



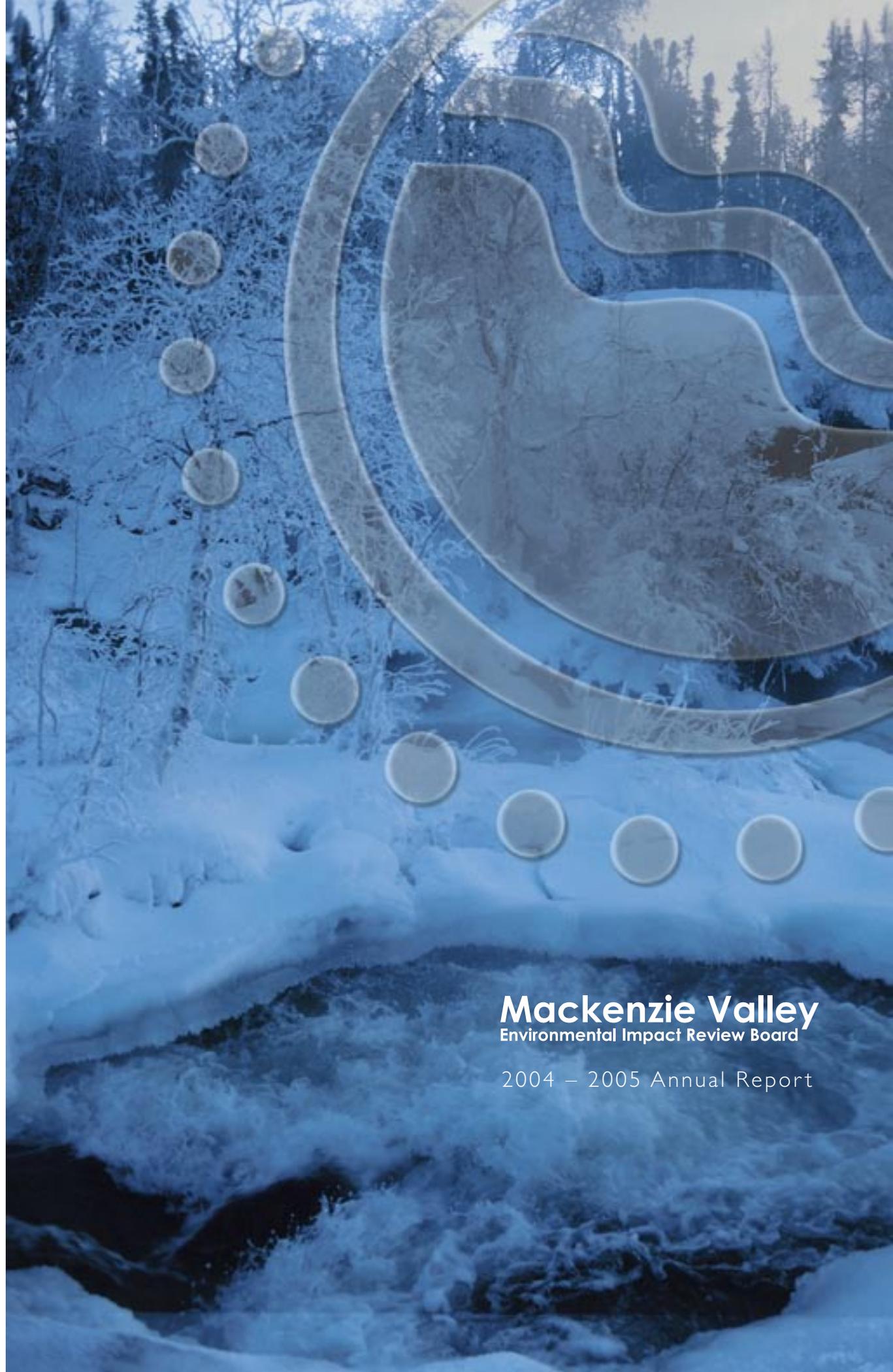
Mackenzie Valley
Environmental Impact Review Board

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Mackenzie Valley
Environmental Impact Review Board

2004 – 2005 Annual Report



The Mackenzie Valley Resource Management Act (MVRMA) came into force on December 22, 1998 and established the MVEIRB as the agency to undertake environmental assessment and review in the Mackenzie Valley.

The Board's jurisdiction applies to all lands in the Northwest Territories, excluding the Inuvialuit Settlement Region and Wood Buffalo National Park. The MVRMA replaces the Canadian Environmental Assessment Act (CEAA) in the Mackenzie Valley except under very specific circumstances.

Mission

To conduct quality Environmental Impact Assessments that protect the environment and the social, economic, and cultural well-being of residents of the Mackenzie Valley and all Canadians.

Need new image resolution issue



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MESSAGE FROM THE CHAIRPERSON

I am very pleased to present the 2004/05 Annual Report.

