



3151B Third Ave.
Whitehorse, YT Y1A 1G1
Ph. (867) 667.2090
Fax (867) 668.7127
admin@yukonminers.ca

September 7, 2020

Yukon Mineral Development Strategy Panel
PO Box 372
108 Elliott Street
Whitehorse, YT Y1A 6C4

Dear Panelists,

RE: Submission to Yukon Mineral Development Strategy Panel

Thank you for the opportunity for the Yukon Chamber of Mines (YCM) to provide input to the Yukon Mineral Development Strategy Panel ("the Panel") with respect to a future Yukon Mineral Development Strategy ("the Strategy").

We believe it is important for all individuals to participate in public engagements such as the opportunity presented here, to ensure that stakeholder recommendations can be incorporated into the Strategy. Unfortunately, we believe the Panel has missed an opportunity for greater industry engagement, with the deadline occurring during the Yukon mining field season. By ending the consultation on September 8th, it has limited the opportunity for Yukon's mineral industry to individually submit thoughts on the future of a Mineral Development Strategy. As per our pre-submission engagement letter dated November of 2019, please reconsider the deadline presented, and extend it beyond October, a time of year when most if not all Yukon related companies, investors, and proponents are back from field activities and have time to submit suggestions or opinions. Not extending the deadline will lead to less engagement from Yukon's mineral industry.

YCM's vision for the Strategy is a competitive Yukon exploration and development industry that operates safely and responsibly to find the minerals and metals that are essential to modern life. Our organization's missions include sustaining a vibrant and responsible mineral exploration and development industry and to support the mining and exploration industry to secure access to lands, skills and capital. The role that the Yukon's mineral development industry contributes to the Yukon's overall economic health cannot be understated in a planet currently gripped by the COVID-19 pandemic. The reality is that Yukon's mineral development industry has been a key component of Yukon's economy and it has the opportunity to play a crucial role in long-term economic recovery – however, this will only be possible so long as its resource development legislation maintains competitive tenets that attract capital to our jurisdiction such as open entry and a clear and consistent permitting regime.



3151B Third Ave.
Whitehorse, YT Y1A 1G1
Ph. (867) 667.2090
Fax (867) 668.7127
admin@yukonminers.ca

Yukon's mining industry is maligned with outdated negative perceptions; that mines are dirty, destroy the environment, and don't provide any benefits to the First Nation communities they partner with. In 2020, nothing could be further from the truth, and as the saying goes "these aren't your Grandfather's mines". As per the Canadian Minerals and Metals Plan: "Today's mines use a range of modern, innovative processes and technologies in their operations, including supercomputers, automation, monitoring sensors and artificial intelligence (AI). Some mines use custom underground robots to identify ore and waste rock. Other mines harness the power of genomics to monitor and restore biodiversity during site restoration. By tapping into renewable energy sources and reducing, reusing and recycling water onsite, companies are creating smart mines to produce the minerals and metals for an evolving economy." Yukon has numerous companies and projects undertaking innovative practices to reduce any form of impacts on the land and environment. Either through drones, or low impact drilling, automation and computers are lessening the footprint on the land.

Further to this point, the mineral development sequence provides essential products for the evolving global economy and substantial socio-economic benefits for regions across Canada, including northern, remote and isolated communities. The Yukon mining industry provides innumerable benefits to communities in the way of jobs, infrastructure development and benefits agreements. Things that don't necessarily capture headline news, but are happening throughout the Territory. We should be proud to tell these stories, and lead the way as global citizens developing its own resources domestically for a greener economy.

It is with this preamble, our membership, and mandate in mind that we respectfully submit the following 3 key themes we believe should be considered by the panel, along with some recommended actions and/or outcomes for review. We also support all sister organization's recommendations (Yukon Prospectors Association, Klondike Placer Miners Association, Yukon Producers Group, Yukon Mineral Industry Collective, and others) to the panel and look forward to learning about other ideas submitted by groups and how the information is incorporated into future deliberations and opportunities for further participation in shaping the Strategy.

