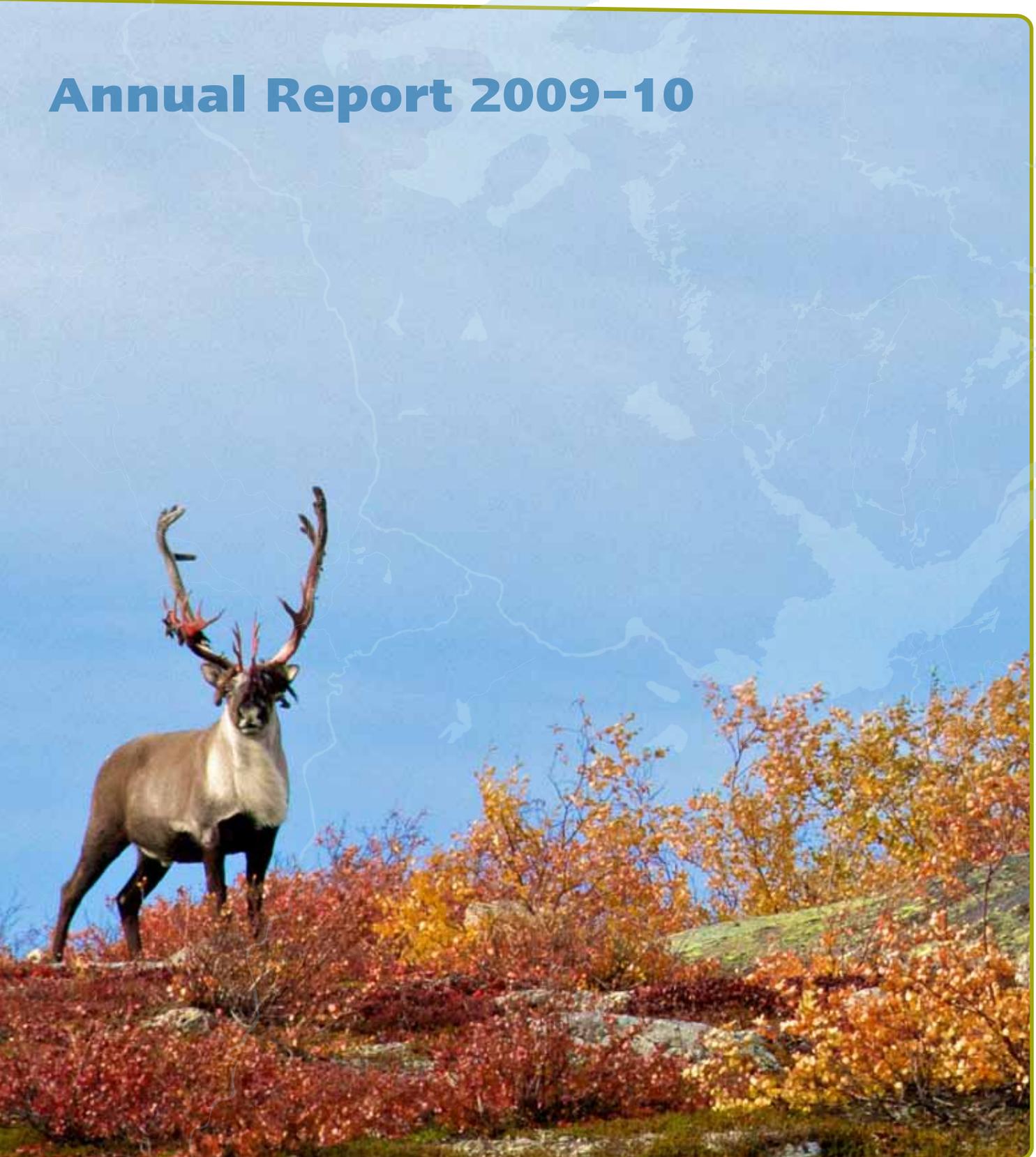




# Annual Report 2009-10



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## Our mission

To conduct quality environmental impact assessments that protect the environment and the social, economic and cultural well-being of residents of the Mackenzie Valley and all Canadians.

## Our vision

Excellence in environmental impact assessment within a co-management system that balances diverse values to protect the Mackenzie Valley for present and future generations.

## Our values

We value:

- Relationships based on mutual respect, trust and honesty
- Acting with integrity, objectivity and fairness
- Accountability, quality and efficiency in our work
- Consensus decision making and team work
- Transparency, accessibility and openness in our processes
- The diversity of the Mackenzie Valley
- Learning as an organization
- Continual improvement through innovation and adaptation

## Contact us

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## Message from the Chairperson



For the Mackenzie Valley Environmental Impact Review Board, the 2009-10 operating year was busy and successful.

The Review Board managed six active environmental assessments and two environmental impact reviews. There were eight environmental assessments carried forward from the previous operating year, waiting for ministerial decisions. The minister accepted two reports that had been waiting for a ministerial decision for several years and the applications for four proposed developments that were waiting for a ministerial decision were withdrawn by the developers. One environmental assessment was completed, bringing the total number of files closed for 2009-10 to seven. The Joint Review Panel for the Mackenzie

Gas Project submitted its report December 30, 2009, and this environmental impact review is now waiting for a ministerial decision.

The Review Board received no new referrals in 2009-10. As of March 31, 2010, there were five active assessments, one active environmental impact review and two files waiting for a ministerial decision, all carried forward to the 2010-11 operating year.

The Review Board is in the third year of its three-year strategic plan, which contains the priorities which guide our activities each year. The goals remain to achieve excellence in environmental impact assessment and the integrated resource management system envisioned by the Mackenzie Valley Resource Management Act. We monitor our results from previous environmental impact assessments, the best practices of similar organizations, and then implement changes in our procedures based on the monitoring results.

Our stakeholders are important participants in the environmental impact assessment process, and as such, building and maintaining relationships is essential. We work with all of our Mackenzie Valley Resource Management Act partners such as land claimant organizations, the Government of the Northwest Territories and the Government of Canada. Board members and staff regularly travel to communities, First Nation assemblies and industry tradeshows in an effort to educate and raise awareness about our work, our responsibilities and the environmental impact assessment process in the Mackenzie Valley.



We place a high priority on securing the financial resources needed to fulfill our mandate, as set out in the *Mackenzie Valley Resources Management Act*, in a thorough and timely manner. This has been of great concern for several years, and we remain hopeful that the Minister of Indian and Northern Affairs will address these financial capacity issues in the Northern Regulatory Improvement Initiative in the new fiscal year.

I wish to acknowledge and commend the dedicated and valuable service to the Review Board by Mr. Jerry Loomis and Mr. John Ondrack, whose appointments expired this past year. Both had been Board members for six years, and we greatly appreciated their contribution to the success of the Review Board. Both were appointed by the Government of the Northwest Territories, and as of this writing, new appointments have yet to be made.

We welcomed two new Board members in 2009-10: Mr. Peter Bannon, nominated by the Federal government in May 2009, and Mr. James Wah-Shee, nominated by the Tlicho government. Mr. Wah-Shee began his term in March, 2010. Both of these gentlemen bring a wealth of knowledge and experience to the Board and I have enjoyed working with them since their appointments.

The Review Board's hardworking staff members are dedicated to excellence in completing thorough and professional environmental assessments. Without them, the complexities of environmental assessments would be impossible to complete in a timely manner. The Mackenzie Valley Review

Board has gained international recognition for the pioneering work done by our staff in developing guidelines for use by those involved in the field of environmental assessment around the world. Our staff members are key to the Board's ongoing success.

