

MEMBER'S STATEMENT — KEVIN O'REILLY, MLA FRAME LAKE

CANTUNG AND MACTUNG

February 10, 2020

MR. O'REILLY: Merci, Monsieur le President. A number of Ministers recently returned from another Roundup mining conference in Vancouver, so I am hoping they were able to unload the Mactung property, which this government bought in 2015.

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 licence. When our government inherited the 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 security that was held. 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, we 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 at the site, even though I was 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, finally, but the report has not been released publicly. GNWT paid about \$126,000 to do a partial clean-up at the site in the summer of 2018.

Two reports on the Mactung deposit and surrounding area were prepared for about \$30,000, taxpayers' money, and released in January 2018. The previous Minister promised to share that marketing plan with the standing committee, but that didn't happen.

In December 2018, a Vancouver consultant was paid about \$16,000 to submit an application for a Class 4 Mining Land Use Permit to the Yukon government for 10 years of exploration "as part of a means of increasing the appeal of the Mactung property to prospective buyers." This was clearly an effort to hype the value of the property. A decision to proceed with the permit was made on November 19th of last year, with numerous terms and conditions. I will have questions later today for the Minister of Industry, Tourism and Investment as to whether we finally sold the Mactung property. Mahsi, Mr. Speaker.