- 1. Regulatory Renewal: Predictability, Balance, and Certainty for Quartz & Placer Mining Acts**
- 2. Access to Prospective Lands**
- 3. Competitiveness & Financing**

It is within this context, that the Yukon has slipped out of the top 10 in the competitiveness index of the Fraser Institute survey of Mining CEO's ("the Survey"). The CEOs who respond to the survey operate in the Yukon and around the world. The survey is designed to capture the opinions of managers and Executives about the level of investment barriers in jurisdictions with which their companies are familiar. Respondents are asked to indicate how 15 different policy factors influenced company decisions to invest in various jurisdictions.

Six of the Fraser Institute policy factors are:

- Uncertainty concerning the administration, interpretation, or enforcement of existing regulations;
- Uncertainty concerning environmental regulations (stability of regulations, consistency and timeliness of regulatory process, regulations not based on science);
- Regulatory duplication and inconsistencies (includes federal/provincial, federal/state, inter-departmental overlap, etc.);
- Taxation regime (includes personal, corporate, payroll, capital, and other taxes, and complexity of tax compliance);
- Uncertainty concerning disputed land claims;
- Uncertainty concerning what areas will be protected as wilderness, parks, or archeological sites, etc.;

Table 1: Investment Attractiveness Index

		Score					Rank				
		2019	2018	2017	2016	2015	2019	2018	2017	2016	2015
Canada	Alberta	71.11	62.12	61.77	68.55	69.71	30/76	51/83	49/91	47/104	34/109
	British Columbia	77.47	78.09	74.01	74.15	75.71	19/76	18/83	20/91	27/104	18/109
	Manitoba	68.01	81.78	74.50	89.05	75.27	34/76	12/83	18/91	2/104	19/109
	New Brunswick*	53.65	73.42	68.87	69.45	66.51	60/76	30/83	30/91	40/104	45/109
	Newfoundland & Labrador	71.73	82.14	80.58	78.94	73.55	28/76	11/83	11/91	16/104	25/109
	Northwest Territories	67.93	82.46	73.20	75.77	69.48	35/76	10/83	21/91	21/104	35/109
	Nova Scotia*	61.01	59.38	60.41	66.80	59.51	52/76	57/83	56/91	52/104	59/109
	Nunavut	73.24	80.59	70.58	72.52	74.37	26/76	15/83	26/91	31/104	23/109
	Ontario	79.29	78.07	82.15	78.65	78.02	16/76	20/83	7/91	18/104	15/109
	Quebec	77.49	88.38	83.08	85.02	80.80	18/76	4/83	6/91	6/104	8/109
	Saskatchewan	81.75	90.00	87.18	89.91	85.73	11/76	3/83	2/91	1/104	2/109
	Yukon	75.56	83.35	79.67	79.61	79.16	23/76	9/83	13/91	15/104	12/109

As the 2020 survey results demonstrate, the Yukon has been steadily slipping in the rankings since ranking 1st in 2012, and the top 10, where it placed 3 out of 5 years running. This supports the hypothesis that geologic endowment is not the only factor that influences investors. It is access to land and regulatory certainty that investors and proponents are seeking, and they are seeking it in jurisdictions other than Yukon more than ever.

The Fraser Institute goes on to say; “While geologic and economic evaluations are always requirements for exploration, in today’s globally competitive economy where mining companies may be examining properties located on different continents, ***a region’s policy climate has taken on increased importance in attracting and winning investment.***” (emphasis ours).

Yukon

Regulatory duplication and inconsistencies in the Yukon is a major concern for investors.

—An exploration company, Company president

Table 8: Changes in the Time to Permit Approval Over the Last 10 Years

	Shortened Considerably	Shortened Somewhat	Stayed the Same	Lengthened Somewhat	Lengthened Considerably
British Columbia	4.5%	0.0%	18.2%	40.9%	36.4%
Manitoba	0.0%	6.3%	12.5%	12.5%	68.8%
Newfoundland & Labrador*	33.3%	0.0%	50.0%	16.7%	0.0%
Northwest Territories*	0.0%	0.0%	0.0%	40.0%	60.0%
Nunavut*	0.0%	0.0%	14.3%	42.9%	42.9%
Ontario	0.0%	12.5%	31.3%	43.8%	12.5%
Quebec	0.0%	0.0%	57.1%	28.6%	14.3%
Saskatchewan	0.0%	20.0%	40.0%	30.0%	10.0%
Yukon*	0.0%	0.0%	0.0%	42.9%	57.1%