The coming year will bring new challenges, such as the changes proposed by the Government of Canada for the Northwest Territories regulatory system. We are confident that, with our strong Board and our experienced staff, we can face any challenges as they arise while continuing to set the standard for quality environmental assessments.

Mahsi Cho

Richard Edjericon, Chairperson

## About the Review Board

The Mackenzie Valley Environmental Impact Review Board is a co-management board responsible for the environmental impact assessment process in the Mackenzie Valley.

In 1998, the *Mackenzie Valley Resource Management Act* (the Act) established the Review Board as an independent administrative tribunal. Although the federal government enacted this piece of legislation, the Act resulted from land claim negotiations between aboriginal groups in the Northwest Territories and the federal and territorial governments. As a result, the Act gives aboriginal people of the Mackenzie Valley a greater say in resource development and management.



L-R: Board members Darryl Bohnet, Richard Edjericon, and Danny Bayha.

The Review Board's vision for itself is: excellence in environmental impact assessment within a co-management system that balances diverse values to protect the Mackenzie Valley for present and future generations.

### Board membership

The Review Board consists of nine members appointed by the Minister of Indian and Northern Affairs Canada. The chairperson is typically appointed on the nomination of the Review Board, whereas the eight regular board members are appointed in equal numbers from nominees submitted by government (federal and territorial) and aboriginal land claimant organizations. As a result, the Review Board is a co-management board with an equal number of members from aboriginal land claimant organizations and from both levels of government.

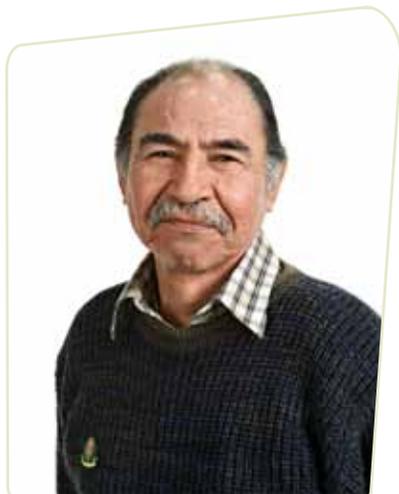
In March of 2010, the appointment terms for both Mr. Jerry Loomis and Mr. John Ondrack expired. Both were nominated by the Government of the Northwest Territories and as of March 31, 2010, their positions remained vacant.

The Board did get two new members, however, and welcomed another back from an extended leave of absence.

Mr. James Wah-shee was nominated by the Tlicho government as their first Review Board member. A respected Tlicho elder and long-time Northern leader, Mr. Wah-shee has filled many roles during his more than forty years of public service, including terms as President of the NWT Indian Brotherhood, Chair of the Federation of Natives North of Sixty, and Member of the Northwest Territories Legislative Assembly where he also served as Deputy Premier.



He has also served as President of the Denedeh Development Corporation, as the Self-government Negotiator for the Dogrib Treaty 11 Council, now the Tlicho Government, and as past-president of the NWT Aboriginal Summit. He currently sits on the Board of the Northwest Territories Power Corporation, and began his term in March, 2010.



James Wah-shee

Mr. Peter Bannon was nominated by the Federal government in May 2009. He holds a Bachelor of Environmental Studies and a Diploma in Environmental Engineering Technology. Mr. Bannon has 30 years' experience in environmental management, land claims, self-government and devolution through working for the Government of the Northwest Territories (GNWT) and the Government of Canada, and participated in the development and implementation of the *Mackenzie Valley Resource Management Act* and the *Northwest Territories Waters Act*.

He has held several positions, including Controller of Water Rights and Technical Advisor to NWT Water

Board, Director of Policy for the GNWT Department of Aboriginal and Intergovernmental Affairs and with Department of Indian Affairs and Northern Development (DIAND), Executive Director of Devolution with the GNWT, and was a member of the Environmental Impact Review Board for the Inuvialuit Settlement Region for 12 years. He is currently a member of the NWT Water Board.



Peter Bannon

Percy Hardisty, appointed to the Review Board with the support of the Dehcho First Nation, returned in January 2010 from the leave of absence he took to contribute to the Joint Review Panel. The Panel filed its historic report in late December, 2009, which allowed Mr. Hardisty to return to the Review Board.

As noted above, the Review Board had two vacancies as of March 31st, 2010, both for the Government of the Northwest Territories. We continue to work with Indian and Northern Affairs Canada to ensure the Review Board vacancies do not give rise to quorum issues, which could delay board business.



Percy Hardisty

As of March 31st, 2010, the members of the Review Board were:

- Richard Edjericon, Chairperson
- Darryl Bohnet, Vice-Chairperson (Federal nominee)
- Peter Bannon, (Federal nominee)
- Danny Bayha (Sahtu nominee)
- Fred Koe (Gwich'in nominee)
- James Wah-shee (Tlicho nominee)
- Percy Hardisty (Dehcho nominee)
- Vacant (Territorial nominee)
- Vacant (Territorial nominee)



L-R Board members Fred Koe, Jerry Loomis and John Ondrack

The Review Board has working committees responsible for providing high quality advice, research and information on specific issues. As of March 31, 2010, the Review Board's Governance Committee was chaired by Mr. Darryl Bohnet, the Finance Committee was chaired by Mr. Fred Koe and the position for chair of the Human Resources Committee was vacant.

### Review Board Staff

The Review Board saw a number of staffing changes in 2009. We said farewell to Mr. Alistair McDonald and Ms. Tawanis Testart, both of whom left to pursue their careers in southern Canada. Mr. Chuck Hubert, senior environmental assessment officer, came to us in August 2009 after working for the Yukon Government for several years. Mr. Travis Schindel left the Inuvialuit Regional Corporation in January 2010 to begin work as the Review Board's first Executive Co-ordinator. After more than a year of excellence in their performance of their job duties as Environmental Assessment Assistants, the Board promoted both Mr. Paul Mercredi and Ms. Nicole Spencer to Environmental Assessment Officers. Communications Manager Renita Jenkins began a year maternity leave shortly before giving birth to her first child in December 2009. Ms. Sunny Munroe is Acting Communications Manager until Ms. Jenkins returns in November 2010.

As of March 31st, 2010 the Review Board staff included:

Vern Christensen, Executive Director  
Ph: (867) 766-7055  
Email: vchristensen@reviewboard.ca

Linda Piwowar, Board Secretary  
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Email: secretary@reviewboard.ca

Travis Schindel, Executive Co-ordinator  
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### Environmental assessment team

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Paul Mercredi, Environmental Assessment Officer

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Nicole Spencer, Environmental Assessment Officer

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#### Communications team

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Jessica Simpson, Community Liaison Officer

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#### Finance team

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Therese Charlo, Administrative Assistant

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Review Board Chairperson and Staff

Back row L-R: Linda Piwowar, Richard Edjericon-Chairperson, Paul Mercredi, Travis Schindel, Moses Hernandez, Vern Christensen-Executive Director, Sunny Munroe, Chuck Hubert, Nicole Spencer.

Front row L-R: Martin Haefele, Wendy Ondrack, Jessica Simpson, Therese Charlo, Alan Ehrlich.

## Environmental impact assessment and regulatory process overview

There are three stages in the environmental impact assessment process in the Mackenzie Valley.

### 1. Preliminary screening

All proposed developments that require a license, permit, or other authorization must apply and go through a preliminary screening. A land and water board, such as the Mackenzie Valley Land and Water Board (MVLWB), or a regional panel of the MVLWB or other regulating authority, runs this process.

