

Gaea Consulting Ltd.



Mackenzie Valley Operational Dialogue

Final Workshop Summary Report

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Preamble

This report is the summary of an operational dialogue held in March 2020, just prior to the far-reaching impacts of COVID-19 and the launch of a suite of response measures. Governments and businesses across Canada have taken extraordinary steps to prevent the spread of COVID-19, including temporarily closing non-essential businesses and shifting to remote working arrangements where possible. The economic and health consequences of COVID-19 is catastrophic, and the impacts will likely be long-term. The state of the global economy, including that of the Northwest Territories, is uncertain.

Immediately following the March workshop, the organizing and participating parties shifted their priorities to responding to and managing the impacts of COVID-19. Given this sudden change in context following the workshop, the priorities, actions and timelines outlined in this report may need to be re-evaluated with respect to this new reality.

1 Background and Overview

On March 10 - 12, 2020, participants from industry, Land and Water Boards (LWBs) and the Review Board (MVRB) in the Mackenzie Valley, Indigenous Government Organizations, the Government of the Northwest Territories (GNWT) and the Government of Canada (GoC) met for a 2.5-day workshop in Yellowknife, Northwest Territories to discuss information needed to process mineral exploration applications. A list of participants from the workshop is contained in Appendix A.

The origin of this dialogue was in response to broad concerns raised during the review of Bill C-88 (an Act to amend the *Mackenzie Valley Resource Management Act*, among other Acts). Initially, the GoC, GNWT and industry met to identify priority issues of interest to all parties that could be addressed through dialogue. Some of the issues raised required legislative changes or would take a longer time to implement. However, parties identified a specific topic that could begin to be addressed through dialogue and operational change. The topic chosen for the focus of the March workshop was **information needed to process mineral exploration applications**. The workshop was intended to serve as a 'pilot' and provide momentum for more regular dialogue among parties to collaborate on specific and prioritized operational improvements (both in the NWT and with the potential for extension to Nunavut and Yukon), which may enable other topics to be addressed.

In the fall of 2019, a multi-party group convened on a few occasions to plan for the workshop. In addition, focus group sessions were held at the Yellowknife Geoscience Forum in November 2019 to support workshop planning and design, and to better understand the perspectives of potential participants. These focus group sessions helped to confirm the focus of the workshop scope, identify preliminary issues related to the identified workshop scope, and identify how the workshop could be structured to lead to its success. Following the focus group sessions, a smaller Organizing Committee met on a regular basis from January-March 2020 to support workshop design, planning, and preparations.

Based on the focus group sessions, the following **workshop objectives** were identified:

1. **Build increased awareness and knowledge** by the workshop participants and pilot a process to strengthen understanding and knowledge-sharing related to information needed for processing mineral exploration applications.
2. **Identify issues** related to information needed for processing mineral exploration applications.
3. **Identify options and potential solutions** to the current issues and challenges related to information needed for processing mineral exploration applications. The aim is to generate potential solutions that are within the respective operational and administrative mandates, processes and mechanisms, and that are achievable in the near term, without legislative amendments.
4. **Set out next steps and specific actions** (to further assess the impact and efficacy of implementing the potential solutions).

The workshop included presentations, panels, case studies, activities and small- and full-group discussions as different ways to examine and discuss the workshop scope (see Appendix B for the workshop agenda).

Day 1 of the workshop included initial presentations to build participant awareness and understanding of the Mackenzie Valley water licencing and land use permitting processes and of mineral exploration. A panel and small group discussions also supported an examination of regulatory excellence in the Mackenzie Valley and its application to mineral exploration. By the end of Day 1, participants had identified many issues related to the workshop scope, which the facilitators synthesized for validation at the start of Day 2.

Day 2 of the workshop began with a process mapping exercise to identify specific points in the regulatory process where issues are experienced, which helped to confirm and expand the issues list and to further characterize issues. Two case study presentations (one on engagement and one on water source information) also helped to highlight lessons learned and different experiences with the regulatory process. And finally, a panel discussion on the role of reviewers in the regulatory process helped to characterize both challenges and opportunities related to this function of the regulatory process. At the end of Day 2, participants identified one key area that they wanted to see included in the solution options, which the facilitators synthesized for the start of Day 3.

Day 3 of the workshop included consideration and discussion of nine potential priority improvements that had been tabled based on discussion from Day 1 and 2 of the workshop. Participants gave further consideration and, through open discussion, shaped how these priority improvement areas could be advanced, under what timeframe and by whom (as the lead).

End Result: The workshop culminated with the identification of a number of priority improvements and immediate next steps by parties to further assess and advance these improvements. Participants recognized that significant work remains to develop (i.e., additional specificity and confirmation of the respective mandates of participating organizations) and implement the improvements. There was commitment to keeping lines of communications open, engaging in ongoing dialogue (including agreement at the workshop on specific dates and approach) and moving forward in the spirit of continuous improvement.

This report serves as a summary from the workshop, with the goal of aiding understanding of the context, issues and priority improvements identified related to information needed to process mineral exploration applications in the Mackenzie Valley. Consequently, the report is organized by the following sections:

- **Section 2: Context shaping participant contributions** – provides key themes that were raised by participants throughout the workshop
- **Section 3: Regulatory excellence** – summarizes perspectives on what regulatory excellence looks like in the Mackenzie Valley
- **Section 4: Key issues identified** – summarizes challenge areas related to information needed to process mineral exploration applications
- **Section 5: Proposed priority improvements and roadmap** – identifies the priority solution areas and outlines the path forward, roles and responsibilities and timelines
- **Section 6: Other potential solution areas** – identifies other solution areas that were either beyond the workshop scope or require contributions from parties not participating in the workshop
- **Section 7: Closing and next steps** – synthesizes participants' closing reflections, considerations and ideas to more effectively and efficiently implement the solution areas and work collaboratively together.

2 Context Shaping Participant Contributions

Naturally, there are many contextual factors that shaped participants' contributions throughout the workshop. In particular, a few specific themes were raised consistently throughout the workshop are described below.

The state of the NWT economy and investment in mineral resource development. A number of participants are concerned about the state of the NWT economy and investor confidence in the Mackenzie Valley regulatory regime. For example, analysis and a scenario developed by the GNWT to examine the significance of non-renewable resource development in the territorial economy, especially the existing diamond mines (and their remaining operating timelines), showed that the closure of the diamond mines would reduce the NWT economy by about \$1.1 billion (or about 23%), the GNWT would suffer a \$162 million revenue loss (about 10% of operational expenditures) and 3300 jobs in the NWT would be lost.¹ Some participants are of the view that the regulatory process is an impediment to mineral exploration, because it is unnecessarily challenging for proponents to navigate and is dissuading investment. Several participants provided that mineral exploration is important and plays a key role in sustaining a healthy mining industry and it continues to provide, and even grow, the significant economic contributions that the NWT has come to rely on. Discovery of mineral deposits may lead to the development of future mines. Mineral exploration and development generate socio-economic benefits for governments and communities, but these socio-economic benefits are not believed to be considered during the preliminary screening of smaller projects that do not trigger environmental assessments. For northern communities, where opportunities may be limited, job creation, the generation of tax revenue to support local community initiatives and infrastructure, can be beneficial.

