

Mackenzie Valley
Review Board



Annual Report 2015-2016



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MISSION STATEMENT

We conduct fair, effective, timely, and evidence-based environmental impact assessment processes that consider:

- a) the protection of the environment from the significant adverse impacts of proposed developments;
- b) the protection of the social, cultural, and economic well-being of residents and communities in the Mackenzie Valley; and
- c) the importance of conservation to the well-being and way of life of the Aboriginal peoples of the Mackenzie Valley.

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The 2015-2016 fiscal year was a productive one for the Review Board. Besides completing an assessment for a major expansion project at the Ekati diamond mine in January 2016, the Board has been busy with organizational

and process improvements. These included hiring, creating a new EA policy team and leading a number of training and outreach initiatives through the NWT Board Forum and joint-hosted MVRMA workshop.

The end of the 2015 calendar year was a flurry of activity. The final deliberations and report writing for the **Ekati Jay Project** coincided with review of developer's assessment report for Canadian Zinc's **Prairie Creek access road** and with scoping sessions for Selwyn Chihong's **Howard's Pass access road**.

Along with the completion of the Jay EA and advancement of both the Canadian Zinc and Selwyn Chihong files came one project being withdrawn (the Chedabucto EA), another suspended (the Tyhee Gold Project EA) and one EA awaiting the developer's assessment report (the Mackenzie Valley Highway EA).

The year saw a few changes to Board membership and some new faces among Board staff. The Board is grateful to outgoing members Michael McLeod and Sunny Munroe who have concluded their terms, and welcomes anew James Wah-Shee in his reappointment last February.

On the staff side, the Board welcomed Brett Wheler as Senior EA Policy Advisor, and Ruari

Carthew as a Senior Environmental Assessment Officer.

Despite a full complement of project files, the Board prioritized a number of important planning, policy and outreach activities:

- The Review Board finalized its strategic plan for 2015-17 continuing its mission in conducting efficient, effective, timely and fair environmental assessments;
- It added improved collaboration and integration within the resource management system to its goals;
- The policy team moved forward on timely policy updates and regulatory process improvements.
- As part of the NWT Board Forum, the Review Board designed a new orientation and online training course for new board members; and
- The Review Board co-hosted a 220 person workshop on the regulatory system and MVRMA in January 2016, in collaboration with the Land and Water Boards and the GNWT.

Finally, I would like to thank the Board's staff, whose knowledge, dedication, and hard work have been vital to the Review Board's success. Together, we are committed to implementing the Review Board's mandate and our role in the integrated resource management system.

Sincerely,

A handwritten signature in dark ink, appearing to read 'JoAnne Deneron'.

JoAnne Deneron
Chairperson

About the Review Board

The Review Board is an administrative tribunal board that was established through the *Mackenzie Valley Resource Management Act* derived from the Gwich'in Comprehensive Land Claim Agreement.

Board membership

The Review Board consists of nine members appointed by the Minister of Indigenous and Northern Affairs Canada (INAC) formerly Aboriginal Affairs and Northern Development Canada. The chairperson is typically appointed on the nomination of the Review Board; whereas the eight regular board members are appointed in equal numbers from nominees submitted by government (federal and territorial) and Aboriginal land claimant organizations. As a result, the Review Board is a co-management board with an equal number of members from Aboriginal land claimant organizations and from both levels of government.

There were some changes to the composition of the Board this fiscal year. Michael McLeod (Fort Providence) resigned from the Board on October 20, 2015 following his successful bid for Member of Parliament. He was a Territorial nominee appointed to the Review Board in July, 2013.

Sunny Munroe (Yellowknife) was appointed to the Review Board in September, 2012 as a Territorial nominee. Her term ended in September, 2015.

James Wah-Shee (Behchokq) was appointed to the Review Board February 2010. James was reappointed in February, 2016. He is a Tłıcho nominee.

As of March 31, 2016, there are three vacant positions on the Review Board: one Territorial nominated position; one Federal nominated position; and the Gwich'in nominated position, vacant since March 2011.

The Review Board continues to work with INAC to ensure the Review Board vacancies do not give rise to quorum issues, which could delay Board business. As of March 31, 2016 three of the Board members are Aboriginal, and two are long-time northerners.

The members are:

JoAnne Deneron, Chairperson
John Curran, (Federal nominee)
James Wah-Shee (Tłıcho nominee)
Kirby Marshall (Territorial nominee)
Yvonne Doolittle (Sahtu nominee)
Bertha Norwegian (Dehcho nominee)

Review Board Staff

In 2015-16, there were a few staffing changes at the Review Board office.

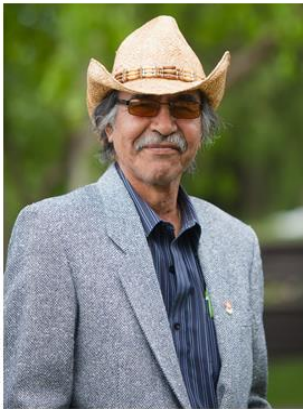
Brett Wheler was hired as the Senior Environmental Assessment Policy Advisor in May, 2015.

Ruari Carthew was hired as a Senior Environmental Assessment Officer in May, 2015.

Kate Mansfield is on a maternity leave until February, 2016.

Simon Toogood is on leave until March, 2017.

Review Board Members as of April 1, 2015



James Wah-Shee



JoAnne Deneron



John Curran



Sunny Munroe



Michael McLeod



Kirby Marshall



Yvonne Doolittle



Bertha Norwegian

Review Board Staff



Back row, L-R Chris Rose, Sachi De Souza, Simon Toogood, Mark Cliffe-Phillips, Alan Ehrlich, Therese Charlo, Chuck Hubert. Front Row, L-R Kate Mansfield, Stacey Menzies, Catherine McManus, and Roxane Landry.

