



New minerals legislation Condensed discussion paper

February 2023



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Share your thoughts

After reading this discussion paper, please complete an online survey so that your views are taken into account as we continue work on developing new minerals legislation.

You can find the survey at Yukon.ca/new-minerals-legislation. You can also send us comments by email at newmineralslegislation@yukon.ca.

Executive summary

We are developing new legislation that will replace Yukon's *Quartz Mining Act* and *Placer Mining Act*. Mining has deep roots in the Yukon, going back to the Klondike Gold Rush, and some aspects of the current legislation have not changed in over a century. With this work, we're hoping to develop forward-looking legislation that supports a future of responsible mining in the Yukon and reflects the values of all Yukoners.

Yukon's mining sector has helped drive the territory's economy, led to the development of critical infrastructure and created well-paying jobs for many Yukoners over several generations. Mining has also had an impact on our environment, and on people and communities. Our aim with new legislation is to ensure a new mining regime respects Indigenous rights, supports a competitive and responsible mining industry, protects the environment, and supports the modern-day and future needs of Yukoners. We are also developing new legislation in the context of an emerging green economy, and we know that certain minerals will play a critical role in supporting this transition.

The work to renew Yukon's minerals legislation is being undertaken in collaboration with Indigenous governments and has been informed by input from representatives of Yukon's mineral exploration and mining industry, as well as environmental organizations. We are now at the stage where we want to hear your views on the ideas and potential approaches that we've identified. Your input and feedback will be used by the governments in the next phases of their work.

This engagement is different from a typical Yukon government engagement. Many of the concepts and ideas being presented aren't consensus views at this stage, and it is important to recognize that participating governments may not endorse or support all of the potential approaches. We are being purposeful about engaging in this way because we see value in presenting a wide range of ideas and alternatives for public input and feedback.

We've broken down the mining regime into its key components and developed a suite of potential approaches and considerations for each. Components include how and where mineral tenure can be acquired and how it is maintained, how mining projects are licensed, financial security, reclamation, closure and abandonment of sites, royalties, and compliance and enforcement.



Some of the potential approaches are modifications or improvements to the current approach while others are a break from the status quo towards something novel for the Yukon. A switch to novel approaches can involve more risk, less near-term certainty and, if not properly understood, unintended consequences. Such changes, should they be pursued, would also require well thought-out transition plans. We know that more detailed analysis is required before pursuing such approaches and this is work that we plan on doing.

We understand there is likely to be a wide range of perspectives on many of the approaches presented. Your input will help us decide on the best approaches to include in new minerals legislation.



Primer

Introduction

Mining has deep roots in the Yukon, going back 125 years to the Klondike Gold Rush. The industry has helped drive the territory's economy, led to the development of critical infrastructure and created well-paying jobs for many Yukoners over several generations. For instance, the Mayo and Aishihik hydro plants were built in part to provide power to mining projects and now, decades later, these facilities continue to provide clean renewable power to Yukoners. The mining sector accounted for 14% of Yukon's economy in 2020 and was the largest sector outside of public administration.

The early quest for gold, and what came after, fundamentally changed life for the territory's Indigenous peoples, with impacts on families, language, culture, and traditional economies. Mining has also had an impact on our environment, and in some cases this has resulted in sites that require significant government investment to clean up.

We are now undertaking a process to develop new minerals legislation that will replace the *Quartz Mining Act* and the *Placer Mining Act*. Core components of these current laws are more than a century old and through this work, we're hoping to develop forward-looking legislation that will support responsible mining in the Yukon for many years to come.

Our aim with the new legislation is to improve the management of the Yukon's mineral resources in a way that respects Indigenous rights, strengthens the Yukon's economy, supports a competitive and responsible mining industry, protects the environment, allows for the integration of other land uses and values, and supports the modern-day needs of Yukoners.

We also know that some minerals will play a critical role in supporting the transition to an emerging green economy. Temperatures in Yukon have risen nearly three times faster than the global average and Yukoners have already experienced changes in climate including permafrost thaw and changes to weather and conditions on the land. A transition to a green economy will rely on critical minerals, some of which like copper, zinc, and tungsten are found in the Yukon. As we think about the future of mining in Yukon, it will be important to consider how Yukon's mineral endowment might contribute to a solution to this global issue.

The work to renew Yukon's minerals legislation is being undertaken by the Yukon government in close collaboration with Yukon First Nations, transboundary Indigenous governments, and



the Council of Yukon First Nations. We've been working together through a steering committee struck in the autumn of 2021. Since then, we've worked to break down the current mining regime into its components, identified key policy issues behind each component, and developed a suite of potential approaches and considerations for each key policy issue. This collaborative work has been supported and informed by representatives of Yukon's mineral exploration and mining industry as well as environmental organizations. We have also engaged an independent researcher to understand and get advice on the socio-economic issues and implications of mining.