As the newly appointed Chairperson I would like to thank the Minister, the Honourable Andy Scott for the appointment, the Honourable Ethel Blondin-Andrew and my Board members for their support and confidence. At the Board level, we are pleased to see Charlie Snowshoe (First Nation - Gwich'in nominee) and John Stevenson (Federal Government nominee) reappointed for another three year term. They bring a wealth of experience and knowledge to the Board which will keep continuity in the Board's work. We are waiting for the appointments of a Dehcho and a Tli Cho nominee to complete the Board.

On behalf of the Board, I also want to thank the previous Chairperson Todd Burlingame for his hard work and contribution over the past few years. We wish Todd well in his new role as the Chairperson of the Mackenzie Valley Land and Water Board. The Review Board would also like to thank former staff, Bridgette Larocque, Karen MacArthur and Kimberley Cliffe Phillips, for the contribution that they have made and wish them every success in their future endeavors.

We have gained new talented staff: Mary Tapsell, Manager of Environmental Impact Assessment, Wendy Ondrack, Manager of Finance and Administration, Renita Schuh, Community Liaison Officer, Camillia Zoe-Chocolate, Environmental Assessment Officer Trainee and Patrick Duxbury and Alistair MacDonald, Environmental Assessment Officers. They bring new energy and excitement to the work of the Board.

As I sit in the board room I often think of sitting on the rock with my parents overlooking the barrenland and looking at the caribou crossing in the waters just as elders have once told me they would. I remember the crisp clean air and the smell of the barrenland willows that kept us warm. And I think of the challenges of balancing the traditional way of life with the new industrial development and associated cultural impacts. I see the need for the protection of the environment and wildlife as well as the social and economic needs of Mackenzie Valley residents. It is a tough balance to achieve but I can assure you that Board members strive for excellence and quality environmental assessments as we go through the evidence brought forward during public hearings and all the background material that our staff put together for us.

You will note that much has been accomplished by the Review Board during the 2004/05 fiscal year. The Board has reviewed 99 preliminary screenings and completed a number of environmental assessments, including an environmental assessment of the proposed Mackenzie Valley gas pipeline development. This assessment resulted in the first referral by the Review Board to higher level environmental impact review which is now being carried out by the Joint Review

Panel established in cooperation with the Inuvialuit Game Council and the federal Minister of Environment.

Other 2004/05 highlights include the substantial completion of Guidelines for developers and practitioners on the "Incorporation of Traditional Knowledge in Environmental Impact Assessment in the Mackenzie Valley" and the completion of a revised Strategic Plan for the next three fiscal years of 2005/06 to 2007/08. All of the Boards accomplishments for the year are described in the attached 2004/05 annual report.

We have set three key goals for ourselves over the next three years:

1. To be leaders in Environment Impact Assessments by continually improving the Board's Environmental Impact Assessment processes, procedures and reporting, by improving the implementation of the Mackenzie Valley Resource Management Act (MVRMA) and by strengthening relationships with other MVRMA Boards and all stakeholders.
2. To increase Participation in the Environment Assessment Process by raising awareness and understanding of stakeholders and by promoting community participation in the Board's processes.
3. To build Board capacity to deliver the Board's mandate by securing long term funding, by continually improving administrative procedures and by ensuring the necessary human resources are available to meet the workload demand facing the Board in a quality work environment.

We look forward to the new fiscal year well prepared to assess the new development proposals that will come before the Review Board and deliver on the Board's vision of "Excellence in Environmental Impact Assessment that reflects the values of our residents for a sustainable Mackenzie Valley."

Mahsi Cho,

Catonele? lokeuzie? 8207

Gabrielle Mackenzie-Scott
Chairperson



MVEIRB BOARD OF DIRECTORS



Chairperson
Gabrielle Mackenzie-Scott
Yellowknife



Vice-Chairperson
John Stevenson
Yellowknife



Danny Bayha
Deline



John Ondrack
Yellowknife



Charlie Snowshoe
Fort Macpherson



Jerry Loomis
Norman Wells



Bernadette Stewart
Yellowknife



Percy Hardisty
Fort Simpson

MEMBERSHIP

Ms. Gabrielle Mackenzie-Scott, initially appointed to the Board in November 2003 as the Dogrib Treaty 11 Tribal Council nomination, was appointed as Chairperson on March 29, 2005 replacing Mr. Todd Burlingame whose term expired on January 31, 2005.

Mr. Charlie Snowshoe, the Gwich'in Tribal Council nomination, was reappointed to the Review Board for a third term on February 28, 2005 after his term expired in December 2004.

Mr. Percy Hardisty of Fort Simpson took a leave of absence from the Review Board in August 2004 to sit on the Joint Review Panel which is undertaking the review of the Mackenzie Gas Project.