Preliminary screening is a quick review of a proposed development’s application to decide if the development might have significant adverse impacts on the environment, or might cause public concern. If so, the application is referred to the second stage – environmental assessment. If not, then the application can be sent to the regulator for permitting and licensing.

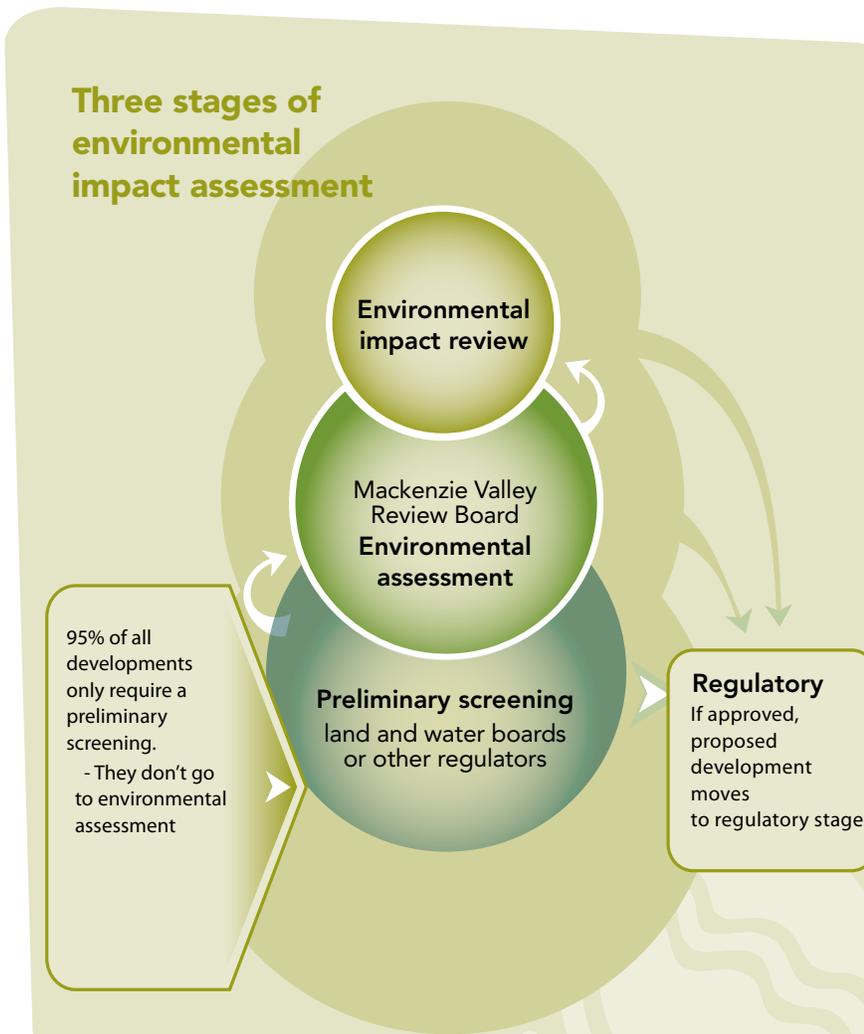
### 2. Environmental assessment

Only a small number—less than 5%—of proposed developments must go through an environmental assessment, which is a more thorough study of a proposed development’s application to decide if the development is

likely to have significant adverse impacts on the environment, or likely to cause public concern. Upon completion of the environmental assessment, the Review Board sends its Reasons for Decision to the federal Minister for Indian and Northern Affairs Canada along with one of the following recommendations:

- a) the project can proceed to regulatory permitting and licensing as is; or
- b) the project can proceed to regulatory permitting and licensing provided some measures are in place; or
- c) the project should be rejected.

Alternatively, if the Review Board decides, based on the evidence presented during an assessment, that a proposed development could have very significant impacts on the environment, the Board may order an environmental impact review.



### 3. Environmental impact review

An environmental impact review follows an environmental assessment when the Review Board or the Minister of Indian and Northern Affairs deems a more comprehensive examination of a proposed development is needed. An independent panel runs the impact review and the panel may consist of both Review Board members and non-Review Board members, all appointed by the Review Board. The environmental impact review provides a more focused study of the issues raised during the environmental assessment.



L-R: Board Members Richard Edjericon, Darryl Bohnet, Peter Bannon.

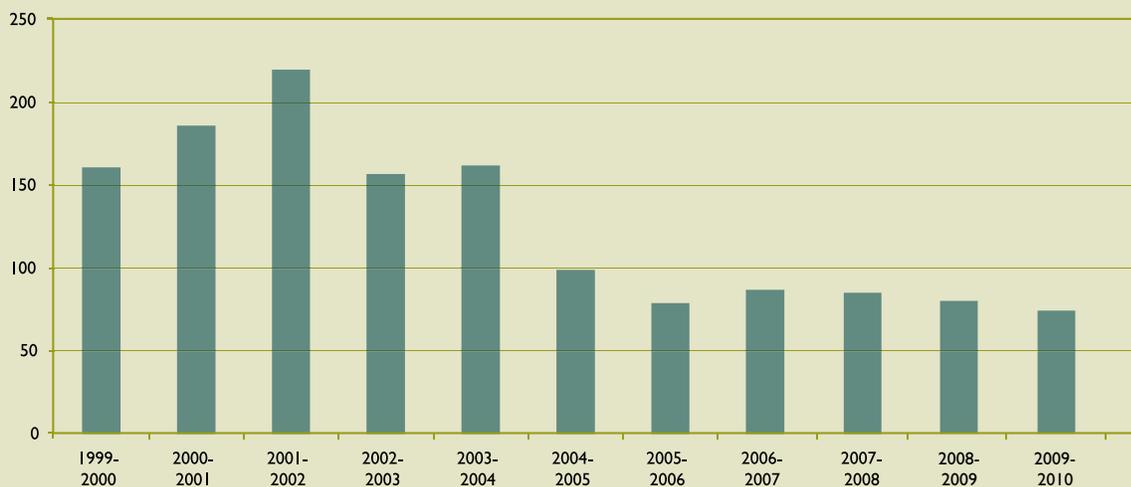
### Preliminary screening overview

The Review Board reviewed 73 preliminary screenings in the 2009-10 operating year, ending at March 31, 2010. In the annual report for 2008-09, the Review Board noted that numbers of development applications have been stabilizing over the last five years. This trend seems to be continuing, although there were fewer preliminary screenings this year. The figures do not include developments that did not require a preliminary screening, such as “grandfathered” projects, which are developments related to projects approved prior to June 22, 1984 and have been exempt from preliminary screening.

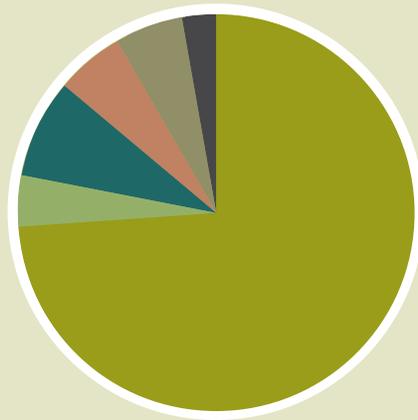
The distribution among the various types of projects has changed from last year, with transportation presenting the single biggest sector, followed by quarrying, mineral exploration and mining, and oil and gas exploration and development. The number of applications for mineral exploration and mining decreased significantly, accounting for less than half of last year’s applications. The large decrease in the mineral sector was partially offset by small increases in transportation, oil and gas, remediation, tourism, and hydro developments.

