

WHITE RIVER FIRST NATION

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White River First Nation Submission to the Mineral Development Strategy

On behalf of White River First Nation, we would like to thank you for taking the time to consider our recommendations for the Yukon Mineral Development Strategy (“MDS”). Our interest in participating is not simply to provide our recommended changes for consideration, it is an appeal to be heard by Yukon Government on changes White River First Nation (“WRFN”) would like to see to the Yukon Mining Regime. Over the past year, WRFN has sent numerous requests to Yukon Government to participate at tables such as the Mining Memorandum of Understanding (MOU) table, or even a table for the Yukon First Nations (“YFN”) with unceded rights. Both requests were denied. Our submission will focus primarily on recommendations to Yukon Government (“YG”) with respect to how mining activities are reviewed, approved, monitored, and regulated. YFN rights and related consultation duties of the Crown will not be a significant focus in this submission as these issues are understood by YG and have been issues for generations. The focus of our submission is technical and the lack of references to YFN rights and interests is not indicative of their importance.

Free-Entry Staking

First and foremost, we are fundamentally and practically opposed to the continuation of the free-entry system for claim staking. This archaic approach to acquiring mineral tenure carries with it a rather frustrating scenario where the claims are staked and registered with the Mining Recorder prior to any consultation with a YFN. In fact, consultation is only initiated once a claimholder (or designated agent) submits a project proposal for a Class 1 exploration program to Yukon Government or a Class 3/4 exploration proposal is submitted to the Yukon Environmental and Socio-economic Assessment Board (“YESAB”). The consultation that ensues is not focused on determining the importance of an area but rather it is focused on determining what the potential impacts the project may have on the exercise of rights and interests of a YFN. Simply put, it is not a question of whether a proponent should be allowed to enter our Traditional Territory to stake a claim but rather the approval for a proponent to proceed should be contingent on the outcome of consultation between YG and a YFN.

The Quartz Mining Act (“QMA”) states that “no person shall enter on for mining purposes or shall mine on...lands lawfully occupied by another person until adequate security has been given...for any loss or damage that may be thereby caused”. YG’s approach to consultation with a YFN is to determine if proposed activities will have an impact on the exercise of rights and interests but that determination is unilaterally made by YG; often contrary to the interests of the YFN. The amount of security furnished for the large exploration and production operations exclusively, is based solely on the activities proposed by the Proponent and not based on the value of the land or activities traditionally conducted by Yukon First Nations.

Recommendation: Change the free-entry staking system to one that requires YG, YFN, and Yukoners must consult and agree on a map delineating areas where no staking of claims can occur and areas that are open for claim staking. This is a pre-emptive measure to give exploration companies notice which ensures transparency and a level of certainty for companies looking to invest and stake claims in the Yukon.

Tenure, Cost, Representation of Work

Notwithstanding our concerns with the free-entry staking system, WRFN concerns stem from the fact that a mineral claim can be leased for a “term of twenty-one years” (Sec 103, QMA). Not only is the cost of staking a claim minimal (\$10), but the cost of maintaining the claims in good standing for the period of twenty-one years (\$100 worth of work per year or payment in lieu of work) is founded on the misconstrued understanding that each claim will see this work conducted for all claims worked by the claimholder. Sec 55 (1) of the QMA allows claimholders to group claims up to a total of 750 claims to fulfill the requirements under the Schedule of Representation of Work regulation (Sec 55 (1)). This means that for any number of claims grouped together, the claimholder may conduct assessment work required on one or several claims that comprise this contiguous block of claims (i.e. for 100 grouped claims, the proponent is required to conduct \$10,000 worth of work on one or all of the 100 claims). The claimholder is required to track all expenses incurred through these efforts and may even conduct work in an amount that exceeds this annual requirement to ‘bank’ expenses and carry them forward in the amount up to \$400 per claim for any given year. These banked funds can be carried forward on to future years and used for payment in lieu of work to keep the claims in good standing. That paired with the claimholders list of allowable expenses creates uncertainty with respect to mineral tenure duration, the scale of intensity of works that may be conducted on one individual claim (or several), and uncertainty on how these claims will be developed in any given year.

