

ORAL QUESTION—KEVIN O'REILLY, MLA FRAME LAKE

QUESTION 482-19(2): SALE OF THE EKATI MINE

February 3, 2021

MR. O'REILLY: Merci, Monsieur le President. My questions are for the Premier on the sale of the Ekati Mine and whether Cabinet protected the public interest. Can the Premier tell us whether GNWT has agreed to any concessions, debt write-offs, or weakened financial security as part of the sale of the Ekati Mine and assignment of environmental approvals or agreements? Thank you, Mr. Speaker.

MR. SPEAKER: Thank you, Member for Frame Lake. Honourable Premier.

HON. CAROLINE COCHRANE: Thank you, Mr. Speaker. I believe that that is a question best placed with the Minister of Finance. Thank you, Mr. Speaker.

MR. SPEAKER: Thank you, Honourable Premier. Minister of Finance.

HON. CAROLINE WAWZONEK: Thank you, Mr. Speaker. No, there have been no concessions or debt write-offs. All outstanding payments are not being forgiven, and indeed, we continue to hold all of the securities as we did prior to the sale. Thank you, Mr. Speaker.

MR. O'REILLY: I want to thank the Minister for that. Of course, I could never get a fully consolidated list of outstanding amounts owed to this government for taxes, royalties, fees, or any other liabilities or accounts receivable from the Ekati Mine. I need to ensure that these issues are part of our diligent review of this major asset transfer. Can the Minister or the Premier commit to finally providing consolidated lists, in confidence if necessary, with details on how each category was treated as part of the sale of the property?

HON. CAROLINE WAWZONEK: A consolidated list was provided back in August, and in fact, I believe it may have been tabled in this House, detailing the outstanding payments that were known at the time aside from royalties. Royalties are governed by a separate regulatory regime and are not made public independent of collective royalties. However, I can also update that, as of January, another list was sent, I believe, in this case, to committee, if not at least to the MLA directly, and it does detail property taxes, fuel taxes, various boiler registrations, some airport lease payments, mining survey costs, environmental fees, other miscellaneous fees and costs. We can certainly resend that, though.

MR. O'REILLY: I want to thank the Minister for that. Of course, I have both lists in front of me, and there are a lot of things that are not on the list, which she is not going to disclose because she doesn't think we can, because we're country bumpkins or something on this side of the House, but merci, Monsieur le President. I want to thank the Minister for repeating all of that. Although this government was a creditor for the

Ekati Mine during the proceeding, many businesses and even the union pension fund were in shortfall positions. Can the Premier tell us whether these NWT businesses and the union will be able to recover liabilities or accounts receivable?

HON. CAROLINE WAWZONEK: To the extent that there may have been ongoing negotiations with the private parties or private entities, I am not privy, nor is the government privy, to their specific negotiations. I certainly can say that, with respect to the outstanding payments that the GNWT is owed, that those payments or any payments owing do have to be made in order for the matter to proceed. Indeed, that includes a full transfer of the securities.

Mr. Speaker, we are very alive to the fact that there is a number of NWT businesses which are owed money, of course, in this process. It is a process that is monitored by the court. Throughout that proceeding, we have continued to advocate in those proceedings and publicly to the courts about the importance of the Ekati Mine to the Northwest Territories economy and the importance and its impact on businesses here.

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

MR. O'REILLY: Merci, Monsieur le President. I want to thank the Minister for that. I am not sure it was really an answer. I mentioned that most of the financial security held by this government from environmental management and reclamation obligations are in the form of surety bonds backed by insurance companies rather than safer, irrevocable letters of credit issued by Canadian chartered banks. Can the Premier tell us whether this government used the sale of the property and our right to consent or not to the assignment of the water licence, land-use permits, and environmental agreement to convert these surety bonds to more secure, irrevocable letters of credit? If not, why not? I gave all of this to the Premier ahead of time. Mahsi, Mr. Speaker.

MR. SPEAKER: Thank you, Member for Frame Lake. Honourable Premier.

HON. CAROLINE COCHRANE: I believe this question would best be directed to the Minister of ENR. Thank you, Mr. Speaker.

MR. SPEAKER: Thank you. Minister of Environment and Natural Resources.

HON. SHANE THOMPSON: Thank you, Mr. Speaker. Securities have been transferred by dominion to the new company in the same amount and with the same insurance companies and banks. With the cash required for the purchase, it would have been a detriment to ask the company to replace the securities with irrevocable letters of credit or cash in closing. Sureties are an acceptable form of security and our due diligence on the Ekati sale included an assessment of the financial health of the surety providers. There is an agreement in place for the company to replace the securities with cash over time. Thank you, Mr. Speaker.