



**Presentation to the Mackenzie Valley Environmental Impact Review Board  
Re: Snowfield Development Corporation Land Use Application at Drybones Bay  
MV 2003C0023**

Good Morning. I am Mike Vaydik, General Manager of the NWT & Nunavut Chamber of Mines. I was born 57 years ago in Yellowknife, when it was a mining town. I am the son of a prospector who moved to Yellowknife to search for minerals immediately after his release from the service after World War II. I have worked in both the mineral exploration and the petroleum business. My career in the Government of the NWT allowed me to travel and live in every region of the NWT and Nunavut.

My organization represents over 600 companies and individuals engaged in exploring for and producing minerals in the north. Our members range from the operators of the Ekati and Diavik Mines, to junior exploration companies exploring for minerals, to aviation, expediting and drilling companies as well as suppliers of almost every imaginable material or service that the modern mining industry requires. Our membership also includes individual prospectors, that most independent of entrepreneurs.

Today, you as Board members are asked to consider an application to undertake grassroots exploration work at Drybones Bay by a junior mining company, Snowfield Development. I want to try to put that activity in some context for the Board.

Where would we be now if not for the mining industry? Most of us would not be here at all. If gold had not been found at Yellowknife Bay, we would probably be holding these hearings in Fort Smith, which would be the territorial capital. First of all, most non-aboriginal people would not have come here at all. Yellowknife, as we know it, would not exist, nor would Dettah or N'Dilo, in their present form. The search for minerals opened up the north to all the influences and effects from the south. It allowed northern aboriginal people to benefit from the good and, in many cases, suffer the negative effects of that impact. I believe other presenters will present some of the bad effects. By way of bringing some balance to these proceedings, I will concentrate on the positive outcomes.

**Infrastructure Development**

Almost all our infrastructure was developed in conjunction with and as a support for the mining industry. Our first power plant that provides electricity was developed by Cominco to serve the Con mine. The Snare River hydro system was developed to serve

the growing needs of Giant Mine and the community of Yellowknife. I can remember the days when the power lines did not reach Dettah, but they now provide electricity to allow the residents there to enjoy the benefits of a modern lifestyle.

Con mine provided the first doctor and the first hospital to this area in 1938. I was born at Con, as were many current residents of N'Dilo and Dettah and many non-aboriginal people who call this area home. Who knows how long it would have taken for the government to provide a similar level of health care if not for the mining development here, but I think we can draw some comparisons from the Keewatin (now Kivalliq) area. In the camps on the Hudson Bay coast, aboriginal people were starving as late as the 1950s. There was not a single medical practitioner in the whole region. I have personally read some of the death certificates written by priests and RCMP officers who described deaths by painful, lingering, and unexplained ailments. Northerners sometimes take the writings of Farley Mowatt with a grain of salt, but it was his book, *People of the Deer*, published in 1952, that first embarrassed the federal government into doing something about the plight of the people of the Hudson Bay coast. People here had been enjoying doctors, nurses and a modest hospital for many years by then. In fact, it was not until the development of the Rankin Inlet nickel mine in 1956, that people in that region has access to full time medical care.

Our highway was built to support the mines and the community that grew up around them. Transportation infrastructure is key to mineral development and mineral development is key to transportation infrastructure. In the north, one doesn't develop without the other. When we look around the north it is impossible to imagine that a community like Fort Resolution would have a highway as early as 1971 without the development of the Pine Point mine. That highway allowed many residents of Fort resolution to participate directly in new employment and training opportunities at Pine Point and allowed year round access and lower priced goods for all residents.

Pine Point also was responsible for the development of the Taltson Hydro system that still provides clean and cheap power to Hay River, Fort Smith and Fort Resolution. The base metal mine at Pine Point also was responsible for the development of our only rail link to the south. That railroad and the port at Hay River also allows for more cost effective shipment of goods to all the communities along the Mackenzie River and the Arctic Coast communities of both the NWT and Nunavut. While the mine is now closed, its legacy of infrastructure lives on to serve the residents of the north.

Our air transport system allowed remote communities to obtain goods and services from the south and from other communities. The first aircraft in the north were brought here to search for minerals and oil. In the 1920s and 30s, air routes were pioneered by pilots employed by exploration companies and almost immediately the aircraft were used to save lives by delivering vaccine to Aklavik and by the countless medical evacuations we still benefit from today. I think it is safe to say that every northern family has been positively affected by the availability of a medevac aircraft in time of need. Our largest local aviation company advises that over two thirds of its business is generated by exploration. Even today, average people have a variety of

aircraft available to use for their own purposes because the aviation companies can base their business plans on the exploration industry.