WRFN is concerned with this for several reasons. First, the length of time that a proponent may hold mineral tenure (whether any given claim is actually assessed for mineral potential or not)

stands to potentially inhibit or affect our rights and interests in a particular area. Prior and advanced notice of a company seeking to stake claims would allow for the proponent and WRFN to have a discussion on how these areas are developed or if there are any significant concerns with a company's interest to stake claim in any particular area. Second, by allowing the proponent to carry forward assessment credits and allowing them to rack up a long list of eligible work expenses may further result in the claimholder simply 'not developing' certain areas (by electing to 'pay in lieu' as opposed to assessment work) and simply hold a mineral lease interest which may or may not overlap areas of high cultural significance to WRFN. In this case, it is not a matter of "if" the work on the claim takes place but rather a matter of "when" that potentially stands to impact WRFN rights and interests in the area. In addition to claiming expenses for all works conducted in the assessment efforts for any particular claim, the claimholder is able to claim "any work done outside of a mineral claim with intent to work on the claim shall, if it has direct relation, and is in direct proximity, to the claim and is done to the satisfaction of the mining recorder, be deemed to be work done on the claim for the purpose of this section" (QMA, Sec 56 (2)). Since this is not well defined within the regulation, WRFN does not feel claimholders should have this ability until such time that this assessment expense deduction can be well defined.

Recommendation 1: The term for a mineral lease shall be shortened from twenty-one years to ten years to reflect the term of a license, to allow for YG and WRFN to review and determine how the claimholder has complied with license conditions, to determine the severity of the impacts to our rights and interest in and around the mineral claim areas, and to evaluate whether further mineral tenure should be granted in these locations.

Recommendation 2: Yukon Government needs to revisit the 'Representation Schedule of Work' regulation and make the following changes.

- 1) The grouping of claims needs to be reduced from 750 claims to a more reasonable number such as no more than 50 claims in one grouping (this reduction represents 10.5km²) to lessen the chances the claimholder is not simply just 'sitting on the claims' but is intending to conduct 'miner-like' activities.**
- 2) The list of allowable expenditures for assessment of mineral potential needs to be re-evaluated to be more prescriptive as to what activities do and do not qualify for assessment work purposes (or credits).**
- 3) The activities that 'may be' in support of assessing mineral potential but do not occur on the claim block should not be a part of 'working the claim' for the purposes of assessment work. This is a cost that should be assumed by the operator and will thereby reduce or**

eliminate the risk of additional and unnecessary access roads being developed to and from the claim block.

Exploration/Construction/Operation

The current structure of the mining regulatory framework is founded on the basis that mining exploration and production activities are conducted all to support the further development of our mineral resources. What many do not realize is that although there are certain standards and criteria in place for how an operator is to conduct their operations, there are no standards in place for how these operators are expected to design and construct their operations. They are simply informed to propose a project plan and explain how the operator will abide by both their commitments in their proposal and the implementation standards from YG that are embedded in the regulations. In the absence of having a development standard, YG fails to recognize that it will be impossible to know the following:

- 1) Should the operator fail to comply with the terms and conditions of the license, YG might assume the liability for the site (should the operator up and leave) and will be faced with a cleanup situation they never anticipated.
- 2) By requiring a standardized approach to exploration or mine development, YG can begin to track important baseline information on how the operator conducted their operations, to compare to other neighboring operators, or even to conduct case studies to compare operations of similar size in various regions of the Yukon. When put in practice, the opportunities are endless in how YG could use this approach to support all kinds of baseline monitoring.
- 3) In relation to #2 above, by requiring this standardized approach, YG would then be in a position to take the baseline monitoring information submitted from operators and compare to how various landscapes respond to mineral resource exploration and extraction. In addition to the above, YG should develop a set of measurable standards for reclamation to ensure the impact of the placer mining activities to the receiving water bodies and riparian habitat are not irreparable.

Under the current regulations, there is no standardized set of criteria that are used to distinguish certain activities currently allowed in both a Class 4 exploration program and a mine license. What this means is that the Proponent is able to justify the construction of mine components during the exploration license stage thereby using these to incrementally establish themselves into a position when a mine license application may appear to be a formality (i.e. disturbance has already occurred and the infrastructure is well situated so why not agree to a mine?). This approach is becoming more palatable amongst the major mining companies who claim the

construction of mine-related infrastructure during an exploration program is all protected under the guise of a ‘miner-like activity’.

