



July 14, 2020

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Dear Ms. Montgomery and Messrs. Fequet and Walbourne,

Re: COVID-19 Impacts and Request for Deferrals or Extensions - Regulatory Conditions

As you are well aware, the negative impacts of the COVID-19 pandemic have been unprecedented around the world and are not sparing residents and businesses in the North.

We commend the Northwest Territories Government and Chief Public Health Officer for taking swift and decisive actions this spring to minimize health impacts on NWT residents.

However, these restrictions come at a cost, as they are having enormous negative socio-economic impacts on the Northern aviation, tourism and minerals industries, including the Indigenous Development Corporations and Northern service and supply companies supporting these sectors. We are writing to alert you to, and seek your help in mitigating, the negative effects our minerals industry is facing.

These effects are perhaps best understood within the several phases of a project's lifecycle in the minerals industry, comprising:

- Grassroots exploration;
- Small scale exploration;
- Bulk sampling exploration/advanced project development;
- Mining; and
- Closure & Monitoring.

Each of these phases is guided by various statutory authorizations, including Land Use Permits, Water Licences, and Leases which have strict environmental conditions to be complied with.

However, the health restrictions put in place to protect the public from COVID-19 are both constraining permit and license holding companies' access to their project sites and inhibiting fulfilment of their environmental authorization obligations. Many company officials and/or their consultants are only now beginning to gain access to the North, meaning that they have already missed 3-4 months of field work this year. Others are accepting the fact that they will not be able to resume work on their projects due to COVID access restrictions, COVID related financing challenges, and/or the quickly shrinking window of time available to mobilize their projects given the short work seasons in the NWT. The health vulnerabilities and concerns of Northern Indigenous communities are further affecting the ability of some of our members to advance work on their projects.

Therefore, the NWT & Nunavut Chamber of Mines is requesting that the Regulatory Boards and GNWT Departments that issue permits and licences and other such regulatory instruments defer or provide extensions for certain conditions/requirements for a two year period for the various phases of mining lifecycle activities (described below). It is, of course, essential that such deferrals not result in environmental damage, and we believe that closer study in collaboration with the GNWT inspectors will enable you to conclude that there will be no increased threat to the environment in most cases. Providing such deferrals in the NWT will be consistent with actions being taken in many provinces to assist economic recovery in their jurisdictions. This is an important consideration given that the NWT must compete with other jurisdictions to attract the investment it needs for a healthy minerals industry. Taking progressive actions to deal with COVID impacts will help demonstrate that the North is a welcoming and competitive jurisdiction to invest in.

Below, find our request for two actions to assist the minerals industry through this COVID crisis:

1. Extension of the expiry date of water licences and land use permits

For water licences that are typically valid for multiple consecutive years, we recommend that the Boards and Minister apply a two-year extension to them. This should specifically apply to exploration and mining within the first three of the five phases, namely: 1) grassroots exploration, 2) small scale exploration, and 3) advanced development or bulk sampling exploration projects. A simple extension of the licence expiry date would allow these companies to plan for work to be conducted in 2021/22 without the need to worry about filing applications for a renewed licence. Due to the seasonal nature of many exploration and project development activities and the cyclical nature of investor funding, companies may not get back into the field before late 2021 or early 2022. Clauses under the MVRMA (59[1]; 72.12[1,B,iii]) and the NWT Waters Act (36[1,a,ii]; 37[a]; 37[b,i,ii]; 44[1]) allow the Board or the Minister to renew a water licence if it is in the public interest.

As noted under the MVRMA, a Land and Water Board has jurisdiction of lands in its management area for which a permit is required (59[1], 61[1], 61[2], 76). There is an allowance under the regulations for a two-year extension to land use permits.

Given these unusual and unprecedented times, continued investment in the NWT is in the public interest, the Chamber of Mines recommends that the Boards and the Minister apply a two-year extension to licences and permits issued to exploration mining companies. There would be no change to any conditions within the licences and permits, just an extension of the expiry date by two years.

2. Deferral of Reporting

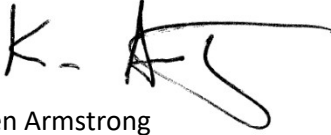
Licences and permits have a requirement for submission of annual reports. Report preparation by exploration companies can be an expensive and onerous process because of the need to hire various specialist contractors. Given these unprecedented times, the Chamber of Mines recommends that the Boards apply a two-year extension to the 2020 reporting requirements for exploration mining companies. Reports would then be submitted by March 31, 2022 and include any combined information from the 2020 and 2021 calendar years.

We trust that your Boards and Department will seriously consider these requests. Doing so will help reduce the unprecedented COVID burden that our companies are facing, and do so without adding any environmental risk. Doing so will also demonstrate your understanding of the need to support investors who take on the risks and challenges of investing in our territory, and will strengthen the NWT's reputation as an attractive investment destination.

Should you require any clarification please feel free to contact our Executive Director, Mr. Tom Hoefer, at executivedirector@miningnorth.com, who can schedule any meetings or conference calls required.

Yours truly,

NWT & NUNAVUT CHAMBER OF MINES



Ken Armstrong
President

- c.c. Hon. Shane Thompson, NWT Minister for Environment & Natural Resources & for Lands
Hon. Katrina Nokleby, NWT Minister for Industry, Tourism & Investment
Hon. Dan Vandal, Federal Minister of Northern Affairs
Mavis Cli-Michaud, Chair, Mackenzie Valley Land & Water Board
Joseph Mackenzie, Chair, WLWB
Hon. Michael McLeod, Member of Parliament for the Northwest Territories
Senator Margaret Dawn Anderson
Ms. Paula Isaak, President of Canadian Northern Development Agency
Pamela Strand, Deputy Minister, GNWT – Industry, Tourism & Investment
Serge Beaudoin, Assistant Deputy Minister – Northern Affairs, CIRNAC
Matthew Spence, Regional Director General, CIRNAC