

Mineral Resources Branch Assessment and Permitting 2009 Annual Statistics



January 2010

Mineral Resources Branch Director's Message

On behalf of Energy Mines and Resources' Mineral Resources Branch, I am pleased to present our 2009 Annual Report detailing mining activities related to the *Yukon Environmental and Socio-economic Assessment Act* over the past year.

Government of Yukon's Department of Energy, Mines and Resources is committed to ensuring that mining is done in a manner which fosters sustainable development and a healthy environment. To ensure healthy resource development, the Mineral Resources Branch actively participates in the rigorous socio-economic and environmental assessment process under YESAB, and ensures prospective project proponents fulfill the many obligations necessary to obtain a Mining Land Use Approval, a Quartz Mining License and/or a Water License. These authorizations are required before mining exploration development and production can occur.

A Quartz Mining License requires that the company provide detailed engineering design plans as well as detailed management plans. These requirements include, but are not limited to, the following designs and plans: mining and processing plant design; quality assurance/quality control plan; emergency response; site development; wildlife management; heritage management; waste management and overall site reclamation and closure (including reclamation bonding).

Many mining projects also require a Water License, pursuant to the *Yukon Waters Act*. Water License applications are addressed by the Water Board, which holds a public hearing if it believes that the project will have significant public interest or concern.

Government of Yukon encourages all companies operating in Yukon to show leadership and innovation in exploration and reclamation by developing and implementing appropriate technologies and best practices as well as ensuring community participation. Mining proponents are required to provide ongoing information on the effectiveness of their project so that changes to operational methods can be adjusted over the mine life.

This report outlines some key accomplishments and statistics of the Mineral Resources Branch of Energy, Mines and Resources for the 2009 year with regards to project activity within the YESAA process. Should you require any further information or clarification regarding this report, please do not hesitate to contact the administrative assistant, Mineral Resources Branch at (867) 633-7952.

Sincerely,



Robert Holmes
Director, Mineral Resources Branch
Energy, Mines and Resources, Government of Yukon

Understanding YESAA

Background

In 2003, Canada established the *Yukon Environmental and Socio-Economic Assessment Act* (YESAA) which provides a single assessment process for projects under federal, territorial or First Nation jurisdiction. This process is part of the overall assessment and approval process that applies to most mining exploration and development activities.

YESAA establishes an assessment process that considers the potential effects a proposed development may have on Yukon's environment, people, communities, and the economy, and recommends mitigation to ensure that these effects are not "significant" and "adverse".

The Yukon Environmental and Socio-economic Assessment Board (YESAB) was established to conduct independent, arm's-length assessments of proposed development projects. Projects undergo an environmental and socio-economic assessment if they: 1) require an authorization, which may include a Quartz Mining License or Mining Land Use Approval; and 2) are above a YESAA regulatory activity threshold. YESAB administers the assessment processes, which may be carried out either by the Designated Offices (DOs), Executive Committee or panels of the board.

Conducting socio-economic and environmental assessments assists proponents and governments in making decisions that promote long-term sustainability and consider community interests. Reviews conducted through YESAB ensure proposed projects within Yukon do not cause significant adverse environmental or socio-economic effects.

About Energy Mines and Resources – Mineral Resources Branch

Vision and Mission

The Department of Energy Mines and Resources' (EMR) mandate is to responsibly manage and support the sustainable development of Yukon's energy and natural resources.

In carrying out this mandate, EMR is guided by the following vision: to manage and support the development of our natural resource wealth in partnership with Yukon people and industry.

Role

The Mineral Resources Branch is responsible for the disposition and administration of mineral resources within Yukon; promotion of investment in mineral development while ensuring that resources are managed wisely; and provision of information and advice to the mining industry, communities and governments.

Following the purpose statements contained in the *Quartz Mining Act* and the *Placer Mining Act*, Mineral Resources strives to maintain a sustainable, competitive and healthy mining industry that operates in a manner which upholds the essential environmental and socio-economical values of the Yukon.

The Mineral Resources Branch regulates exploration and mining activities through the administration of the *Quartz Mining Act* and *Placer Mining Act*. It also administers the regulatory regime for claim administration including staking, recording and renewals along with production licenses, leases and royalties on producing mines. The branch administers the mining land use regulations, which provide land use control and mitigation for mining activities on claims.

2009: The Year in Review

The calendar year of January 1, 2009 to December 31, 2009 marked the fourth full reporting period since YESAA legislation came into effect.

The statistical summaries in this report relate to mining projects that were assigned with EMR –Mineral Resources Branch as the decision body. The director of the branch was the delegated decision body for the Yukon Government in a total of 77 project assessments over 2009. The majority were placer mining projects, at 51, followed by 26 quartz mining projects. This compares to a total number of projects for 2008 of 82 of which 48 were placer and 34 were quartz projects. The detailed breakdown for 2009 can be found in Appendix 1 – Mining Activity.

Statistics

In 2009, decision documents were issued on 36 placer projects and 20 quartz projects for a total of 56 completed project assessments. A total of 16 projects were still under review at the end of the reporting period, 10 of which required recommendations and 6 of which were in the decision document phase. Three quartz projects and two placer projects were completely withdrawn from the process.

Out of the 77 total number of mining projects in 2009, 48 authorizations and permits were issued, including 26 Mining Lands Use Approvals (MLUs), 21 Water Licenses, and one Quartz Mining License. This is approximately 87 per cent of all completed projects to have received approvals over the course of the year. Water Licenses were still pending for 11 projects. The detailed breakdown of permits and approvals for 2009 can be found in Appendix 2 – Mining Statistics.

Of the 48 authorizations and permits issued, 28 were for placer projects and 20 for quartz projects.