Without a standardized set of criteria for how proponents are required to develop their exploration and production operations, the proponents are given the freedom to propose any activities that fit within the loose standards as described by the mining legislation. The regulations are not specific or stringent enough and it is not uncommon for YG to approve activities that are not adequately characterized within the regulations. A recent example of this is the discussion WRFN had around ‘trial heap leach pads’ proposed for a Class 4 Exploration program. Our position was twofold. Firstly, how can the construction and operation of trial heap leach pads be deemed an activity necessary to prove the resource? The fact that the company was approved to construct and operate this facility using only water (no cyanide) shows this activity was not necessary to determine what the indicated/inferred resources of an ore body is. Secondly, there is no mention of trial heap leach pads within the QMA or regulations and YG’s justification for allowing this activity to occur was that it is (subjectively) considered a ‘miner-like activity’ even though it is well outside the scope of what most would objectively determine as an exploration activity.

Recommendation 1: YG to work with YFN and local communities to come up with a standardized approach for how we would like mineral exploration areas developed. This would include a number of workshops and collaborations with the end goal of amending the mining regulations.

Recommendation 2: YG to work with YFN and review the table describing the various exploration program thresholds for both quartz and placer operations. The outcome of these amendments will produce quantifiable (measurable) thresholds that are distinct and also ensuring there are limitations to a Class 4 Exploration program.

Recommendation 3: YG needs to revisit their guidebook on how to develop a mine proposal to include more standardized criteria on what the allowable activities, infrastructure, and operational management plans that comply with the existing mining legislation. This would apply across the board to all mining companies in the Yukon.

Adaptive Management/Proponent Commitments

WRFN has growing concerns that the acceptance of the ‘adaptive management’ approach proponents’ take in managing their operations will increase both the environmental and financial risk assumed by YG. There are various reasons as to why this approach is relied upon too heavily by the proponent. The adaptive management approach is founded on some key academic principles that the effects of the project activities to the ecosystem are largely unknown and project activities need to be adapted accordingly.

What we are seeing with proponents in the Yukon is that the use of this term is being abused and skewed because the material used to develop their project proposals is limited. This results in proponents claiming they need to rely on how they are ‘adapting’ to their evolving project activities thereby mischaracterizing what the term adaptive management actually means. Projects that are submitted to YESAB often have a heavy focus on using the industry’s definition of the adaptive management approach so less detail and more flexibility is afforded to the proponent in how they operate their projects. This paired with the lack of measurable standards through the regulatory framework further catalyzes the uncertainty on how the project will have an effect on the ecosystem, if the proponent has the knowledge or capability in addressing an unexpected event or discharge, how YG is supposed to determine the cumulative effects of this project (no baseline either), how YG is supposed to calculate the amount of security for reclamation, and lastly, what the temporal scope of the project is. This adaptive management approach ultimately creates uncertainty on how long an area will be subjected to mining activities because proponents claim their understanding of the subsurface is limited. That understanding is difficult to agree with seeing that mining exploration is now done in less intrusive ways (i.e. aerial drones with Li-DAR like monitoring capabilities) which generate a lot of information on ore bodies.

When projects are submitted to YESAB for review and recommendations, there is significant emphasis on what the ‘Proponent Commitments’ are when determining the significance of an identified effect. YESAB accepts this approach to conducting their review but WRFN believes this is not their preferred approach. The proponent commitments are again a direct result of YG not creating and requiring exploration/mine design standards for all proponents. Until YG realizes this significant gap in how they regulate mining, all Yukon tax payers will be on the hook (financially) to pick up the slack left behind from mining proponents who failed to effectively reclaim the landscape they mined.

Recommendation: YG must work with all YFN to draft and implement a set of specific standards for the development and operation of mining projects. YFN involvement is crucial to ensure that the standards will not stand to impact any rights and interests for

any of the communities. YG should require that all proponents create more detailed and specific plans for how they intend to operate their projects. This is no longer the jurisdiction where a “free-for-all” “see what works approach can be taken”. New and innovative approaches to mining have been shown to work throughout the world in a variety of ecosystems so many of the justifications we hear on the operational uncertainties should no longer hold weight.