It has been a long road to get here. In 2003, the Yukon government and Canada signed the Devolution Transfer Agreement, which committed Yukon government to jointly develop any new resource legislation with First Nations, including for mining. Our work also builds on the findings of the independent panel that produced the Mineral Development Strategy in 2021. Many of the strategy's recommendations referred to and were premised on the need for new minerals legislation.

We are now at the stage where we want to hear the public's views on the ideas and potential approaches we've developed for new minerals legislation.

This engagement on new minerals legislation is a bit different from other engagements that are typically designed to seek feedback on a single, recommended approach. One way that it differs is that what is presented here is the output of a truly collaborative process between Yukon government, Yukon First Nations, transboundary Indigenous governments, and the Council of Yukon First Nations. A second way that it differs is that many of the concepts and ideas being presented aren't consensus views at this stage. Just because an approach or option is being presented doesn't mean that the participating governments endorse or support it. We have been purposeful about this approach to engagement because we see value in presenting a wide range of ideas and alternatives for public input and feedback.

This engagement has been purposefully designed to avoid any kind of referendum on mining. We understand there is likely to be a wide range of perspectives on many of the issues presented. We are seeking this broad input and consideration, and your input will help us decide on the best approach as we move forward in our process to develop new legislation.

Some of the potential approaches might be characterized as modifications or improvements to the current approach. With these, it is more straightforward to understand the implications and consequences. Other potential approaches can involve a break from the status quo towards



something novel for the Yukon. We recognize that a switch to novel approaches can involve more risk, less near-term certainty and, if not properly understood, unintended consequences. Such changes, should they be pursued, would also require well thought-out transition plans. We know that more detailed analysis is required before pursuing such approaches and this is work that we plan on doing.

You may be interested in commenting on some parts of the new legislation and not others. Engagement documents have been prepared for specific topics, and our online survey will allow you to select which topics you're interested in commenting on. We're seeking your thoughts on which proposed approaches may strike the right balance between supporting a strong and viable industry in the future, protecting the environment, upholding Indigenous rights, and contributing to healthy and sustainable Yukon communities.

Through our work, we have fully recognized the distinct scales, geographies, histories, economics, and operating environments of the quartz and placer sectors in the Yukon. In some cases, we have explicitly identified different potential approaches for these sectors, and in other cases we haven't. We know that careful consideration of these distinctions will be extremely important as we further our work, and we fully anticipate that different, unique approaches are likely to be required for all or part of each sector. For those who are familiar with these distinctions, we encourage you to identify the sector you are thinking about in your responses and feedback.

Input and feedback during this stage will be used by the governments as they work through the rest of the process. A *What We Heard* document will be produced and publicly released following the end of the engagement period.

Key policy issues

We've organized our work on new minerals legislation around the following key policy issues. You can find more information on each key policy issue in the form of a short information sheet or a longer summary of the different approaches we're considering.

Disposition refers to how mineral tenure is made available and granted through a claim or lease. **Acquisition** refers to the rules that must be followed to get tenure, including how tenure is acquired (e.g., physical staking or online map-staking) and who can hold tenure.

Maintenance refers to the rules that govern how mineral tenure is kept once it is acquired.



Licensing is a feature of many stages of the mineral development cycle. Licensing rules deal with how plans for exploration and development projects are submitted and with what information, how they are reviewed and approved, and what happens after a licence is issued.

Financial security is paid to the government by operators to ensure that operators meet their legal obligations and to cover the cost of reclaiming an exploration or mine site if an operator fails to do so.

Reclamation refers to the work required to clean up after exploration or mining activities are complete, in order to meet closure objectives. Progressive reclamation involves cleaning up as you work.

The **closure** of a mine aims to return a site to a stable, non-polluting state. Closure can also refer to when an operator is no longer responsible for a site. **Abandonment** is when an operator leaves a site while failing to meet its closure obligations.

Compliance, monitoring and enforcement addresses the tools available to the inspectors and enforcement officers who monitor and inspect mine sites and enforce Yukon's laws and regulations.

Royalties are payments made by those profiting from the extraction of mineral resources to the owners of the mineral resources.

Cross-cutting themes

We're also considering several cross-cutting themes that relate to many of these key policy issues.

We've set out some principles that are designed to communicate a **vision** for new minerals legislation.

We're looking at how and by whom **decisions** are made, including the involvement of Indigenous governments, how disagreements are resolved, and the role of the public.

We're considering the creation of a **resource revenue fund** to help reduce the impacts or increase the benefits of mining, as is found in some other jurisdictions.

