

MEMBER STATEMENT—KEVIN O'REILLY MLA FRAME LAKE

MACTUNG PROPERTY SALE

February 20, 2019

MR. O'REILLY: Merci, Monsieur le President. Our mining Minister recently announced that the Mactung property in the Mackenzie Mountains is finally up for sale.

Just how did we get here? North American Tungsten, the owner and operator of the former Cantung Mine, went into creditor protection on June 9, 2015. Somehow the federal government let that company put up the Mactung property as part of its financial security for its water license. When our government inherited management of the Cantung site under devolution, nothing was done to change that arrangement, even though the GNWT had total discretion over the form of the security that was filed. So much for polluter pays, and the devolution promise of responsible resource development.

As part of the creditor protection proceeding, Cabinet ended up purchasing Mactung for \$2.5 million with a special warrant that bypassed the Legislative Assembly. That way, it could hand Cantung back to the federal government for remediation. When we acquired the Mactung property, a lot of junk and hazardous materials had been left behind at the site, even though I had been told that there was nothing there. A non-compliance letter was written by the Yukon government to GNWT about Mactung on February 4, 2016. I kept pressing Ministers to have an assessment done of the site. That was done, but the report has not been publicly released. The GNWT issued a contract for \$87,000 to do a partial cleanup of the site in the summer of 2018.

Two reports of filed observations and geology of the Mactung deposit and surrounding area were prepared at taxpayers' expense and released in January 2018. The Minister promised to share the marketing plan with the standing committee for Mactung, but that hasn't happened. On December 20, 2018, a Vancouver consultant submitted an application for a Class 4 Quartz Mining Land Use Approval to the Yukon government for 10 years of exploration at Mactung, "as part of a means of increasing the appeal on the Mactung property to prospective buyers."

Lots of questions, and not a lot of clear communications. I'm sure the Minister is looking forward to my questions later today. Mahsi, Mr. Speaker.