

2014



YUKON MINERALS ADVISORY BOARD

ANNUAL REPORT

From the Chair

On behalf of the Yukon Minerals Advisory Board (YMAB), I am pleased to present the board's collective experience and observations to assist the territorial government support sustainable mineral exploration and development in order to regain competitiveness and investor confidence.

Proponents, currently the sole entity involved start to finish from environmental assessment through to the granting of a license, continue to experience increasingly excessive, technically misguided and often redundant information requests. This "regulatory creep" appears to stem from the lack of transparent information requirements and the absence of an integrated regulatory system.

It is imperative the Yukon Government (YG) embrace a *holistic* approach to the territory's assessment and licensing regime to provide certainty and efficiency for proponents, Yukon First Nations, regulators and all Yukoners.

The members of YMAB appreciate YG's commitment to the industry and the opportunity this report provides to formally convey our perspective. Most importantly, we appreciate the opportunity to present pragmatic solutions which support the industry and the significant contributions it makes to Yukon residents and communities.

I have thoroughly enjoyed my role as the YMAB Chair, my first year in this capacity, and extend a sincere thank you to the entire volunteer board for providing their valuable knowledge, experience and time. YMAB looks forward to working with YG in the year ahead so that Yukoners across all sectors may benefit from the social and economic contributions a healthy, responsible and sustainable mineral industry can provide.

Respectfully Submitted,


Mark Ayranto
Chair, Yukon Minerals Advisory Board

Summary

The 2013 YMAB Annual Report recommended YG broaden the board's reporting relationship to include the Premier, as the Minister of the Yukon Executive Council Office (ECO), to better integrate the substantive role ECO exercises in the oversight of the industry through YESAA and the *Yukon Waters Act*. YMAB applauds the *Memorandum of Understanding* that was established and signed by YG and YMAB in November 2014 to bring this relationship into effect.

YMAB commends YG's acknowledgement that despite no change to the permitting regime in recent years, the YESAA and *Yukon Waters Act* processes have seen deteriorating timelines and confusion regarding the role and mandate of the respective assessment and regulatory bodies.

This lack of clarity and seemingly evolving interpretation of the requirements under YESAA and the *Yukon Waters Act* have led to more onerous information requirements.

Many of these information requests appear to be highly prescriptive without supporting rationale linking them to an objective performance standard. To the contrary, they can add significant time delays and cost for a proponent and also negatively impact an affected First Nation's capacity to review a project proposal and a Decision Body's ability to make timely recommendations or decisions.

of Recommendations

In response to the board's 2013 recommendations, YMAB applauds YG's efforts to move forward with regulatory improvements through the Mine Licensing Improvement Initiative (MLII). However, **YMAB emphasizes the critical need for MLII to establish timely deliverables, which can be reasonably implemented to re-establish the Yukon as a competitive mining jurisdiction.**

YMAB anticipates, that in addition to the MLII, the forthcoming Mineral Development Strategy (MDS) will help YG position the territory as an attractive investment jurisdiction.

YMAB acknowledges YG's efforts in 2013 and 2014 to establish clear timelines for the *Yukon Waters Act* process, however **emphasizes that adequate resources have not been, yet must be, provided to the Yukon Water Board (YWB) by ECO so the board can reasonably meet these timelines in processing quartz and placer mining applications.**

There is a lack of transparency inherent in the *Yukon Water Acts* process. In addition, the inability of the YWB to currently meet prescribed timelines for adequacy review continues to plague industry's ability to get a mine developed and once in operation – *to continue operating.*

YMAB therefore recommends, as a priority under the MLII, that the respective parties establish clear application requirements which link directly to an objective performance standard and can be commonly utilized throughout the process, from the submission under YESAA, through to the granting of a Water Use License and a Quartz or Placer Mining License.

As a further priority under the MLII, **YMAB re-emphasizes its recommendation that a one-window coordinated point of entry for mining proponents with accountability for timelines, process improvement and procedural fairness be established within YG. It is further recommended that such a body would report directly to the Ministers of ECO and EMR.**

Furthermore, **YMAB recommends that such a body be provided with the authority to ensure broad accountability across agencies in order to be an avenue for cross-agency communication regarding process improvement and procedural fairness.** Similar models exist in other Canadian jurisdictions and are succeeding by remaining efficient in size and nimble in approach with the authority to drive process accountability.

YMAB recognizes that Yukon First Nations are integral to achieving a sustainable mineral industry and would similarly benefit from greater clarity and efficiency with respect to an integrated regulatory system. To this end, **YMAB encourages YG and First Nations to work together to better cultivate inter-governmental relations and recommends this can be best achieved through enhanced dialogue, greater clarity and enhanced regulatory focus.**

Throughout 2014, YMAB participated in several productive board-to-board meetings with both YESAB and the YWB. It was broadly agreed that increased collaboration and communication would benefit Yukon's assessment and permitting regime. YMAB is committed to investing the time and resources to help ensure this important dialogue continue and **re-emphasizes its recommendation that YG proactively coordinate this board-to-board-to-board communication.**

Conclusion

The 2014 Fraser Institute Annual Survey of Mining Companies surveyed over 4,200 exploration, development and other mining-related companies around the world to assess how mineral endowments and public policy factors, such as regulatory certainty, either encourage or discourage investment.

Of the 122 global mining jurisdictions ranked by the Institute, the Yukon was 9th in the world as an “attractive mineral jurisdiction in which to invest”, due to its world-class mineral potential (which took the top position globally).

However, of significant concern to YMAB, is the Yukon’s fall to 26th (*from 19th in 2013 and 8th in 2012*) as a result of “a decrease in the percentage of respondents who perceived that policy factors encourage [or discourage] investment.” According to the institute’s summary of respondents, **“a continued lack of coordination of permitting between the environmental assessment board and the water board is causing an increase in permitting time for any projects of at least an additional year.”**

YMAB commends the fact YG uses the Institute’s rankings as a ‘report card’ and recognizes there is ‘room for improvement’ in the current Yukon regulatory system. **YMAB implores YG to act with a sense of urgency to remove regulatory duplication and uncertainty through MLII to provide greater efficiency and reliability of the assessment and licensing of mining projects in Yukon.**

YMAB looks forward to working with YG in the coming year to help ensure the territory is positioned to be a true “mining jurisdiction” with projects able to reach their full potential and compete globally throughout the exploration, development, operation and closure phases.

In the board’s view, it is only this holistic approach paired with clear urgency by YG to *implement* regulatory improvement and reform, that will move the Yukon beyond being a predominantly “exploration jurisdiction.”

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*Pelly Construction Ltd. at Capstone Mining Corp.’s
Minto Mine*