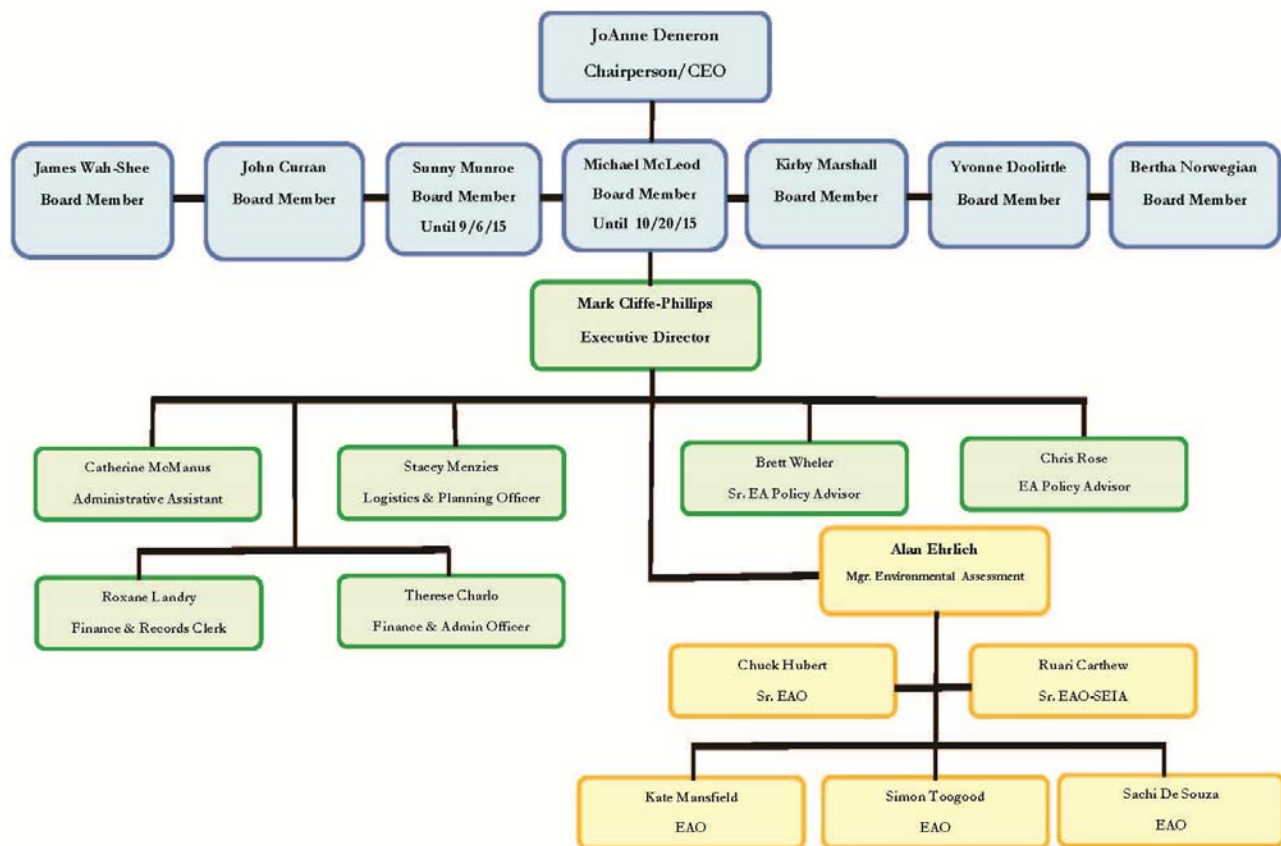


Ruari Carthew & Brett Wheler joined the Review Board in May, 2015



Staff participating in some holiday fun!

Organizational Chart



Environmental Assessment

There are three stages in the environmental impact assessment process in the Mackenzie Valley.

1. Preliminary screening

All proposed developments requiring a license, permit, or other authorization are subject to preliminary screening. Preliminary screening is the initial examination of a proposal for potential environmental impacts and the potential to cause public concern. It is the first, and often last stage in the EIA process. Preliminary screenings are usually conducted by a land and water board (e.g. the Mackenzie Valley Land and Water Board) or by another regulatory authority. Preliminary screening is a cursory review of a proposed development to determine if it *might* have significant adverse impacts on the environment, or *might* cause public concern. If either of these is found to be the case, the application is referred to environmental assessment. If not, the application can proceed to permitting and licensing.

2. Environmental assessment

Only a small number—less than 5%—of proposed developments go through environmental assessment. Environmental assessment is a more thorough study of a proposal to decide if it is *likely* to have significant adverse impact on the environment, or *likely* to be a cause of public concern.

Upon completion of an environmental assessment, the Review Board issues a Report of Environmental Assessment and Reasons for Decision to the Minister of Lands (GNWT)¹ that includes the following:

- a) a recommendation that the project may proceed to regulatory permitting and licensing²; or
- b) a recommendation that the project may proceed to regulatory permitting and licensing subject to the imposition of mitigation measures; or
- c) a recommendation that the project be rejected without further review.

Alternately in the case of a) or b) above, the Review Board may decide based on the evidence presented during the assessment, to order an environmental impact review.

3. Environmental impact review

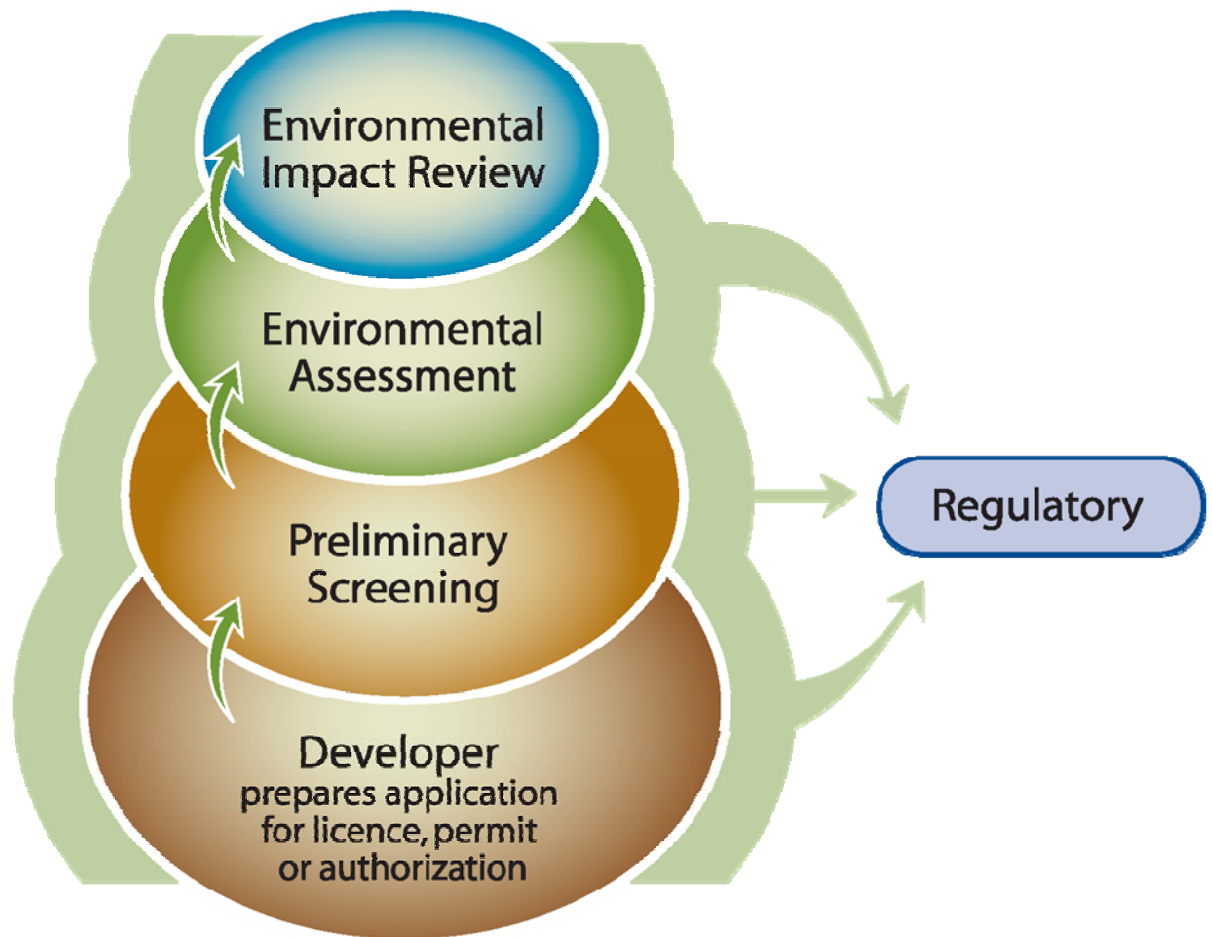
If the Review Board or Minister determines that a more comprehensive examination of a proposed development is needed, an environmental impact review is ordered following the environmental assessment. Environmental Impact Reviews are conducted by an independent panel. The panel may consist of both Review Board members and non-Review Board members, all

¹ For projects partly or wholly on Federal (Crown) land or Tlicho lands, or for which an authorization is needed from a designated regulatory agency (e.g. NEB), the Review Board's report is sent to the Minister of Indigenous and Northern Affairs Canada, the Tlicho Government, and the designated regulatory authority, respectively.