¹ NWT Economic Symposium: Summary Report. Gaea Consulting Ltd. October 2018.
https://www.ntassembly.ca/sites/assembly/files/td_396-183.pdf

Meaningful consultation and engagement. Many participants are also concerned about meaningful consultation and engagement with Indigenous communities. Many Indigenous communities want to understand the potential benefits and impacts of mineral exploration. For example, there are Indigenous communities that want to participate in the economic benefits of mine development. Exploration must also mitigate potential impacts. In particular, many Indigenous communities are still impacted by abandoned contaminated sites or recall activities where burial sites were disturbed / destroyed by exploration activities. Indigenous communities want to have meaningful conversations before activities occur so that they can avoid harm to the environment, their people and way of life. Although it was recognized that Indigenous consultation and engagement is important, there were also other views about the breadth and depth of engagement that is necessary for early exploration projects, where activities and impacts are smaller. Some participants are also of the view that governments are not effectively fulfilling their duty to consult and accommodate and are delegating this authority to proponents.

Awareness and knowledge about mineral exploration. Increasing the understanding of all parties about mineral exploration to support its effective regulation (i.e., the stages and associated activities, as well as the financial investment risks that explorers face given the low probability of locating a prospective feasible mineral resource) was a recurring theme throughout the workshop (where both government and explorers have a part to play in building awareness and understanding). Reference was made that 'mineral exploration is not mining'. This was a core aspect of the theme of scalability of the regulatory system to mineral exploration (one of the key issues and consequently one of the proposed priority improvements).

An evolving regulatory system. There is recognition that the regulatory landscape in the NWT has changed over time and is still evolving. Some elements of the co-management system established through the *Mackenzie Valley Resource Management Act* (MVRMA) are not fully implemented in some regions (such as comprehensive land claims and completed land use plans), but progress continues. In addition, the *NWT Devolution Act* that was enacted in 2014 resulted in the devolution of authority from the federal to the territorial government and hence a change of roles for parties in the resource management and regulatory system. And now, the new NWT *Mineral Resources Act* will result in further change. Given the number of organizations and interests involved and the evolving context, participants noted some challenges related to clarity of implementation and responsibility which continues to be addressed including through this workshop.

Differing perspectives. There were a number of different parties attending the workshop with varying interests, viewpoints and motivations. Throughout the workshop, participants reiterated the importance of regular and ongoing dialogue to foster greater understanding of different perspectives, which is necessary to support continuous improvement and build effective working relationships. Throughout the discussion we heard participants describe words like 'balance' and 'consistency' and 'certainty' in very different ways, which emphasized the importance of recognizing and respecting diverse perspectives to fully understand an issue.

3 Regulatory Excellence

Much of the afternoon on Day 1 was dedicated to exploring the notion of regulatory excellence (i.e., efficiency and effectiveness) as a way to understand both differing and common perspectives. Through a Panel and small group discussions, participants explored what regulatory excellence looks like in the Mackenzie Valley and what it means to them individually. The working definition provided to panelists and participants was:

‘Regulatory excellence’ considers both regulatory efficiency and effectiveness. ‘Regulatory excellence’ reduces compliance burden on business and regulators without compromising effectiveness, i.e. ensuring that key regulatory objectives continue to be met, and regulatory standards upheld, with the level of integrity and transparency expected by the public.

Participants elaborated on this definition and identified the following key indicators of regulatory excellence, which represents a more fulsome definition of ‘regulatory excellence’ that integrates multiple perspectives:

- All parties have the same view about how the regulatory system is working (which means that all parties are able to understand each other)
- Financial investment in the NWT mineral industry remains healthy
- Applications shouldn’t fail; the regulatory process should ensure that exploration, if approved, proceeds in the right way
- Processes (including engagement) are scaled to the scope of impacts of projects (risk-based assessment)
- Exploration projects are expedited
- The right regulatory tool is used for the right job
- Evidence of continuous improvement through collaboration (a collaborative regulatory system requires collaborative solutions)
- Strengthened consultation and engagement with sufficient resources and capabilities by government, industry and communities
- Improved educational programs and/or activities so communities understand what mineral explorers are doing and why (which is also an outcome of the previous bullet)
- Negative impacts of projects are minimized and positive impacts are maximized

Participants were asked: 1) why is regulatory excellence important, 2) how regulatory excellence impact one’s work / role / way of life and 3) what were their hopes for what can be achieved going forward. Key points raised by small groups and individual participants in plenary discussion are captured below.

Why is regulatory excellence important?

- Promotes responsible development that balances environment, culture, well-being and business development
- Promotes investment, economic development and long-term benefits (e.g., creates jobs, taxes can be used to support social services, etc.)
- Provides predictability and consistency for all parties
- Identifies expectations, scope requirements and makes information accessible
- Promotes fairness
- Includes meaningful participation of Indigenous peoples and potentially affected stakeholders
- Has significant implications on exploration activities
- Promotes confidence

How it impacts one's work / role / way of life?

- Rewards good operators and bad operators are accountable for their actions
- Is grounded in the principles / tenets of organizations
- Can support work-life balance (e.g., applications are efficiently processed so time can be allocated on other activities)
- Can be used to promote exploration which already contributes to the way of life and benefits that many experience in the NWT

Hopes for what can be achieved going forward?

- Balance of economic, environmental, social and cultural benefits and impacts
- Information requirements are scaled based on the size of the project
- Considers how consultation and engagement can be scaled based on the scope of exploration impacts
- Improvement to securities estimate so that its adequate and reflective of liability
- Development of standardized (optional) management plan templates
- Improved timeliness of the application process
- Clarity on the regulatory process and information needed to process applications. No surprises without prior dialogue with industry.
- Better communication, awareness and education
- Greater transparency of the Board decision-making process
- Leads to predictable outcomes

These discussions on regulatory excellence set the stage for preliminary solution identification.

4 Key Issues Identified

Throughout the workshop, participants identified a number of key issues related to information needed to process mineral exploration applications. A synthesis of the issues is described in this section.



Figure 1: List of Key Issues

4.1 SCALABILITY

There is a desire to ensure that information needs are ‘scaled’ to exploration stages, so that they are commensurate to the size and potential risk (function of probability and impact) of projects. Currently, the regulatory approach and information needed to process mineral exploration applications are perceived as onerous and not reflective of the level of activity and impact of exploration projects.

Exploration Projects: Industry is of the view that the water licencing and land use permitting processes (which ensure procedural fairness) are the same for mineral development projects (i.e., mines) as for exploration projects, which have significantly less activity and impact. However, LWBs state that the process, steps and timelines for mines are much different than those for exploration projects and are ultimately determined by the type of authorization an applicant requires.

