

ORAL QUESTION—KEVIN O'REILLY, MLA FRAME LAKE

QUESTION 3-18(3): CLOSURE AND RECLAMATION OF MINES

October 17, 2017

MR. O'REILLY: Merci, Monsieur le President. My question is for the Minister of Lands, who has some responsibility for mining financial security. There are some positions shown on the organizational charts for the Securities and Project Assessment Division of the Department of Lands. Can the Minister give us a brief overview of the work underway within this division to develop a new closure and reclamation regime for mining in the Northwest Territories, including financial securities? Thank you, Mr. Speaker.

MR. SPEAKER: Masi. Minister of Lands.

HON. LOUIS SEBERT: Thank you, Mr. Speaker. The Securities and Project Assessment Division is providing input to the Department of Lands as we go forward with our updates to the Territorial Lands Act and the Commissioner's Land Act. The department will begin reviewing regulations relating to securities and other matters within the next few months. Apart from that, I can advise that the government and resource management boards who share responsibility for many aspects in this area, particularly financial securities, are working together to develop a guideline for closure and reclamation cost estimates for mines. I understand that document is expected to be released as a joint GNWT Lands and Water Board document in early 2018. Thank you, Mr. Speaker.

MR. O'REILLY: I want to thank the Minister for that response. I think it doesn't really quite jibe with what he said on October 5 when he said, "We know the present system is working quite well." Earlier in my statement, I described the financial security mess involving a promissory note created against the closure and reclamation costs of the Mactung and Cantung properties. Can the Minister update us on the work to properly reclaim of Mactung and Cantung?

HON. LOUIS SEBERT: Canada accepted responsibility for the Cantung site in November of 2015. Care and maintenance at the site continues to be monitored by the court-appointed receiver, for the North American Tungsten. The Government of Canada is bearing the costs of that work. The GNWT no longer exercises delegated authorities at the site under the *Mackenzie Valley Resource Management Act*. This means that it is Canada, not the GNWT, who is responsible for the decisions and water licences and inspections of any water licences or land use permits.

The final step to be completed in this exercise is the relinquishment of the site to Canada, and most parties are working closely to complete the legal steps necessary to transfer the land back to Canada, as it is their responsibility.

With respect to the Mactung ITI is the department lead on that project and they are working closely to ENR to remove and dispose of debris from the site.

MR. O'REILLY: I appreciate the answer from the Minister. It is clear he did his

homework and I gave him a heads up, so I appreciate the detailed response.

As part of our mandate, we agreed to "develop an integrated comprehensive approach to the management of contaminated sites including prioritizing, sharing of responsibility in collaboration with other governments, monitoring, and a sound financial security system to prevent public liabilities."

This item was not changed during the recent revisions. What lessons have we learned from the Mactung and Cantung messes and how will this government apply them to achieve the mandate commitment and prevent further public liabilities?

HON. LOUIS SEBERT: I do appreciate the heads up the Member opposite gave me on this fairly complex issue. He referenced my statement of October 5. Obviously, we can still improve and do need to improve. I do acknowledge that.

We have learned lessons through the exercise of our post-devolution responsibilities. There have been problems with the type of security that we have accepted in the past. I believe there was an unsecured promissory note that is not worth the paper it's written on, so we have learned that we should take more real security. Clearly, you must have real security. An unsecured promissory note is worth very little. We are taking a whole-government approach, if I can put it that way, to resolve this matter and provide the type of security we do need for these projects.

MR. SPEAKER: Masi. Oral questions. Member for Frame Lake.

MR. O'REILLY: Merci, Monsieur le President. Again, thanks to the Minister. I'm glad to hear him say that promissory notes are not good. What he should be looking at is something called the irrevocable letter of credit from a charter bank. That's what you want. I'm helping him out with his homework here, but public consultations are under way on a new Mineral Resources Act. The words "financial security" are nowhere to be found in the discussion paper and the word "abandonment" appears once in the table.

The discussion on rehabilitation closure takes up three paragraphs and four questions with no analysis or options presented. Was the Lands Department involved in putting the Mineral Resources Act discussion paper together? If so, how did it attempt to ensure that the mandate commitment on prevention of future public liabilities is achieved through the Mineral Resources Act? Masi, Mr. Speaker.

HON. LOUIS SEBERT: Yes, thank you, Mr. Speaker. Clearly an irrevocable letter of credit is far better than a promissory note. The promissory note was actually inherited though from the federal government. That was not something of our doing.

ITI, of course, is leading the development on the proposed Mineral Resources Act. We are in the middle of a public engagement until December of 2017. We will be working with ITI on any topics that might arise as a result of this public engagement. As well, Lands will work with ITI on the process as the current mining regulations are held within the Northwest Territories Lands Act. We are working with other departments in this important area. Thank you, Mr. Speaker.