² Alternately, the report may be made to the federal Minister, a designated regulatory agency (e.g. NEB), or Tlicho Government, as the case may be.

³ Alternately, the report may be made to the federal Minister, a designated regulatory agency (e.g. NEB), or Tlicho Government, as the case may be.

Environmental Impact Assessment Overview



Preliminary Screenings

The Review Board was notified of 48 preliminary screenings in the 2015-16 operating year. This number does not include developments that were exempt from preliminary screening, including some extensions and amendments of existing permits and licenses. There are no major trends in the type of projects that underwent preliminary screening, and a variety of applications were reviewed including: quarrying, mineral exploration, oil and gas well, transportation, tourism operations, remediation, forestry, and municipal water use. For a complete listing of preliminary screenings, including notification letters and reports, see the Review Board's public registry preliminary

Environmental Assessment	Referred	Status at April 1, 2015	Status at March 31, 2016	Notes
Chedabucto Mineral Exploration Project Husky Oil Operations Limited (Husky) EA1415-02	February 13, 2015	Parties review scoping document and prepare information requests on project description.	Application withdrawn and environmental assessment closed.	Husky withdraws application on June 16, 2015. Review Board closes environmental assessment. June 16, 2015.
Jay Project Dominion Diamond Ekati Corporation EA1314-01	November 21, 2013	Dominion preparing responses to first round information requests. Technical sessions for April 20-24, 2015.	GNWT Lands conducting Aboriginal engagement on the Review Board's Report of EA.	Review Board submits Report of EA and Reasons for Decision to GNWT Department of Lands. The Report of EA recommends approval of the Jay Project subject to the implementation measures to mitigate significant adverse impacts. February 1, 2016.
Mackenzie Valley Highway (Wrigley to Norman Wells) Government of the Northwest Territories EA1213-02	February 8, 2013	Review Board issues revised Terms of Reference February 13, 2015.	GNWT preparing Developer's Assessment Report	Revised scope of development proposes construction and operation of an all-weather highway from Wrigley to Norman Wells.
Prairie Creek All-Season Road Canadian Zinc Corporation (Can Zinc) EA1415-01	May 22, 2014	CanZinc preparing Developer's Assessment Report (DAR). DAR submitted April 23, 2015.	CanZinc preparing responses to DAR adequacy items from the Review Board and responses to information requests.	On March 24, 2016, the Review Board provides CanZinc with clarification on responses to the Review Board's information request and fulfillment of adequacy items from the DAR.
Yellowknife Gold Project Tyhee NWT Corporation	September, 2008	Developer preparing updated project description and responses to information requests.	EA suspended until the developer provides the information requested.	Review Board issues letter July 25, 2013 suspending EA until developer provides requested information. Last communication from Tyhee to Review Board received August 19, 2013.

Environmental assessments active in 2015-2016

The following environmental assessment status updates are provided for the reporting period from April 1, 2015 to March 31, 2016.

EA1415-02--: Howard's Pass Access Road – Selwyn Chihong

http://reviewboard.ca/registry/project.php?project_id=949

The Howard's Pass Access Road (HPAR) project is an expansion and upgrade of the existing 79 km mineral exploration road in the NWT between Cantung and Howard's Pass. The HPAR project begins at km 188 of the Nahanni Range Road, east of the Yukon border near Cantung, and continues north in the NWT to Howard's

Pass where it turns west into the Yukon. The majority of the HPAR passes through the Nahanni National Park Reserve and the Naats'ih-cho'oh National Park Reserve in the NWT.

Project activities include widening and clearing the HPAR right of way, upgrades to bridges and culverts, extraction of borrow materials and use of the road for a proposed lead-zinc mine site in the Yukon west of Howard's Pass. The scope of development for the HPAR includes use of the road by the Yukon mine throughout its operations phase, to haul lead and zinc concentrates from the mine through the NWT south to markets. In addition, supplies needed to construct and operate the mine throughout its life, including fuel, milling reagents, camp supplies and consumables will be transported north through the NWT along the HPAR to the Yukon mine site.



Scoping sessions held for the Howard's Pass Access Road in (L-R) Tulita, Nahanni Butte, Ross River and Watson Lake.

The HPAR project was referred to the Review Board for environmental assessment by Parks Canada in June 2015. The Review Board began its review of the developer's proposed Terms of Reference and conducted scoping meetings in NWT and Yukon communities during the summer and fall of 2015. The main issues identified in scoping include impacts to caribou and national parks, and the positive and negative effects to local communities. The Review Board prepared a draft Terms of Reference in February, 2016 based on information gathered during scoping meetings, information from the developer, and suggestions from parties.

Parties submitted comments on the draft Terms of Reference in early winter 2016 and on March 17, 2016, the Review Board issued its Final Terms of Reference for the environmental assessment of the HPAR.

EA1415-01--: Prairie Creek All-Season Road - Canadian Zinc

http://reviewboard.ca/registry/project.php?project_id=680

The Prairie Creek All-Season Road and Air-strip was referred to environmental assessment on May 22, 2014. The developer is Canadian Zinc Corporation (CanZinc). The air-strip was removed from the scope of development in January, 2016.

CanZinc proposes to construct, operate and close an all season road to access the Prairie Creek Mine. The mine site is surrounded by the Nahanni National Park Reserve. Approximately half of the proposed road would be within the Nahanni National Park Reserve and the other half on territorial lands.

The Prairie Creek Mine, with winter road access only, was previously assessed by the Review Board (EA0809-02) and has received regulatory approvals. The scope of development for the all-season road (EA1415-01) includes all portions of the existing winter road to be constructed to all season standard along with any upgrades to the road bed or modifications to creek crossings on existing all season portions of route beyond what is presently constructed.

The Board conducted its scoping sessions in communities for the all-season road application in June and July, 2014. The scoping sessions helped the Review Board to identify and prioritize issues that government agencies, Aboriginal groups and non-government agencies have with the proposed project. The Review Board issued its final Terms of Reference on September 12, 2014. Issues identified in the Terms of Reference included impacts to Nahanni National Park Reserve and the effects of potential accidents and malfunctions along the proposed route.

CanZinc submitted its Developer's Assessment Report on April 23, 2015. The Review Board conducted an adequacy review of the DAR and determined on May 22, 2015 that the DAR did not meet the requirements of the Terms of Reference. Terms of Reference Items requiring more information are identified in the May 22 Adequacy Review.

On September 9, 2015, CanZinc submitted its DAR Addendum to the Review Board in order to partially fulfill the requirements of the DAR

Adequacy Review. On December 17, 2015 the Review Board filed *Reasons for Decision on the Adequacy of the Developer's Assessment Report*. This document stated that there were outstanding requirements of the Terms of Reference that CanZinc had still not responded to adequately. However, the environmental assessment was allowed to proceed to the next phase despite adequacy requirements not being met so that parties could initiate review of the DAR and DAR Addendum material and prepare information requests.