In addition, industry is of the view that exploration projects have significantly fewer resources (i.e., both financial and human), which means they have fewer resources to navigate the regulatory system. While the GNWT Pathfinder Program within the Department of Industry, Tourism and Investment (ITI) has supported some proponents in effectively navigating the regulatory system, the effort and resources required to provide this support has been significant, but not necessarily adequate to meet demand

Industry also believes the current thresholds for triggering regulatory authorizations are too low and would like to see the regulations changed to thresholds of 1000 person days for a land use permit and 300 m³/day for a water licence. This latter point was noted and had some support from other participants but

was not discussed in detail or fleshed out as a solution because it did not meet the criterion of an 'operational improvement', because changes to regulations would be required.

Management Plans: The requirement to produce management plans (specifically for engagement, spills, waste and closure) is an area of concern for industry. There appears to be a lack of clarity (or possibly a misperception) around the level of detail required in management plans for exploration projects, which results in confusion and additional effort (and resources) by industry and their technical consultants to navigate (and may result in unnecessary work for LWBs to review). The LWBs stated that 'scalability' is already built into the application process as well as the various templates for preparing management plans that already exist. The expectations for the level of detail required in management plans for exploration projects is not the same as for projects with more significant activity, and in fact management plans may not even be required for the smaller-scale projects; however, this is not universally understood by proponents. Many participants think there is an opportunity to be more prescriptive or 'templated' with management plans for exploration projects. The potential for optional templated management plans that could also be customized by the proponent would allow them to tailor plans to specific projects. Additionally, the scope and content of project specific management plans should be commensurate with the potential risks and of the level of resources available to develop the plans.

4.2 COLLABORATION AND CAPACITY

The co-management regime in the Mackenzie Valley originates from land claim agreements and is based on concepts of integration, coordination, and co-management of resources between governments and Indigenous groups. While the regime requires the involvement, collaboration, and sufficient capacity of governments, regulators, Indigenous peoples and industry to operate effectively, there is a perception that there has not been adequate or sustained collaboration and that the capacity of all parties is constrained.

Multiple organizations and roles: There are multiple regions within the Mackenzie Valley regime and multiple organizations responsible for specific components of the system. While these characteristics can influence the perceived and actual consistency and predictability in the regime, this reality highlights the need to fully implement all aspects of the regime and to foster continuous dialogue, collaboration, and improvement to support its effective and efficient functioning. There is a perception that silos have formed across organizational mandates and that there is no 'one stop shop' for proponents to access all the information needed to navigate the regulatory system. Resource Development Advisory Groups (RDAGs) were identified as a mechanism that could support further collaboration in regions without settled land claims or for specific types of projects – participants see value in the RDAG concept, but believe the implementation of RDAGs needs to be improved (including having the right parties at the table, strengthening action item follow-up, and protection of sensitive and/or privileged proponent information).

Resources and capacity: All organizations have limited resources and capacities to engage and/or collaborate with various parties on a sustained basis. Indigenous communities lack capacity funding to adequately review mineral exploration applications (particularly given the shorter legislated timelines for the land use permitting process); exploration companies lack capacity to navigate what have been characterized as 'onerous' requirements (this is reflective of the scalability issue discussed earlier); and government departments have limited resources to review applications. In addition, although there is a

greater interest to collaborate among parties, it was noted that parties often lack capacity to follow through on the commitments from those collaborations.

4.3 ENGAGEMENT AND CONSULTATION

Engagement and consultation are an important part of the co-management system (and water licencing and land use permitting processes) in the Mackenzie Valley. With various organizations responsible for different components of engagement and consultation and without all aspects of the co-management system in place (e.g., finalized land claim agreements and land use plans for all regions), there are perceived 'disconnects' in the regulatory system, which are believed to impact both consistency for Indigenous communities and certainty for exploration projects. In particular, there are differences in perspectives with regard to:

- The nature, purpose, type and depth of engagement and consultation for different stages of mineral exploration; and
- Who is responsible for engagement and consultation (and when, how and with whom this should occur).

Free entry system and engagement: Participants identified a disconnect between the free entry system (which allows claims to be staked prior to engagement) and the spirit and intent of the co-management regime outlined in the MVRMA (which builds in engagement as a key component of the regulatory process). This disconnect is further exacerbated when land use plans are not finalized (which would otherwise outline areas where specific activities may take place). Governments, although having a '*duty to consult*', may or may not have undertaken some consultation or engagement in an area prior to staking. These disconnects are concerning to communities, because they would like to be engaged at the earliest point possible; and they are also concerning to industry who are striving for increased certainty and have interpreted the law (under the Mineral Resources Act) that staking a claim grants a right to exploit what is found.

Depth and breadth of engagement: Through the project application process, the LWBs require applicants to carry out engagement prior to submitting an application; otherwise an application will not be deemed complete. The MVLWB *Engagement and Consultation Policy* and *Engagement Guidelines for Applicants and Holders of Water Licences and Land Use Permits* are in place to provide guidance to proponents. Industry participants expressed concerns and questions about the breadth and depth of engagement required, specifically identifying 'how much engagement is enough?' and whether engagement can be focused on directly affected communities. Although industry is strongly supportive of community engagement, engagement activities can be onerous for early stage exploration projects as financial and human resources are limited and there is a desire to achieve the right level of engagement for the scale and scope of exploration impacts. Some industry participants also expressed concerns that governments are not effectively fulfilling their duty to consult and accommodate and, in some cases, have been delegating consultation with Indigenous peoples to proponents. Indigenous community representatives stated that many communities face capacity challenges; however, would like to be consulted at the earliest point possible to allow for adequate review of applications.

Concerns were also raised by industry about 'public concern' requiring a project to proceed through an environmental assessment, as is required by the legislation. One example of this was cited (Husky

Energy on the White Beach Point² area). However, another participant stated that preliminary screeners will actually look at the root cause of public concern to determine whether it resulted from another impact or interaction/pathway from the project in relation to the environment which may then impact people.

4.4 CERTAINTY, CONFIDENCE AND TRANSPARENCY IN THE SYSTEM

There are perceptions that the regulatory process is not providing certainty and confidence for industry and that elements of the water licencing and land use permitting processes are not fully transparent. This perception exists even despite dedicated efforts in the water licencing and land use permitting processes to promote certainty (e.g., the development of guidelines by LWBs) and transparency (e.g., the use of the Online Review System). These perceptions seem to exist in part due to broader regime factors and realities, the emergence of unanticipated issues during the application and review process, and the LWB decision-making processes.

Process or requirement changes mid-application: Certainty, clarity, and predictability are seen by industry to be particularly impacted when less common issues arise. Recent applications (where water source information was required mid-way through the process) were cited as examples of this, which resulted in a surprise for proponents. There is a desire to ensure that processes are clear from the outset (to allow proponents to make informed decisions on how to proceed) and that there are appropriate mechanisms to deal with unanticipated issues that do not impose undue costs (i.e., financial, human resource or delays) on industry mid-application.