The Fraser Institute also polls investors on their perception of permitting timelines. A full 100% of respondents indicated that permitting approval timelines had lengthened somewhat or considerably in the last 10 years. The Yukon, through the Strategy, should be seeking to be clear and consistent in its application of resource development legislation and harmonizing any redundancies which exist.

Regulatory Renewal: Predictability, Balance and Certainty for Quartz & Placer Mining Acts

The Yukon Government's approach to date on implementation of policy and legislative changes through Order in Councils has been problematic for obvious reasons. First, there is established practice and precedence for interpretation that is followed by industry for an extended period of time, typically years if not decades. Then with very little (weeks or days), or no notice, along with no participation of industry, changes are implemented and subsequently communicated to much consternation on the part of our membership, creating uncertainty and negatively impacting the reputation and development of Yukon's mining industry as evidenced in the Fraser Institute Survey of Mining CEO's ("the Survey").

The Yukon's mining industry has experienced a significant amount of change in interpretation and policy development on issues related to the Quartz and Placer Mining Acts over the last number of years. It is YCM's understanding that all of the changes have occurred in response to issues raised in Yukon government to Yukon First Nation government negotiations held at the Mining MOU Committee co-chaired by Yukon Government and Council of Yukon First Nations or the YESAB oversight committee (tri-party committee of Government of Canada, Yukon Government and Council of Yukon First Nations). These negotiations **do not** include industry representatives, and most changes are disseminated to industry **after** they have been implemented by all orders of government(s).

It is important to note that the YCM has provided its long standing support to the settlement of the Umbrella Final Agreement (UFA) and supports a fair and robust regulatory system and process. The UFA was intended to be the next step in respect to evolution of First Nation governments, *and* provide certainty over lands and legislation to industry and Yukoners. However, changes to legislation through OIC's, policy and interpretation, with no prior communication or feedback only serves to push the flight of capital to other regions. Further, if Yukon Government is considering to abdicate its sovereignty and control over resource development by considering joint management as part of successor legislation, it must be clear and prepared to work with industry on its implementation. To not do so, will cause the reputation of the Yukon to further plummet as capital is attracted to certainty in other jurisdictions.

To be clear, YCM supports modernization of Yukon's mining legislation, *if* it is done so in a way that considers and incorporates longstanding industry concerns into the development and establishment of such renewed legislation such as reducing redundancies, establishing timelines and maintaining competitive elements which make Yukon unique from other jurisdictions around the world – such as the open entry system. YCM does not support notification prior to staking that may prevent the Yukon's next gold mine from being discovered.