We're similarly looking at how various types of **mining agreements** can be used to ensure mining's impacts are mitigated and benefits are shared.



And we're looking at how to best manage the **socio-economic considerations** of mining.

Helpful definitions

Here are a few other helpful definitions of words that are commonly used throughout these materials:

When we use the word **mining**, we are often using it as shorthand to refer to the whole mineral exploration and production life cycle, and not just the part when minerals are being produced. The life cycle includes prospecting, exploration, development, production, reclamation, closure and monitoring.

We often distinguish between two types of mining common in the Yukon:

Placer mining deals with minerals found above bedrock. In the Yukon, this is typically gold mixed with gravel in ancient river bottoms. The gold is extracted using water and gravity.

Quartz mining deals with a wider variety of minerals in bedrock (i.e., hardrock). Extraction of these minerals often involves blasting and crushing rock, and using chemicals to extract the desired minerals. A quartz mine is sometimes referred to as a hardrock mine or, because of the scale of these operations, as a major mine. Quartz mining in the Yukon often produces gold, silver, lead, zinc and copper.

We distinguish the **assessment** process that is governed by the *Yukon Environmental and Socio-economic Assessment Act* from the **regulatory** process that is governed by the *Quartz Mining Act* and the *Placer Mining Act* and their regulations. Keep in mind that other territorial or federal regulatory requirements and processes (e.g., *Waters Act* and *Fisheries Act*) may also apply to a mining project.



New minerals legislation

Vision for new minerals legislation



A conveyor is seen at the Eagle Gold mine.

New minerals legislation seeks to do many things. Over the course of the last year and half, the government-to-government steering committee has begun to set out a long-term vision for a new regime.

New legislation will provide a framework for mineral prospecting, exploration, development, production, reclamation and closure, while recognizing key differences between the quartz and placer sectors. New legislation should improve the management of the Yukon’s mineral resources in a way that respects Indigenous rights, strengthens the Yukon’s economy, supports a competitive and responsible mining industry, protects the environment, allows for the integration of other land uses and values, and supports the modern-day needs of Yukoners.

Below we detail draft principles that are intended to support this future vision.

New legislation seeks to:

- Respect Aboriginal and treaty rights and to promote reconciliation
- Create conditions for a mining industry that is viable, competitive and responsible.
- Realize economic benefits for both present and future generations
- Contribute to individual and social well-being and healthy communities
- Ensure environmental protection and ecosystem health
- Set out how industry is responsible and liable for its activities and impacts
- Ensure collaboration with and involvement of Indigenous governments
- Regulate mineral development in a manner that is efficient, effective and transparent



New minerals legislation

Mineral tenure – disposition and acquisition



Mineral tenure is currently acquired in the Yukon through physical staking of the ground.

Disposition of mineral tenure refers to the rules for how mineral rights are made available and granted. Acquisition, meanwhile, refers to the rules that a person or company must follow to get tenure and to determine who is eligible to acquire tenure (e.g., physical staking or online map-staking). We’re looking at ways to modernize the tenure disposition and acquisition regime to make it clear, straightforward and consistent with Aboriginal and treaty rights across the Yukon. The new regime should meet the interests and needs of current and future Yukon residents, reflect a balanced approach to other land uses and support a viable and responsible mineral exploration and mining sector.

The challenges

Some elements of the current disposition and acquisition system are out of date and need to be revisited. Several key issues need to be addressed, including how to determine which areas are open for mineral activity and whether tenure should be a legal right or granted by permission.

Potential approaches

These are some of the potential approaches that we’re considering. We’d like to hear your thoughts.

- **Granting of mineral tenure**
 We’re considering whether mineral tenure should be a right or a permission. We’re considering an approach similar to the current system where tenure is granted so long as a claim is staked properly (i.e., there is no discretion). We’re also considering an approach that provides decision-makers with discretion to grant or refuse tenure. We’re also considering approaches that would grant tenure all at once or in stages.
- **Where mineral activity can occur**
 We’re considering different approaches for determining which areas are open for mineral activity and which are not. For example, all land could be available unless withdrawn from staking or specific areas could be designated for mineral activity.
- **How is tenure acquired**
 We’re considering ways by which mineral tenure may be acquired, whether through physical staking of the ground or online map-based staking, and whether the requirements should be the same or different for the placer and quartz sectors.



New minerals legislation

Mineral tenure maintenance

Mineral tenure maintenance refers to the rules for keeping or losing mineral tenure once it has been acquired. These rules include the work requirements for maintaining claims and how tenure may be transferred, lost or relinquished.



Work must be done to keep mineral claims in good standing.

Because mineral tenure underpins the mineral exploration and mining sectors, we want the tenure maintenance regime to be clear and consistent, and strike an appropriate balance between the needs of these sectors and competing land uses.