Board Decision-Making: Some participants do not perceive the Board decision making process to be transparent. There is a period following the Online Review System step (where LWB staff undertake analysis, provide recommendations to the Board, and the Board arrives at its decision) and it is this period where proponents feel exposed and don't know what the outcome will be. Industry participants noted that they appreciate when Staff Reports to the Board are made available publicly; however, industry would like to see these reports consistently and prior to the Board decision so they can better plan for the outcomes of the decision.

4.5 ONLINE REVIEW SYSTEM (ORS)

The ORS was designed to allow reviewers, interested parties, and the public to submit their comments on applications and submissions and for proponents to respond. The system was designed to be a transparent public record of comments, recommendations, and responses. However, in practice, the volume of standard comments provided by reviewers has created a burden for industry and regulators, and the ORS does not provide clear opportunity for dialogue on comments between reviewers and industry.

Volume of standard comments: Some reviewers are submitting (duplicating) standard mandate-type comments and recommendations via the ORS; however, answers may have already been included in the application. Proponents have one week to respond to these comments and the respective LWB has to

² As the draft version of this report was reviewed, it was noted that there are different understandings of the facts regarding the White Beach Point Project by proponents and other interests. This Project was only referenced in passing at the workshop and not discussed in detail from different perspectives.

review all comments, recommendations, and responses, so it can be burdensome for these parties. (However, there is guidance on the ORS, which asks reviewers to have focussed and specific comments and to seek clarification and ask questions of the applicant directly offline).

Functionality of ORS: At times where there are unanticipated issues or clarifying questions, the ORS does not always serve as a useful platform for dialogue between proponents and those that submit comments and recommendations and/or concerns. Some believe that it is easier to manage the issues and comments “offline” rather than via the ORS (and guidance on the ORS encourages direct dialogue between reviewers and proponents); however, this opportunity may not be universally understood and could be facilitated through additional guidance.

4.6 SECURITIES ESTIMATION

There is a desire to ensure that securities estimates are adequate and reflective of potential liability, but the tools for arriving at securities estimates are believed to be either outdated and not scaled to exploration and the process for arriving at securities estimates is not perceived to be straight forward. There is also no process for the relinquishment of liability for water licences. Securities is one of the priority issues for industry.

Tools: Financial securities are in place to ensure that operators effectively clean up sites. Based on inspectors’ knowledge, there have only been two cases in the last 15 years where site clean up has been neglected. Typically, smaller and early exploration projects have more limited environmental impacts as compared to other stages of development. The RECLAIM model, which was developed for projects requiring a water licence is not seen to apply or reflect the reality of smaller projects – including exploration. In addition, the worksheet that is used for land use permit estimates is considered outdated and ineffective by both regulators and proponents.

Process: Following devolution of lands and resources, responsibility for financial securities migrated from the GoC to the GNWT. Currently, the process whereby industry and GNWT both prepare security estimates for exploration projects, which can result in a disparity in the two security figures produced, is seen as difficult to navigate with the perception that LWBs are left to reconcile the difference in the estimates. The GNWT will be reviewing its approach to financial securities in 2020 (for all projects, not just exploration).

It was also noted that there is currently no process outlined in legislation for the GNWT to relinquish liability for water licences once the project is closed and the site is cleaned up.

5 Proposed Priority Improvements and Roadmap

As the workshop progressed, participants identified a number of potential solution areas that could help to address the key issues identified. On the final day of the workshop, the facilitators tabled a draft of nine proposed priority improvement areas based on the results of the first two days. Participants reflected on and discussed these nine areas and then proposed a path forward for how each area would be carried forward. The priority improvements are summarized in Figure 2 and characterized in Table 1 which serves as the 'roadmap' for moving forward.

There will need to be a commitment for parties to meet and discuss action items and timelines and adjust as needed, in light of the new external context (i.e., COVID-19 response). However, it is likely that some work can be done on several of these items to set the stage now to prepare for future action, but the implementation of some of these items may be delayed.