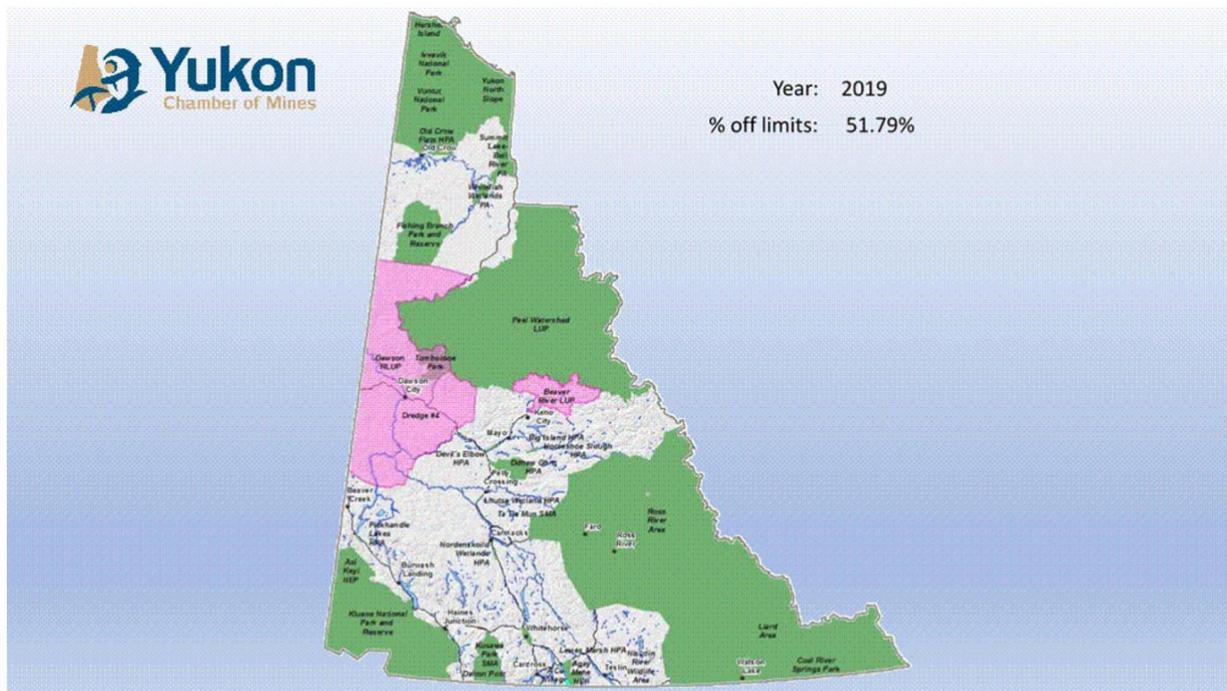
Recommendation: Any contemplated changes to Yukon's Quartz Mining or Placer Mining Acts and associated Regulations shall be undertaken with full transparency and participation of all affected stakeholders, which includes Yukon's mining industry and the associations which represent them prior to passage and establishment into law. Any successor legislation will only garner the support of industry if it;

1. Maintains the free-entry (open-entry) system
2. Reduces redundancies and creates clear timelines
3. Creates a non-mechanized, no notification class for prospectors to explore and stake claims

Access to Prospective Lands

The Yukon currently holds the distinction of having the most prospective lands off-limits to mineral staking in Canada – sitting just over 50%. The lands withdrawn have grown from approximately 9.59% in 2002 to 51.79% in 2020, a dramatic increase both attributable to implementation of Land Use Plans, as well as moratoriums imposed in unceded traditional territory.

This is a disturbing quantum of land for a number of reasons, not the least of which being the Yukon has only completed two of its eight planned regional land use plans. The Peel Watershed Regional Land Use Plan implemented in 2019 represents 13.95% of Yukon’s land mass withdrawn, with the continuation of a staking ban in Southeast Yukon (Ross River Dene Council & Liard First Nation traditional territories) representing another approximately 20%.



Lands Withdrawn from Mineral Staking

The Prospectors and Developers Association of Canada notes that “Canada’s geological endowment is one of our primary competitive advantages over other countries – if mineral rich (prospective) lands are open for exploration. The availability of prospective land profoundly influences investment decisions made by companies. As land withdrawals remove accessibility to prospective areas, Canada becomes a less attractive place to explore, and companies go elsewhere.

Recommendation:

That the Strategy ensure further land withdrawals be kept to a minimum, with impacts managed through project-specific management plans and mitigation strategies, as is common in other jurisdictions. Any potential land withdrawal decisions should incorporate economic factors alongside social and environmental considerations, and leverage scientific knowledge.

Financing: Yukon and Canada’s Mineral Industry Competitiveness

There is an emerging and disturbing trend: Canada and Yukon’s Mineral Industry Competitiveness is dropping against its peers around the continent and world. There are numerous ways this is measured, and looking at strictly the data, we can offer the following:

1. Financing for Mineral Exploration in Canada halved in 2018
2. Public offering of mining stocks on the TSX & TSXV reached a decade low in 2018 and 2019 is even weaker
3. An alarming long-term decline in the share of funds spent on grassroots exploration, versus late stage, permitting or mine operations