As in previous years, the Mackenzie Valley Land and Water Board conducted a majority of the preliminary screenings—73% of all screenings. The other land and water boards conducted 18% and government agencies accounted for 8% of all screenings.

### Trend (total number of screenings)



### By preliminary screener



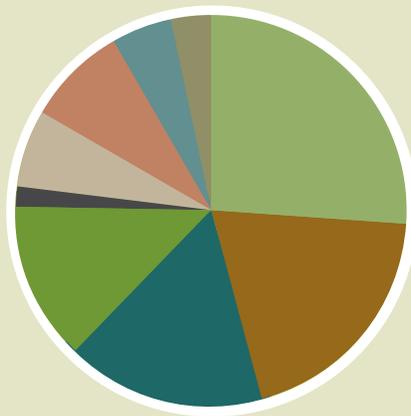
# of screenings

Preliminary screener

54  
6  
3  
4  
4  
2

- Mackenzie Valley Land and Water Board
- Wek'èezhii Land and Water Board
- Sahtu Land and Water Board
- Gwich'in Land and Water Board
- Government of the Northwest Territories
- Parks Canada

### By development type



# of screenings

Type of development

16  
12  
10  
8  
5  
4  
3  
2  
1

- Transportation
- Quarrying
- Mineral exploration and mining
- Oil & Gas
- Remediation
- Tourism/recreation
- Research projects
- Hydro
- Logging/harvesting



# Gwich'in



# Sahtu

# Dehcho

### 2009-10 year in review map

Developer	EA #	Description
1 Indian and Northern Affairs Canada	EA0809-001	Giant Mine Remediation
2 Imperial Oil Resources Ventures Ltd.	EIR0405-001	Gas Pipeline
3 Tyhee NWT Corporation	EA0506-004	Gold Mine
4 Consolidated Goldwin Ventures Inc.	EA0506-005	Mineral Exploration
5 Sidon International Resource Corp.	EA0506-006	Mineral Exploration
6 De Beers Canada Mining Inc.	EIR0607-001	Diamond Mine
7 Dezé Energy Corporation	EA0708-007	Hydroelectric Expansion
8 Fortune Minerals Limited	EA0809-004	NICO Project
9 Canadian Zinc Corporation	EA0809-002	Prairie Creek Mine

## Wek'èezhì



## Akaitcho

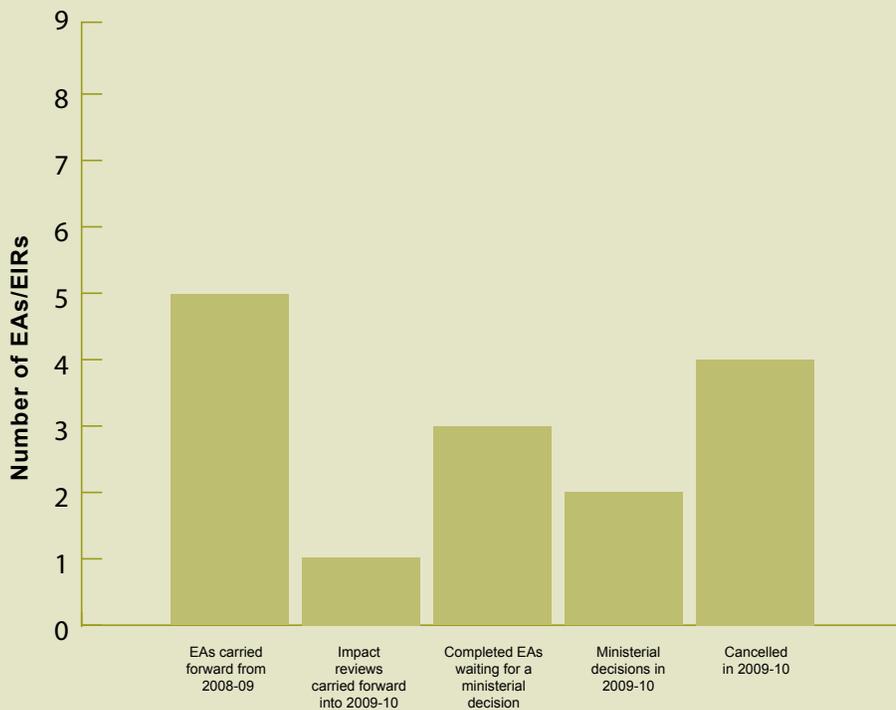
## Environmental assessments and impact reviews overview

At the beginning of the fiscal year, the Review Board managed six active environmental assessments and two environmental impact reviews. Additionally, eight environmental assessments waiting for ministerial decisions were carried forward. During the fiscal year the Review Board closed seven files, as follows: one active environmental assessment was closed when the Board issued a report of environmental assessment that did not require a ministerial decision; the minister accepted two reports that had been waiting for a ministerial decision for several years; the applications for four proposed developments that were waiting for a ministerial decision were withdrawn by the developers.

One environmental impact review was completed at the end of 2009. The Joint Review Panel for the Mackenzie Gas Project submitted its report of environmental review and measures, which are now waiting for ministerial decision.

As the Review Board received no new referrals in 2009-10, it carries forward five active assessments, one active environmental impact review and three files waiting for a ministerial decision. At the end of the fiscal year, three of the active assessments and the impact review were waiting for the developer to submit the developer's assessment report or environmental impact statement, one was in the technical analysis stage, and one was at the decision making and reporting stage.

### EA/EIR Progress Chart for 2009- 2010



## Ongoing environmental assessments

The following environmental assessment status updates are provided as of March 31st, 2010. Please visit the public registry at [reviewboard.ca](http://reviewboard.ca) for the current status of these environmental assessments.

### **EA0708-007: Dezé Energy Corporation – Taltson Hydroelectric Expansion Project**

This proposed development adds up to 56 megawatts of power generating capacity to the Taltson Twin Gorges Plant located approximately 60 kilometers northeast of Fort Smith, NWT. The project also includes a 690-kilometer transmission line to the diamond mines. Because the development might cause significant adverse impacts on the environment and might be a cause of public concern, the Mackenzie Valley Land and Water Board referred this proposed development for an environmental assessment in October 2007. Following receipt of the Developer's Assessment Report in late March 2008, parties submitted proposed Information Requests in June 2009. In response to requests from several parties, the Review board extended the deadline to July 2010. A three-day facilitated Information Request session was held in Yellowknife in October 2009. Following final submissions from parties, a public hearing was held in Dettah, NT on January 14th and 15th, 2010. As a result of concerns voiced about the proposed transmission line route, the developer proposed a new, alternate route after the hearing. In March 2010, the Board granted a request by parties for additional time to assess the impacts of this new proposed routing alternative.

### **EA0809-004: Fortune Minerals Ltd. – NICO Project**

The NICO Project is a cobalt, gold, bismuth and copper open pit mine that has been proposed by Fortune Minerals Ltd. It is located in the Tlicho region, approximately 50 kilometers northwest of Whati. The proposed project is to develop an ore reserve of 21.8 million tonnes over a fifteen-year mine life, and will require an all-season road access.

To begin the environmental assessment, the Review Board held public issues scoping sessions in the communities of Whati, Gameti, Wekweti, Behchoko and Yellowknife during 2009. These scoping sessions helped the Review Board determine key issues to focus on in the Terms of Reference, issued in November 2009. Fortune Minerals Ltd. is now preparing its Developer's Assessment Report for the NICO Project which is expected in the summer of 2010.