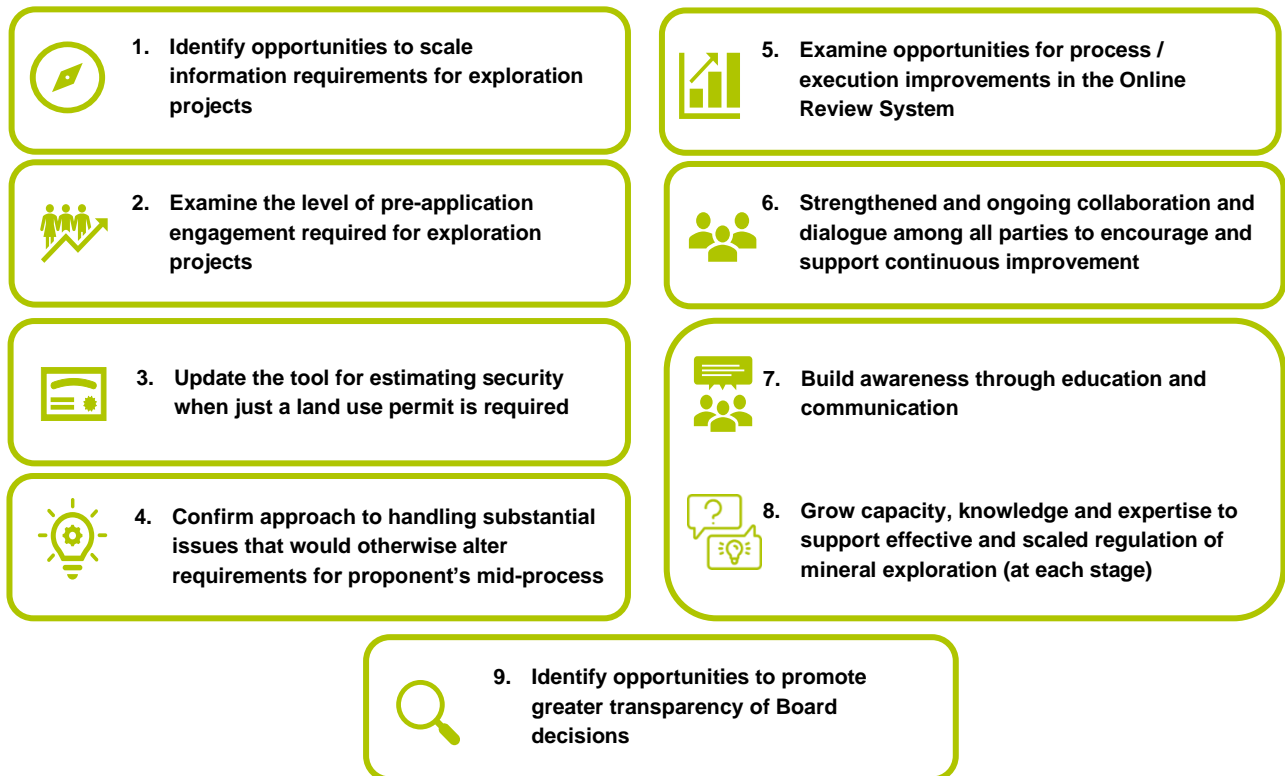


Figure 2: List of Priority Improvement Areas

Table 1: Priority Improvement Characterization and Roadmap

Priority Improvements	Path Forward	Roles and Responsibilities	Timing
<p>1. Identify opportunities to scale information requirements for exploration projects</p> <p>Possible elements:</p> <ul style="list-style-type: none"> Identify and assess applicable regulations and determine if an alternate process could be developed for exploration, while recognizing minimum legal threshold to meet fairness standards, including those related to Indigenous rights (as set out in case law) Examine and apply lessons from other jurisdictions that have structured requirements based on the scale of development (e.g., Saskatchewan) Develop/update templates for management plans that incorporate standard comments from government reviewers Determine if information requirements associated with amendments can be simplified <p>(*Although, it would not fall within the scope of ‘operational improvements’, there is also a desire to initiate a regulatory amendment working group to address scaling the legislative requirements that trigger the need for a water licence and Type B LUP)</p>	<ul style="list-style-type: none"> LWBs will outline initial options LWBs and industry will review options through standing meeting Options and the final approach will undergo engagement and review through the ORS <p>Linkage to solution area #2</p>	<p>Lead: LWBs Team: Industry Support: Governments</p>	<p>Initial meeting (LWB and industry) within 2 months</p>
<p>2. Recognizing the critical role of engagement and consultation in protecting Indigenous treaty rights and promoting certainty for proponents, examine the level of pre-application engagement required for exploration projects)</p>	<ul style="list-style-type: none"> ITI and LWBs to align requirements for early engagement 	<p>Lead: GNWT ITI and LWBs</p>	<p>3 months to an option paper</p>

Priority Improvements	Path Forward	Roles and Responsibilities	Timing
<p>Possible Elements:</p> <ul style="list-style-type: none"> Consider the critical relationship between identified challenges in the regulatory process and communication, engagement and consultation activities of other parties at other points in the system, recognizing the desire by Indigenous communities for engagement at the earliest possible phase Potential for application of map / engagement tools (such as an engagement tool employed for mineral exploration and development in Yukon) Track lessons learned and make business case for participant funding in the licencing and permitting process 	<ul style="list-style-type: none"> LWBs are undergoing an evaluation of the Engagement and Consultation Policy & Guidelines, looking at best practices and how other jurisdictions approach it Consultation and engagement is a core responsibility of the GoC and is currently under review and may help inform the work being done by other organizations <p>Linkage to solution area #1</p>	<p>Team: GoC, GNWT, and IGOs</p> <p>Support: Industry</p>	
<p>3. Update the tool for estimating security when just a land use permit is required to ensure it is adequate and reflective of potential liability to the proponent and the public</p> <p>Possible elements:</p> <ul style="list-style-type: none"> Identify and use a tool that can be effectively scaled to mineral exploration stages Confirm approach / process for arriving at security estimate 	<ul style="list-style-type: none"> GNWT Lands and the LWBs are updating the tool for estimating securities when just a land use permit is required <p>Linkage to solution area #1</p>	<p>Lead: GNWT Lands (note: post workshop, the GNWT and LWBs have agreed to work on this together)</p> <p>Team: GoC</p> <p>Support: Industry (through review of draft tool)</p>	<p>Initiate April 1, 2020</p>
<p>4. Confirm approach to handling substantial issues that would otherwise alter requirements for proponent’s mid-process</p>	<ul style="list-style-type: none"> Ongoing dialogue between LWBs and Industry through standing meetings 	<p>Lead: LWBs and Industry</p>	<p>Ongoing</p>

Priority Improvements	Path Forward	Roles and Responsibilities	Timing
<p>Possible elements:</p> <ul style="list-style-type: none"> Consider whether alternate mechanisms (e.g., use of pause function for dialogue; separate process outside of application; etc.) could support handling of issues 			
<p>5. Examine opportunities for process / execution improvements in the Online Review System</p> <p>Possible Elements:</p> <ul style="list-style-type: none"> Find alternate avenues to raise and address comments that otherwise do not provide evidence for LWB decisions or where dialogue is required (e.g., questions and clarifications, standard conditions related to mandate, more complicated issues that need to be resolved, etc.) 	<ul style="list-style-type: none"> Schedule a specific conversation on this topic <p>Linkage to solution area #1. (If management plans are standardized, some comments may no longer be required or will decrease in volume, especially if reviewer requirements can be included in the standardized plans at the outset.)</p>	<p>Lead: LWBs Team: Industry</p>	<p>Within next month</p>
<p>6. Strengthened and ongoing collaboration and dialogue among all parties to encourage and support continuous improvement</p> <p>Possible Elements:</p> <ul style="list-style-type: none"> Strengthened RDAGs – good in principle; implementation can be improved regarding areas of focus, coordination, broader participation and follow-up Quarterly (bi-monthly) working subject matter focussed meetings between Boards, governments) public and IGOs) and industry More informal communication 	<ul style="list-style-type: none"> GNWT ITI and NPMO to circulate ToR for RDAGs Utilize existing LWB, GoC and GNWT meetings Utilize standing LWB and industry meetings (bimonthly and quarterly) GoC and GNWT to explore funding options to bring organizations back together to track progress (annual event) 	<p>Lead: Government and Industry Team: LWBs and IGOs</p>	<p>Ongoing</p>

Priority Improvements	Path Forward	Roles and Responsibilities	Timing
<ul style="list-style-type: none"> Respectful and meaningful collaboration with IGOs Enabling capacity and resources for all parties to participate in meetings and deliver on action items Timeliness and dot-connecting in pre-application phase steps and associated activities 			
<p>7. Build awareness through education and communication about exploration (within NWT, including youth, lesson plans in support of school curricula, trade shows, career days etc.) and the NWT regulatory process (to industry and investors)</p> <p>8. Grow capacity, knowledge and expertise to support effective and scaled regulation of mineral exploration (at each stage)</p> <p>Possible Elements:</p> <ul style="list-style-type: none"> Build knowledge of industry activities (e.g., each stage of the mineral exploration process) and impacts Identify mechanisms that support corporate memory (of all parties) and consistency (e.g., through Board decisions; reviewer input, regulators' pragmatic knowledge of what is being regulated) 	<ul style="list-style-type: none"> Identify educational options for sustainable development (that pairs concept of biodiversity with exploration) Organizational effort (individually) to support corporate memory 	Lead: Industry and GNWT ITI	3 months to have a plan
<p>9. Identify opportunities to promote greater transparency of Board decisions (e.g., posting staff reports; analytical tools such as MVRB timeline tracker, etc.)</p>	<ul style="list-style-type: none"> Area of ongoing discussion through LWB and industry standing meetings LWBs to respond to question about why Board meetings are not public 	Lead: LWBs Team: Industry	LWBs will respond to question

6 Other Potential Solution Areas

Other solution areas were identified that are either 1) beyond operational improvements; or 2) require contributions from parties not participating in the workshop. These are noted in the figure below along a spectrum of complexity / effort / time to realize change, based on the type of change required (operational and regulatory / policy).