As for the Proponent commitments, both YESAB and YG should no longer put much thought into this approach. First and foremost, these commitments are no better than a handshake deal because for many of them, they are not enforceable by the current regulations. Aside from a heavy hand slapping from YFN, the proponents know full well if they do not commit to carry out these commitments, they stand to lose their social license to operate. For some, it is worth the risk to renege on these commitments. Rather than putting an emphasis on what the proponent commitments are, YG must force these mining operators to submit more detailed proposals.

Consultation Framework

The current consultation framework, or lack thereof, is not currently a system whereby YG is adequately discharging its duty to consult and accommodate the concerns raised by WRFN. This is apparent in YG’s current understanding of their consultation obligations and the ability to understand how to consider the rights and interests identified for any given proposed exploration or mine applications. When concerns raised by WRFN are being considered in YG’s decision-making on whether to allow a project to be proceed, the justifications presented as to why concerns raised were not influencing factors in the decision are never presented by YG. These determinations are not conveyed nor are they supported by an established consultation framework.

Recommendation: YG should reach out to all affected YFN stating their intended approach to adequately considering concerns raised by any particular YFN and if no mutually agreed approach is a result of this engagement, that YG and YFN come together to come up with a consultation framework that is unique and supported by the community.

Yukon Government's reliance on YESAA to determine the significance of an impact is not a rights-based process nor is it supported by the Haida test. YESAB has been clear that they do not conduct a rights-based assessment, yet YG uses the recommendations arising from a YESAB review as the sole basis for determining whether a project be allowed to proceed.

Recommendation: YG needs to recognize that the YESAB process is only intended to provide a determination on what the significance of a project might be and also needs to look at establishing a process (either in parallel or following a YESAB assessment) to focus strictly on the potential impacts to rights and interests. A subsequent process should be initiated and mutually agreed upon between the YFN and YG to ensure that the criteria used in considering these impacts are known and understood by all Parties.

Royalties and Tax Deductions

The current royalty is structured so that YG can collect royalties on the net income of a mine as opposed to the other more common approach of basing the royalty regime structure on the gross income or the net smelter royalty (“NSR”). The reason on why collecting a royalty on the net income doesn’t work stems from the result of amendments made to the regulations (back in 2013), which allows for claimholders to not only claim the list of expenses in the year in which they occurred, but rather to spread them over the life of the mine. These expenses include deductions such as activities related to exploration (saved during exploration programs), access to property, technical preparations, participation in environmental & socio-economic participation, FN community engagement (with a technical component), and an annual allowance of asset depreciation up to 15% of the value of the asset. Under this current model, claimholders will be able to rack up a list of exploration and mine related expenditures and use them to write off the costs of conducting work and paying a royalty percentage which is lower than it should be. If this model for expense deductions (operational costs, development allowance, depreciation of assets, etc.) continues then YG will not see royalties collected from operational mines until years 5+ into the operations. This is currently the case currently for Yukon’s only operational mine. The other benefit to requiring a higher royalty to be paid from a mining operation provides additional funding that could be used to support more resources for regulatory oversight, funds for additional scientific studies, and funds to support much needed community infrastructure in the rural communities.

Recommendation: YG to explore a new framework for collecting royalties based on a net smelter royalty (“NSR”) or on the gross income. In addition, the regulations should be amended to ensure that claimholders only be allowed to write off expenses in the year that they were incurred.

Income taxes

We must recognize that the Yukon Government has expended a considerable amount of time and resources to provide all of the educational and training opportunities for local Yukon citizens to

have knowledge/skills to work within the mining industry. Due to the low unemployment rates and the availability of a local workforce, many of the workers (upwards of 80%) are from outside the Yukon. This transient workforce is often from other jurisdictions in Canada or the US and are typically paying income taxes elsewhere (principal residence outside of the Yukon). Yukon Government should be implementing a place of employment tax on this workforce such as the Government of Northwest Territories has currently in place. They require employers to withhold a 2% tax from payroll and send directly to the GNWT.

Recommendation: This is another avenue where YG should recoup some of the costs expended to regulate this industry. WRFN recommends that a 3-5% place of employment tax be implemented with half the taxes going to support Compliance, Monitoring, and Enforcement inspections and the other half of the taxes going to support initiatives in nearby communities.

