamond mines currently represent 60% of the NWT's GDP. They are an example of how the mining industry can create business and employment opportunities. In the third quarter of 2008; however, the diamond mining companies have started cutting costs and expansion projects. What kind of an impact is this having on the NWT economy and what are some key things that need to happen to make mining more attractive in the NWT?

Mike Vaydik: So far we have not seen any huge impact. I think the layoffs at Snap Lake were planned and contractors knew that before it happened so it was not a big shock. But with the world financial crisis occurring, I think that we are going to see a very marked decrease in

mining as well as oil and gas and that is going to be a concern for people. We sent a Christmas greeting out to over 58 communities – it is an indication of how many communities we serve and how many good jobs people have in the industry. These are good jobs, career jobs. We need to have continued development and not just count on existing mines but make land available for future mines. It is not that long into the future – we are looking at 12 to 15 years and that will be the beginning of the end of the diamond mines and we had better be looking for new mines now – if we don't do that we will be facing a huge downturn in the future. We are hoping that with ongoing discussions in the communities and with Aboriginal groups, business leaders, Aboriginal business leaders and with the Territorial Governments that we can come to a better understanding of what makes our economy go and an understanding of what a better regulatory regime will look like. We know we have good geology and we can improve the regulatory system. We need to develop some roads, some hydro power to reduce costs for mines and communities and we need to invest in geosciences so we know where to look for those next mines.