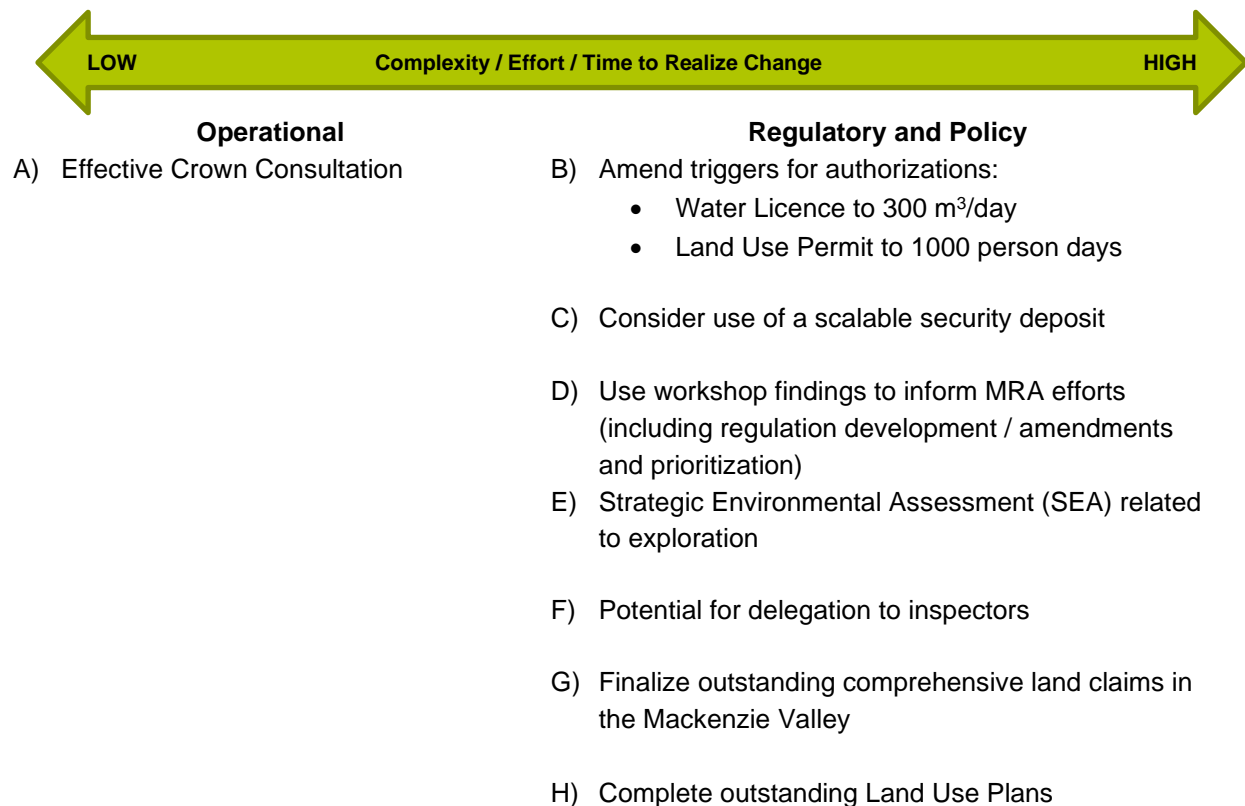


Figure 3: List of Other Potential Solution Areas

7 Closing and Next Steps

At the end of the workshop, there was a closing round of reflections. Overall, the consensus of the participants was that the workshop was timely and effective given that the stated workshop objectives had been met, or substantively met. Many felt that the exchange of information and dialogue was beneficial, and that the right organizations and people were in the room. A number of participants noted that the workshop had been a “milestone gathering”. Many participants concurred with a closing statement (with permission) provided by one participant:

“Thank you for the invite, I appreciate the knowledge in the room. I appreciate the work we are doing here. Growing up, mining and related activities weren’t talked about in positive ways because of historical impacts from industry. Today, I understand we need development, but it should be sustainable and responsible. Exploration agreements are a tool developed to help elevate the pressure from first nations to engage. These agreements are not benefit agreements and they help us understand projects and ensure some capacity. The Online Review System is an excellent tool considering we used to have fax machines; it allows reviewers to know as soon as applications are submitted. Mining Matters must be included in northern studies.”

Despite the accomplishments at the workshop, one participant stated that more work lies ahead to successfully implement the roadmap and priority improvements. Although there was not time available to discuss structures for accountability and tracking progress on the roadmap, the facilitators offer the following considerations:

- Confirm **senior level accountability** and establish a **Leadership Steering Committee** that provides oversight on roadmap implementation. The Committee should represent each of the key organizations and interests.
- Establish a **small team** to help coordinate and drive roadmap implementation forward, and share information across the priority improvement areas
- Develop light **terms of reference** and **supporting ‘work plans’** for Task Teams responsible for specific priority improvements
- Confirm how **resources will be freed up or allocated** (e.g., human resources, financial, information etc.) to ensure delivery on the priority improvements in the time allocated.

Following the receipt of the workshop report, it is recommended that the Organizing Committee convene to ensure the appropriate mechanisms are in place to support the follow-up from this workshop and the implementation of the roadmap.

Appendix A – Participant List

Names of all participants that attended the workshop over the span of 2.5 days (not broken out by day).