Forms of Security

YG currently requires proponents to pay a security for producing mines and some exploration projects to cover the cost of an unexpected event or operational failure that would require YG to step in and fix the situation. The amount of security is initially determined by the proponents' project plans and the amount of security held is reassessed every two years to see if more or less security is needed to be held. The forms of security include the direct deposit of funds to YG, surety bonds (i.e. insurance from an international bank), assets, etc. Aside from the fundamental flaw of determining securities based on industry's adaptive management approach and proponent commitments, the form of security model needs to be based on an approach that does not leave YG, and the Yukon tax payers, on the hook should a company fail to operate their developments as they had intended. For example, monies held by YG (through direct deposit) may be subject to court order retrieval by shareholders should the company file for insolvency, the surety bond approach is an insurance premium where the coverage details is not disclosed to YG, and using the value of the assets is determined based on their market values which often fluctuating. Ultimately, the uncertainty around these approaches to forms of security is still high and more thought needs to be put into redrafting this model that YG relies upon to ensure all unexpected events do not put the Yukon tax payer on the line from a liability and financial perspective.

Recommendation: YG to review and redraft the form of security model. This work should be done in conjunction with YFN and tax payers to determine a more fiscally responsible approach to collecting security.

Compliance, Monitoring, and Inspections

Over the past number of years, there has been an increasing amount of mineral activity within the Yukon, especially in the White Gold district. With this heightened activity, YG should be allocating more resources and personnel to ensure that all operators are abiding by their license conditions to operate. The reality that we are faced with is that YG is not allocating sufficient time/resources to ensuring there is an adequate presence of enforcement officers which leaves many of the operators to self-regulate their own license conditions. For the larger mineral exploration operations, there may be one to two inspections by a YG official per season (average) whereas for the smaller operators, they may not see any YG inspectors during the mineral exploration season.

Fundamentally, WRFN has concerns with the ability of the Compliance, Monitoring, and Inspections (“CMI”) officer to objectively and accurately ensure each operator is compliant with their license conditions. This stems from the lack of measurable and objective license conditions which results in subjective observations from between one CMI inspector to the next and it does not lend itself to YG collecting a baseline dataset which can be compared to the same dataset the operator is using to characterize the site (incl. on-going activities). WRFN has made this point over many occasions with YG officials and no significant changes have been made to improve how license conditions are determined. The other issue is that the license to operate for exploration activities are quite generic and quite often only include terms and conditions proposed by YESAB through their recommendation report (usually high level and not too explicit).

With respect to the terms and conditions, we have stated over numerous occasions that their licenses need to include terms and conditions that are more specific (i.e. more conditions with descriptions), a numerically-based approach which is the only way that also allows a CMI inspector to collect unbiased baseline data (such as a water or soil sample during field inspections), and most importantly, it is objective because there is little to no reliance on varied observations in the field from different CMI inspectors.

Recommendation: WRFN feels quite strongly about the obvious shortfalls within the field of Compliance, Monitoring, and Inspections of the mining industry. Specifically, we propose the following solutions:

- 1) YG to provide more personnel and resources to hire more CMI inspectors. This is absolutely necessary to ensure that the mining operators complying with their**

license conditions and more opportunities for inspectors to track and monitor anecdotal sight observations in addition to tracking compliance of the licenses. Additionally, YG could look at providing funding to train WRFN members from our community on how to assist a CMI inspector during their field inspections.

- 2) Operating licenses need to be completely remodeled to be more descriptive, stringent, and numerically based. WRFN proposes that YG solicit recommendations from all YFN and non-government organizations' to provide unbiased suggestions for how these license templates could be remodeled to ensure the operational requirements are explicit, objective, and compliment the collection of baseline data to characterize the impact of a mining operation in any given area and to compare to how the proponent is characterizing the impacts of their developments.**