The challenges

The current system could be improved to create a more efficient, effective and transparent regime that reflects the realities of the exploration and mining sectors, while reducing their impacts on other land uses.

Potential approaches

These are some of the approaches that we're considering. We'd like to hear your thoughts.

- **Keeping tenure in good standing**
We're considering changes to the rules for keeping tenure, including types of work that can be accepted to keep claims, claim grouping, payment-in-lieu of doing work and whether the regulator can grant relief from work requirements.
- **Renewals and length of tenure**
We're considering whether tenure should have a maximum length and whether we should continue to require an annual renewal of tenure or move to a different length of renewal (e.g., multiple years).
- **Transfer, relinquishment & lapsing**
We're considering changes to ensure that outstanding liabilities and obligations are addressed if tenure is transferred, relinquished or lapsed.
- **Expropriation and compensation**
We're considering whether to establish rules for expropriation of mineral tenure and compensation in new legislation or, alternatively, whether to continue to rely on other legislation and the courts to settle these issues when they arise.



Licensing



A mining truck at the Eagle Gold mine.

Licensing is a key function of the regulatory regime for exploration and mining projects. Licensing rules define how project plans are submitted, how applications are reviewed and approved, and what happens after a licence is issued.

We are considering ways to make this part of a new regime effective, efficient and as transparent as possible.

To do this, we also need to consider how a new regime works with other legislation and make sure requirements and processes are coordinated and streamlined.

The challenges

The process of licensing can be complex, with many steps and requirements between multiple parties. Coordination and integration is often challenging and can lead to a strain on resources both for proponents and governments.

Potential approaches

These are some of the approaches that we're considering. We'd like to hear your thoughts.

- **Types of licences**
Our current regime includes various classes of licence depending on the activities being proposed. One approach could be to retain this class system but revise the thresholds. We are also considering different ways to distinguish small-scale placer mining projects from large-scale projects.
- **Duration of licences**
There could be a maximum duration for each type of licence or the duration of a licence could be determined by the specifics of the project proposal.
- **Application requirements**
We are considering options where information requirements for licences are fully prescribed and other approaches where information requirements depend on the type of activities and the area in which they occur.
- **Engagement requirements**
We could require all proponents to engage with affected Indigenous governments, communities and stakeholders irrespective of the type or location of the activities. Alternatively, we are considering specifying engagement requirements based on the specifics of each project.



New minerals legislation

- **Project reviews**

Right now, the regulator must consider any potential adverse effects on Indigenous rights. We are considering expanding this to include consideration of Indigenous interests as well. The regulator must also currently consider the adverse environmental and socio-economic effects of a project. We're considering an approach that would provide more specificity on what types of environmental or socio-economic effects should be considered. The regulator could also consider positive effects or benefits.

We are also considering updating review and decision timelines, and providing authority to extend timelines in certain circumstances. There is an interest in revising timelines to provide greater clarity on how long processes will take. Current timelines often do not align with those needed to fulfill Yukon government's obligations to consult with affected Indigenous governments.

- **Regulatory reporting and oversight**

We are considering requiring annual reporting for some or all types of projects. There could also be a requirement to make reports publicly accessible.

- **Other tools**

We are considering tools to help control or reduce project impacts in areas that might need added protection. Another tool we are considering is the ability to combine licences.



New minerals legislation

Compliance, monitoring and enforcement



Natural resource officers monitor and inspect mines in the territory.

Natural resource officers help ensure that mining is done responsibly and the environment is protected. They monitor and inspect mine sites and enforce Yukon's laws and regulations.

We're considering a suite of new enforcement tools and penalties. Our goal is to ensure proponents follow all the requirements that are part of their licence. We are also considering ways to enable the greater involvement of Indigenous governments in compliance, monitoring and enforcement.

The challenges

Natural resource officers have limited tools at their disposal when ensuring proponents comply with the requirements in their permits and licences. Existing penalties are not always effective deterrents.

Information isn't always easily accessible, and many Indigenous governments have limited involvement in compliance, monitoring and enforcement activities.

Potential approaches

These are some of the approaches that we're considering. We'd like to hear your thoughts.

- **Compliance, monitoring and enforcement tools**

New approaches could include search, seizure or forfeiture provisions, summary conviction tickets for minor infractions and escalating responses for repeated infractions.

- **Penalties and deterrence**

The fine structure could be updated to provide more effective deterrents. Repeat offenders could see escalating penalties.

- **Public accountability and transparency**

We're considering a public registry for all project information including authorizations and inspection reporting.

- **Collaborations between Yukon government and Indigenous governments**

This could include enabling designations of staff from Indigenous governments for inspecting, enforcement and monitoring.



