

Criteria for a Thriving Mineral Industry in Yukon

Respectfully submitted by the Yukon Prospectors Association (YPA) - February, 2022

Introduction

Yukon's mineral exploration and mining sector is the largest non-government economic contributor to the Yukon's economy (Yukon Bureau of Statistics, GDP Report, 2020). As such, maintaining a vibrant mineral sector is key to ensuring a vibrant economic health for the Territory.

The mining industry generates substantial economic benefits for communities that are often inadequately understood. A substantiated figure used in the mineral industry shows that typically every dollar spent in mining generates \$5 in the local economy. This includes indirect supporting industries and the local work force (hotels, restaurants, equipment sales and maintenance, supplies, fuel, etc.). A similar multiplier value relates to jobs supported by indirect and induced economic activity. A recent study of mining-related jobs in British Columbia indicates that for each (1) mining-related job, 4.6 indirect or induced jobs are created.

The rights of citizens, governments and First Nations, as laid out in the Umbrella Final Agreement (UFA), must be respected and aligned in ways that support a thriving, responsible mineral industry and meet the following criteria as much as possible.

Political Will

All governments need to have the political will to allow for a responsible exploration and mining industry. A lack of political will would result in a degraded industry, and a loss of potential revenue towards governments and local communities.

The signatories to the UFA and the multiple Final Agreements with the FN also represented non-First Nation (FN) peoples. Their objectives to support and develop resource-based industry should not be abrogated.

Access to Land

Availability of land for exploration, acquisition and development is critical for maintaining a jurisdiction that is safe for investment in the industry. New mineral discoveries commonly occur in areas previously deemed to have limited potential. Most exploration programs result in very limited disturbance on the land. The current regulatory process for Mining Land Use Permitting effectively incentivizes industry towards progressive reclamation practices and Best Management Practices which are continually evolving to be more comprehensive. Advanced exploration, defined as development of a deposit with a minimum "Inferred Resource" designation in accordance with National Instrument 43-101 (NI 43-101), covers less than 1% of the land, and actual producing mines covers <0.1%.

Low impact levels across >99% of the land mitigates the requirement for excessive land protection. The vast majority of the land doesn't need to be protected from low-impact prospecting.

Non-discretionary Mineral Rights Disposition

Mineral Rights Disposition must be non-discretionary, on a First Come-First Serve basis. Any discretionary system is vulnerable to arbitrary selection of granting of mineral tenure and may force the proponent to disclose proprietary or sensitive geological or mineralogical rationale for acquisition.

Security of Tenure and Access to Claims

Once mineral rights are granted, the claims must be guaranteed to be retained in good standing, assuming assessment requirements and/or payments are made. Any expropriation or unreasonable restrictions on access or development by government must be compensated by either the value of work applied up to the date of expropriation, or fair market value of the claim block. In the event a claim block is “stranded” by subsequently applied protected areas, surface access must either be guaranteed, or fair compensation be made to the claim holder.

Potential exists to avoid large-scale land removals through balanced land-use planning, during which industry representatives are involved to provide input, and therefore avoid potential conflict regarding outcomes. Regional land use planning provides new opportunities to *work together* to ensure stewardship of the land and its resources, while protecting ecological health and heritage values of the land.

A Competitive Regulatory and Permitting Regime

Regulatory and permitting regimes must be competitive with those of other jurisdictions with similar mineral endowment. A slow process will discourage investment; a regime that doesn’t honour its timelines, other than in exceptional circumstances, will significantly discourage investment. Regulatory misalignment with regional land use plans places the impact directly on the proponent, resulting in distrust in the regulatory regime and threatens security of investment.

Incorporation of Sound Scientific Data

Land use planning, permitting and other regulatory aspects requiring scientific review should incorporate data and studies from reputable sources only. These include Traditional Knowledge (TK) and Local Knowledge (LK). Additionally, there is no current monitoring for baseline data metrics to inform predictive modelling scenarios that are multi-parameter and do not assume all impacts are limited to economic activities. Geological, biological, wildlife, ecological and other government-based scientific data in Yukon tend to be of high quality. Non-government sources of scientific data should be authored by people with a professional accreditation (*e.g.*, Professional Geoscientist or Engineer) and peer-reviewed, if possible. Documents based on conjecture, anecdotal information, broad unquantifiable statements, or that appeal to passion and emotion rather than rational analysis, and/or are written by non-accredited authors, should have diminished weight during assessment. **Note:** This would not pertain to individual public comment.