Land-Use Planning

WRFN would like to highlight the significant value of a land-use plan which is built by a broad spectrum of perspectives/interests presented by all stakeholders or interested Parties. Although we are not currently participating in the land-use planning process, we have taken the initiative internally to develop plans that are based on our own community's interests with respect to how developments occur within our Traditional Territory. Out of principal, land-use plans should be implemented prior to any land disturbing activities take place, but this has not been the direction nor the interest of YG to do so. The regional land-use planning process (as facilitated by Yukon Land-Use Planning Council) is moving at a snail's pace while areas such as the White Gold district have already experienced a staking rush. This not only creates challenges for YG and YFN to consult on the intentions of the claimholder to develop but also creates a heightened level of risk for the shareholders who financially support these operations as investors. WRFN is of the opinion that if enough collaborative planning between YG and YFN can occur via a land-use plan (or some variant), then this would make great strides to a better working relationship between YG and YFN and it also creates some certainty for these mineral exploration companies (and their shareholders) when they invest their resources into any areas within the Yukon.

One very important component of land-use planning is determining what the assimilative capacity of an area/region is with respect to land-disturbing developments. This has typically been done on an ad hoc experimental basis where YG approves the majority (if not all) projects in any given area to proceed. These decisions are made with no regard to the baseline characterization of these areas because this information has not been collected! By tightening up on the license conditions and allowing for more CMI inspectors to carry out their regulatory duties, YG, YFN, and other interest groups will be in much better position to determine if an area has reached its assimilative capacity for mineral exploration activities or not. The cumulative

effects monitoring as project's advance (or even when they are decommissioned) will play a crucial role in determining whether or not to allow a project to proceed.

Recommendation: YG must allow WRFN to be included in the Regional Land Use Plans as an equal planning partner to other YFN. We recognize that YG and other YFN already have agreements to complete Regional Land Use Plans, however we have not been included as an equal planning partner in areas outside of the UFA Traditional Territory. As we do not prescribe to the UFA Traditional Territory, we require YG to allow us to be a part of these planning processes within our greater Traditional Territory.

Access Roads, RARP, YRG Project

Currently, claimholders have the ability to develop any given number of roads/trails on their claims so as they are staying within the thresholds as described by their mining land-use approval. YG currently has a funding program in place, the Resource Access Road Program ("RARP"), which allows for industry to apply for funds to upgrade existing roads to and from their claim blocks. This program is most often used by the mining industry and the funds to support these upgrades is paid by Yukon Government.

The future for this program funding is uncertain due in part, to the recent proposal by YG to amend the Resource Road Regulations to allow for mining industry proponents to assume the liability, control, and maintenance of these resource access roads. This regulatory amendment will give operators the ability to restrict public access along these resource roads which would, in turn, result in the operators not having the ability to access funds through the RARP program.

The proposed resource road regulation amendment proposal is currently being drafted but YG has had some initial discussion with YFN. The primary concerns that WRFN has with the amendments (as currently proposed) include the following:

- 1) Proponent has exclusive use of the road and has the ability to grant access (via a user agreement) to another company or organization. WRFN is concerned that the company's ability (as proposed) to restrict access may extend to YFN who have subsistence harvest rights along the proposed access road from the Dawson Goldfields. Through consultation with YG, this concern has not been resolved.
- 2) The primary road user can grant permissions to other companies (secondary road users) to use the access roads and they also have the ability to transfer that control to another

company as the next primary road user. This ability creates much uncertainty with respect to the temporal scope of the access road which is normally associated with a mining land-use approval and therefore is scoped with an end date for decommissioning of the access

- 3) By allowing primary road users to control access for others, they will assume overall liability for the road with respect to maintenance, safety, and access. Much uncertainty still remains with how this model is intended to work and the securities collected by YG have not been contemplated (at this time) to our knowledge.

The Yukon Resource Gateway Project is project funding that will be primarily sourced from a funding contribution from the federal government. Other inputs will be sourced from YG and the mining industry. During the project funding announcement, it was stated that this road would be connecting the Dawson Goldfields to the White Gold district and then from there to Carmacks. The Prime Minister of Canada also stated that this new project would give YFN “better access to wilderness areas for exercising traditional activities”. WRFN has spent the last couple of years tirelessly trying to find answers as to which YG department holds the duty to consult with YFN and what the scope for such a massive project will be. What we have been hearing recently is YG has altered their messaging on this project and are now touting it simply as a funding program to upgrade resource roads and segments of the proposed YRGP route. This piecemeal approach to resource road development creates some significant challenges when it comes time to discussing the spatial and temporal scoping as well as how YG intends to consult and accommodate with YFN.