### **EA0809-002: Canadian Zinc Corp. – Prairie Creek Mine**

This is a proposed underground lead-zinc mine, located in the Mackenzie Mountains within the South Nahanni River watershed, and is encompassed by the new boundaries of the Nahanni National Park Reserve. In a March 2009 response to a Request for Ruling, the Review Board determined that all physical works and activities associated with the mine and winter road would be part of this environmental assessment. Terms of Reference for the Prairie Creek Mine were issued by the Review Board in June 2009 based on information gathered from community scoping sessions held the previous year and the Request for Ruling. In July 2009, the Nahanni National Park Reserve was expanded by the federal government. The new boundaries surround but do not overlap the mine site. Legislation that created the expanded park reserve boundaries allow for the existence of the mine as well as the winter access road that passes through the new park reserve. Canadian Zinc Corporation submitted its Developer's Assessment Report to the Review Board at the end of March.

**EA0809-003: Tyhee NWT Corp. – Yellowknife Gold Project (2008)**

This is a proposed gold mine 88 kilometers northeast of Yellowknife and adjacent to the historic Discovery Mine site. Tyhee's Yellowknife Gold Project first entered the environmental assessment process in 2005, when the original site plan was to extract ore through an underground mine. Tyhee withdrew this original application in July 2008, and the associated environmental assessment was cancelled (EA0506-004). In August 2008, Tyhee submitted a new application to the Mackenzie Valley Land and Water Board outlining its revised site plan for a transitional open pit/underground mine.



Review Board Members at the Prairie Creek Mine site.

Environment Canada referred the Yellowknife Gold Project to environmental assessment in late August 2008 because the development might cause significant adverse impacts on the environment. The Review Board then held community and technical scoping sessions in October 2008 to hear the primary issues of concern for the environmental assessment. Subsequently, the Review Board released the draft Terms of Reference for the Developer's Assessment Report in January 2009 and issued the final Terms of Reference in May 2009. As of March, 2010, Tyhee anticipates to submit the Developer's Assessment Report in the second quarter of 2010.

**EA0809-001: Contaminants and Remediation Directorate, INAC – Giant Mine Remediation**

This is a proposed development to remediate the Giant Mine site, located within the City of Yellowknife. The development includes the future disposition of 237,000

tonnes of arsenic trioxide currently stored underground. It was referred to the Review Board by the City of Yellowknife. Following the release of the draft Terms of Reference in March of 2009, parties provided comments in April 2009 and a final Terms of Reference and Work Plan were issued by the Review Board in May of 2009. On October 20th, 2009, Review Board members, accompanied by interested members of parties to the environmental assessment, went on an underground and surface tour of the Giant mine site. In December 2009, INAC indicated that it would submit the Developer's Assessment Report in April of 2010. (The submission date has since been revised by INAC to June 2010).

## Environmental Assessments Completed and closed in 2009-10

### EA0708-001: Selwyn Resources Ltd. - Mineral Exploration at Howard's Pass

This mineral exploration program was proposed in the Sahtu region, near the Northwest Territories/Yukon border. In June 2007, the Sahtu Secretariat Inc. referred the project for environmental assessment on behalf of the Tulita District Land Corporation. Public concern prompted the referral. In October 2007, Review Board staff conducted scoping sessions in Tulita and Norman Wells. The Review Board released the final workplan in November 2007. After soliciting comments on the draft, the Review Board issued the final Terms of Reference for the Developer's Assessment Report in January 2008. The Review Board received the complete Developer's Assessment Report with appendices in July. After one round of information requests in August 2008, the Review Board issued a second round of information requests in October 2008. The final community hearing was held in Tulita on April 7, 2009. The Report of Environmental Assessment was sent to the Minister of Indian and Northern on July 6, 2009. The Review Board recommended the project move forward as it was not likely to cause significant adverse impacts or to be a cause of significant public concern if the developer implements mitigation commitments. The Sahtu Land and Water Board issued a permit to Selwyn Resources Ltd. The environmental assessment is closed.

### EA0506-007: Paramount Resources Ltd. - SDL 8 2-D Geophysical Program

Indian and Northern Affairs Canada referred this oil and gas geophysical program in the Cameron Hills area in November 2005 on behalf of the Ka'a'Gee Tu

First Nation. The Ka'a'Gee Tu First Nation was of the opinion that the proposed project could have an adverse impact on the environment of their traditional territory. In February 2006, the Review Board held a scoping hearing in Hay River, followed by information requests and responses between April and October 2006.

On November 14th, 2006, the Review Board recommended the federal Minister allow this proposed development to proceed to the regulatory phase, subject to the measures the Review Board outlined in its *Report of Environmental Assessment and Reasons for Decision*. The Review Board's measures outline actions necessary to prevent significant adverse impacts on the boreal caribou along with a number of other suggestions. The Minister accepted the Review Board's report on July 20, 2009 and the file is now closed.



The camp at DeBeers' Gahcho Kue proposed diamond mine site.



**EA03-009: Imperial Oil Resources Ventures Ltd.**  
- Dehcho Geotechnical Survey

This is a proposed oil and gas geotechnical program designed to evaluate the feasibility of pipeline construction and engineering in the Dehcho region. The proposed development involves using drill rigs, creating access, building ice roads and creating work camps at many different sites. The Review Board referred this proposed development to environmental assessment because it might be a cause of public concern.

In November and December of 2004, the Review Board held hearings in Trout Lake, Wrigley and Fort Simpson. The environmental assessment dealt with issues such as industrial traffic and road safety near Trout Lake, potential impacts on caribou and moose, harvester compensation, and proximity to sensitive areas (such as the Blackwater River near Wrigley).

In late February 2005, the Review Board recommended that the Minister of Indian and Northern Affairs Canada allow this proposed development to proceed to the regulatory phase, subject to the measures the Review Board outlined in its *Report of Environmental Assessment and Reasons for Decision*. In June 2005, the Minister of Indian and Northern Affairs Canada initiated consultation with the Review Board regarding certain measures the Review Board recommended in its report. Consultation activities ceased in June 2006. The results, received from the Minister on October 9th, 2009, contained minor wording changes to the measures previously put forth by the Review Board. The Review Board responded on October 19th, 2009, to state that the revised wording is consistent with the intent of the original measures. This file is now closed.

## Completed environmental assessments waiting for a ministerial decision

The following environmental assessment status updates are provided as of March 31st, 2010. Please visit the public registry at [reviewboard.ca](http://reviewboard.ca) for the current status of these environmental assessments.

**EA0506-005: Consolidated Goldwin Ventures Inc.** - Mineral Exploration Program

In September, 2005, the Review Board referred this proposed diamond exploration development to environmental assessment because the proposed development might be a cause of public concern. The Review Board requested a detailed development description and issued information requests to Consolidated Goldwin Ventures rather than require the completion of a Developer's Assessment Report. Following an extended delay, Consolidated Goldwin Ventures provided responses in November 2006. The Review Board held a public hearing in Yellowknife April 3-4, 2007.

This was a complex assessment with many difficult issues, largely related to the culturally sensitive location of the proposed activities. These issues included cultural impacts on the Yellowknives Dene First Nation, access issues and cumulative impacts arising in part from the proximity of the City of Yellowknife. After careful deliberation, the Review Board released its *Report of Environmental Assessment and Reasons for Decision* in late November 2007. The Review Board prescribes measures that included access by helicopter only, no construction of the new winter road proposed by the developer, and planning for the area with the input of the Yellowknives Dene First Nation to reflect its

values for the area. The Review Board recommends the federal Minister allow the proposed development to proceed to the regulatory phase only with these measures to avoid or reduce the predicted impacts.