There are currently two vacancies on the Review Board as of March 31, 2005. A temporary replacement for the Dehcho is being sought by the Review Board and there is a vacancy from the Tli Cho arising from the appointment of Ms. Mackenzie Scott to the Chairperson's position. The Review Board continues to work with Indian and Northern Affairs Canada to ensure Board vacancies do not give rise to quorum issues which could delay Board business.

STAFFING

Mary Tapsell has been hired as the Board's Manager of Environmental Impact Assessment. Wendy Ondrack has been hired as Manager, Finance and Administration after the departure of Bridgette Larocque. Renita Schuh has been hired as the Community Liaison Officer to replace Karen MacArthur, Traditional Knowledge Coordinator. Patrick Duxbury replaces Kimberley Cliffe-Phillips as Environmental Assessment Officer. Camillia Zoe Chocolate, hired last year as an Environmental Assessment Officer Trainee, has enrolled in the University of Northern BC in Prince George in an environmental studies degree program. Alan Ehrlich, Senior Environmental Assessment Officer, has taken a six months leave of absence beginning in January 2005. The Board hired Alistair MacDonald on as a term Environmental Assessment Officer in the interim.

PRELIMINARY SCREENINGS

In the period from April 1, 2004 to March 31, 2005, the Review Board had reviewed 99 notifications of Preliminary Screenings. The Board received 162 screenings last fiscal year; 151 screenings in 2002/03, 220 screenings in 2001/02, 186 screenings 2000/01 and 161 screenings in the 1999/2000 fiscal year.

ENVIRONMENTAL ASSESSMENTS

The Review Board handled 11 environmental assessments for this fiscal year. Of this, four were new referrals and the others were carry-overs from previous years. Out of the four new referrals, three files were closed when the companies either withdrew the permit applications or chose not to proceed with the environmental assessment.

The Board completed four environmental assessments; three of the completed files were carry-overs from the previous year. At fiscal year end, the Board was carrying over one project into the new fiscal year - the Canadian Zinc Ltd. Prairie Creek exploration drilling project.

In Progress

EA0405-002 CANADIAN ZINC PRAIRIE CREEK EXPLORATION DRILLING

The Mackenzie Valley Land and Water Board referred the development to environmental assessment on June 1, 2004 on the basis of public concern over cumulative effects on the South Nahanni River watershed.

The company proposes to drill at 60 sites on its mineral claims. Canadian Zinc submitted the project description in January 2005 and the Board is planning scoping sessions in the Deh Cho communities of Wrigley, Fort Simpson, Nahanni Butte and Fort Liard, and in Yellowknife, in early April 2005.

Completed Environmental Assessments

EA03-008 DEH CHO BRIDGE CORPORATION - MACKENZIE RIVER BRIDGE PROJECT

The Deh Cho Bridge Corporation had proposed to build a bridge over the Mackenzie River near Fort Providence. The steel and concrete bridge would be 1,045 metres long and supported by eight piers in the Mackenzie River. This would be the largest bridge in northern Canada. The Department of Fisheries and Oceans referred this project to Environmental Assessment in January 2004.

The environmental assessment considered issues such as possible accidents and malfunctions, effects on ice movements during river break-up, effects on river users, economic impacts on Fort Providence and other communities, socio-cultural impacts of all-weather access across the Mackenzie, and impacts on fish and wildlife. The Board submitted its Report of Environmental Assessment on December 10, 2004 and the Minister of INAC accepted the Board's report on March 16, 2005.

EA03-007 MACKENZIE GAS PROJECT, MACKENZIE VALLEY GAS PIPELINE

The Mackenzie Gas Project - consisting of Imperial Oil, the Aboriginal Pipeline Group, Conoco Phillips, Shell Canada, and ExxonMobil - filed a Land Use Permit and Water Licence application with the Mackenzie Valley Land and Water Board for a barge landing and staging site at Camsell Bend in July 2003. This was the "trigger" application which would initiate the environmental assessment of the Mackenzie Valley gas pipeline project. The Mackenzie Valley Land and Water Board referred the development to the Review Board for environmental assessment in December of 2003.

The Review Board held scoping sessions in Norman Wells, Inuvik and Fort Simpson during March and April, 2004. The Board submitted its Scoping Report on May 21, 2004 to the Minister of INAC recommending the project be referred to a Joint Review Panel.

EA03-006: SNOWFIELD DEVELOPMENT CORP. (SDC) DRYBONES BAY EXPLORATION PROGRAM

Snowfield Development Corporation proposed a five-year program in the Drybones Bay area south of Yellowknife that included drilling 98 holes, bulk sampling, road construction, and a semi-permanent camp with sumps and a storage area. The public hearing for the Snowfield Development Corporation's project was held in Yellowknife on January 13, 2004. The Report of Environmental Assessment for Snowfield Development Corporation was submitted to the Minister of INAC on February 26, 2004 and accepted by the Minister on August 19, 2004 after a consult-to-modify process which sought clarification on some of the Review Board's recommendations.