Balanced Land Use Planning Processes

The amount of land now considered for protection during land use planning processes has become a major disincentive to investment. When the Umbrella Final Agreement was signed in 1993, the Government of British Columbia's Protected Area Strategy recommended 12% protection, which was regarded as excessive by the mining industry. Since then, there has been a rapid upward creep in recommended amounts of protection per planning region, as shown by 83% protection of the Peel Watershed, and an initial recommendation designation of 44.7% of the Dawson Land Use planning area as SMA I or SMA II zones, and the existing Tombstone Territorial Park. As it is clear that prospecting (identifying, staking and mapping potentially economic mineral prospects) on the land is a very low-impact activity, policies to allow prospecting to continue should be included in planning and regulations. Wildlife and biodiversity can and do thrive where responsible prospecting is allowed, as it does where other low-impact activities are allowed. We can find common ground.

*On the land we **can** walk together!*

Currently, the mineral industry worldwide is shifting towards exploration and development of "critical" or "strategic" minerals, required for the infrastructure necessary for "clean energy" production, and for devices. Yukon's Critical Mineral Inventory (Lewis & Relf, 2021) illuminate the known potential for these deposits. This should be reflected in approaching Regional Land Use Planning to support federal initiatives for clean energy and supporting industries.

Preference for Yukon-based, rather than Outside, lobbying interests

Preference should be placed on Yukon-based lobbying interests, as Yukoners will be most affected by policy influenced through lobbying efforts. Land use planning initiatives are vulnerable to lobbying efforts by Outside interests towards protection. These include some governments, NGOs and others such as the Yellowstone to Yukon (Y2Y) initiative, based on the objective to achieve a contiguous protected zone from Yellowstone National Park to the Yukon.

Another initiative originating outside of Yukon is the "30 by 2030" policy that Canada's federal government has committed to. The premise is that Canada will protect 25% of its lands and waters by 2025, increasing to 30% by 2030. This would require a disproportionate protection of Canada's north, as much of southern Canada is already covered either by fee-simple title, land utilized for infrastructure, or land already protected.

Solid Understanding of Exploration and Mining

An adequate understanding by Federal, Provincial/Territorial and First Nation Governments and concerned citizens of exploration processes is necessary to develop fair and reasonable land use plans, and for a workable permitting and regulatory regime. Roundtable discussions between Industry representatives, Yukon Territorial Government and First Nation Government officials illustrate an inadequate level of basic knowledge of the aspects affecting mining and exploration, and the level of environmental and socioeconomic impact involved during each exploration phase.

Resource investment will be curtailed in an environment where officials have an inadequate understanding of the mining industry.

Understanding of the Positive Socioeconomic Effects of Mining

Presently, analysis of socioeconomic impacts of mining tend to focus on potential negative impacts. Positive impacts, such as jobs, supporting industries, First Nation partnerships and community development are not adequately communicated. For example, the development of mines results in housing which results in much increased taxable income that contributes significantly to funding the educational institutions and municipal infrastructure of Whitehorse and other communities.

These are aspects of all mining operations and many mid-stage to advanced projects. A balance of positive and negative socioeconomic effects should be included in any analysis.

Respectfully,

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PwC, 2012. Plumstead, J. - Economic Impact Analysis, Mining Industry Economic Impact Report, for PricewaterhouseCoopers (PwC), 41 pp.

Statscan:

https://www150.statcan.gc.ca/n1/daily-quotidien/220106/dq220106b-eng.htm?utm_source=rddt&utm_medium=smo&utm_campaign=statcan-housing-21-22

Yukon Bureau of Statistics, 2021. Gross Domestic Product by Industry, 2020, 8 pp.