Province / Territory	C\$ Millions		Share of Total (%)	
	2018 (p)	2019 (i)	2018 (p)	2019 (i)
Newfoundland and Labrador	45	40	2.0%	1.8%
Nova Scotia	37	27	1.6%	1.2%
New Brunswick	20	16	0.9%	0.7%
Quebec	498	555	21.5%	25.7%
Ontario	583	517	25.1%	23.9%
Manitoba	46	46	2.0%	2.1%
Saskatchewan	247	273	10.7%	12.7%
Alberta	29	29	1.2%	1.3%
British Columbia	370	318	15.9%	14.7%
Yukon	186	129	8.0%	6.0%
Northwest Territories	109	67	4.7%	3.1%
Nunavut	150	144	6.5%	6.7%
Canada - Total	2,319	2,161	100.0%	100.0%

Yukon	
Year	Exploration Expenditures (C\$M)
2007	144.7
2008	134.0
2009	90.9
2010	156.9
2011	332
2012	233
2013	101
2014	107
2015	92
2016	90
2017	169
2018 (p)	186
2019 (i)	129

The Prospector’s and Developer’s Association of Canada (PDAC) along with the Mining Association of Canada (MAC) are working closely with Ottawa through the Canadian Minerals and Metals Plan (CMMP) to ensure the following areas of identified priority are of focus for any future policy development or investment with respect to Canada’s competitiveness on the global stage:

1. Fiscal Policy
2. Regulatory Regimes
3. Access to Prospective Lands
4. Infrastructure Availability
5. Geoscience & Innovation
6. Sustainability

Recommendation(s): To ensure the Yukon’s mineral development industry continues to be sustainable and viable, the Yukon Mineral Development Strategy should focus on improving the Yukon’s mineral industry competitiveness through;

1. A clear and timely regulatory regime
2. Reducing regulatory redundancies and red tape
3. Providing access to more prospective lands and increased certainty on land access & use
4. Infrastructure investments to unlock the mineral potential of remote areas
5. Transparency and inclusion of the Yukon’s Mineral Development Industry in development of any new (successor) legislation or changes to existing regulations

Conclusion:

The Yukon Chamber of Mines supports a robust consultation related to the development of a Yukon Mineral Development Strategy. An open process, which welcomes feedback at various points in time, will create greatest opportunities for engagement and collection of potentially new ideas, suggestions, and best practices from around the world.

It is suggested that the Panel continue to utilize the Canadian Minerals and Metals Plan as a guide when developing the Yukon Mineral Development Strategy. In addition, as previously stated in our pre-engagement submission, any public consultations, meetings, or deadlines should avoid traditionally busy times of year for the industry such as summer months (March – October), as much of the membership is engaged in economic activities related to projects or otherwise and may not have connection to internet or phone in order to be able to participate meaningfully in this initiative.

There are some examples of Mineral Development Strategies undertaken across the country with modernization of mining legislation immediately following the release of those strategies. Two such jurisdictions which have undertaken this approach are Quebec and Northwest Territories. However, the approach undertaken between the jurisdictions could not be any more different – Quebec worked with all orders of government and industry associations in the development of its renewed legislation with a focus on competitiveness, while Northwest Territories Chamber of Mines did not have a chance to even review the renewed legislation until it was tabled. We and our membership trust this government will employ the former approach when working with Yukoners on the Strategy and subsequent recommendations.

Yukon has the ability to reclaim its place at the top of the list when it comes to its competitiveness against the world and play a central and much needed role in economic recovery. To do so, it will require that we collectively focus on geo-political stability, regulatory certainty & efficiency, access to land, fiscal policy and infrastructure development. As an organization representing over 600 members, we are pleased to assist in further defining these recommendations when the time is appropriate throughout this process.



3151B Third Ave.
Whitehorse, YT Y1A 1G1
Ph. (867) 667.2090
Fax (867) 668.7127
admin@yukonminers.ca

Respectfully,

A handwritten signature in blue ink, appearing to read "Ed Peart", with a large, stylized flourish at the end.

Ed Peart
President
Yukon Chamber of Mines

c.

Prospectors and Developers Association
Mining Association of Canada
Council of Yukon First Nations