EA02-002: WESTERNGECO LTD. RIVER SEISMIC SURVEY

WesternGeco Ltd. proposed to conduct a river seismic survey 1500 km down the Mackenzie and Liard Rivers. The company would use air cannons firing into the water and floating microphones to pick up the vibrations from below the river bottom. The National Energy Board and Department of Fisheries Oceans referred the development to the Review Board on June 26, 2002 because information gaps about the impacts of air guns led them to conclude that the project might cause significant adverse environmental impacts. The EA was put on hold at the request of the company in order to complete a test program and then was reinstated in December 2002.

WesternGeco conducted research on what effects noise from the air guns would have on fish and animals. The company's acoustic studies helped to clarify how sound from the air guns will behave in the river, but were insufficient to determine whether or not the air guns will harm fish.

The Review Board proposed certain measures to reduce impacts. These included a program for monitoring, evaluation and management, designed cooperatively with, and supervised by, the Department of Fisheries and Oceans. The Report of EA was submitted to the Minister of INAC and to the National Energy Board on June 30, 2003. A subsequent consult-to-modify process was concluded by the Board on December 15, 2004.

Completed Environmental Assessments waiting for Ministerial Approval

There are four Reports of Environmental Assessment waiting for the approval of the Minister of Indian and Northern Affairs as of fiscal year end. Two have gone to a "consult-to-modify" process where the department has sought clarification from the Review Board on its recommendations.

EA03-009: IMPERIAL OIL VENTURES LTD. DEH CHO GEOTECHNICAL PROGRAM

The Review Board called up on its own motion the Imperial Oil Ventures Ltd. Deh Cho Geotechnical survey on February 26, 2004. The Board made the decision on the basis of public concern in response to letters received from several Deh Cho communities. This environmental assessment considered the impacts from activities proposed by Imperial to investigate subsurface conditions

in the Deh Cho Region in preparation for the Mackenzie Valley Pipeline. The proposed geo-technical work included the use of heavy equipment and drills, creation of new access, and the construction of two portable 65-person camps.

Related issues include the potential effects on boreal caribou, social impacts on communities near temporary camps, impacts on heritage and archaeological sites, and impacts on proposed protected areas and places of concern to communities. The Report of Environmental Assessment was submitted to the Minister of INAC on February 18, 2005.

EA03-005 PARAMOUNT RESOURCES, CAMERON HILLS EXTENSION

Paramount Resources operates an oil and gas gathering system in the Cameron Hills area south of Hay River. In April 2003 Paramount applied to the Mackenzie Valley Land and Water Board to amend existing Land Use Permits and Water Licences to allow drilling an additional five wells. The Land and Water Board concluded that the development required an environmental assessment to address the cumulative effects of adding these and possibly other wells at a later date.

The MVEIRB initiated an Environmental Assessment in June 2003. Paramount Resources submitted a development description that included developing up to 48 additional wells and associated flow lines. The Board held hearings in Kakisa and Hay River in February 2004 and found that people were concerned about air quality, caribou, cumulative effects and economic benefits. The Report of Environmental Assessment was submitted to the Minister of INAC on June 1, 2004. A subsequent consult-to-modify process was concluded in March 2005.

EA03-003: NORTH AMERICAN GENERAL RESOURCES CORP. (NAGRC) DRYBONES BAY EXPLORATION

The Mackenzie Valley Land and Water Board referred the North American General Drybones Bay exploration project to environmental assessment on April 21, 2003. The Review Board held a public hearing for this and two other associated projects in Yellowknife on November 2003.

The evidence presented showed a level of concern disproportionate to the size and physical impacts of the proposed exploration projects. The importance of the Drybones and Wool Bay area to the culture of the Akaitcho and Métis peoples near Yellowknife elevated the level of concern. Much of the evidence highlighted the vulnerability of largely undocumented archaeological, burial and cultural resources in an important traditional use area.

Aboriginal parties were concerned about the potential for cumulative impacts from increasing mineral exploration and other land use in the vicinity of Yellowknife. Unresolved land ownership and the absence of a land use plan elevated the public concern.

The Board submitted its report of Environmental Assessment to the Minister of INAC on February 11, 2004. It concluded the subsequent consult-to-modify process on December 16, 2004. The Minister accepted the final revisions in April 2005.

EA03-004: NEW SHOSHONI VENTURES LTD. (NSV) DRYBONES BAY DIAMOND EXPLORATION

Public concern about development in the Drybones Bay, an area of cultural, spiritual and environmental importance, led to a series of referrals between April and June 2003. The New Shoshoni Ventures Drybones Bay exploratory drilling project was referred on May 28, 2003.