An independent 3rd party risk assessor was hired by the Review Board in February, 2016. The role of the independent risk assessor is to complete a risk assessment for the proposed all season road project that clearly identifies the risks and associ-

ated consequences of road construction and operation, particularly in area where risks from geohazards, unstable terrain and karst features are high.

Information requests were submitted by parties to CanZinc in March, 2016. As of March 31, 2016 CanZinc was preparing responses to DAR adequacy items and responses to information requests.

EA1314--01: Jay Project – Dominion Diamond Ekati Corporation

http://www.reviewboard.ca/registry/project.php?project_id=674

The Jay Project is an expansion of the existing Ekati diamond mine and consists of a proposed open pit at Lac du Sauvage. The project was referred to environmental assessment on Novem-



Public Hearings for the Jay Project in (top) Yellowknife; (below) Tłıcho government presents in Behchoko.

ber 21, 2013. The developer is Dominion Diamond Ekati Corporation (Dominion).

Dominion responded to first round information requests on the Developer's Assessment Report (DAR) from parties on April 7, 2015 and the Review Board hosted face-to-face technical sessions on the Jay project in Yellowknife from April 20-24. Issues of interest included impacts to caribou and water quality, as well as waste rock management. Dominion responded to technical session undertakings in May and hosted workshops on wildlife, water, air quality and

other mine-site management in June. Second round information requests from parties and responses from Dominion took place in June through early July. Parties submitted technical reports (final submissions) to the Review Board at the end of July and Dominion was granted time to respond in early August. Presentations for the hearings summarizing technical reports were submitted by parties to the Review Board on August 28 and Dominion's presentations were submitted on September 1.

The Review Board held public hearings in Yel-



Public Hearings for the Jay Project in (top) Kugluktuk and (below) in Łutselk'e.

lowknife, Behchoko, Łutselk'e and Kugluktuk from September 14-21, 2015. Hearing undertakings were completed by Dominion and parties in early October and closing submission filed with the Review Board by parties on October 23 and by Dominion on October 30. The public record was closed on October 30.

The Review Board submitted its *Report of Environmental Assessment and Reasons for Decision* for the Jay Project to the GNWT Minister of Lands on February 1, 2016. The Report recommends approval of the Jay Project subject to the implementation of measures required to mitigate adverse impacts so they are no longer significant.

The Review Board requires that the Jay Project:

- be designed and operated in a manner that reduces impacts to caribou, particularly from roads and dust
- manage surface waters so the area is useful for Aboriginal traditional uses after the Jay Project closes
- better manage social impacts, with more community engagement
- offset remaining impacts to caribou from the Jay Project on other areas of the Ekati Mine site
- fund an Elders group to advise on constructing, operating and monitoring the Jay road
- ensure clean surface waters on the Jay and Misery pits after closure
- create an independent dike review panel to help design and operate the dike safely
- prevent impacts to the traditionally used area known as the Narrows
- improve the strategy to employ women

- use Traditional Knowledge appropriately to design and operate the Jay Project
- create a cultural camp
- follow up monitoring and reporting on implementing these measures and their effectiveness

EA1213-002: Mackenzie Valley Highway – Government of the Northwest Territories

http://www.reviewboard.ca/registry/project.php?project_id=672

The Mackenzie Valley Highway was referred to environmental assessment in February, 2013. The Government of the Northwest Territories proposes to construct and operate the Mackenzie Valley Highway as an 818 km all-weather road from Wrigley to the Dempster Highway south of Inuvik. The Review Board held issue scoping meetings along the highway route in the communities of Wrigley, Tulita, Norman Wells, Fort Good Hope and Inuvik in September, 2013. The Review Board issued its Terms of Reference for the proposed highway on December 23, 2013.

In August of 2014, the Government of the Northwest Territories submitted a revised project description reducing the length of the proposed highway and altering the scope of development. The revised project proposes an all-weather highway from Wrigley to Norman Wells.

The Review Board issued its revised Terms of Reference for the all-season highway from Wrigley to Norman Wells on February 13, 2015. The GNWT continues to prepare its Developer's Assessment Report for the all-season highway from Wrigley to Norman Wells as of March 31, 2016.

EA0809-003:Tyhee NWT Corp. – Yellowknife Gold Project (2008)

http://reviewboard.ca/registry/project.php?project_id=71

The Yellowknife Gold Project is a proposed open pit gold mine located 88 kilometers northeast of Yellowknife and is adjacent to the historic Discovery Mine site. In August of 2012, the developer advised the Board that changes to the project description were contemplated and indicated that a revised project description and responses to information requests would be submitted. In June 2013, the developer advised the Review Board that it required additional time to prepare an updated project description and respond to information requests from parties and the Board. On July 25, 2013 the Review Board advised the developer that failure to provide the required information within one month would result in suspension of the EA. The developer responded on August 19, 2013 that it was unable to provide the information as requested. The Yellowknife Gold Project is therefore suspended until further notice.

Environmental assessments withdrawn by developer and closed in 2015-16.**EA1415-02--:Chedabucto Mineral Exploration Project- Husky Oil Operations Limited**

http://reviewboard.ca/registry/project.php?project_id=947


The Chedabucto Mineral Exploration Project was referred by the Wek'èezhìi Land and Water Board to the Review Board on February 13, 2015. The developer for this project is Husky Oil Operations Limited. The project was referred to EA based on public concern. The purpose of the project is to evaluate a potential


deposit of high quality silica sand located adjacent to the southwestern shore of the north arm of the Great Slave Lake, approximately 50km west of Yellowknife. The area is known as K'ichii in Tłıcho, or Whitebeach Point.


On March 16, 2015 the Review Board issued a Proposed Scoping Document and asked reviewers to submit information requests on the Project. The Review Board scheduled a public hearing in Behchoko for June 18, 2015 and completed logistics and planning efforts. Following comments from parties on the proposed scoping document, the Review Board issued a revised scope of assessment. Among the issues to be addressed in the assessment were impacts on traditional and recreational land use, and on cultural and heritage values in the project vicinity.


Two days before the public hearing, the developer withdrew its application, and the Review Board cancelled the public hearing and closed the environmental assessment.