New minerals legislation

Financial security



A view of the Kudze Kayah exploration camp. Proponents of mines must pay financial security to cover the cost of reclaiming the site should they fail to do so.

Proponents pay financial security to the government to cover the cost of reclaiming an exploration or mine site if the proponent fails to do so.

We want to ensure that the amount of security held for a project is sufficient, adequately addresses risks and reduces the likelihood that public funds will need to be used if a proponent doesn't reclaim a site.

We also want the processes to determine and review security to be clear, efficient and transparent. We're also looking at what forms of security should be allowed, when government can access security funds and how to strengthen enforcement tools with respect to security.

While the purpose of security is the same for all projects, there may be a need to implement security requirements differently for the exploration, placer mining and quartz mining sectors.

The challenges

Right now, the requirement for security is not always applied consistently and does not always ensure that the risk to taxpayers is reduced. Further, the processes to determine and review security can be unclear and lengthy. If security is set too high, this can impact the financial viability and success of a mine.

Potential approaches

These are some of the approaches that we're considering. We'd like to hear your thoughts.

- **Purpose and parameters**
We could continue to base our security amounts on the specific cost of reclaiming a site, or we could develop tools that also allow us to consider the risks and likelihood of the long term success of reclamation.
- **Licence renewals, amendments and transfers**
We're considering using a lack of up to date security payments to restrict licence renewals, amendments or transfers.
- **Requirement for security**
We could make security a requirement for all projects or limit the requirement to projects that exceed certain thresholds.
- **Security reviews and amendments**
We could continue to review security on a discretionary basis directed through policies, or we could establish a mandatory periodic review of security.
- **Seizure and use of security**
We could establish that security can be seized from a proponent in certain circumstances such as failure to comply with a direction, failure to carry out reclamation, ceasing production without notice, abandonment and any act of bankruptcy.



New minerals legislation

Royalties

Royalties are payments made to the owner of mineral resources. While these payments are not the only way that the mining industry provides economic benefits to the Yukon, they are an important part of ensuring that the public – as the owner of Yukon’s mineral resources – sees meaningful financial benefits from mineral production in the territory. As such, we are looking at different approaches for determining royalties and considering which would be the best fit for the Yukon.

The challenges

The royalty regime for placer mining is outdated and does not result in the Yukon receiving meaningful financial benefits from royalty payments. It also remains unclear if the current royalty regime for quartz mining is the best fit for a modern and sustainable future. A new royalty regime should be transparent, easy to administer and enforce, and should ensure the Yukon remains a competitive mining jurisdiction



We’re looking at different approaches to determining royalties.

Potential approaches

These are some of the approaches that we’re considering. We’d like to hear your thoughts.

- **Quartz mining royalties**
We could determine quartz royalties based on the value of a mine’s production, a mine’s profits, or a combination of the two.
- **Royalty rates**
We’re considering changes to the royalty rates for both placer and quartz.

- **Placer mining royalties**
We could calculate placer royalties based on the value of a mine’s production, the value of a mine’s production with a reduced rate for some production, a mine’s profits, or a combination of profits and value of production.

We are not considering keeping the current system, which is an export tax on placer gold.



New minerals legislation

Reclamation



This area at Brewery Creek has been reclaimed after mining.

Reclamation is a key part of the mining process for both placer and quartz operations. In new legislation, we want clear reclamation requirements for proponents. We also want to ensure reclamation efforts are successful.

We want to make sure that Indigenous governments are part of reclamation planning. This will help provide benefits for communities and respect and uphold Indigenous values and future use of the land.

There are also sites that were not reclaimed. We want to prevent this from happening again in the future.

The challenges

Reclamation requirements can be unclear and difficult to enforce. Without clear requirements, reclamation planning and monitoring can be inconsistent, lack transparency and leave out affected parties.

Potential approaches

These are some of the approaches we're considering. We'd like to hear your thoughts.

- **Reclamation requirements**
Progressive reclamation, or cleaning up as you work, could be either encouraged or required. We're also looking at ways to discourage proponents from not completing reclamation.
- **Improved reclamation planning**
We want to improve reclamation planning, including the consideration of Indigenous land uses, and how reclamation objectives are determined.
- **Regular monitoring and reporting**
We're considering either annual or project-specific timelines for reclamation monitoring and reporting.
- **More tools for reclamation of abandoned sites**
We're looking at ways to encourage the reclamation of abandoned sites and considering approaches to increase transparency in relation to reclamation work undertaken by government.



Closure and abandonment



Ketza River is an abandoned gold and silver mine in south-central Yukon.

Mine closure follows development and production and generally involves returning a site to a stable, non-polluting state. In many cases, the goals for what a site should look like when it is closed (i.e., end land-use objectives) developed early in a project will inform reclamation and closure plans. Closure also refers to a regulator decision to consider a site “closed,” which means the proponent is no longer responsible for the site.