New Shoshoni Ventures proposed to drill up to 10 exploratory holes, mainly on ice, with potential line cutting to prepare for future work, supported by an 8-person camp over a period of 5 years.

The Review Board held a joint public hearing in November 2003 where Consolidated GoldWin Ventures, North American General Resources, and New Shoshoni Ventures projects were reviewed.

The Review Board found that the projects would or could result in significant negative impacts to archaeological or burial sites. Recommendations were made to provide additional protection for heritage resources. New Shoshoni Ventures exploration project was found to be in an area so culturally sensitive that the adverse effects of the project would be so substantial that the Review Board recommended the project be rejected.

The Review Board submitted its Report of Environmental Assessment to the Minister of INAC on February 11, 2004. As of the close of the fiscal year 2004-2005, the Board was still waiting on a response to its Report of Environmental Assessment.

Cancelled Environmental Assessments

EA0405-004 NORTHROCK RESOURCES KEELE RIVER AIRSTRIP

The Sahtu Land and Water Board referred this development to environmental assessment on November 15, 2004. The Review Board cancelled this environmental assessment after the company withdrew its permit application on November 17, 2004.

EA0405-003 FORTUNE MINERALS MERIDIAN LAKE EXPLORATION DRILLING

The Mackenzie Valley Land and Water Board referred this development to environmental assessment on July 2, 2004. The Review Board cancelled this environmental assessment in January 2005 due to a lack of response on the part of the company to proceed with the environmental assessment.

0405-001 JANE LIND HORN RIVER MINERAL EXPLORATION

The Mackenzie Valley Land and Water Board referred this development to environmental assessment on June 1, 2004 on the grounds of public concern. The Review Board cancelled this environmental assessment after the individual withdrew the application for a land use permit on August 6, 2004.

Other Developments

OBD0405-02 HAY RIVER BIO-TREATMENT PAD DEVELOPMENT

The Town of Hay River applied to have its Water Licence amended to operate a bio-treatment pad for hydrocarbon-contaminated soil. The K'atloodeche First Nation requested an Environmental Assessment after the development had been licensed and the town proceeded with developing the site. On October 28, the MVEIRB requested parties to submit arguments on three key questions. After reviewing the submissions, the Board determined that it would not call up the development on its own motion.



SITE VISITS

Members visited the proposed Fort Providence location for the Mackenzie River Bridge project in June 2004 .

BOARD ACTIVITIES

Board members participated in 14 board meetings and 23 teleconferences during the fiscal year. The meetings were held to discuss the full schedule of environmental assessments which the Review Board had to deal with. Several of the Board meetings were held in conjunction with public hearings which the Board held over the course of the year. The Board held its September meeting in Inuvik.

STRATEGIC AND BUSINESS PLANNING

The Review Board prepares a strategic plan each year which outlines expenditure and policy priorities for the coming three years. The Board identified five broad categories under which it proposed initiatives to meet these goals. These are: provide leadership in environmental management; develop and implement effective EIA processes and procedures; enhance Board communications; enhance effective working relationships and partnerships; and, secure resources and develop capacity. The Strategic Plan guides the Board in the development of its annual Business Plan for coming fiscal years.

The 05/06 Business Plan is submitted to the Minister of INAC along with an expenditure plan and budget. The budget for fiscal year 2004-2005 was \$2,378,315. This was supplemented by an additional \$725,000 from INAC Northern Region to address capacity issues in preparation for the anticipated assessment of the Mackenzie Valley gas pipeline. Detailed financial accounts accompany this report.

STRATEGIC PLAN INITIATIVES

The Review Board outlined several initiatives in its Strategic Plan and proposed the means to achieve these. The following commentary on these initiatives provides some background and undertakings of the Board.

I. Providing leadership in environmental management

RESPONDING EFFECTIVELY TO AN ENVIRONMENTAL AUDIT

INAC contracted SENES Consultants to undertake an environmental audit of the MVRMA as is required by Part VI of the MVRMA. This audit looks at the effectiveness of the regulations, organizations and methods in dealing with environmental impact of development in the Mackenzie Valley.

The Board held a workshop for members on its submission to the environmental audit. This engaged the Board and levered their experience in the implementation of Part V, providing valuable insight and information to the consultants.

ENHANCING UNDERSTANDING AND EFFECTIVENESS OF THE BOARD'S RECOMMENDATIONS

As part of its initiative to enhance the working relationship between the MVEIRB and the Land and Water Boards, the Board feels it is necessary to implement some formalized process with the Land and Water Boards for clarifying and confirming the understanding of the Board's recommendations. One way to do this is to develop a "guided tour" of the Board's recommendations to enhance certainty and understanding. The Board also identified the need to monitor and follow-up on the implementation of the Board's recommendations to assess the effectiveness of these recommendations.

