



October 2, 2014

Senator Richard Neufeld
Chair of the Standing Senate Committee
on Energy, Environment and Natural Resources
Senate of Canada
40 Elgin Street
Room 1053
Ottawa, Ontario
K1A 0A4

**RE: Bill S-6 – an Act to amend the Yukon Environmental and
Socio-economic Assessment Act and the Nunavut Waters and Nunavut
Surface Rights Tribunal Act.**

Dear Senators,

The Mining Association of Canada (MAC) thanks you for the invitation to appear before your Committee to discuss Bill S-6, an Act to amend the *Yukon Environmental and Socio-economic Assessment Act* and the *Nunavut Waters and Nunavut Surface Rights Tribunal Act*. Unfortunately, we are unable to attend this week's session. We are grateful for the opportunity to submit these comments and to inform you that we are fully supportive of the amendments proposed by the Northwest Territories and Nunavut Chamber of Mines. Our organizations have worked closely on these issues.

Life-of-Mine Water Licences:

MAC welcomes the amendment to the *Nunavut Waters and Nunavut Surface Rights Tribunal Act* to allow water licences to be issued for the anticipated life of a mining operation with scheduled, periodic reviews to ensure that water-related requirements are addressed through up-to-date permit conditions. This amendment will result in greater process efficiencies for both the industry and for the Nunavut Water Board and other regulatory agencies.

Water Use interpretation:

MAC remains very concerned with Aboriginal Affairs and Northern Development Canada's (AANDC) new policy direction on the definition of water used in exploration drilling in Nunavut. We believe that the re-interpretation of the *Nunavut Waters Regulations* do not properly reflect the realities of mineral exploration in the North, where circulation of water may be the only practical means of keeping pipes and hoses from freezing. This change in policy was made with no consultation with industry. Furthermore, no transition period for its application is available for Nunavut's advanced projects. While the issue began as an effect on drilling activity, companies have now identified further additional ramifications on the construction of snow and ice roads, adding further challenges to access for exploration activities. We believe that this new policy direction is particularly restrictive in Nunavut, relative to other jurisdictions. The current standards by which Type A and Type B Water Licences are defined need to be reviewed and the applicable threshold for water use should be made consistent with the limit of 100 cubic meters per day in effect in the Yukon and the Northwest Territories.

Cost Recovery:

The high cost of exploration and mine development in Northern Canada is already a significant deterrent to mineral investment in the territories and places the North at a disadvantage with other jurisdictions in Canada, as well as internationally. The virtually non-existence of infrastructure across Nunavut and the Northwest Territories means that companies are required to make substantial capital investments in essential infrastructure (such as roads, bridges, ports and power) that are not required of companies operating in more centrally-located jurisdictions. The cost associated with overcoming northern geography alone challenges the viability of northern projects, pushing the associated social and economic benefits that accompany mining projects further away. The additional requirements for the recovery of costs related to water licencing will only add to the financial challenges and incentives to northern mineral investment. MAC therefore opposes this initiative.

Administrative Monetary Penalties:

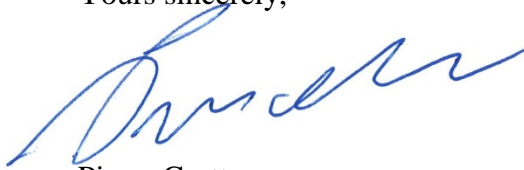
Administrative Monetary Penalties (AMPs) are new to the North and their implementation creates unease for industry. Specifically, the proposed quantum of AMP fines in the Act appears higher than similar regimes that have been implemented elsewhere in northern Canada and the provinces. If the AMP regime is to be implemented in Nunavut, the range of fines should be commensurate with similar regimes (as an example, those currently applicable in the NWT).

Security Management Agreements:

The issue of “double bonding” for reclamation security related to water licences has long been a challenge for mining projects on Inuit-owned lands in Nunavut. Although it is a project-specific arrangement, the proposed provision allowing the Minister of AANDC to enter into written arrangements between the Minister, the Designated Inuit Organization and the proponent will alleviate developers’ current requirement to provide financial security beyond the amounts necessary to secure the project. This is a welcome improvement to the Act.

Once again, MAC appreciates the opportunity to provide comments on Bill S-6 and trusts that the Committee members will give sound consideration to the amendments proposed by the Northwest Territories and Nunavut Chamber of Mines.

Yours sincerely,



Pierre Gratton
President and CEO

c.c. : Lynn Gordon
Committee Clerk, ENEV