#### **EA0506-006: Sidon International Resources Corp. - Mineral Exploration Program**

This diamond exploration program was proposed near Defeat Lake, inland of the north shore of Great Slave Lake. In September 2005, the Review Board referred this proposed diamond exploration development to environmental assessment because the proposed development might be a cause of public concern. The Review Board ran the environmental assessment concurrently with EA0506-005, Consolidated Goldwin Ventures Inc. – Mineral Exploration Program. The Review Board requested a detailed development description and issued information requests to Sidon International Resources Corp. rather than require

the completion of a Developer's Assessment Report. Following an extended delay, Sidon International Resources Corp. provided responses in November 2006. A public hearing was subsequently held in Yellowknife on April 3-4, 2007.

Key issues in this environmental assessment included potential cultural impacts from disturbance to unrecorded heritage sites, disturbance of traditional harvesters, and impacts arising from increased access. In early February 2008, the Review Board recommended the federal Minister allow the proposed development to proceed to the regulatory phase, subject to the measures the Review Board outlined in its *Report of Environmental Assessment and Reasons for Decision*. These measures are designed to avoid or reduce the predicted impacts and they require Sidon International Resources Corp. to investigate potential sites with an Aboriginal elder and an archaeologist, to conduct no activities within 100 meters of suspected sites, and to use helicopter access only in order to prevent the creation of new overland access routes.



The arbour at the K'atlodeeche First Nation.

### Cancelled environmental assessments

#### **EA0708-005: Bayswater Uranium Corporation - Crab Lake Mineral Exploration**

This was a proposed mineral exploration program in the Dubawnt River Watershed east of Great Slave Lake. In its *Report of Environmental Assessment and Reasons for Decision*, of September 2008 the Review Board recommended that the federal and responsible ministers allow this proposed development to proceed to the



regulatory phase, subject to the measures the Review Board outlined in the report. The measures focused on protecting physical heritage resources suspected to exist in the area.

The developer withdrew the land use permit application on July 3, 2009 and the Review Board closed the file on July 31, 2009 before a Ministerial decision could be reached.

#### **EA0708-004: Bayswater Uranium Corporation - EL Lake Mineral Exploration**

This was a proposed mineral exploration program in the upper Thelon River watershed. In its *Report of Environmental Assessment and Reasons for Decision*, of September 2008, the Review Board recommended the federal and responsible ministers reject this proposed development without ordering an environmental impact review. The Review Board is of the opinion the proposed development will cause significant adverse cultural impacts on Aboriginal people by impacting an area of very high spiritual importance.

The developer withdrew the land use permit application on July 3, 2009 and the Review Board closed the file on July 31, 2009 before a Ministerial decision could be reached.

#### **EA0708-003: UraVan Minerals Inc. - North Boomerang Lake Mineral Exploration**

This is a proposed mineral exploration program in the upper Thelon River watershed. In its *Report of Environmental Assessment and Reasons for Decision* of September 2008, the Review Board recommended the federal and responsible ministers reject this proposed development without ordering an environmental impact review. The Review Board is of the opinion the proposed development will cause significant adverse

cultural impacts on Aboriginal people by impacting an area of very high spiritual importance.

The developer withdrew the land use permit application on May 7, 2009 and the Review Board closed the file on May 25, 2009 before a Ministerial decision could be reached.

#### **EA0708-002: UraVan Minerals Inc. - South Boomerang Lake Mineral Exploration**

This was a proposed mineral exploration program in the upper Thelon River watershed. In its *Report of Environmental Assessment and Reasons for Decision*, of September 2008 the Review Board recommended that the federal and responsible ministers reject this proposed development without ordering an environmental impact review. The Review Board is of the opinion the proposed development will cause significant adverse cultural impacts on Aboriginal people by impacting an area of very high spiritual importance.

The developer withdrew the land use permit application on May 7, 2009 and the Review Board closed the file on May 25, 2009 before a Ministerial decision could be reached.

## **Ongoing environmental impact reviews**

The following environmental impact review status updates are provided as of March 31st, 2010. Please visit the public registry at [reviewboard.ca](http://reviewboard.ca) for the current status of these environmental impact reviews.

**EIR0607-001: De Beers Canada Mining Ltd. – Gahcho Kué Diamond Mine**

This is a proposed diamond mine near Kennady Lake. In June 2006, the Review Board completed its *Report of Environmental Assessment and Reasons for Decision*, in which it ordered the proposed development to undergo an environmental impact review. In July 2006, De Beers Canada applied to the Supreme Court of the Northwest Territories for a judicial review of the Review Board's order to conduct an environmental impact review. In April 2007, the Northwest Territories Supreme Court upheld the Review Board's decision and in May 2007, the Review Board announced the formation of the environmental impact review panel. In October

2007, the Panel issued its Terms of Reference for the developer's Environmental Impact Statement (EIS).

In December 2008, De Beers informed the Panel it had deferred issuing its Environmental Impact Statement until further notice. In June and August, 2009 the Panel received regular updates for the estimated submission of the EIS. In an update letter received from DeBeers Canada Inc. on February 19, 2010, De Beers stated that the EIS will be submitted in the second half of 2010, following completion of the revised Gahcho Kué Project Feasibility Study. A fourth update is expected in May, 2010.



Technical session held at Lutsel'k'e for the Dezé Energy Taltson Expansion project, October 2009.

## Completed Environmental Impact Reviews

**EIR0406-001: Imperial Oil Resources Ventures - Mackenzie Gas Project**

The Review Board, the Inuvialuit Game Council and the federal Minister of Environment established the Joint Review Panel. The Review Board continued to support the Joint Review Panel and the associated Northern Gas Project Secretariat with administrative assistance and advice regarding the report production phase. Having completed its hearing phase in 2007-08, the Joint Review issued its report on December 30, 2009. This project now awaits a ministerial decision.

## Strategic plan summary 2009-10 to 2011-12

### Mission:

To conduct quality environmental impact assessments that protect the environment and the social, economic and cultural well being of residents of the Mackenzie Valley and all Canadians

### Vision:

Excellence in environmental impact assessment within a co-management system that balances diverse values to protect the Mackenzie Valley for present and future generations

#### Goal:

Excellence in environmental impact assessment

Improve the resources available to EIA stakeholders

Expand the EIA toolbox

Enhance EIA communications

#### Strategies

#### Goal:

An effective integrated resource management system

Enhance integrated resource management communication and cooperation

Improve MVRMA clarity, certainty and consistency

Clarify the preliminary screening process

Promote a comprehensive post Report of EA follow up process

#### Goal:

Capacity to achieve our Vision

Secure timely and sufficient funding

Secure adequate human resources and infrastructure

Enhance capacity through professional development and training

Maintain best practices and a quality work environment

## Goal 1 Excellence in environmental impact assessment

### Strategy A – Improve the resources available to EIA stakeholders

#### Tasks

- 1• Implement a participant funding program to support timely and effective participation of aboriginal communities and other stakeholders in the Review Board's EIA processes

Participant funding, which is provided in other jurisdictions in Canada, would assist aboriginal and other organizations and individuals to participate more effectively in the Review Board's environmental assessment process. Participant funding is essential to assist potentially affected parties that lack the resources to provide quality and timely advice to the Review Board regarding impacts of proposed developments. Without the capacity for all potentially affected parties to effectively participate, the fairness of the environmental assessment process can be called into question. The Review Board has continued to raise this issue through its annual business plan



The Review Board at the public hearing for the Dezé Energy Taltson Expansion Project, January 2010.

submission and its advice to Mr. Neil McCrank in his review of the northern regulatory system for the Minister of Indian and Northern Affairs. The Minister has not approved funding for a Participant Funding Program. However, Indian and Northern Affairs Canada officials did advise that program options were under study.

