



The Mining Association of Canada
L'Association minière du Canada



received
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The Honourable Jim Prentice
Minister
Indian Affairs and Northern Development
Gatineau, QC K1A 0H4

March 17, 2006
Faxed and mailed
Fax: 819 953-4941

Dear Minister Prentice:

On behalf of the Prospectors and Developers Association of Canada, the Mining Association of Canada and the NWT & Nunavut Chamber of Mines, we are writing to express our concern with regard to the process and content of the draft Dehcho Land Use Plan. We recommend that existing deadlines be set aside in the interests of developing a land use plan that better protects the short and long term interests of communities, the region and the mineral exploration industry.

While the land use planning committee has undertaken research and consultation in a variety of areas, the assessment of the region's mineral potential in the area has not received adequate attention. Additional time would provide the mineral industry with the opportunity to conduct a dialogue with the Dehcho people on the mineral industry in Canada.

In order to begin to address these concerns, our organizations, which represent the mining and exploration sector across Canada and the North, plan to conduct community consultations on mineral exploration and mining in the communities and with individuals who would be affected by the proposed land use plan. The attached document presents our concerns and plans in more detail.

Given the significance of the land use plan for regional economic development and the mineral industry, we are requesting that the deadline for finalization and adoption of the land use plan be delayed for one year.

Sincerely,

Tony Andrews
Executive Director
Prospectors and Developers
Association of Canada

Gordon Peeling
President and CEO
Mining Association of Canada

Mike Vaydik
General Manager
NWT and Nunavut
Chamber of Mines

Cc: Hon J. Handley, Premier of the NWT
Hon. B Bell, Minister, Industry, Tourism and Investment, GNWT
Chief H. Norwegian, Chair, Dehcho Land Use Planning Committee
Hon. Gary Lunn, Minister of Natural Resources Canada
Hon. Dennis Bevington, MP, Western Arctic

Backgrounder Dehcho Land Use Plan

Timeframe and community consultation

Land use plan development funding expires on March 31, 2006, a factor that is driving the need for the Planning Committee to submit the plan for approval prior to this date. We understand that, once approved, the land use plan will be legally binding, that changes will be difficult to make, and that any mineral license that does not conform to the plan would be rejected. It is the view of our organizations that the existing plan would significantly discourage mineral exploration activity in the region, closing off important economic opportunities for the Dehcho and other northerners. We recommend that administrative deadlines be set aside in the interests of developing a plan that more fairly protects the short and long term interests of Dehcho communities and the region.

We hope to address some of these concerns through a series of consultations beginning in March. Through these consultations, we will be informing residents of current mineral exploration and mining practices, as well as underlining the significant mineral potential that exists in the Dehcho territory. This information is critical to the content of the plan, its recommendations, and the decision-making process. In order to ensure that communities are informed of mineral exploration and mining practices, the PDAC, the Mining Association of Canada, Indian and Northern Affairs Canada, Natural Resources Canada and the Canadian Aboriginal Minerals Association have been working to develop a "toolkit" of background information and case studies for use by Aboriginal communities. Once the material is finalized and translated, it will serve an important role in community decision making. In the meantime, we have additional sources of information about our sector's practices and it is this material that we will offer during the consultation sessions.

Previous consultation with the mineral exploration and mining sector

The PDAC and MAC would echo the views of Mike Vaydik, General Manager of the NWT & Nunavut Chamber of Mines, that mineral exploration and mining can play an important role in the future of the Dehcho region. We believe that the Dehcho would be well served by seriously considering the industry's input into the planning process. Unfortunately, we believe that this role has not been adequately addressed in the plan to date.

Mr. Vaydik has also noted that the Dehcho region includes mineral potential that is rated high or very high and he went on to recommend that discussion with the mining sector should be scheduled to coincide with the major conferences at which representatives would be participating (e.g. NWT Geoscience Forum, Mineral Exploration Roundup and the PDAC). Since making that recommendation, one such briefing session was held in Yellowknife on November 14, 2005.

Aboriginal participation in mineral exploration and mining

While Aboriginal organizations, industry and government are all aware of the increasingly important role of mineral exploration and mining in Aboriginal community development, the current land use plan fails to appreciate these trends. In fact, the plan proposes to isolate areas

of high mineral potential that could offer opportunities for long term employment and development. Government statistics on Aboriginal participation in mining show marked increases in recent years, as the industry has become the largest industrial employer of Aboriginal people in the country. Many communities see direct benefits through skills training, capacity building, business ownership and, more recently, equity sharing. While the draft land use plan mentions an economic development strategy, the economic modeling revealed at the November 14 meeting was questionable, and the plan does not appear to have examined the truly positive effects of exploration and mining in other communities in Canada's north and in other regions of Canada. We believe that the draft plan runs the risk of proscribing the very significant sustainable development opportunities presently before the Dehcho people.

Health, education and employment

The current plan contains only a limited analysis of population statistics, health indicators and education levels. A land use plan should help to guide human use of the earth for the benefit of the population, yet very little analysis of the population characteristics or how protection measures will affect them is evident in the plan. Page 188 of the background report to the November 2005 draft states:

"Currently unemployment is estimated to be 20.7% of the whole Dehcho region". ... "There is a heavy reliance on the government sector for jobs, particularly in smaller communities. The major source of revenue for the region is federal transfer payments and other external funding sources."

However, the plan then fails to propose strategies to reduce unemployment or reliance on transfer payments but, rather, offers only vague recommendations regarding capacity building. It ignores the experiences in other regions of the NWT that demonstrate that development can bring benefits of employment, business opportunities and training as well as reported increases in high school and post secondary school engagement by youth in affected communities.

Exploration, Mining and Conservation

Our industry fully appreciates that many in the Dehcho community attach high value to the territory's natural beauty, ecosystem health and Aboriginal traditional lifestyles. We acknowledge the desire for protected areas to feature in the plan. We believe, however, that careful planning and analysis can ensure that conservation values are protected without undermining access to the region's mineral potential and future economic development.

We also recognize that the mineral industry's history in the North is mixed and that some unfortunate legacies may lead some to question the value of mineral development. However, the exploration and mining industries have been undergoing major changes over the past few decades, demonstrating significant improvements in environmental performance and in the industry's relationships with Aboriginal peoples. Initiatives such as the PDAC's Environmental Excellence in Exploration (E3) and MAC's Towards Sustainable Mining initiative are two demonstrations of the industry's progress.

Simultaneously, Canada's regulatory system has become much more robust and easily has among the strongest environmental regulations governing mining activities in the world. While concerns about past practices are genuine and help all of us to avoid future mistakes, mineral exploration and development today is responsible and respectful of local values and concerns. In addition, the Mackenzie Valley Resource Management Act, which governs development in

the NWT, guarantees Aboriginal representation on regulatory boards and offers unprecedented opportunities for consideration of social, cultural and economic aspects of development proposals.

Recommendation

We are requesting that the deadline for finalization and adoption of the land use plan be delayed for one year