Out of 26 quartz project proposals submitted to YESAB in 2009, none received Water Licenses. It must be noted that not all quartz projects require water licenses. In fact, according to 2009 data, at time of submission, only five quartz proposals indicated the necessity of applying for water licenses upon completion of the assessment process.

For a full breakdown of Quartz and Placer mining projects, refer to Appendix 3 – Quartz Stats and Appendix 4 – Placer Stats.

Project Assessment Timelines

Each minerals project undergoes three phases: 1) Assessment Phase; 2) Decision Phase; and 3) Regulatory Phase. The deadlines outlined in the following table reflect the number of days which the decision body and the Designated Office generally work towards in order to complete a given task from the time YESAB posts the project notification or recommendations. These timelines have some flexibility and the actual timelines may vary from these.

Phase	Event Description	Deadlines	
		YESAB District Office (DO)	YESAB Rules
1 Assessment	Lead notifies Standard Notification List	Day of receipt of project description from Assessor	14 days for submission of comments by Decision Body (option to extend first for 21 days then 35 days)
	Comment on Project Description	11 days	
	Reminder to Lead to Compile	11 days	
	Lead Compiles and sends to Assessor	12 days	
2 Decision	(max 14 days after deadline for submission of comments)	Day upon receipt of recommendations by Lead	30 days for providing Decision Document to YESAB
	Decision Document 1	9 days (after recommendations posted)	
	Comment deadline	16 days (after recommendations posted)	
	Decision Document 2	19 days (after recommendations posted)	
	Sign off	21 days	
	Lead posts Final Decision Document	23 days	
3 Regulatory	Permits issued		

The average actual amount of time for the completion of an entire quartz project during 2009 was approximately 76 days with a minimum of 39 days and a maximum of 133 days. Placer projects recorded an average completion timeline of 60 days, a minimum of 42 days and a maximum of 88 days. An overview of 2009 statistics is compiled in Appendix 5. The high average of days for assessment and permitting demonstrates that most projects run longer than the original YESAB timelines and require extensions to be

completed. The assessment and permitting periods have not significantly changed from 2008 figures.

Mining Lands Offices

Mineral development includes issuing mineral rights, permitting, and client services. There are four Mining Lands District Offices in Dawson City, Mayo, Watson Lake and Whitehorse. In 2009, the Dawson district had the highest number of mining project submissions at 43.

Project breakdown by district:

District Area	Quartz Projects	Placer Projects	Total Projects
Dawson	8	35	43
Mayo	12	10	22
Watson Lake	3	0	3
Whitehorse (Haines Junction)	3	6	9

Yukon First Nations' traditional territories

Traditional territory is the land identified in the Umbrella Final Agreement (UFA), where members of Yukon First Nations have traditionally lived and pursued their livelihood. The UFA provides the framework for all land claims in the Yukon.

Traditional territories have been identified by each of Yukon's 14 First Nations. These traditional territories can overlap with each other and can also overlap with traditional territories of other First Nations from other provinces or territories (for example, with the Inuvialuit and Tetlit Gwich'in First Nation in the Northwest Territories).

Additionally, it is important to note that 11 of the 14 Yukon First Nations have Final Agreements and are self-governing and thus administer and manage their own settlement lands within their traditional territories.

Each mining project proposal must indicate within which traditional territory the project will be located. All 77 projects of 2009 indicated at least one or more affected First Nation. It is important to note that a project can be located in more than one traditional territory (as they overlap) and/or simultaneously affect more than one First Nation.

The three non-settled Yukon First Nations (White River, Ross River Dena Council and Liard First Nation) also participated in the YESAB process and were represented in 5 mining projects in 2009.

The breakdown of projects per Yukon First Nation's traditional territory for both placer and quartz projects is outlined below. Please note, the total numbers of projects in the table is higher than the total of 77 mining projects for 2009. Again, this is due to projects potentially being located in more than one First Nation's traditional territory.

Yukon First Nation Traditional Territory	Total Projects	Placer Projects	Quartz Projects
Carcross/ Tagish First Nation (CTFN)	1	0	1
Champagne & Aishihik First Nations (CAFN)	2	2	0
First Nation of Nacho Nyäk Dun (NND)	19	8	11
Kluane First Nation (KFN)	4	3	1
Little Salmon/ Carmacks First Nation (LSCFN)	5	2	3
Selkirk First Nation (SFN)	7	2	5
Ta'an Kwächän Council (TKC)	0	0	0
Teslin Tlingit Council (TTC)	2	1	1
Tr'ondëk Hwëch'in (TH)	42	35	7
Vuntut Gwitchin First Nation	0	0	0
White River First Nations (WRFN)	3	2	1
Liard First Nation (LFN)	5	0	5
Ross River Dena Council (RRDC)	5	0	5
Kwanlin Dün First Nations	0	0	0

2010: The Year Ahead

The Mineral Resources Branch is geared up for another productive year in fulfilling its mandate to provide excellence in facilitating resource development while ensuring responsible regulation and management of exploration and mining activity in Yukon.

Most notably, in 2010 Mineral Resources Branch will be working on several complex mineral development projects. Some of these are: the review and approval of development and operational plans for Yukon Zinc Wolverine Mine; the environmental and socio-economic assessment of North American Tungsten's Mactung project; the water licensing for Western Copper's Carmacks Copper and for Alexco Resources' Bellekeno ; the assessment and licensing of the Minto water management plan and Phase 4 expansion, and improving Reclamation Best Practices and permitting of advanced explorations projects such as Selwyn Resources Howard's Pass project.

The Mineral Resources Branch will continue to ensure the development of the territory's natural resource sector is sustainable and upholds the values that Yukoners place on their natural and cultural environment.

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