- 2• Increase development and production of plain language and translated materials for distribution to the general public, communities and schools

The Review Board continued with the production of the plain language handouts explaining each phase of an environmental assessment in the Mackenzie Valley. In 2009, plain language versions of the guidelines for socioeconomic assessments and traditional knowledge were done, both of which will be published to the website after design and layout is completed.

- 3• Offer training to parties for each step of the environmental impact assessment process

The Review Board continued its practice to provide process overview sessions in conjunction with specific environmental assessment events. The Review Board did not actively solicit interest in these sessions but responded to expressions of interest as needed.

- 4• Maintain an EIA Career Promotion Program targeted at aboriginal and other NWT students

The summer intern program entered its third year with Yellowknifer Michael Blanchette hired to provide assistance to various staff members, conduct



a small project and receive training in environmental impact assessment. In the fall, Michael returned to the University of Alberta to continue his studies in environmental engineering.

### 5• Support the provision of aboriginal interpreter/translators' skills development

The Review Board managed the Rare Earths Elements and Minerals terminology workshop in March 2010, in conjunction with the Minerals and Mining Workshop organized by the Yellowknives Dene First Nation, Cannor, INAC and the GNWT. South Slavey, Tlicho, Weledeh and Chipewyan interpreters attended the workshop at Dettah and translated 50 terms specific to rare earths elements and minerals, which are new to Northerners as a result of an exploration project at Thor Lake.

The Community Liaison Officer continued with a series of community workshops to translate cultural impact assessment terms. These workshops were completed in March 2010, and the words will be added to the existing glossaries and be made available on the Review Board's website.

## Strategy B – Expand the EIA toolbox

### Tasks

### 1• Develop and implement the *Cultural Impact Assessment Guidelines*

As part of its continuing efforts to provide resources to all parties to assist in the conduct of quality environmental impact assessments in the Mackenzie Valley, the Review Board is developing *Cultural Impact Assessment Guidelines*. After visits to seven communities, developing a cultural impact assessment library and exploring cultural impact

assessment issues in several workshops during the previous year, in 2009 the Review Board began drafting a cultural impact assessment guideline. The Review Board anticipates releasing a draft version of the guideline during the 2010-11 fiscal year.

### 2• Review and update the Environmental Impact Assessment (EIA) guidelines and encourage their application

In response to the federal government's Northern Regulatory Improvement Initiative the Review Board decided not to dedicate significant resources to issuing revised guidelines in the 2009/10 operating year. Instead the Review Board opted to wait for more certainty about the northern regulatory processes before making major revisions to its guidelines. However, the Review Board continued with updates to the EIA guidelines to reflect legislative changes since they were first published in 2003.

### 3• Develop supplementary guidelines and reference bulletins – various guidelines for assessing wildlife at risk

#### *Guidelines for considering wildlife at risk*

Work continued on guidelines for dealing with wildlife at risk in the environmental impact assessment process. With the help of Environment Canada, the Department of Fisheries and Oceans, and the Government of the Northwest Territories, the Review Board re-structured the document in response to the many constructive comments on the draft guidelines issued during the previous year. A revised draft will be published on the Review Board's website for comments in late spring 2010.

*Guidelines for measuring public concern*

The question of whether a proposed development is likely to cause significant public concern is important to environmental impact assessment as it can trigger a higher level of review, just like the likelihood of significant impacts on the environment. The Review Board researched available documentation about how public concern is treated in various jurisdictions and during the 2009-10 fiscal year issued a discussion paper on the subject. The comment period for the discussion paper, which is posted on the Review Board's website, closes on November 30, 2010.

**4• Annually revise the internal “How to” manual to guide Environmental Assessment Officers, incorporating the process improvements developed during the previous year**

After a major review by an outside party last year, the Review Board this year continued to internally review and update its EA “How to” manual. The manual will continue to be a working document.

**5• Promote the conduct of research by academic organizations, government, industry and others that will improve the quality of resource management decisions in the Mackenzie Valley**

The Review Board periodically reviews the research needs that have arisen during the conduct of environmental impact assessments, writing and revising guidelines and other development activities. The Review Board uses this information to seek specific project funding when opportunities arise. The information is also incorporated into the consolidated



A copy of an aboriginal language glossary at the Rare Earth Elements and Minerals Translators Workshop, March 30-31, 2010.

research needs summary distributed by the NWT Board Forum on behalf of all resource management boards in the NWT. The Review Board is leading this initiative on behalf of the NWT Board Forum. The NWT Board Forum's Consolidated Research Needs Summary aims to inform organizations that fund research or conduct research that there are needs that would directly benefit resource management boards in the hope that those organizations would consider projects that not only address academic interests but would also have immediate practical applications for northern resource management.



## Strategy C – Enhance EIA communications

### Tasks

#### 1 • Continue to improve the functionality (user friendliness, accessibility and scope) of the Board website

Following the website re-design in the fiscal year 2008-09, the Review Board continued with improvements to the site, although most were of a technical nature to improve functionality and not readily noticeable by website users. These improvements, along with others planned for the 2010-11 fiscal year, will make the website the primary tool for Review Board external communications, in keeping with our policy to improve access to information about environmental assessment in the Northwest Territories and also to reduce the amount of paper used in various Review Board publications. All of the previously published guidelines are available on the website, and as updates are made or new guidelines are completed, all will be made available on the website.

The availability of the Public Registry and the corresponding notifications subscription lists continues to be both a labour saving initiative for staff and also, importantly, makes user access to the Public Registry files very easy and efficient for the general public.

#### 2 • Increase understanding of the Review Board mandate among senior government officials and industry and land claimant organizations

The Review Board has made a number of presentations at various conferences and other venues over the past year to share its knowledge about environmental impact assessment. Presentations by board members and staff included:

- “Overview of the Mackenzie Valley Review Board”; Richard Edjericon, Chairperson, Presenter; Akaitcho Goose Summit, May 19, 2009
- “Annual Report – 2008/09”, Fred Koe, Board Member, Presenter; Gwich’in Annual Assembly, Inuvik, NT; September 8-11, 2009
- “Overview of the Mackenzie Valley Review Board and the EIA process”; Richard Edjericon, Chairperson, Presenter; Strategic Northern Infrastructure Symposium, Yellowknife, NT; October 14-15, 2009
- “Resource management research – a win-win-win opportunity for researchers, funders and users”; Vern Christensen, Executive Director, Presenter; Northern Governance Policy Research Conference, Yellowknife, NT; November 3-5, 2009
- “Managing critical concerns arising from socio-economic and cultural impacts”; Martin Haefele, Manager of EIA, Presenter; Environmental Law and Regulation North of 60 conference, Edmonton, AB; November 12-13, 2009
- “EA or regulatory? An approach to deciding where issues are best addressed”; Alan Ehrlich, Senior Environmental Assessment Officer, Presenter; Yellowknife Geoscience Forum, Yellowknife, NT; November 17-19, 2009
- “Preliminary screening: defining the development and conducting the ‘might’ test.” Alan Ehrlich, Senior Environmental Assessment Officer, Presenter; Regional Environmental Assessment Coordinator’s Workshop, Government of the Northwest Territories, Yellowknife, NT; November 24, 2009.
- “Making wise decisions together – the co-management process in the NWT”; Richard Edjericon, Chairperson, Presenter; Arctic Gas Symposium, Calgary, AB; March 3, 2010.