Environmental Assessment Map 2015-2016

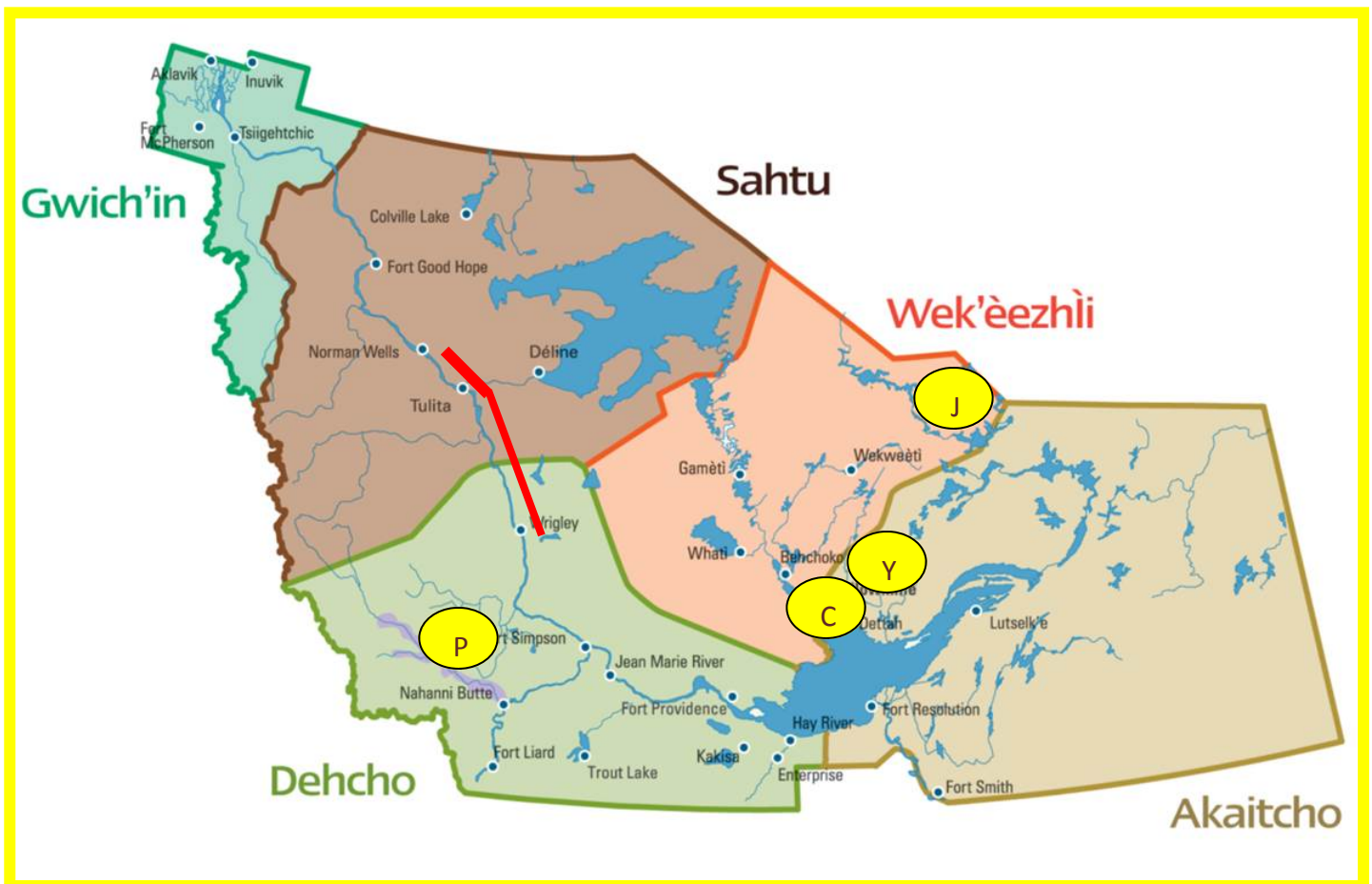
 Mackenzie Valley Highway (Wrigley to Norman Wells)
Government of the Northwest Territories
EA1213-02

 Prairie Creek All-Season Road
Canadian Zinc Corporation (Can Zinc)
EA1415-01

 Chedabucto Mineral Exploration Project
Husky Oil Operations Limited (Husky)
EA1415-02

 Yellowknife Gold Project – Tyhee NWT Corporation
EA0809-003

 Jay Project
Dominion Diamond Ekati Corporation
EA1314-01



Review Board Funding 2015-2016

Every year, the Review Board develops a work plan submission for Indigenous and Northern Affairs Canada which describes the Review Board's plans and priorities for the upcoming fiscal year, and identifies the human and financial resources required to carry out those activities. This provides the foundation for the funding agreements that the Review Board reaches with the department.

Fiscal Year	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016
Core	\$2,596,590	\$2,648,252	\$2,790,727	\$2,731,836	\$2,796,056
Supplementary Funding	\$559,103	\$155,000	NA	NA	NA
Deferred Contribution	\$119,564	\$263,410	NA	\$121,536	\$469,942
Total	\$3,275,257	\$3,066,662	\$2,790,727	\$2,853,372	\$3,265,998

Review Board Strategic Plan 2015-2017

Goal 1

Timely, effective, and evidence-based Environmental Impact Assessment processes

Goal 2

Efficient, innovative, and transparent Board

Goal 3

Parties to our process and residents of the Mackenzie Valley are aware of:

- A) the purpose of the Board, and;
- B) their role in the Environmental Impact Assessment process

Goal 4

Improved collaboration within an integrated resource management system

Review Board Operations

The Review Board is continuing to fulfill its mandate of conducting fair and independent environmental assessment process in the Mackenzie Valley. A priority for the Review Board is to adhere to the timelines for environmental assessments now legislated in the amendments to the *Mackenzie Valley Resource Management Act*.

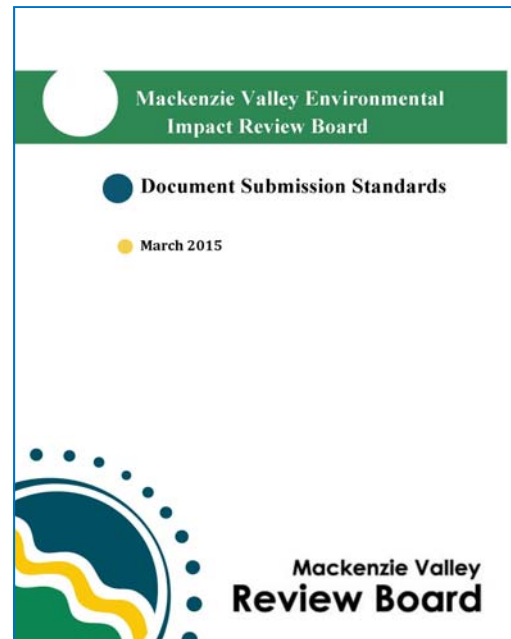
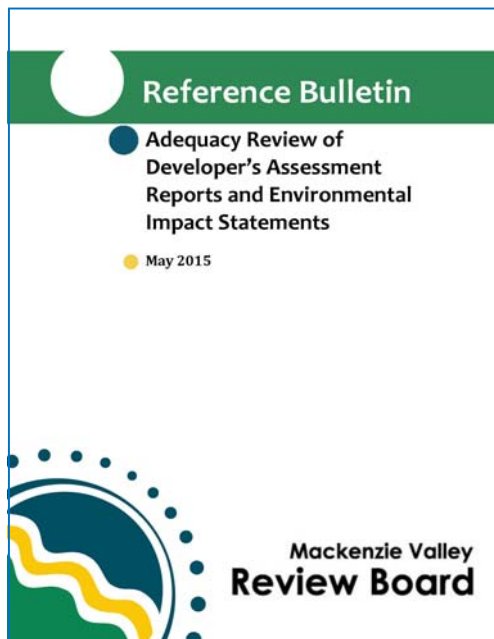
The Review Board has finalized its Strategic Plan for the years 2015-2017. The focus is on four main goals of conducting environmental assessments in a timely and effective manner based on evidence-based process; maintain transparency; ensure public awareness and participation; and improve collaboration within an integrated resource management system. In working to attain these goals the Review Board

has accomplished the following this fiscal year.

