

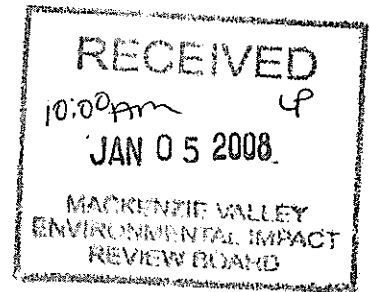
THE SAHTU SECRETARIAT INCORPORATED

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December 30, 2008

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Mackenzie Valley Environmental Impact Review Board
Box 938
5102 – 50th Avenue
Yellowknife, NT X1A 2N7



Dear Review Board members:

Re: Environmental Assessment – Selwyn Resources, Mineral Exploration at Howard’s Pass (Selwyn Project)

Further to the referral of Selwyn Resources’ application for the Land Use Permit for mining activities in the Howard’s Pass area located in the Northwest Territories pursuant to the *Mackenzie Valley Resource Management Act* (the “MVRMA”), the Sahu Secretariat Incorporated makes this submission on behalf of the Tulita District Land Corporation (the “TDLC”) for your review and consideration.

In our view, the application raises a number of substantive public concerns. In particular, among other concerns, the TDLC is concerned that Selwyn Resources be required to provide a sufficient security deposit so that any roads, trails and drill sites will be reclaimed fully.

Background

Selwyn Resources proposes to undertake certain mining activities within an area located on the border of the Yukon and Northwest Territories, approximately 320 kilometres southwest of Tulita, Northwest Territories, and within the territory of the TDLC. The project site is comprised of claims and leases covering more than 32,000 hectares. These claims and leases form a rectangular block measuring approximately 60 kilometres long by 5 kilometres wide which straddles the border. More than 80 percent of the claims and leases are located within the Yukon Territory. The majority of the project site located in the Northwest Territories is concentrated in an area referred to as the “XY Nose.”

Selwyn Resources advises that it has been conducting advanced exploration work exclusively on the portions of the project site located within the Yukon since 2005.

Previous exploration and development work has been undertaken on the portions of the project area located within the Northwest Territories, including the XY Nose. The work, which occurred between 1972 and 1983, included road and trail construction, trenching, and drilling. In particular, the following activities occurred in the portions of the claims and leases located in the Northwest Territories during the period of 1972 to 1983:

- approximately 2,500 m of surface trenching;
- drilling at approximately 34 locations;
- construction of a 78 km long all-weather access road from Tungsten, Northwest Territories, to the XY Nose area; and
- construction of approximately 29 kilometres of on-claim roads and exploration trails.

Selwyn Resources advises that these activities of road and trail construction and drilling have “no known residual impact on water resources.” The roads and trails that were developed remain in place and they are “largely stable” and are “visibly evident on the landscape.”

Some the claims located in the Northwest Territories were not maintained in good standing and expired in 2003 and were subsequently staked by Pacifica Resources, the predecessor of Selwyn Resources, in 2006. These re-staked claims form part of the XY Nose area.

Selwyn Resources submitted a Type B Land Use Permit application to the Sahtu Land and Water Board (the “SLWB”) in April 2007 to conduct a mineral exploration program on the portions of the claims and leases located within the Northwest Territories. As a result, the SLWB began a preliminary screening of the program under section 124 of the MVRMA.

In June 2007, the Mackenzie Valley Environmental Impact Review Board (the “MVEIRB”) notified affected parties that Selwyn Resources’ application for the Land Use Permit had been referred to environmental assessment pursuant to section 126(2)(b) of the MVRMA. This referral, which was made by the Sahtu Secretariat Incorporated upon the request of the TDLC, cited public concern related to potential impacts to the area, located in a proposed conservation zone as set out in the draft Sahtu Land Use Plan, and proposed expansion of the Nahanni Park.

The MVEIRB initiated the environmental assessment process under the MVRMA on June 18, 2007.

Proposed activities

Following public consultation, the MVEIRB finalized a workplan and terms of reference and requested that Selwyn Resources prepare a Developer's Assessment Report in order to outline the proposed activities related to the exploration program in the Northwest Territories, the resulting changes these activities may bring to the environment, the proposed mitigation measures to be undertaken.

