



October 22, 2007

Mr. Alistair MacDonald  
Environmental Assessment Officer  
Mackenzie Valley Environmental Impact Review Board

By Fax (867) 766 7074

**Environmental Assessments of Four Grassroots Exploration Projects**  
Uravan EA 0708-2, Uravan EA 0708 03, Bayswater EA 0708 03, Bayswater EA 0708 05

Dear Mr. MacDonald:

The Chamber of Mines was asked to comment on the conduct of environmental assessment of four grassroots exploration projects in the Thelon area.

The Chamber believes that the referral to environmental assessment of such low-impact projects of such short duration is unwarranted and trivializes the environmental assessment process. Each project should be the subject of a screening review that focuses on the impact, if any, on the environment of the immediate site for the period of the project. The impacts, if any, could be mitigated by permitting conditions as would normally be contained in a land use permit issued by the Land and Water Board. It is unreasonable to subject projects of this type to full environmental assessment. Not only is this wasteful of public resources but it has the very real possibility of making the northern mineral industry unsustainable.

Grassroots exploration is how mines are found. Without exploration, the mining industry will decline as existing reserves are exhausted. To subject projects such as these to environmental assessment has already caused some junior companies to re evaluate their participation in projects in the NWT. The review of more grassroots projects will no doubt see even more companies withdraw their exploration budgets from the territory.

The mining industry currently is responsible for half the NWT's gross domestic product and over 3000 direct jobs and it is currently mining or planning to mine discoveries made in the early 1990s. It takes about 10 years to license a new mine and our oldest diamond mine is likely half-way through its mine life. We will see a decline in the mining industry's ability to continue to produce these economic benefits and with it if we do not develop more effective environmental assessment and permitting tools.

We believe that the very wording of the Mackenzie Valley Resource Management Act is misleading. Each project is referred to as a "development". These are not developments but

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rather temporary land uses that, in themselves, will leave almost no lasting impact on the land. On a worldwide basis, about 10,000 mineral showings are examined to eventually result in a mine. Long odds indeed. Grassroots exploration is the activity that "sorts" these showings to a reasonable few that would then be subject to more intense scrutiny. Without relatively unfettered access to land for low-impact, short duration initial exploration, history shows us that exploration companies leave the jurisdiction. We believe that this is happening now. In spite of a worldwide resource boom, exploration expenditures are down in the NWT, one of only two jurisdictions in Canada where this is the case.

Because the Chamber of Mines disagrees with the basic underpinning of your proposal, we cannot comment on its technical aspects. Our contention that these projects are beneath the scope of environmental assessment would seem to be borne out by that fact that your proposal would group common elements of each project and possibly include evidence from the UR Energy Environmental Assessment. While we acknowledge your attempt to make the process more efficient, we contend that it would only be more efficient at doing unnecessary work. We appreciate your effort, we just do not think that your proposal represents an effective long-term solution.

We would urge your Board to join the Chamber in calling on the Minister of Indian Affairs and Northern Development to undertake a major review of the MVRMA with a view to clarifying some problematic areas of the Act. This would enable the Minister to issue direction to the Board to make its processes more efficient and more effective.

Yours truly,



Trevor Teed  
Vice President (NWT)

- c Hon. Robert McLeod, Minister, Industry Trade and Investment, Government of the Northwest Territories
- Pierre Gratton, Vice President, Mining Association of Canada
- Tony Andrews, Executive Director, Prospectors and Developers Association of Canada
- Trish Merrithew-Mercredi, Regional Director General, DIAND, Yellowknife
- Doug Paget, A/Director, Mineral Resources, DIAND, Ottawa

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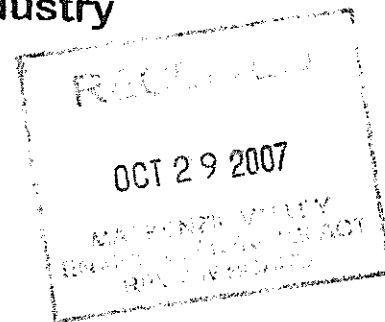
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**FAX COVER SHEET**

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