



MR. KEVIN O'REILLY
MLA, FRAME LAKE

MAY 9 2017

Oral Question 513-18(2) Sale of Mactung Mining Property

This letter is further to my commitment made in the Legislative Assembly on February 6, 2017, regarding the Sale of the Mactung Mining Property. During our discussion, I committed to talk to my colleagues at the Department of Lands to see what information can be shared or made public with respect to the financial liabilities associated with the environmental issues with the Mactung property and to provide that information to Committee.

I offer the following information:

The Department of Industry, Tourism and Investment (ITI) is maintaining approvals and authorizations associated with Mactung, including the mineral tenures in good standing in the Northwest Territories (NWT) and Yukon, as part of the marketable asset. The Mactung site was a past exploration site with most of the activity taking place on the Yukon side of the border. None of the parties to the Devolution Agreement identified a suspect waste site associated with Mactung exploration activities in the NWT; environmental site assessments would only be conducted where there is a suspect waste site. In purchasing the Mactung assets, the Government of the Northwest Territories (GNWT) has purchased authorizations that remain in good standing. It is ITI's intention to ensure authorizations remain in good standing in order to market the property. When a new operator is found, the obligations under the authorizations will transfer to the operator.

Although the GNWT has no authority to conduct site inspections in the Yukon, a GNWT Lands Inspector visited the site in August 2016 in order to conduct an inventory of materials onsite and to provide ITI details of the site conditions. The Site visit identified a number of contaminants of concern such as drums, derelict buildings with flaking paint, and drilling agents. ITI is working closely with the Department of Environment and Natural Resources (ENR) to develop a plan for additional environmental site assessment and monitoring, as well as an approach to addressing any immediate onsite concerns.

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In regard to the marketing of the Mactung site, we continue to track interested qualified parties. The decision to proceed with marketing is related to the resolution of the North American Tungsten Company Limited insolvency, which linked the business asset of Mactung to securities for environmental liabilities at the Cantung Project. We are actively working with Canada to resolve these issues in a way that satisfies the shared interests of both governments. Only when this is concluded to both the GNWT and Canada's satisfaction will we be able to commence with the divestiture of this asset.

Thank you for your interest in this matter. I trust this response addresses your questions.



Wally Schumann
Minister
Industry, Tourism and Investment

c. Honourable Louis Sebert
Minister, Department of Lands

Honourable Robert C. McLeod
Minister, ENR

Mr. Cory Vanthuyne
Chair, Standing Committee on Economic Development and Environment

Mr. Tom Jensen
Deputy Minister, ITI

Dr. Joe Dragon
Deputy Minister, ENR

Mr. Tim Mercer
Clerk of the Legislative Assembly

Mr. David Hastings
Legislative Coordinator