### **Economic Impact**

The impact of mining and exploration on the north's economy cannot be overstated. Over the past 60 years, mining had driven the north's economy. For 2002, the last year for which we have complete statistics, diamond mining alone contributed 24% of the NWT's Gross Domestic Product, at a total value of \$583 million. Gold and tungsten mining contributed \$66 million, even though we were down to only Giant and Con nearing the end of their productive years. Construction of the Diavik mine in that year was the major factor in driving the construction industry to a total of \$584 million. While separate figures aren't kept for exploration, Natural Resources Canada reported that exploration expenditures amounted to \$73 million. These exploration expenditures find their way throughout the north's economy in direct wages, hotel and apartment rentals, purchases for camp supplies at grocery and hardware stores, at lumberyards, at fuel suppliers, at drilling companies, at expediting and aviation companies. These are all services that we are equipped and ready to deliver.

I have submitted as background the Chamber of Mines report on Aboriginal Participation in NWT Mining. I would like to read a few highlights from that report now:

Ekati awarded \$400 million in contracts in 2001. Over 32% of this total went to northern and northern aboriginal companies. In 2001 over \$105 million in contracts went to northern aboriginal companies. Northern companies were awarded \$766 million worth of contracts to northern firms. Of this, \$499 million went to northern aboriginal companies.

Northern aboriginal companies are engaged in the business of diamond mining in a big way. These companies provide services to mining in many ways from trucking, explosives management, provision of camp services, manufacturing, earthworks, employee recruitment, construction, freight delivery, fuel supply and maintenance. The reason I'm focussing on aboriginal companies is to show how new opportunities and new attitudes have generated new chances for aboriginal people to participate in the modern mining industry. Of course, non-aboriginal people, who come from a different background, have always participated in the industry.

Many aboriginal northerners have been involved directly in exploration for many years, in fact many Yellowknives Dene have been claim stakers, line cutters, surveyors and prospectors over the years. My dad and many other prospectors and geologists were pleased to work with northern aboriginal people from many communities who knew the bush and adapted their keen powers of observation and bush skills to the search for minerals.

Employment provided by the new mines has also been a major factor in the well-being of our communities. Both Ekati and Diavik have set new standards for northern and aboriginal employment.

Darrel Beaulieu, the Chief for N'Dilo, told me that he estimated that the direct wages to the Yellowknife Dene First Nation from Diavik and Ekati in 2002 amounted to about \$7 million.

### **Social Impacts**

Besides employment, mining provides training opportunities. Pine Point mine was responsible for over 300 completed apprenticeships. We are seeing now that the new diamond mines are beginning to provide similar chances for northerners to train for well-paid skilled jobs. For a long time, we have all felt the hopelessness of training for jobs that never happened. This is particularly true in small communities. In my government career, I talked to many young adults who felt alienated because they didn't have the skills needed to get jobs and when they did get some skills, the jobs weren't there.

I am happy to say that we are now organized to make better use of the opportunities provided by the mining industry. I sit on the Mine Training Committee that is chaired by Darrel Beaulieu, Chief of D'dilo. It is composed of representatives of mining companies, aboriginal groups, both levels of government and Aurora College. Over the past 4 years, and with only pilot funding from government, we have provided training to about 350 northerners, the majority of whom are aboriginal. At the end of each course, every one of our graduates was given the opportunity to work in mining or a related industry. Never before have we had such opportunities to get our people employed at full time well-paid jobs. Our partnership is now a registered society to better take advantage of federal government funding. We have a strategic plan and hope to be able to announce a multi-year training program that will allow us to get beyond entry level training and try to address some of the issues Peter Liske of the Yellowknives Dene raised at the Diavik opening.

The mines themselves have counselling programs to assist their workers to be successful at their jobs and to help them benefit from opportunities for advancement. The new mines have literacy programs to assist employees in meeting the demands of the jobs and simply living in this information age. Both diamond mines have full time adult educators on staff at the mine sites.

Are there negative social impacts to this development? Yes. But surely you must agree that someone with a paycheque in his pocket is better able to make decisions about his future than someone without one. The mines pay each community in their impact area Impact Benefit Agreement payments. It is up to communities to decide how to best use this money to minimize the negative impacts of development. In the Canadian context, it is left to individuals to decide whether they will benefit or suffer from development.