CLARIFYING ROLE AND RESPONSIBILITY

The Board revised its mission statement to clarify its role and responsibility under the legislation.

Board staff made presentations at conferences on the Board's EIA standards and practices. This included presentations to the International Association of Impact Assessment annual conference in Vancouver in April 2004; in Whitehorse for the Socio-Economic Effects Assessment Workshop and in Calgary for the Arctic Oil and Gas Symposium, both in March 2005.

IMPROVING PRACTICES THROUGH LESSONS LEARNED AND WORKSHOPS

Board staff organized an Environmental Impact Assessment practices workshop in March 2005 to present and share lessons-learned in conducting environmental assessments with other boards and stakeholders to the MVRMA.

MONITORING AND INFLUENCING POSITIVE LEGISLATIVE CHANGE

With the introduction into the House of Commons of the Tli Cho claims legislation, INAC invited the Board to propose specific amendments to the MVRMA which might be implemented by consequential amendments to the legislation as a result of the claims. However, in order to remove any uncertainty about passage of the legislation, only those consequential amendments were considered which were required as a result of the claims legislation.

2. Developing and implementing effective EIA processes and procedures

MAKING THE PROCESS FIT

The Review Board looked at developing procedures for applying different levels of effort depending whether a development was perceived to be large, medium or small in size. However, the Board determined on investigation that it is the size of the issues which brings a development to an environmental assessment rather than the size of the development itself. And, it is the size of the issues which eventually determines how much effort and time an environmental assessment requires.

GUIDELINES AND PROCEDURES DEFINITION

The Review Board released in summer of 2004 its Environmental Impact Assessment Guidelines which it and its stakeholders worked on for the previous two years. The Board resumed work on its socio-economic impact guidelines. It also released "Government as a Developer Reference Bulletin" to guide the development of projects by government.

The Board initiated revision to its Rules of Procedure in November, 2004. These will be concluded in the new fiscal year.

ENGAGING PRACTITIONERS PEER GROUP IN BEST PRACTICES

In its efforts to improve the environmental assessment process, the Board held a Practitioners' Workshop on March 1 & 2, 2005. Over 90

participants discussed issues ranging from traditional knowledge in EA to the EIA process. The results of this workshop will provide guidance for the conduct of future environmental assessments. This workshop combined elements of various lessons-learned from previous Board assessments.

RECOGNIZING THE VALUE OF TRADITIONAL KNOWLEDGE

The Board released its latest revisions of the Traditional Knowledge Guidelines for discussion before Christmas and it plans to have these finalized in 2005 – 06.

3. Enhancing Board communications

EXPLAINING THE JARGON

The Review Board organized a three-day translator's workshop in January to develop terms and phrases in the Mackenzie Valley aboriginal languages for words frequently used in environmental impact assessment hearings. The Board plans to continue this initiative in the coming fiscal years. This was the third year it has held such workshops.

BUILDING AWARENESS

As part of its public information and awareness programs the Board began holding information sessions in Mackenzie Valley communities to seek comment on the traditional knowledge draft guidelines and to improve understanding of the Board's processes. Board members and staff held a community information session in February 2005 in Detah. It will be holding sessions in different communities in the next fiscal year.

Board representatives attended the August 2004 Gwich'in Tribal Council's Annual General Assembly in Tsiigehtchic and the Dene National Assembly in Weledeh in September. As part of the Board's efforts to provide information to industry, it provided an information booth in cooperation with the Mackenzie Valley Land and Water Board at the Inuvik Petroleum Show in June; at the November Geoscience Forum in Yellowknife; at the January Exploration Roundup Mining Conference in Vancouver and at the Prospectors' and Developers' Association of Canada (PDAC) conference in Toronto in March.

4. Enhancing effective working relationships and partnerships

NWT BOARD FORUM

The Review Board continued to promote improving communication among northern resource management boards through its participation in the first meetings of the NWT Board Forum. This group met twice during the year to discuss issues of mutual concern.

MEMORANDUMS OF COOPERATION

As part of its efforts to improve relationships between the Board and government agencies, the Review Board renewed its Memorandum of Cooperation with the National Energy Board. It also initiated

discussions with the Government of Yukon to develop a similar agreement until the establishment of the Yukon Environmental and Socio-Economic Assessment Board in late 2005. The Review Board and the Nunavut Impact Review Board signed a Memorandum of Cooperation on June 22, 2004 which sets out how the two bodies can cooperate on trans-boundary issues.

JOINT REVIEW PANELS

The Board continued its association with the Canadian Environmental Assessment Agency and the Inuvialuit in providing support for the establishment of the Joint Review Panel which would undertake the panel review of the Mackenzie Gas Project. The MVEIRB nominated three members of the Joint Review Panel choosing representatives from the Gwich'in, Sahtu and Deh Cho regions.