The MVEIRB defines the proposed activities in its terms of reference as follows:

- Drilling of up to 100 drill holes in alpine and sub-alpine terrain using diamond drill rigs (some heli-portable, some land-based) within identified claim and lease blocks.
- Clearing of vegetation for new bulldozer trails for access to drill sites to not exceed an average of 2 kilometres per year over a five-year period.
- Helicopter transportation of personnel and equipment from Selwyn Resources' established camps located in the Yukon to work sites situated in the Northwest Territories.
- Off-site waste disposal from work sites in the Northwest Territories to disposal facilities in the YT, as well as on site waste disposal in the Northwest Territories.
- Reclamation and closure activities at drill sites and trails.

In its Developer's Assessment Report dated June 16, 2008, Selwyn Resources provided the following information.

- Selwyn Resources advises that development activities associated with its proposed exploration program in the Northwest Territories would include drilling of up to 100 holes, clearing of vegetation for trails to drill sites, helicopter transportation of personnel, waste handling and disposal, and reclamation and closure activities.
- Selwyn Resources proposes that the activities in the Northwest Territories would occur on the following mineral claims and leases that owned or controlled by Selwyn Resources:

▪ Claim no. F92331	Anniv	625.8 hectares
▪ Claim no. F66412	XY Nose	370 hectares
▪ Claim no. F66411	XY Nose	821.1 hectares
▪ Claim no. F66410	XY Nose	899.7 hectares
▪ Claim no. F68549	XY Nose	656.3 hectares
▪ Lease no. 2879	Anniv	100.2 hectares
▪ Lease no. 2878	XY Nose	2,061.3 hectares

- Selwyn Resources proposes that its exploration program in the Northwest Territories will be entirely supported by fully-permitted camps located in the Yukon, and will be an extension to an exploration program that Selwyn Resources has been undertaking in the Yukon since 2005. Where possible, access to drilling areas located within the Northwest Territories will be gained using existing roads and trails. Activities are planned for 2008-2013 and is estimated to cause about 3.5 ha of surface disturbance, or an average of 0.7 ha/yr.
- Selwyn Resources advises that the proposed development work is expected to effect land and water resources in a manner similar to that from previous road/trail/drill pad construction and drilling: there will be minor physical disturbances from new trails and drill pads. Effects on water resources will be limited to small volume water withdrawals from local creeks. Aesthetic effects from trail construction/use are expected to be of lesser magnitude and duration compared to previous development, owing to Selwyn's planned reclamation efforts. Ongoing environmental monitoring and application of environmental best practices are used to ensure environmental effects are minimized.
- Selwyn Resources confirms that a number of wildlife species have been documented in the vicinity of the project area, including woodland caribou, moose, grizzly bear, wolverine, beaver, grey wolf, red fox, and golden eagle. It expects that this effect will be localized, intermittent and reversible. Wildlife may avoid areas of local activity and would likely return to the area once the work area is reclaimed and abandoned. Limited fisheries resources data is available for the project area and, given the small magnitude of water-related effects associated with the exploration activity, fisheries resources are unlikely to be impacted.
- Selwyn Resources acknowledges that hunting, trapping, fishing and camping were identified as traditional activities that were historically carried out in the region. It maintains that these activities were identified with areas north and east of the project area, and no traditional use sites were identified specifically within the bounds of the project area. In current times, the region to the north and east is rarely accessed for these traditional activities. There are no known archaeological sites in the project area.

Issues of concern

The TDLC proposes that the following be included as conditions to any Land Use Permit approved by the MVEIRB with respect to mineral exploration activities in Howard's Pass area located in the Northwest Territories.

1. **Security deposit.** The TDLC maintains that Selwyn Resources must provide a sufficient security deposit so that any impacts resulting from its activities will be

reclaimed fully, including the decommissioning or closing of any roads, trails or drill sites. The amount of the security deposit must be commensurate with the costs to remediate such impacts. The TDLC must be involved in decisions with respect to the use and expenditure of the security deposit.