ID	Name	Organization
1	Gary Vivian	Aurora Geosciences
2	Chris Hrkac	Aurora Geosciences
3	Lisa Dyer	CanNor
4	Tom Hoefler	Chamber of Mines
5	Dinah Elliot	CIRNAC
6	Rebecca Chouinard	CIRNAC
7	Tim Morton	CIRNAC
8	Tyla Ahluwalia	CIRNAC
9	Dahti Tsetso	Dehcho First Nations
10	Alasdair Beattie	DFO
11	Claire Salvador	DFO
12	Dan Coombs	DFO
13	Hilary Oakman	DFO
14	Andrea McLandress	ECCC
15	Gabriel Bernard-Lacaille	ECCC
16	Rick Walbourne	ENR, GNWT
17	Glen Koropchuk	Fortune Minerals Limited
18	Andy Swiderski	Gaea Consulting
19	Joe Campbell	Gold Terra Resources
20	Damian Panayi	Golder Associates
21	April Hayward	Hayward CSR Strategies Inc.
22	David Connelly	Ile Royale
23	Angela Norris	ITI, GNWT
24	Benji Straker	ITI, GNWT
25	Menzie McEachern	ITI, GNWT
26	Mike Byrne	ITI, GNWT
27	Pamela Strand	ITI, GNWT
28	Kathy Racher	KRacher Consulting
29	Clint Ambrose	Lands, GNWT
30	Lorraine Seale	Lands, GNWT
31	Melissa Bard	Lands, GNWT

32	Melissa Pink	Lands, GNWT
33	Scott Stewart	Lands, GNWT
34	Angela Plautz	MVLWB
35	Chris Hotson	MVLWB
36	Julian Morse	MVLWB
37	Lindsey Cymbalisy	MVLWB
38	Shelagh Montgomery	MVLWB
39	Mark Cliffe-Phillips	MVRB
40	Kenneth Ruptash	Nahanni Construction Ltd.
41	Rosy Bjornson	Ni Hadi Xa
42	Brent Murphy	Seabridge Gold
43	Julie Nguyen	Stratos Inc.
44	Vicky Weekes	Stratos Inc.
45	Joe Rabesca	Tłıchq Government
46	Violet Camsell-Blondin	Tłıchq Government
47	John Donihee	Willms & Shier Environmental Lawyers LLP
48	Anneli Jokela	WLWB
49	Ryan Fequet	WLWB
50	Johanne Black	Yellowknives Dene First Nation
51	Mark Bell	Yellowknives Dene First Nation

Appendix B – Workshop Agenda

MACKENZIE VALLEY OPERATIONAL DIALOGUE: INFORMATION NEEDED TO PROCESS MINERAL EXPLORATION APPLICATIONS

March 10-12, 2020

March 10 and 11 from 8:45 am to 5:00 pm

March 12 from 8:45 am to 12:15 pm

Caribou Room, Chateau Nova Hotel, 4571 48 Street, Yellowknife

BACKGROUND

Representatives from the resource co-management boards in the Mackenzie Valley (MVLWB, WLWB, SLWB, GLWB and MVRB), the Northwest Territories & Nunavut Chamber of Mines, the Government of the Northwest Territories (ITI, ENR and Lands), and the Government of Canada (CanNor and CIRNAC) are hosting a workshop on March 10 - 12, 2020 to **discuss information needed to process mineral exploration applications**. It will include a dialogue on the associated issues, challenges and potential solutions (excluding legislative amendments) that are achievable in the near term.

The development of this dialogue is in response to broad concerns raised during the review of Bill C-88. As part of the collaborative approach to better understand the perspectives of potential participants and to inform the planning and design of the March 2020 workshop, focus group sessions were held at the Yellowknife Geoscience Forum last November. Focus group sessions were initially held with the Boards (MVLWB, WLWB and MVRB), industry, GNWT and the Government of Canada (GoC).

In the spirit of commitment by the organizing sponsors to continuous understanding, improvement and cooperation in the regulatory process, the workshop will bring together key groups to explore strategies for operational improvements within the integrated resource co-management regime in the Mackenzie Valley and to make tangible and demonstrable progress on a specific topic of interest.

There is a hope that the workshop would serve as a 'pilot' and provide momentum for more regular engagement among parties to collaborate on specific and prioritized operational improvements (both in the Northwest Territories and with extension to Nunavut and Yukon), which may enable other topics to be addressed. This workshop represents a starting point for an evidence-based, respectful and purpose-driven *Mackenzie Valley Operational Dialogue*.

WORKSHOP OBJECTIVES

As an overview, the workshop will include two main sessions with different objectives.

- **Part 1** (Day 1 – full day): Will provide an overview of information needed to process mineral exploration applications in the Mackenzie Valley, with broader participation, to build common understanding and encourage knowledge-sharing.
- **Part 2 – Invite Only** (Day 2 – full day & Day 3 – half day): A small group of practitioners will be invited to discuss issues, identify options and potential solutions as it relates to operational details about information needed to process mineral exploration applications

The workshop objectives were identified through the November engagement process where the experience and interests of the participants resulted in setting pragmatic and targeted areas of focus for the workshop.

Overall, the workshop objectives are to:

1. **Build increased awareness and knowledge** by the workshop participants and pilot a process to strengthen understanding and knowledge-sharing related to information needed for processing mineral exploration applications.

2. **Issue identification** related to information needed for processing mineral exploration applications.
3. **Identification of options and potential solutions** to the current issues and challenges related to information needed for processing mineral exploration applications. The aim is to generate potential solutions that are within the respective operational and administrative mandates, processes and mechanisms, and that are achievable in the near term, without legislative amendments.
4. **Set out next steps and specific actions** (to further assess the impact and efficacy of implementing the potential solutions).

DAY 1: MARCH 10, 2020	
WORKSHOP: PART 1	
8:45 – 9:15 a.m.	<p>Welcome and Introductions</p> <p><i>Welcoming opening remarks by Lisa Dyer, Director General of Canadian Northern Economic Development Agency and Pamela Strand, Assistant Deputy Minister, Industry, Tourism and Investment, Government of Northwest Territories</i></p>
9:15 – 10:30 a.m.	<p>Agenda #1: Mackenzie Valley Licencing and Permitting – Background and Overview</p> <p><i>Background on the origin of the MVRMA and overview of the licencing and permitting process, including time for Q&A.</i></p> <p><i>Presenters:</i></p> <ul style="list-style-type: none"> - Shelagh Montgomery, Mackenzie Valley Land and Water Board - Ryan Fequet, Wek'eezhii Land and Water Board
10:30 – 10:45 a.m.	Break
10:45 – 12:00 p.m.	<p>Agenda #2: Mineral Exploration – An Industry Perspective</p> <p><i>An overview exploration including types of exploration activities, role of exploration in resource development, risks and challenges, and the regulatory process – focusing on information needed, including time for Q+A.</i></p> <p><i>Presenter:</i></p> <ul style="list-style-type: none"> - Gary Vivian, Aurora Geosciences
12:00 – 1:00 p.m.	Lunch (provided)
1:00 – 2:00 p.m.	<p>Agenda #3: Panel: Regulatory Excellence and its Significance in Mineral Exploration</p> <p><i>Panel discussion to explore both the importance of and what 'regulatory excellence' looks like (from various perspectives) as it relates to mineral exploration.</i></p> <p>Working Definition: <i>'Regulatory excellence' considers both regulatory efficiency and effectiveness. 'Regulatory excellence' reduces compliance burden on business and regulators without compromising effectiveness, i.e. ensuring that key regulatory objectives continue to be met, and regulatory standards upheld, with the level of integrity and transparency expected by the public.</i></p> <p><i>Panelists:</i></p> <ul style="list-style-type: none"> - Mark Cliff-Phillips, Mackenzie Valley Environmental Impact Review Board - Kathy Racher, KRacher Consulting