## **Exploration vs. Discovery vs. Mining**

I have talked a lot about mining but little about exploration. The reason for that is to give you some idea why companies and individuals undertake the high-risk gamble of looking for ore bodies that are really freaks of nature. To give you some idea of how big that gamble is I'll tell you that for every 1000 good mineral showings only one is ever developed into a mine. For all the looking that explorers do, only one in 1000 pays off. So exploration involves a lot of grassroots examination of the rocks with very little impact. Millions of acres of claims have been staked in the NWT in the hopes of finding diamonds. So far we have been lucky that the companies have found two world-class diamond mines (Ekati and Diavik), and one smaller one, (Snap Lake). We hope there are more and Snowfield obviously hopes there is another one in the Drybones Bay area. The odds are great but they have convinced investors to take a chance on the geology and the company's expertise in revealing the wealth that may be, and I stress may be, hidden beneath the ground.

I have titled this section of my presentation Exploration vs. Discovery vs. Mining to try to show that one stage the mineral discovery and extraction process does not lead logically to the next. Many projects, in fact the vast majority, never get beyond the first exploration stage. If nothing is found at this stage, the company gives up its claim and moves on. Explorers will keep coming as long as they feel the mineral potential is there. But they need access to the land to properly assess that potential. Once they are in the door they may be disappointed but they may find an economic ore body that benefits all our residents, with jobs training and business opportunities, IBAs, tax revenues to government.

Exploration activity like that proposed by Snowfield is very low impact. The Board must weigh that impact against the considerable benefits that may flow to all NWT residents from success at this grassroots stage.

## **Minimal Impact of Exploration**

I have visited the west side of the North Arm of Great Slave Lake and Yellowknife Bay all my life. For as long as I remember, people have used the area for a variety of reasons, for hunting, fishing, berry-picking and for mining exploration. I know the Drybones Bay area, not as long or as intimately as some aboriginal people, but certainly enough to know that signs of previous occupation occur all along that shore. I have personally taken people on walks through the bush and led them through old trenches dug by prospectors many years ago. Unless you stop and point the trenches out, people who are not explorers do not even notice their existence. Most often, the trenches have partly filled with dirt and organic matter and now support plant growth, including berry bushes. Old cut lines that used to mark claim boundaries quickly overgrow and soon become indistinguishable from the surrounding forest.

## **Other Land Use in Area**

I know from stories told to me by my father, Emile Dagenais (who moved here in the 1930s) and D'Arcy Arden that the area around Drybones Bay was used to harvest timber and fire wood for the mines in the early days. In the 1940s, Hugh Arden bulldozed a network of trails through the bush to gain access to upwards of 10,000 cords of timber that was cut and hauled from as far east as Hearne Lake. Little evidence of that activity can be found today.

The ice of Great Slave has been used as a highway for goods travelling north since the 1930s. In fact, it was the only option other than flying until the highway was opened in the 1960s. Nothing remains to mark the path of those ice roads.

Old timers have told me about the fish plants and camps that once were large and numerous along the north shore of the Lake. Once hundreds of fisherman from the south as well as northern aboriginal people lived and fished near Gros Cap. Little remains to show where they were except for a few graves and a few campsites, if you know where to look.

The history of the shoreline has seen many different impacts. Most of them far larger and of longer duration than that proposed in the application before you, yet little of this impact can be found today.

Snowfield's application is to enable it to carry out activities of limited duration and impact. Exploration is a temporary land use and the evidence of their activities will be quickly overgrown if nothing is discovered.

## **Summary & Conclusion**

Mines are where you find them. They don't fit neatly into land use plans. The chances of finding one are very slight. It takes much effort and many years to bring a discovery to the mining stage.

Explorers must examine lots of ground to find the few ore bodies that can be produced economically. The impact of exploration is minimal and most effects can be mitigated.

The activity proposed by Snowfield is on crown land where staking is not restricted. Activity should be allowed to continue if the company can show that it complies with regulations and the impact of its activity can be mitigated.

The payout to northerners and Canada if a discovery is made can be enormous, but only if enough exploration is allowed to happen to produce the next mine. The Board has a responsibility to ensure that exploration is allowed to continue to ensure that northerners

and Canada as a whole can benefit from economic development. A realistic appraisal of our economic future shows that, over the medium term, only mining and petroleum have the potential to provide the basis of a sustainable economy.

Individual mines always close when the ore body is exhausted. To have a sustainable mining industry we need to find new mines.

It took Chuck Fipke over ten years to find Ekati and it took BHP another seven years to get the mine permitted and in production. Ekati was licensed based on 17 years of production. Almost one third of its mine life is now behind us. The search for the next Ekati must be engaged now if we are to continue with our current enviable prosperity.