BOARD RELATIONS SECRETARIAT

Working relationships between INAC and the Board were improved through participation in INAC's Board Relations Secretariat activities and through meeting with senior INAC officials in Ottawa in January 2005.

5. Securing Resources and Developing Capacity

FUNDING SECURITY

Securing the financial and human resources to support the Board's operations remains a key priority for the Review Board. It has identified the need for arranging a multi-year funding mechanism for the Board as a means of providing some financial stability to Board operations.

PROCURING EXPERTISE

The Board has arranged for standing offer agreements with its key service providers in the fields of legal, computer maintenance and in design and advertising services.

PROTECTING AND ENHANCING DATA RESOURCES

The Board began implementing its document and file management system with the acquisition of the appropriate hardware. The software and training components will be completed in the coming fiscal year. The Geographical Information Systems (GIS) capability identified in the previous year's strategic plan was brought into the Board offices and is being used to generate maps for the environmental assessments.

MANAGING BY POLICY

Various Board policies for management of email, security and documentation management have been implemented or revised. Two staff members were trained in Access to Information legislation and procedures. The Board developed job descriptions and responsibility statements for Board Members and the Chairperson and continues to address governance issues.



MACKENZIE VALLEY ENVIRONMENTAL IMPACT REVIEW BOARD

Financial Statements

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AUDITORS' REPORT

TO THE BOARD OF DIRECTORS OF MACKENZIE VALLEY ENVIRONMENTAL IMPACT REVIEW BOARD

We have audited the balance sheet of Mackenzie Valley Environmental Impact Review Board as at March 31, 2005 and the statement of operating fund operations, and the statement of changes in property and equipment fund for the year then ended. These financial statements are the responsibility of the Board's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Board as at March 31, 2005 and the results of its operations for the year then ended in accordance with Canadian generally accepted accounting principles.

Mackay LLP

YELLOWKNIFE, NORTHWEST TERRITORIES
MAY 20, 2005

CHARTERED ACCOUNTANTS

STATEMENT OF OPERATIONS – OPERATING FUND

For the year ended March 31,	Budget 2005	Actual 2005	Actual 2004
Revenue			
Department of Indian Affairs and Northern Development - Core	\$ 2,378,315	\$ 2,378,315	\$ 2,495,031
Department of Indian Affairs and Northern Development - Oil and Gas	725,000	725,000	700,000
Department of Indian Affairs and Northern Development - Joint Review Panel	900,000	900,000	-
Other	-	79,117	57,398
Deferred contribution from prior year	129,284	129,284	351,959
	4,132,599	4,211,716	3,604,388
Repayable surplus contribution	-	(226,781)	-
	5,032,599	3,984,935	3,604,388
Expenses			
Administration	136,430	144,662	158,813
Communications	185,821	176,989	93,509
Canadian Environmental Assessment Agency - 1/3 share of Joint Review Panel costs	900,000	673,219	-
Honoraria	420,875	521,028	445,125
Office rent	148,280	141,350	140,665
Professional fees	589,793	552,504	1,316,096
Salaries, wages and benefits	1,044,661	1,109,236	1,000,850
Travel - board	394,205	274,562	208,467
Travel - staff	128,730	104,640	77,335
	3,948,795	3,598,190	3,440,860
Excess of revenue before transfer	183,804	386,745	163,528
Transfer to property and equipment fund (Note 3)	(54,520)	(55,526)	(34,244)
Excess of revenue over expenses	129,284	331,219	129,284
Transfer (to) deferred contributions (Note 6)	(129,284)	(331,219)	(129,284)
Surplus	\$ -	\$ -	\$ -

STATEMENT OF CHANGES IN PROPERTY AND EQUIPMENT FUND

For the year ended March 31,	2005	2004
Balance, opening	\$ 151,306	\$ 181,228
Transfer from operating fund (Note 3)	55,526	34,244
Amortization	(52,081)	(48,544)
Financing agreements related to capital assets	-	(18,205)
Repayment of financing agreements	9,837	2,583
Balance, closing	\$ 164,588	\$ 151,306

BALANCE SHEET

For the year ended March 31,	2005	2004
Assets		
Current		
Cash	\$ 1,062,248	\$ 4,728
Accounts receivable (Note 4)	146,799	301,349
	1,209,047	306,077
Property and equipment (Note 5)	170,372	166,927
	\$ 1,379,419	\$ 473,004

Liabilities

Current

Accounts payable and accrued liabilities	\$ 186,741	\$ 176,793
Contributions repayable	226,781	-
Joint Review Panel payable	464,306	-
Deferred contributions (Note 6)	331,219	129,284
Current portion of financing agreements	5,784	15,621
	1,214,831	321,698
	1,214,831	321,698

Net Assets

Property and equipment fund	164,588	151,306
	\$ 1,379,419	\$ 473,004

Approved on behalf of the Board



Director - Jerry Loomis



Director - Gabrielle Mackenzie-Scott



NOTES TO FINANCIAL STATEMENTS

March 31, 2005

1. Organization and Jurisdiction

The Mackenzie Valley Environmental Impact Review Board ("Board") was established under the Mackenzie Valley Resource Management Act with a mandate to perform environmental assessments in the Mackenzie Valley of the Northwest Territories.

