

ORAL QUESTION—KEVIN O'REILLY, MLA FRAME LAKE

QUESTION 38-19(3): CANTUNG AND MACTUNG

February 10, 2020

MR. O'REILLY: Merci, Monsieur le President. Earlier today, I reviewed the history of our government's acquisition and management of the Mactung property. We accepted it as financial security against the shaky Cantung Mine and have spent money cleaning up the site and compiling reports in the hope of finally selling it. Can the Minister of Industry, Tourism and Investment tell us, after five years of owning the Mactung property, whether we have sold it, and if not, why? Mahsi, Mr. Speaker.

MR. SPEAKER: Thank you, Member for Frame Lake. Minister of Industry, Tourism and Investment.

HON. KATRINA NOKLEBY: Thank you, Mr. Speaker. The Mactung property has not been sold yet, as we are currently in the middle of a sales process. Our goal is to find a private-sector owner for both the Mactung property and the Cantung Mine as soon as possible. Our strategy is to market Cantung and Mactung together with the Government of Canada, and we believe this is the right approach. We will continue moving forward with this strategy during 2020. Thank you, Mr. Speaker.

MR. O'REILLY: I want to thank the Minister for that. It is not clear to me why these two properties are being marketed together. They are 140 kilometres apart; that is by air. If you try to drive from one site to the other, it is 700 kilometres. Can the Minister explain why we are marketing these properties together?

HON. KATRINA NOKLEBY: Selling the Mactung deposit together with the Cantung Mine allows prospective buyers to evaluate and propose a more comprehensive tungsten business plan that could possibly include economically feasible mining operations, remediation, as well as exploration. This approach is more attractive to responsible developers and increases the potential viability of renewed tungsten mining operations in the Northwest Territories. Our priority is to identify and establish an experienced proponent whose proposed business model will maximize benefits to Northwest Territories residents and businesses. I am happy to update the Member that we have completed a request for qualifications process to shortlist suitable proponents, and we are now defining the terms for the request for proposals to send to the shortlisted candidates. We are actively engaging with Indigenous governments and organizations in the Yukon and the Northwest Territories throughout this process.

MR. O'REILLY: I want to thank the Minister for that. This property has been on sale for at least six months and nothing has really happened. I want to ask the Minister about the terms of sale for it because they are certainly not very clear. Can the Minister tell us what, if any, liabilities does a purchaser assume and what liabilities, if any, stay with this government?

HON. KATRINA NOKLEBY: One of the key goals when designing the request for proposals and negotiating with the preferred proponent will be minimizing the liabilities retained by the federal and territorial governments. The way that it is structured will be defined in the request for proposals. I will be happy, like I said, to update the Members when it is developed. I can only speak to Mactung as the Government of the Northwest Territories will be seeking a proponent that will assume all the current authorizations and the Mactung site in its entirety.

MR. SPEAKER: Thank you, Minister. Oral questions. Final supplementary, Member for Frame Lake.

MR. O'REILLY: Merci, Monsieur le President. I want to thank the Minister for that and her words about minimizing liabilities. In fact, that is what this government should be doing all along, but that doesn't seem to be the case. It remains to be seen whether we can actually ever sell the Mactung property and recover our costs. I would like the Minister, though, to explain what lessons, if any, this government has learned from the Mactung property acquisition and possible sale. Mahsi, Mr. Speaker.

HON. KATRINA NOKLEBY: I would agree with the Member that this government should be looking for efficiencies wherever possible. I would like to say that we have affirmed that there remains interest in our Northwest Territories tungsten resources in today's minerals industry. I would like to say that we have demonstrated that, through partnership, we can turn a tough situation around and set the stage for development with a responsible, collaborative, and local benefits-focused approach. Mactung is a world-class tungsten deposit. Our involvement ensures that its development potential is recognized and remains secure. Our active involvement in the sales process helps to ensure that the right buyer will be found and that the potential of this property to create benefits for Northerners is realized. We also recognize that there is international attention on critical and strategic metals sourcing that strengthens the interests in our Northwest Territories tungsten assets. Thank you, Mr. Speaker.