Generally, the abandonment of a site occurs when a proponent leaves a site with no intention of returning, after failing to satisfy all the closure requirements of a licence. If this happens, the Yukon government steps in and takes responsibility for the site.

We want to see improved closure planning, long-term monitoring and maintenance, and reporting. We also want to consider how decisions about closure are made. In the event a site is abandoned, we want to be able to respond quickly and effectively.

The challenges

Closure is often a long process and plans often need to be adapted to changing circumstances and conditions. If government has to step in, there can be many complicated decisions to make to reduce environmental risks and limit financial liabilities.

Potential approaches

These are some of the approaches that we’re considering. We’d like to hear your thoughts.

- Authorizing closure activities**
 We are considering the ability to issue a licence for closure and post-closure activities only. Alternatively, legislation could allow an existing production licence to be extended to carry out these activities.

- Closure completion**
 We are thinking about different ways to determine if closure of a site has been achieved. There are options as to who to involve in this decision, like affected First Nations and communities or the public. It could also be a third-party (e.g., a board or committee) decision in some cases.

When closure is achieved, a proponent may no longer be responsible for the site, but there could be circumstances where this is not an option. We could also enable government to withdraw the land from future mineral exploration or development activities.

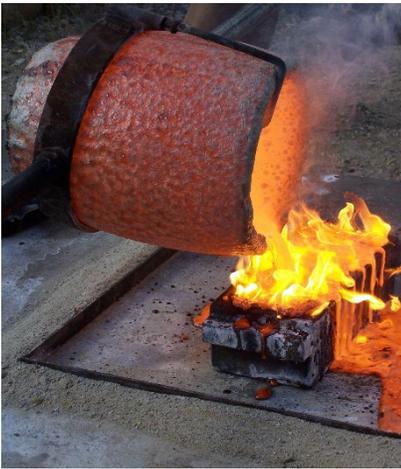


- **Monitoring and reporting**
Legislation could require long-term monitoring and reporting on a project-specific basis. Legislation could also identify infrastructure types or permanent features that will always require long-term monitoring and reporting.
- **Sites under the care and control of government**
If a proponent abandons a site, the Yukon government assumes responsibility for both the interim care and maintenance of the site and its permanent closure. We are considering approaches that will ensure government can use site equipment, facilities and infrastructure to care, maintain, and close the site.
- **Closure planning**
If abandonment happens, a new closure plan might be needed. One approach would be for the Government of Yukon to make this decision with affected Indigenous governments and involve them in developing a new plan. The public could also be involved. This involvement could help to identify ways that Indigenous governments and local communities can benefit from closure projects.
- **Ensuring liabilities and closure requirements are transferred**
If a site is sold or transferred to another proponent, the government needs to be able to ensure liabilities and closure requirements are transferred as well.



New minerals legislation

Resource revenue fund



A gold bar is seen being poured. We're considering establishing a resource revenue fund in the Yukon to help reduce the impacts or increase the benefits of mining.

Resource revenue funds can be used to reduce the impacts or increase the benefits of mining. Other jurisdictions have similar funds that go by different names, including permanent dividend funds, heritage funds and sovereign wealth funds. We're considering establishing a resource revenue fund in the Yukon and would like to hear your thoughts on what a fund might be used for and how it might be grown.

The opportunities

Some of the potential advantages of a fund include: sharing benefits between present and future generations, averaging out the public benefits of mining that are typically subject to fluctuations, reducing public liabilities by mitigating and addressing any legacy or unforeseen impacts from mining, connecting the public more directly with the benefits of mining and ensuring that local communities impacted by mining see their share of the benefits.

Potential approaches

These are some of the approaches that we're considering. We'd like to hear your thoughts.

- **Source of funds**

Some of the potential sources of revenue for the fund could include:

- Fines
- Fees (e.g., cost to record a claim)
- Royalties

- **Use of funds**

Some of the potential uses of funds could include:

- Reclamation of abandoned sites
- Direct payments to Yukoners
- Funding future Yukon economic development and diversification
- Covering the costs of administering the mining regime
- Paying for increased community infrastructure and services needed due to nearby mining



New minerals legislation

Decisions, disagreements, public involvement and transparency



A post marks the boundary of a mineral claim. There are many decisions made across the mining regime, beginning with approval of licences for exploration.

There are numerous decisions made across the current mining regime, from the approval of licences for exploration and the licensing of placer and quartz mines to the amount of security that should be held for different activities. Decision-making mechanisms and processes seek to support many factors, including transparency and public input, accountability, certainty, impartiality and efficiency.