We note that a road, which is located on the lands applicable to Selwyn Resources' application for the Land Use Permit, was previously abandoned by a former holder of the claims and leases and, as a result, this road has not yet been reclaimed properly. Therefore, the TDLC requires assurances that this abandoned road and other roads, trails and drill sites will be reclaimed fully and that funding is set aside to complete such reclamation work.

2. **Reclamation work.** Restorative plant species may not be the species required for final reclamation. Site inspections to determine the reclamation prescriptions should include a GNWT representative as well as a representative of the TDLC. Final inspections must not take place after only one growing season.
3. **Access restrictions.** The TDLC has concerns about the use of roads and trails constructed by Selwyn Resources by third-parties and the impacts caused by such access relating to wildlife. Firstly, Selwyn Resources must be required to have discussions with the TDLC with respect to the proposed route of any road or trail. Such discussions must be commenced prior to the construction of such roads or trail. Secondly, these roads and trails must be decommissioned or gated or otherwise closed, as appropriate, in order to prevent such access.
4. **Wildlife sightings.** The TDLC maintains that wildlife sightings must be reported to Sahtu Environmental and Wildlife Monitors as well as to Selwyn Resources' environmental staff or the camp manager. Furthermore, the Sahtu Environmental and Wildlife Monitors must be on-site for the duration of any activities related to this project. The sole role of the Wildlife Monitors is to monitor wildlife, while the sole role of the Environmental Monitor is to monitor the activities and actions of Selwyn Resources. Both must have the ability to report to the TDLC as appropriate. Monitors are to be the employees of the TDLC or Tulita Renewable Resources Council – not Selwyn Resources.
5. **Periods of critical timing for calving or rutting.** The TDLC maintains that Selwyn Resources must be required to halt its activities at critical wildlife times, such as periods of calving or rutting. It is not satisfactory for Selwyn Resources to voluntarily have no-work periods as it sees as appropriate. This should not be left to the company's discretion. The Land Use Permit must specify such times.
6. **Sahtu Land Use Plan.** The TDLC maintains that activities undertaken by Selwyn Resources must be guided by and consistent with the current draft Sahtu Land Use Plan.

7. **Work in and around water.** The TDLC maintains that any work undertaken by Selwyn Resources in or around water must comply with the *Fisheries Act* (Canada) and other related legislation. The TDLC also maintains that mining wastes from any drill site must not be permitted to flow into any creek or water body that could lead to a fishery habitat at any time of year.
8. **Access road.** As noted above, Selwyn Resources wishes to re-use a road that is considered environmentally unacceptable. Suggested mitigating conditions by government agencies were not implemented, including conditions proposed road relocation, gating or closure. The TDLC suggests that road be re-located to an environmentally better location be considered at this time. The road may have to be relocated in stages of development comparable with the stages of exploration development to facilitate the economy of the exploration, the logistics for equipment, and disturbance to wildlife.
9. **Fuel Caches.** The application refers to several fuel caches being created. These must be recorded and agreed to prior to being established.
10. **Scientific research.** Our records suggest that only two research permits have been issued to or near Selwyn: Natasha Essar (Selwyn Project Fisheries Baseline Study; ARI #808, Research Licence No. 14349) and Michael Pope (Washington State University, Collaborative Research: A Sequence, Chemo- and Biostratigraphic Study of Late Early Cambrian Rocks, Southern Selwyn Basin, Mackenzie Mountains, NWT; 12 404 574). The TDLC wishes to remind Selwyn Resources that the *Scientists Act* (Northwest Territories) provides that all research activities are regulated and that consultation is an integral part of that process. The PowerPoint presentations made by Selwyn Resources to the communities implied that a large amount of research has or will be done. To date, we know of only the two projects listed above as being possibly related to Selwyn. Are there any others?

If you require any further information or clarification, we would be pleased to provide further details. We look forward to working with you to address our above-noted concerns.

Sincerely,



Sahtu Secretariat Incorporated

cc. Rocky Norwegian, Tulita District Land Corporation