

LEGISLATIVE RETURN



SUBMITTED BY: Hon. Mr. Streicker, Minister of Energy, Mines and Resources

1. On [date], [MLA]
- asked the following question during the Oral Question Period at page(s) [page numbers] of *Hansard*
 - submitted the following written question – WQ No. #
 - gave notice of the following motion for the production of papers – MPP No. #

RE: [subject]

OR

2. This legislative return relates to a matter outstanding from discussion with Scott Kent, Member for Copperbelt South on October 26, 2021 related to:
- Bill No. # **202** Second Reading Third Reading
 Committee of the Whole: Vote 53 Energy, Mines and Resources
- Motion No. # RE: Vangorda sale process
at page(s) 598-600 of *Hansard*.

The response is as follows:

- (1) QUESTION: Why was there a competitive process to acquire assets at Keno Hill and Mount Nansen, but not to acquire the assets at Vangorda? Why is this specific (unprecedented) process used?

ANSWER:

The Government of Canada is financially responsible for remediating historic liabilities at all Type II sites, including Keno Hill, Mount Nansen and the Vangorda property. The process for remediating these liabilities is described in the Devolution Transfer Agreement and includes provisions which allow for a variety of approaches.

At all three mine sites mentioned, Canada led the development of the overall remediation approach in consultation with affected Yukon First Nations and the Government of Yukon. Approaches taken by the Government of Canada varied dependent upon the nature of the liability, the opportunities to realize on residual mineral potential, and the needs and interests of affected First Nations and local stakeholders.

The primary focus the Government Canada placed on establishing reconciliation as a strategic driver to addressing historic environmental liabilities at the Vangorda Plateau recognized the significant, far-reaching and well-documented impacts the Faro Mine had on Ross River Dena Council and Kaska peoples.

The reconciliation approach the Government of Canada advanced for the Vangorda Plateau varied from approaches they had advanced at other sites. The Vangorda sale framework provides an opportunity for Ross River Dena Council to have a lead role in determining the approach to future mineral development across the Vangorda Plateau. As such, the framework allows Ross River Dena Council to select a future partner, and after direct negotiations between Ross River Dena Council and representatives of Broden mining, they chose to conclude a partnership that aligned with their values and vision for the future of the area. This resulted in an agreement between the Ross River Dena Council and Broden Mining, realized in the newly formed Tse Zul Development Corporation.

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In contrast, the sale process advanced by the Government of Canada to address the historic liabilities at the former Mount Nansen mine site focused on an opportunity to remediate the site through a competitive procurement process supported by Little Salmon/Carmacks First Nation. In the case of the former United Keno Hill mine, the residual mineral potential in the area allowed Canada to advance a competitive sale process that reduced the overall financial burden on the Canadian tax payer by granting ownership to known mineral potential in return for the company sharing in the costs of remediation.

(2) QUESTION: What was the Department of Energy, Mines and Resources' involvement with the terms of the sale?

ANSWER: The overall approach to the Vangorda Plateau sale process was led by the Government of Canada. After they established reconciliation as a prime strategic driver, this enabled direct discussions to proceed between Ross River Dena Council and a company of their choosing (in this case, Broden mining). Once Ross River Dena Council and Broden mining had concluded their agreement, a Term Sheet that described the basic principles and parameters of the sale and transfer of the property was completed.

The Government of Yukon played two important roles during this period. The first was to provide information to the Government of Canada, Ross River Dena Council and Broden mining on possible regulatory requirements (both from a land tenure and mining activity perspective), should the partnership decide to move ahead with a mine development proposal. While the Government of Yukon, in its role as Regulator under the Quartz Mining Act often provides this kind of information and input to industry, the complex brownfield nature of much of the Vangorda Plateau made this information critical in clarifying the overall approach underpinning the newly formed partnership.

The second key role was to ensure that through the establishment of the Term Sheet, the Government of Canada did not propose transferring any unsecured liability to the Government of Yukon. The Government of Canada remains fully accountable for the existing environmental liability, and any change to the existing state of the mine must be secured by the company proposing to undertake the activities that cause such change.

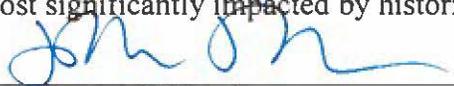
(3) QUESTION: What was the process for granting exclusive rights?

ANSWER: The Government of Canada, being financially accountable for the historic liabilities associated with the Vangorda Plateau, led the process by which Ross River Dena Council was granted the ability to directly select a development partner. On conclusion of a series of future predetermined conditions and requirements, this partnership (named Tsu Zul) will receive exclusive mineral rights to the peripheral claims currently held by the Trustee in Bankruptcy for Anvil Range Mining (the former operators of the Faro Mine site), and the mineral rights overlaying the impacted footprint currently held by the Government of Yukon.

In accordance with the provisions of the Devolution Transfer Agreement, all listed parties must approve of any approach to a Type II Site that varies from the approach described in Chapter 6 of the agreement. The Government of Yukon fully supports the reconciliation-focused approach advanced by the Government of Canada and Ross River Dena Council (in partnership with Broden mining), as it provides the potential to significantly reduce the costs to the Canadian taxpayer, while potentially bringing jobs and economic development to the local area in a way that recognizes those most significantly impacted by historic

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