The challenges

We're considering different approaches to decision-making in the new regime, including how the public might be involved and how disagreements might be dealt with.

Potential approaches

These are some of the approaches that we're considering. We'd like to hear your thoughts.

- **Decision makers**
We're considering whether a third-party should inform or make some decisions that are currently made by government.
- **Involvement of Indigenous governments in decision-making**
We're considering a spectrum of options for the involvement of Indigenous governments in making decisions.
- **Public involvement**
We're looking at a range of options for increasing opportunities for public input across the whole regime.
- **Transparency**
We're looking at how to improve and coordinate access to certain kinds of information. One approach is to create a public registry to house information on licences and other matters.



New minerals legislation

- **Dispute resolution**

When parties can't agree, having a dispute resolution process can allow those parties to resolve issues without going to court. We're contemplating if and when such a process might be required and how it could be structured.

- **Appeals**

Similarly, when a proponent disagrees with a decision, having an appeal process can resolve issues without going to court. We're contemplating if and when such a process might be required and how it could be structured.



Mining agreements



Mining agreements can help ensure that benefits are shared and risks are mitigated.

Mining agreements help ensure that project benefits are shared and risks are mitigated. They can be struck either between proponents and public or Indigenous governments or between different governments. In jurisdictions like the Northwest Territories, mining agreements are required by law in certain situations.

Yukoners are probably most familiar with one type of mining agreement: impact benefit agreements (IBAs), which are often struck between a mining company and an Indigenous government to provide benefits like resource revenue sharing, Indigenous employment targets and business development opportunities. Currently, IBAs are not required by legislation and their terms are typically confidential.

Other types of agreements, such as agreements between mining companies and governments, ensure community preparedness by helping to provide social services and infrastructure to communities near mines.

We are considering some approaches that would leave agreements up to the parties to a project, and others that would put requirements for certain types of agreements into legislation. We also recognize that different approaches may be required for the quartz and placer sectors.

Potential approaches

These are some of the approaches that we're considering. We'd like to hear your thoughts.

- **Requirements**

Agreements could be required for certain types of projects (e.g., over a certain impact or value threshold) and could be linked to specific regulatory requirements (e.g., obtaining a licence). The decision to enter into agreements could also be left to the discretion of the parties, without any legal requirement.

- **Components of mining agreements**

Agreements could address the following matters:

- Capacity funding for Indigenous governments
- Consultation, engagement and communication protocols
- Economic measures like training, employment and business development
- Socio-economic measures like programs, services and infrastructure that support community well-being and preparedness
- Financial benefits like resource revenue sharing or equity participation



- **Updates and revisions**
When a project needs a new licence, or changes scope or changes hands, it might be an opportunity or a requirement to update an agreement.
- **Disclosure**
Agreements can either be kept confidential or disclosed in part or in full. Disclosure might differ between audiences (the public or the public government).
- **Dispute resolution**
If agreements are required by law, there may be a need to provide an alternative way to resolve disputes outside the court system if the parties cannot agree despite best efforts.



New minerals legislation

Socio-economic considerations



The Wolverine mine site. We're looking at ways to reduce mining's negative socio-economic impacts and increase its benefits.

Mining and its related activities can have broad social and economic impacts, both positive and negative. It can lead to improved roads and infrastructure and create many well-paying jobs. It can also put pressure on social services and can increase the cost of living by creating additional demands for materials, services and labour. As well, workplace violence and harassment can disproportionately impact Indigenous people, women and gender and sexual minorities. Workers from Yukon communities can find the pressures of working in the mining sector contributes to substance use and increased stress within families.

We want to ensure that a new regime minimizes negative socio-economic impacts and maximizes socio-economic benefits.

The challenges

Accessing socio-economic data and identifying suitable indicators can be challenging. Mitigating socio-economic impacts may require resources and tools that are costly, and some solutions may fall outside the scope of minerals legislation.

Potential approaches

These are some of the potential approaches that we're considering. We'd like to hear your thoughts.

- **Agreements**

Agreements involving mining companies and governments (Indigenous and public) help to address socio-economic impacts and increase benefits. Agreements could address topics such as employment, training, and education. Some agreements may involve project proponents, while agreements related to community infrastructure and services may be between governments.
- **Monitoring and reporting**

Legislation could require monitoring and reporting of socio-economic effects.
- **Information requirements**

Legislation could require that proponents submit socio-economic information when applying for a permit or license.
- **Regulatory reviews**

Legislation could require regulators to consider the socio-economic impacts of a project. Although currently required, more specific direction could be provided in a new regime.
- **Engagement**

Project proponents of a certain scale could be required to engage affected Indigenous groups, communities and stakeholders. This could help identify impacts and potential mitigations. Public engagement by government could also be required for some projects.