DAY 1: MARCH 10, 2020	
WORKSHOP: PART 1	
	<ul style="list-style-type: none"> - Joe Campbell, Gold Terra Resources - Rebecca Chouinard, Crown-Indigenous Relations and Northern Affairs Canada
2:00 – 3:15 p.m.	<p>Agenda #4: Small Group Activity: Regulatory Excellence and Mineral Exploration – Why Does It Matter?</p> <p><i>In groups, reflect on...</i></p> <p><i>How does regulatory excellence in mineral exploration relate to me, my organization and my constituents?</i></p> <ul style="list-style-type: none"> - Why is it important? - How does it impact my work / role / way of life? - What are my hopes for what can be achieved moving forward?
3:15 – 3:30 p.m.	Break
3:30 – 4:45 p.m.	<p>Agenda #5: Small Group Activity: Guidance for Part 2 of the Workshop – Shaping the Conversation on Information Needed to Process Mineral Exploration Applications</p> <p><i>In groups, reflect on...</i></p> <ul style="list-style-type: none"> - What concerns do you have about information needed to process mineral exploration applications? - What opportunities, options and potential solutions do you see that could help to address these challenges? - What guidance do you have for participants on Days 2 and 3? What do you hope can be accomplished through the discussion?
4:45 – 5:00 p.m.	<p>Wrap Up</p> <p><i>Review progress, actions and next steps.</i></p>

DAY 2: MARCH 11, 2020	
WORKSHOP: PART 2	
8:45 – 9:15 a.m.	<p>Welcome, Introductions and Ground Rules</p> <ul style="list-style-type: none"> - Introductions - Reflections on Part 1 - Review agenda and objectives - Ground rule setting
9:15 – 10:30 a.m.	<p>Agenda #6: Process Map Activity: Understanding the Flow and Sources of Information and Where Issues are Experienced</p> <p><i>Walk through the regulatory process from pre-submission to completing the application to the public review, analysis and board decision and identify areas where issues are experienced.</i></p> <p><u>Part A – Understanding and validating the process map</u></p>

DAY 2: MARCH 11, 2020

WORKSHOP: PART 2

	<ul style="list-style-type: none"> - Do you have any questions or require any clarifications to understand components of the process map or sources of information needs? - Are there any critical steps missing or any inaccuracies? <p><u>Part B – Examining where issues are experienced</u></p> <ul style="list-style-type: none"> - On the process map, identify areas where significant challenges and moderate-minor challenges are experienced - On the tables that describe ‘Information Needed’, identify the types of information where significant issues and moderate-minor issues are experienced
<p>10:30 – 10:45 a.m.</p>	<p>Break</p>
<p>10:45 – 12:00 p.m.</p>	<p>Agenda #7: Roundtable Discussion: Reflections on Key Issues Regarding Information Needed in Mineral Exploration Applications as Identified in PART 1</p> <p><i>Based on the issues identified in the process map exercise, please help to characterize each issue:</i></p> <ul style="list-style-type: none"> - What is making this a challenge? - Why? What are the underlying drivers?
<p>12:00 – 1:00 p.m.</p>	<p>Lunch (provided)</p>
<p>1:00 – 2:45 p.m.</p>	<p>Agenda #8: Case Study Exploration: Lessons Learned and Best Practices</p> <ul style="list-style-type: none"> - Case Study 1: Engagement presented by Julian Morse, MVLWB - Case Study 2: Water source information presented by Joe Campbell, Gold Terra Resources <p>Q&A and Discussion</p>
<p>2:45 – 3:00 p.m.</p>	<p>Break</p>
<p>3:00 – 4:30 p.m.</p>	<p>Agenda #9: Panel: The Role of Expert Advice and Reviewers in Regulatory Information Needs Regarding Mineral Exploration</p> <p><i>Discussion to hear from various perspectives what information is asked for, how it is used, synergies, opportunities and challenges to process mineral exploration applications.</i></p> <p><i>Panelists:</i></p> <ul style="list-style-type: none"> - John Donihee, Willms & Shier Environmental Lawyers LLP - Rick Walbourne, Government of Northwest Territories - TBC, Department of Fisheries and Oceans - Clint Ambrose, Government of Northwest Territories - Violet Camsell-Blondin, Tłı̨chǫ Government - Ryan Fequet, Wek’eezhii Land and Water Board <p>Q&A and Discussion</p> <ul style="list-style-type: none"> - What are the key challenge areas currently experienced through the process of providing/receiving reviewer input? - What key improvements could help to make this process smoother?

DAY 2: MARCH 11, 2020	
WORKSHOP: PART 2	
4:30 – 4:55 p.m.	<p>Agenda #10: Roundtable Discussion: Positioning for Day 3 - What Priority Issues Have Emerged?</p> <p><i>Reflect on the list of specific priority issues related to information needed to process mineral exploration applications that will be addressed the following day.</i></p>
4:55 – 5:00 p.m.	<p>Wrap Up</p> <p><i>Review progress, actions and next steps.</i></p>

DAY 3: MARCH 12, 2020	
WORKSHOP: PART 2	
8:45 – 9:00 a.m.	<p>Welcome and Introductions</p> <ul style="list-style-type: none"> - <i>Reflect on Part 2 – Day 2</i> - <i>Review agenda and objectives</i>
9:00 – 10:00 a.m.	<p>Agenda #11A: Activity: Issue Summary and Solution Area Prioritization</p> <p><i>Confirm the priority issues list and identify solutions.</i></p> <p><u>Issues</u></p> <ul style="list-style-type: none"> - <i>Are these the key issues ('problems to solve')?</i> - <i>What issues need amendment or are missing?</i> <p><u>Solutions</u></p> <p><i>Identify which solution areas and/or specific solutions can make the biggest positive impact. Consider:</i></p> <ul style="list-style-type: none"> - <i>Degree of impact</i> - <i>Level of investment</i> - <i>Complexity / readiness to address</i> - <i>Timeframe required to address</i>
10:00 – 10:15 a.m.	Break
10:15 – 11:00 a.m.	<p>Agenda #11B: Activity: Solution Area Definition</p> <p><i>Based on the solution area prioritization...</i></p> <ul style="list-style-type: none"> - <i>What specific solutions are needed?</i> - <i>What can be realistically tackled in the next 6 to 12 months?</i> - <i>What are the top priorities? (vs. items that should be noted and addressed at a later date)</i>
11:00 – 12:00 p.m.	<p>Agenda #12: Action Planning for Solutions Plenary Discussion</p> <p><i>Building on the solutions identified...</i></p> <ul style="list-style-type: none"> - <i>How will these be carried forward? (What mechanism)</i> - <i>Who needs to be involved? (Who leads? Who supports?)</i> - <i>What is the timeframe? (For initiating? For completing?)</i>
12:00 – 12:15 p.m.	<p>Workshop Wrap Up</p> <p><i>Review progress, actions and next steps.</i></p>