The Review Board has produced reference material to help with the front end process such as the Adequacy Review of the DAR, late Submission Policy, and Document Submissions Standards. As a means of demonstrating the EA timeliness, the Review Board website has a tracking tool for each individual EA file.

The Review Board continues its effort to maintain transparency in its operations. The Board has posted its policies set out for finance, travel and honoraria since 2015 and continues to publish yearly its audited financial statements on its website.

As an institute of public administration, the Review Board is subject to the *Access to Information Act* and the *Privacy Act*. Staff continues to do the required annual reporting of information requests to INAC and the Office of the



Privacy Commission.

The Review Board continues to participate in the Northwest Territories Board Forum meetings and training as a way to share organizational developments and engage in problem solving issues that are a commonality between the co-management boards in the North. The Review Board along with the Mackenzie Valley Land and Water Board co-hosted a Board Forum meeting in February of 2016 in Yellowknife.

The Review Board partakes in the Board Forum training. The Review Board continues to administer the funds provided by INAC to carry out

training. For this fiscal year, the Board Forum was able to run an Administrative Law course, a Board Orientation course and produce an on-line version of the Orientation course. The Orientation course was revised in the context of changes to MVRMA and devolution of the Territorial government.

In the context of better understanding environmental assessment and the regulatory process, the Review Board teamed up with other co-management boards, and the territorial government to host a *Mackenzie Valley Resources Management Act* Workshop in January, 2016 in Yellowknife. The goal of the workshop was to



MVRMA workshop in Yellowknife, January, 2016.



(Top) Board Forum: meeting, (Bottom) Orientation Training Course

Financial Statements

Mackenzie Valley Environmental Impact Review Board

Financial Statements

March 31, 2016

Mackenzie Valley Environmental Impact Review Board

Financial Statements

March 31, 2016

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Independent Auditors' Report

To the Board of Directors of Mackenzie Valley Environmental Impact Review Board

We have audited the accompanying financial statements of Mackenzie Valley Environmental Impact Review Board ("the Board"), which comprise the statement of financial position as at March 31, 2016, and the statements of operations, changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Public Sector Accounting Standards for Not-for-Profit Organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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 comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Board's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Board's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Mackenzie Valley Environmental Impact Review Board as at March 31, 2016, and the results of its operations and its cash flows for the year then ended in accordance with Public Sector Accounting Standards for Not-for-Profit Organizations.

**Yellowknife, Canada
July 21, 2016**



Chartered Accountants

Mackenzie Valley Environmental Impact Review Board

Statement of Operations

For the year ended March 31,	2016 Budget	2016 Actual	2015 Actual
Revenues			
Government of Canada Department of Indigenous Affairs and Northern Development			
- Claims implementation	\$ 2,796,056	\$ 2,796,056	\$ 2,731,836
- Board forum training	-	150,000	50,000
Other	-	1,508	343
	2,796,056	2,947,564	2,782,179
Contribution not receivable	-	4,243	-
	2,796,056	2,943,321	2,782,179
Expenses			
Amortization	-	34,811	15,743
Communications	18,817	9,738	10,051
Contract service	-	30,109	8,613
Honoraria	355,000	271,371	249,696
Office and administration	65,500	63,085	54,021
Professional fees	488,000	803,459	363,557
Rent	240,000	303,397	303,771
Office salaries	1,458,984	1,607,715	1,119,152
Training	-	15,451	17,227
Travel Board	110,200	131,978	82,405
Travel - Staff	59,555	55,535	31,243
	2,796,056	3,326,649	2,255,479
Excess of revenues over expenditures before other items	-	(383,328)	526,700
Other items			
Transfer from deferred contributions	-	591,478	-
Transfer to deferred contributions	-	(176,640)	(469,942)
Transfer (from) contributions repayable	-	-	(5,280)
Excess of revenues over expenses	-	31,510	51,478
Transfer to (from) capital assets	-	(30,002)	(51,135)
Excess of revenues over expenses	\$ -	\$ 1,508	\$ 343

Mackenzie Valley Environmental Impact Review Board

Statement of Changes in Net Assets

For the year ended March 31, 2016

	Unrestricted	Investment in capital assets	Total 2016	Total 2015
Balance, beginning of year	\$ 483	\$ 64,635	\$ 65,118	\$ 13,640
Excess of revenues over expenses	1,508	-	1,508	343
Amortization of capital assets	-	(34,811)	(34,811)	(15,743)
Additions of capital assets	-	64,813	64,813	66,878
Balance, end of year	\$ 1,991	\$ 94,637	\$ 96,628	\$ 65,118

Mackenzie Valley Environmental Impact Review Board

Statement of Financial Position

March 31,	2016	2015
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Assets

Current

Cash	\$ 505,505	\$ 790,210
Accounts receivable (note 4)	45,690	47,281
Prepaid expenses	8,887	40,210

560,082	877,701
---------	---------

Capital assets (note 5)	94,637	64,635
-------------------------	--------	--------

\$ 654,719	\$ 942,336
------------	------------

Liabilities

Current

Accounts payable and accrued liabilities	\$ 169,087	\$ 97,740
Salaries, vacation and severance payable (note 7)	207,084	182,720
Contributions repayable (note 8)	5,280	5,280
Deferred contributions (note 9)	176,640	591,478

558,091	877,218
---------	---------

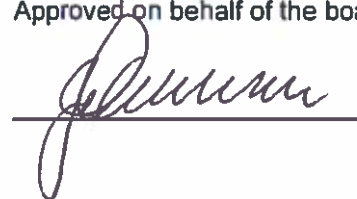
Fund balances


Unrestricted	1,991	483
Investment in capital assets	94,637	64,635

96,628	65,118
--------	--------

\$ 654,719	\$ 942,336
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Approved on behalf of the board:

 Director

 Director

Mackenzie Valley Environmental Impact Review Board

Statement of Cash Flows

For the year ended March 31,	2016	2015
Cash provided by (used for)		
Operating activities		
Excess of revenues over expenses	\$ 1,508	\$ 343
Items not affecting cash		
Amortization	34,811	15,743
Transfer to capital assets	30,002	51,135
	66,321	67,221
Change in non-cash working capital items		
Accounts receivable	1,591	(18,530)
Prepaid expenses	31,323	7,635
Accounts payable and accrued liabilities	71,347	79,443
Salaries, vacation and severance payable	24,364	22,684
Contributions repayable	-	1,745
Deferred contributions	(414,838)	469,942
	(219,892)	630,140
Investing activity		
Purchase of capital assets	(64,813)	(66,877)
Increase (decrease) in cash	(284,705)	563,263
Cash, beginning of year	790,210	226,947
Cash, end of year	\$ 505,505	\$ 790,210

Mackenzie Valley Environmental Impact Review Board

Notes to the Financial Statements

March 31, 2016

1. Nature of operations

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

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

2. Significant accounting policies

These financial statements are prepared in accordance with Public Sector Accounting Standards for Not-for-Profit Organizations. The significant policies are detailed as follows:

(a) Revenue recognition

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.

Under Public Sector Accounting Standards for Not-for-Profit Organizations, funding received for restricted purposes that has not been expended is required to be deferred. 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.