Questions

Vision for new minerals legislation

1.1 Do you have any thoughts or concerns about the set of draft principles we're considering or additional things that you think we should consider?

Mineral tenure – disposition and acquisition

2.1 Do you have any thoughts or concerns about the approaches we're considering for disposition and acquisition, or additional things that you think we should consider?

2.2 How important is it to have mineral tenure granted as a legal right, in which claimholders have a legal right to explore and extract minerals? Please explain.

2.3 How important is it for the regulator to be able to decide whether or not to grant mineral tenure? Please explain.

2.4 How important are the following to you:

- establishing in advance where mineral activity can occur
- reducing the impacts of staking
- allowing online map staking

Please explain.

Mineral tenure – maintenance

3.1 Do you have any thoughts or concerns about the approaches we're considering for mineral tenure maintenance, or additional things that you think we should consider?

3.2 How important is it to establish clear rules for expropriation and compensation of mineral tenure?

Licensing

4.1 Do you think the approaches we're considering will:

- create opportunities to streamline processes
- lead to better licensing outcomes
- help to identify and mitigate project impacts



Please explain.

4.2 Do you have any thoughts or concerns about the approaches we're considering for licensing and regulatory alignment, or additional things that you think we should consider?

4.3 How important are the following to you:

- establishing different licensing requirements for small-scale and larger-scale placer operations
- allowing longer term authorizations
- an ability to manage project activities differently in some areas

Please explain.

Compliance, monitoring and enforcement

5.1 Do you think the tools we're considering will encourage and improve compliance? Please explain.

5.2 Do you have any thoughts or concerns about the approaches we're considering for compliance, monitoring and enforcement, or additional things that you think we should consider?

Financial security

6.1 Do you think the approaches we're considering for security will reduce risks for taxpayers? Please explain.

6.2 Do you have any thoughts or concerns about the approaches we're considering for security, or additional things that you think we should consider?

6.3 How important are the following to you:

- requiring financial security for all or some exploration and mining projects
- re-assessing financial security every two years
- taking stronger measures if a company fails to pay the required security

Please explain.



Royalties

7.1 Do you have any thoughts or concerns about the approaches we're considering for royalties for **quartz** mining, or additional things that you think we should consider?

7.2 Do you have any thoughts or concerns about the approaches we're considering for royalties for **placer** mining, or additional things that you think we should consider?

Reclamation

8.1 Do you think the approaches we're considering will improve reclamation and closure outcomes? Please explain.

8.2 Do you have any thoughts or concerns about the approaches we're considering for reclamation and closure, or additional things that you think we should consider?

8.3 How important are the following to you:

- progressive reclamation
- reclamation and closure reporting
- public access to reporting about reclamation and closure

Please explain.

Closure and abandonment

9.1 Do you think the approaches we're considering will improve the management of abandoned sites? Please explain.

9.2 Do you have any thoughts or concerns about the approaches we're considering for abandonment, or additional things that you think we should consider?

9.3 How important is reporting on reclamation and closure efforts and spending of security?

Resource revenue fund

10.1 Do you think it's more important for a resource revenue potential fund to mitigate impacts or provide benefits?

10.2 If to mitigate impacts, which ones?

10.3 If to provide benefits, what types of benefits?

10.4 Do you have any other comments?



Decisions, disagreements, public involvement, and transparency

11.1 Do you think the approaches we're considering will help to:

- help resolve disagreements
- provide adequate opportunities for public involvement
- improve transparency

Please explain.

11.2 Do you have any thoughts or concerns about the approaches we're considering, or additional things that you think we should consider?

11.3 How important are the following to you:

- having a third party make certain decisions
- additional public input in the new regime
- making information on decisions available to the public
- a dispute resolution and/or an appeal process

Please explain.

Mining agreements

12.1 Do you think the approaches we're considering will help provide additional avenues to address impacts and provide benefits related to projects? Please explain.

12.2 Do you have any thoughts or concerns about the approaches we're considering, or additional things that you think we should consider?

12.3 How important are the following to you:

- making agreements mandatory in some situations
- publicly disclosing the contents of agreements in some situations
- community preparedness for mining projects

Please explain.

12.4 What components do you think are important to include in mining agreements?

Socio-economic considerations



13.1 Do you think the approaches we're considering will help provide additional avenues to address impacts and provide benefits related to projects? Please explain.

13.2 Do you have any thoughts or concerns about the approaches we're considering, or additional things that you think we should consider?

13.3 How important are the following to you:

- addressing socio-economic impacts in new minerals legislation
- monitoring socio-economic impacts over the life of a project

Please explain.

13.4 What socio-economic impacts do you think the legislation should speak to or that government should be required to consider when reviewing a project?