Recommendation 1: YG to conduct an internal review to better determine if the amendment of the resource road regulations will alleviate land user conflicts, if the Proponents control of road access is in the best interest of YG, and most importantly, how YG intends to conduct consultation considering a Proponent will now have control over access road use.

Recommendation 2: With respect to the Yukon Resource Gateway funding, YG to consult YFN on their intentions with the funding program to clarify if it is intended to connect and construct a new resource highway from Dawson to Coffee Creek to Carmacks or whether the funds will be used to upgrade roads and highways to support the mining industry.

YMIP, YMAB, YMA

The Yukon Mineral Incentive Program (YMIP), the Yukon Minerals Advisory Board (YMAB), and the Yukon Mining Alliance (YMA) are all created and supported financially by YG to further promote the mining industry. YMIP was created as an application-based funding program

that companies can apply for from everything from grassroots exploration to support of large Class 4 exploration programs. YG currently allocates up to \$1.4million per year to support companies with their exploration activities irrespective of their financial needs but rather is based on who applies.

The YMAB was originally established as a committee of mineral industry representatives (and some years including a YFN representative) to provide advice to YG about how the industry should be promoted, regulated, and improved to make the Yukon a more attractive jurisdiction to invest in mineral development. This committee has significant influence because it has a direct line of communication to YG cabinet Ministers which makes it the only committee funded by YG that has this direct link to the decision makers. YG provides financial support to this committee by providing funds to cover meeting expenses, members honorariums and other related expenses to attend these meetings.

Lastly, the YMA is a consortium of representatives from the major mining companies (currently operating in the Yukon) who form this group and their primary purpose is to promote their own mining projects in the Yukon and around the world. YG allocates approximately one million dollars per year which member companies use to support their travel to conferences/meetings and other expenses related to the promotion/advertisement of their mineral development projects in the Yukon.

The support of these initiatives is viewed by WRFN as an unnecessary and irresponsible use of public funds for these companies to promote their projects to prospective shareholders. The annual funds YG allocates and provides to these initiatives would be better used to support more enforcement staff positions in the CMI division and/or use funds to conduct peer-reviewed academic studies to determine what the actual effects of mining are with past and proposed mining projects. The funds could also be used to study how the consideration of cumulative effects could be better analyzed through the course of consultation with YFN and in consideration of determining whether proposed projects should be allowed to proceed.

Recommendation: YG to stop funding these tables and conduct a review to determine how best to use these funds. Input from YFN should be solicited during the course of this review to consider if the funds could be used to support any community needs or to conduct studies on how resource development stand to impact the nearby communities. The list of possibilities of how this funding could be used is not exhaustive so long as it is no longer

used to promote mineral development projects or used to support the political influence of these companies within YG.

Re-write of Mining Legislation

Both the Quartz Mining Act and the Placer Mining Act are both in need of a major overhaul. The drafting of these acts occurred during the Klondike Gold Rush at the turn of the century during a time when mining exploration and extraction was a free for all without consideration for YFN rights and use of the land, regulatory oversight, cumulative impacts, etc. Amendments to both pieces of legislation have been made in recent years but these changes were all largely made in favor of the mining companies with no interest from YG to make some other significant amendments as proposed by WRFN and other YFN. YG needs to fund and support a table that is inclusive of all YFN's to discuss what amendments to discuss and consider. WRFN is aware that such a table exists as part of a Mining MOU which is exclusively for the YFN that have signed the Final- and Self Government Agreements. WRFN's request to join this table was denied and we continue to make this point clear to YG.

Recommendation: YG to create and fund a table with all YFN to discuss specific concerns and proposed changes to the Quartz- and Placer Mining Acts. Following the submission of the MDS recommendation report to YG would be the best time for such a table to be created. In addition to proposing new changes to the legislation, the table could also discuss how the acts would be implemented (i.e. policy changes)

Thank you for the opportunity to submit comments to the Yukon Mineral Development Strategy. WRFN looks forward to initiating consultation with YG on the above and is open to any feedback arising from anyone who reads this submission.

Sincerely,



Ray Guinness

WRFN Lands & Resources Manager

Signed on behalf of WRFN Chief & Council