

MEMBER STATEMENT—KEVIN O'REILLY MLA FRAME LAKE

MACTUNG MINE LIABILITIES AND CLEAN-UP

October 17, 2017

MR. O'REILLY: Merci, Monsieur le President. In August, the Department of Environment and Natural Resources issued a request for proposals to clean up the former North American Tungsten Company's Mactung property. This government purchased the property for \$2.5 million under special warrant in the summer of 2015 after the company went belly-up and left its mess for the taxpayers. A partial clean-up contract for Mactung was issued for \$87,455, but I am told that I can't see the details because they are protected as third-party business under ATIPP legislation. The request for proposals details a list of abandoned junk, waste fuel and barrels, chemicals, tent frames, and the like.

It is unclear to me whether the government knew the environmental state of the property before buying it. At my urging, the Lands and ENR departments performed a site assessment in the summer of 2016, even though the bulk of the property is on the Yukon side of the border. Presumably, the contract to clean up the site came about as a result of that GNWT reconnaissance. The Yukon Government had inspected the site in June 2015 and found it out of compliance with its mining land user authorization. A non-compliance letter was written to GNWT about Mactung on February 4, 2016.

Last year, I asked the ITI Minister what work is under way to sell this property and was told that ITI is working with the geological survey on "expending geological knowledge of the property." In a May reply to my oral question last February, the ITI Minister said, "The decision to proceed with marketing is related to the... insolvency which like the business asset of Mactung to securities for environmental liabilities of the Cantung Project." Our government accepted a promissory note for financial security on the Cantung mine.

We bought the Mactung property without the consent of the Legislature, with no clear idea of its environmental state. We are now spending public money to do the cleanup the company should have done and cannot even unload it because it is wrapped up in the Cantung insolvency. What a mess.

So what about the future? Can we at least learn yet another lesson from this latest contaminated site on the public purse? Will we ensure that fully cost guaranteed and unencumbered financial security is a requirement for future mining and exploration projects? I will have questions for the Minister later today. Mahsi, Mr. Speaker.