(b) Financial instruments

The Board classifies its financial instruments at cost or amortized cost. The Board's accounting policy for financial instruments is as follows:

This category includes cash, accounts receivable, accounts payable and accrued liabilities, salaries and vacation payable, and contributions repayable. They are initially recognized at cost and subsequently carried at amortized cost using the effective interest rate method, less any impairment losses on financial assets.

Transaction costs related to financial instruments in the amortized cost category are added to the carrying value of the instruments.

Write-downs on financial assets in the amortized cost category are recognized when the amount of a loss is known with sufficient precision, and there is no realistic prospect of recovery. Financial assets are then written down to net recoverable value with the write-down being recognized in the statement of operations.

(c) Capital assets

Capital assets are recorded at cost. The Board provides for amortization using the declining balance method at rates designed to amortize the cost of the assets over their estimated useful lives, as set out in note 5.

Mackenzie Valley Environmental Impact Review Board

Notes to the Financial Statements

March 31, 2016

2. Significant accounting policies (continued)

(d) Employee future benefits policy

The Board has a defined contribution plan providing pension and post-employment benefits for its employees. The cost of the defined contribution plan is recognized based on the required contributions by the Board during each period.

Provisions has been made for the Board's liability for employee future benefits arising from services rendered by employees to the statement of financial position date. Accordingly, the Board has provided for obligations related to unused vacation and severance entitlement. The accrued amounts have been classified under accounts payable and accrued liabilities.

(e) Use of estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in earnings in the period in which they become known.

3. Future changes to significant accounting policies

Related party disclosures, Section PS 2200

PSAB approved Section PS 2200, Related Party Disclosures. This Section is effective for fiscal periods beginning on or after April 1, 2017. Earlier adoption is permitted. This Section defines related parties and establishes disclosures required for related party transactions. It is expected that reasonable efforts would be made to identify related party transactions. This may involve adopting policies and procedures designed to ensure that these transactions are appropriately identified, measured and disclosed in the financial statements. Not all related party relationships or transactions occurring between related parties are required to be disclosed. Disclosure is generally required when related party transactions have occurred at a value different from that which would have been arrived at if the parties were unrelated. However, not all of these transactions are reportable under this Section. Only those transactions that have or could have a material financial effect on the financial statements are disclosed.

The impact of the transition to this accounting standard has not yet been determined.

Assets, Section PS 3210

PSAB approved Section PS 3210, Assets. This Section is effective for fiscal periods beginning on or after April 1, 2017. Earlier adoption is permitted. This Section provides guidance on how to apply the definition of assets as set out in Section PS 1000, and establishes standards for disclosure of assets except certain specific types of assets, which are dealt with in other Sections.

The impact of the transition to this accounting standard has not yet been determined.

Mackenzie Valley Environmental Impact Review Board

Notes to the Financial Statements

March 31, 2016

3. Future changes to significant accounting policies (continued)

Contractual Rights, Section PS 3380

PSAB approved Section PS 3380, Contractual Rights. This Section is effective for fiscal periods beginning on or after April 1, 2017. Earlier adoption is permitted. This Section defines and establishes standards for disclosure of rights to economic resources arising from contracts or agreements that will result in both an asset and revenue in the future except certain specific types of contractual rights.

The impact of the transition to this accounting standard has not yet been determined.

Inter-entity Transactions, Section PS 3420

PSAB approved Section PS 3420, Inter-entity Transactions. This Section is effective for fiscal periods beginning on or after April 1, 2017. Earlier adoption is permitted. This Section establishes standards on how to account for and report transactions between public sector entities that comprise a government's reporting entity from both a provider and recipient perspective. This section may be applied in conjunction with Related Party Disclosures, Section PS 2200.

The impact of the transition to this accounting standard has not yet been determined.

4. Accounts receivable

	2016	2015
Trade	\$ 2,228	\$ -
Public Service Bodies rebate	32,705	47,281
Holdbacks receivable	10,757	-
	\$ 45,690	\$ 47,281

The holdback receivable is for Board Forum. The total hold back as part of the contribution agreement is \$15,000 less \$4,243 not receivable resulting in a holdback receivable of \$10,757.

Mackenzie Valley Environmental Impact Review Board

Notes to the Financial Statements

March 31, 2016

5. Capital assets

				2016	2015
	Rate	Cost	Accumulated amortization	Net book value	Net book value
Furniture and fixtures	20%	\$ 184,633	\$ 124,101	\$ 60,532	\$ 35,155
Leasehold improvements	20%	103,626	97,341	6,285	7,273
Computer equipment	3 yr S/L	46,998	25,139	21,859	22,207
Computer software	100%	11,922	5,961	5,961	-
		\$ 347,179	\$ 252,542	\$ 94,637	\$ 64,635

6. Bank indebtedness

A demand operating loan has been authorized to a maximum of \$100,000 and bears interest at CIBC's prime lending rate plus 1.5% per annum and is secured by a general security agreement and an assignment of insurance. Secured by capital assets with a net book value of \$94,634 (2015 - \$64,635).

7. Salaries, vacation and severance payable

	Opening	Used	Additions	Closing
Severance payable	\$ 57,124	\$ -	\$ 11,636	\$ 68,760
Vacation payable	55,189	101,775	166,814	78,161
Wages payable	52,567	(52,567)	60,163	60,163
	\$ 164,880	\$ 49,208	\$ 238,613	\$ 207,084

During the year the Board included in the salaries, wages and benefits expense amounts of \$150,237 (2015 - \$150,237) of current and future employee benefits.

8. Contributions repayable

	2016	2015
Aboriginal Affairs and Northern Development Canada - Board Forum Training	\$ 5,280	\$ 5,280

Mackenzie Valley Environmental Impact Review Board

Notes to the Financial Statements

March 31, 2016

9. Deferred contributions

	2016	2015
Aboriginal Affairs and Northern Development Canada - Claims Implementation	\$ 176,640	\$ 591,478

10. Financial instruments

The Board is exposed to credit and liquidity risks from its financial instruments. Qualitative and quantitative analysis of the significant risk from the Authority's financial instruments by type of risk is provided below:

(a) Credit risk

Credit risk is the risk of financial loss to the Board if a debtor fails to make payments of interest and principal when due. The Board is exposed to this risk relating to its, cash, special purpose funds, trust assets and accounts receivable.

The Board holds its cash with federally regulated chartered banks who are insured by the Canadian Deposit Insurance Corporation. In the event of default, the Board's cash is insured up to \$100,000.

Accounts receivable are receivable from government agencies. Credit risk related to accounts receivable is mitigated by internal controls as well policies and oversight over arrears for ultimate collection. Management has determined that no accounts receivable required impairment. These amounts are as disclosed in Note 3.

The Board's maximum exposure to credit risk is represented by the financial assets for a total of \$564,452 (2015 - \$837,491).

(b) Liquidity risk

The Board does have a liquidity risk in the accounts payable and accrued liabilities of \$169,087 (2015 - \$97,740). Liquidity risk is the risk that the Board cannot repay its obligations when they become due to its creditors. The Board reduces its exposure to liquidity risk by ensuring that it documents when authorized payments become due and maintains an adequate line of credit to repay trade creditors.

There have been no significant changes from the previous year in the exposure to risk or policies, procedures, and methods used to measure the risk.

Mackenzie Valley Environmental Impact Review Board

Notes to the Financial Statements

March 31, 2016

11. Budget amounts

The budget figures presented are unaudited, and are those approved by the Board.