The Board is exempt from income tax under section 149(1) of the *Income Tax Act*.

2. Accounting Policies

The following is a summary of the significant accounting policies used by management in the preparation of these financial statements.

(A) FUND ACCOUNTING

The Board uses fund accounting to segregate transactions between its operating fund and property and equipment fund.

(B) PROPERTY AND EQUIPMENT

Purchased property and equipment are recorded in the property and equipment fund at cost. Amortization is recorded in the property and equipment fund using the declining balance method at the annual rates set out in Note 5.

(C) FINANCIAL INSTRUMENTS

All significant financial assets, financial liabilities and equity instruments of the Board are either recognized or disclosed in the financial statements together with available information for a reasonable assessment of future cash flows, interest rate risk and credit risk. Where practicable the fair value of financial assets and financial liabilities have been determined and disclosed; otherwise only available information pertinent to fair value has been disclosed.

(D) RECOGNITION OF CONTRIBUTIONS

The Board follows the deferral method of accounting for contributions. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and its collection is reasonably assured. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred.

(E) USE OF ESTIMATES

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the updated amounts of revenues and expenses during the period. Actual results could differ from those estimates.

March 31, 2005

3. Interfund Transfers

Amounts of **\$55,526** (2004 - \$34,244) were transferred from the Operating Fund to the Property and Equipment Fund for the acquisition of assets.

4. Accounts Receivable

	2005	2004
Goods and Services Tax	\$ 26,633	\$ 68,411
Other	120,166	232,938
	\$ 146,799	\$ 301,349

5. Property and Equipment

			2005	2004
	Rate	Cost	Accumulated Amortization	Net Book Value
Furniture and fixtures	20%	\$ 102,071	\$ 72,541	\$ 29,530
Leasehold improvements	20%	92,475	51,858	40,617
Computer hardware	30%	235,205	138,468	96,737
Computer software	100%	6,976	3,488	-
		\$ 436,727	\$ 259,379	\$ 170,372
				\$ 166,927

6. Deferred Contributions

Under Canadian Generally Accepted Accounting Principles for not-for-profit organizations, funding received for restricted purposes that has not been expended is required to be deferred. The amount of the contribution deferred for the year just ended was \$331,219. The commitments of the Board under the funding agreement have been met; any remaining balance will be applied towards the planning and carrying out of duties and responsibilities assigned to the Board under the Gwich'in Comprehensive Land Claim Agreements, Implementation Plan, and related Act(s) of Parliament.

March 31, 2005

7. Financing Agreements

	2005	2004
Dell Financial Services Canada, repayable in monthly instalments of \$320 including interest at 28% due April 2007. Property with a net book value of \$7,301 has been provided as collateral. Fair market value of \$6,800.	\$ 5,784	\$ 7,460
Dell Financial Services Canada, repayable in monthly instalments of \$363 including interest at 28% due February 2007. Property with a net book value of \$8,259 has been provided as collateral. Paid off in the year.	-	8,161
	5,784	15,621
Less current portion	5,784	15,621
	\$ -	\$ -

8. Statement of Cash Flows

A statement of cash flows has not been prepared as, in the opinion of management, it would not provide additional meaningful information.

9. Commitments

The Board has entered into a lease agreement for its premises. The office lease expires in September 2005 with minimum lease payments of \$77,119 per annum and estimated operating costs of \$64,231 per annum. The Board has entered into a lease agreement for office equipment. The office equipment lease is for \$1,245 monthly and expires in October 2005.

10. Related party transactions

During the year the Board incurred honoraria and travel expenditures on behalf of a member of the board of directors who was determined to be a related party. These expenditures were in the normal course of business. The individual is related to the Board through being a member of the immediate family of management.

11. Budget

The budget presented is unaudited, and are those approved by the Board. Budget figures do not include revenues and expenses of special projects funded by the Department of Indian Affairs and Northern Development.

12. Economic Dependence

The Board is dependant upon funding in the form of contributions from the Department of Indian Affairs and Northern Development. Management is of the opinion that if the funding was reduced or altered, operations would be significantly affected.

13. Subsequent Events

Subsequent to year end the Board paid off their financing agreements in full. As a result of this activity, the remaining balance of the financing agreements has been classified as current in the financial statements.

14. Comparative Figures

Certain of the comparative figures have been reclassified to conform with the current year's presentation.