12. Pension plan

The Board participates in the NEBS Pension Plan which is a defined contribution plan. Substantially all employees with at least one year of service are eligible to participate.

The contribution percentage to the plan is up to 16% of each employee's salary (8% from the employees and 8% from the employer).

During the year contributions made by the Board to the NEBS pension plan totaled \$61,956 (2015 - \$54,481).

13. Related party transactions

During the year, honoraria and travel expenditures were paid to members of the Board of Directors. These expenditures were in the normal course of the Board's operations and were measured at the exchange amount.

14. Commitments

The Board's total obligation, under an equipment operating lease and a property lease agreement, is as follows:

2017	\$ 324,557
2018	318,522
2019	316,895
2020	316,895
2021	158,477
<hr/>	
	\$ 1,435,346

15. Contingent liabilities

During the 2012 fiscal year, a former employee filed a statement of claim in the Supreme Court of the Northwest Territories against the Board for constructive dismissal. The likelihood or amount of any liability cannot be reasonably determined and as such a liability has not been accrued in these financial statements.

16. Comparative amounts

The financial statements have been reclassified, where applicable, to conform to the presentation used in the current year.

Mackenzie Valley Environmental Impact Review Board

Schedule of Salaries, Honoraria, Travel Expenses and Other Remuneration

March 31, 2016

Mackenzie Valley Environmental Impact Review Board

Schedule of Salaries, Honoraria, Travel Expenses and Other Remuneration

For the year ended March 31, 2016

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Independent Auditors' Report

To the Board of Directors of Mackenzie Valley Environmental Impact Review Board

We have audited the accompanying Schedule of Salaries, Honoraria, Travel Expenses and Other Remuneration paid by the Mackenzie Valley Environmental Impact Review Board as at March 31, 2016 and a summary of significant accounting policies (together "the schedule.")

Management's responsibility for the Schedule

Management is responsible for the preparation and fair presentation of this schedule in accordance with the Year-end Reporting Handbook for the Department of Aboriginal Affairs and Northern Development Canada Recipient and Flow Through Organizations relevant to preparing such a schedule, and such for internal control as management determines is necessary to enable preparation of schedules that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility to express an opinion on this schedule based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform an audit to obtain reasonable assurance whether the schedule is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the schedule. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the schedule in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the schedule.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion

Opinion

In our opinion, this schedule presents fairly, in all material respects, the disbursements of the Board for the Mackenzie Valley Environmental Impact Review Board as at March 31, 2016 in accordance with the Year-end Reporting Handbook for the Department of Aboriginal Affairs and Northern Development Canada Recipient and Flow Through Organizations.

A handwritten signature in black ink that reads "Crowe MacKay LLP".

**Yellowknife, Canada
July 21, 2016**

Chartered Accountants

Mackenzie Valley Environmental Impact Review Board

Schedule of Salaries, Honoraria, Travel Expenses and Other Remuneration

For the year ended March 31, 2016

Position	Months	Salary and Benefits (Inc. IPA and VTA)	Honoraria	Total	Travel Expenses
Elected or Appointed officials					
Vice Chair	12	\$ -	\$ 34,356	\$ 34,356	\$ 9,992
Board Member	12	-	51,981	51,981	-
Board Member	12	-	36,325	36,325	33,912
Board Member	12	-	5,288	5,288	3,089
Board Member	12	-	23,963	23,963	1,209
Chairperson	12	-	60,650	60,650	41,509
Board Member	12	-	36,631	36,631	-
Board Member	5	-	12,563	12,563	-
		\$ -	\$ 261,757	\$ 261,757	\$ 89,711
Unelected Senior Officials					
Executive Director	12	\$ 145,693	\$ -	\$ 145,693	\$ 12,795

Mackenzie Valley Environmental Impact Review Board

Notes to Schedule of Salaries, Honoraria, Travel Expenses and Other Remuneration

March 31, 2016

1. Basis of Presentation

The financial information reflects only the salaries, honoraria, travel expenses and other remuneration paid to the senior officials and elected officials. It does not reflect the assets, liabilities or total revenue and expenses of the Mackenzie Valley Environmental Impact Review Board.

Mackenzie Valley Environmental Impact Review Board

Schedule of NWT Board Forum Training Revenue and Expenses

March 31, 2016

Independent Auditors' Report

To the Board of Directors of Mackenzie Valley Environmental Impact Review Board

We have audited the accompanying schedule of revenue and expenses for the Mackenzie Valley Environmental Impact Review Board's Board Forum Training Program as at March 31, 2016 and a summary of significant accounting policies (together "the schedule"). The schedule has been prepared by management based on the funding agreement (No. 1516-NT-000068) between the Mackenzie Valley Environmental Impact Review Board and the Minister of Aboriginal Affairs and Northern Development Canada.

Management's responsibility for the Schedule

Management is responsible for the preparation and fair presentation of this schedule in accordance with the funding agreement regarding the Board Forum Training between the MacKenzie Valley Environmental Impact Review Board, and the Minister of Aboriginal Affairs and Northern Development Canada relevant to preparing such a schedule, and for such internal control as management determines is necessary to enable the preparation of a schedule that is free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility to express an opinion on this schedule based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform an audit to obtain reasonable assurance whether the schedule is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the schedule. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the schedule.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Independent Auditors' Report (continued)

Opinion

In our opinion, the NWT Schedule of Board Forum Training Revenue and Expenses for the year ended March 31, 2016 are prepared, in all material respects, in accordance with the funding arrangement (no. 1516-NT-000068).

Basis of Accounting and Restriction on Distribution

Without modifying our opinion, we draw attention to Note 1 of the schedule, which describes the basis of accounting. The Schedule is prepared to assist the Mackenzie Valley Environmental Impact Review Board to meet the requirements of the Minister of Aboriginal Affairs and Northern Development. As a result, the schedule may not be suitable for another purpose. Our report is intended solely for the Mackenzie Valley Environmental Impact Review Board and the Minister of Aboriginal Affairs and Northern Development and should not be distributed to parties other than the Mackenzie Valley Environmental Impact Review Board and the Minister of Aboriginal Affairs and Northern Development.

Crowe MacKay LLP

**Yellowknife, Northwest Territories
July 21, 2016**

Chartered Accountants

Mackenzie Valley Environmental Impact Review Board

Schedule of NWT Board Forum Training Revenue and Expenses

For the year ended March 31,	Budget 2016	Actual 2016
Revenue		
Aboriginal Affairs and Northern Development Canada - Board Forum Training	\$ 150,000	\$ 150,000
Expenses		
Catering	-	2,702
Supplies	-	1,466
Professional fees	135,000	122,717
Travel	15,000	17,234
Venue	-	1,638
	150,000	145,757
Excess revenue before transfer	-	4,243
Contributions not receivable	-	(4,243)
Excess revenue	\$ -	\$ -

Mackenzie Valley Environmental Impact Review Board

Notes to Schedule of NWT Board Forum Training Revenue and Expenses

March 31, 2016

1. Basis of Presentation

The financial information reflects only the revenue and expenses under the NWT Board Forum Training agreement (No. 1516-NT-000068). It does not reflect the assets, liabilities or total revenue and expenses of the Mackenzie Valley Environmental Impact Review Board.

2. Budget

The budget figures presented are unadited, and are those approved by the Board.