- “The roles and responsibilities of the Mackenzie Valley Review Board”; Vern Christensen, Executive Director, Presenter; to Acho Dene Koe Land Claim Negotiators, Yellowknife, NT; March 18, 2010.
- Making wise decisions together – the co-management process in the NWT”; Richard Edjericon, Chairperson, Presenter; House of Commons Standing Committee on Aboriginal Affairs and Northern Development, March 30, 2010.

### 3• Improve media's understanding of Environmental Impact Assessment in the Mackenzie Valley

The Review Board had only a few requests from the media for information or for interviews on specific topics during the 2009-10 operating year. Local media personnel who have worked in the north for several years have a better understanding of the environmental assessment process than those new to the Northwest Territories, and the special section on the website dedicated to media relations continues to be put to good use. The Review Board alerts the northern media to public hearings and meetings and issues press releases for reasons for decisions. We are committed to providing interviews in a timely manner and to spending time to explain the process to reporters interested in improving their knowledge and understanding.

### 4• Continue to raise awareness of the roles, responsibilities and work of the Review Board at the annual Assemblies of Aboriginal organizations and at relevant trade shows



Interpreter Phillip Constant at the Rare Earth Elements and Minerals Translators Workshop, March 30-31, 2010

Review Board representatives attended seven annual assemblies of aboriginal organizations and five tradeshows to learn more about the Review Board's stakeholders and promote the Review Board's roles, responsibilities and achievements.

First Nation Assemblies attended:

- Dehcho Assembly – June 22-26, 2009 in Jean Marie River, NT
- Akaitcho Assembly – June 23-25 in Dettah, NT
- Dene Nation Assembly - July 6-10 2009 in Lutsel k'e, NT
- Tli Cho Assembly – August 3-7, 2009 in Bechoko, NT
- Akaitcho Assembly – August 12-14, 2008 in Fort Resolution, NT
- Sahtu Assembly – August 24-28, 2009 in Fort Good Hope, NT
- Gwich'in Assembly – September 8-11, 2009 in Inuvik, NT
- North Slave Metis Alliance – March 2010 in Fort Smith

Tradeshaw booth appearances:

- Inuvik Petroleum Show, June 16th – 18th, 2009; Inuvik, NT
- Yellowknife Geosciences Forum, November 17th - 19th, 2009; Yellowknife, NT
- Mineral Exploration Round-up, January 16th - 20th, 2010; Vancouver, BC
- PDAC 2010 International Convention, Trade Show and Investors Exchange, March 7th - 10th, 2010; Toronto, ON

**5• Continue annual community visits by staff and Board members to educate the public and raise awareness of the Review Board's roles and responsibilities, the EIA process and special initiatives of the Board**

Between the fall of 2009 and spring of 2010, Review Board staff and members took part in a variety of community visits, including scoping sessions, translators' workshops in several communities to interpret cultural impact assessment terms, community school visits and a cultural retreat and workshop at the Dene Cultural Centre at the Hay River Reserve.

Sometimes the meetings were large formal public meetings, many were small group discussions while others were one-on-one discussions. However, no matter the format of the meeting, each discussion brought new insights to the Review Board about cultural impacts and the assessment of such impacts from the communities' perspectives. This feedback was essential to the Review Board's initiative to develop *Cultural Impact Assessment Guidelines*, scheduled to be completed next year.

## Goal 2 An effective integrated resource management system

### Strategy A - Enhance integrated resource management communication and cooperation

#### Tasks

- 1• Continue to establish and implement Cooperation Agreements (MOUs) with neighbouring EIA jurisdictions regarding transboundary processes, information sharing and best practices

In September 2008, Review Board representatives met with Alberta Environment officials with the objective of renewing negotiations on a cooperation agreement with Government of Alberta environmental impact assessment authorities to collaborate on proposed developments that may have trans-boundary impacts. Alberta Environment has agreed to provide early notification of proposed developments and share information regarding



Nahanni River, NWT.

environmental impact assessment best practices and “lessons learned”. Negotiations with the relevant environmental impact assessment authorities in Alberta continued in 2009-10. The Review Board anticipates that a comprehensive Cooperation Agreement with the Government of Alberta may be possible before the end of 2010-11.

### **Cooperation Agreement with the Canadian Environmental Assessment Agency (CEAA)**

A Cooperation Memorandum of Understanding with CEAA is desirable so that both organizations are able to satisfy recently approved timeline regulations governing the establishment of environmental impact reviews to address trans-boundary developments having impacts in both Nunavut and the Tlicho area of the Mackenzie Valley. Review Board representatives met with CEAA officials in December 2008 to discuss the process for developing a Memorandum of Understanding. In early 2009, the Minister of Environment announced that the *Canadian Environmental Assessment Act* was undergoing a comprehensive major legislative review. Depending on the outcome of this legislative review, CEAA's involvement in transboundary environmental impact reviews may or may not be changed. As a result, the Review Board is holding this initiative in abeyance until the results of the legislative review of the *Canadian Environmental Assessment Act* are known.

**2• Continue to improve communication and cooperation with all Mackenzie Valley Resource Management Act partners (i.e. Canada, the Land Claimant Organizations and the Government of the NWT)**

**including regular reporting on MVRMA administrative and funding issues.**

The Review Board Chairperson and other Board representatives attend most aboriginal First Nation Assemblies each year to listen to any feedback on Board operations that First Nations and land claimant organizations wish to offer. The Review Board uses these events to raise awareness of the Review Board's roles and responsibilities and to gauge how well the Review Board is communicating as an organization.

More direct communications with the executives of the land claimant organizations as well as with the Government of the Northwest Territories did not occur as planned in 2009-10 and the Review Board deferred the initiative until 2010-11.

The Review Board did recommend to Neil McCrank, the Minister of INAC's special representative reviewing the northern regulatory system, that the MVRMA Partners, being the sponsors of the MVRMA to Parliament, should meet as a group with the members of the NWT Board Forum to regularly (say annually) take stock of what is going well, what is not going so well, and what should be improved.

**3• Promote and participate in the NWT Board Forum and other initiatives that facilitate advancing the integrated resource management system, including initiatives involving industry and governments (all levels)**

The Review Board continued to participate in the work of the NWT Board Forum during 2009-10. Board Chairperson Richard Edjericon has been involved in promoting the development of a strategic

plan for the Board Forum. Review Board staff have also been involved in the development of a Board Orientation training course, the Board Forum website, as well as on-going promotion and distribution of the Board Forum's consolidated statement of research priorities to researchers and funding agencies interested in the Northwest Territories.

### Strategy B - Improve MVRMA clarity, certainty and consistency

#### Tasks

- 1 • Continue efforts to effect legislative improvements

The Review Board submitted a number of legislative amendments for INAC's consideration through several reviews and audits conducted over the past five years. Most recently, the Review Board submitted its suggestions to the Minister's special representative Neil McCrank, assigned to review the northern regulatory system. The Review Board hopes the government's Northern Regulatory Improvement Initiative in response to Mr. McCrank's "Road to Improvement" report, published in May 2008, will include a process to review the *Mackenzie Valley Resource Management Act* and implement the Review Board's recommendations.



NWT Board Forum meeting, June 2009, held at the Chief Lamallice Complex, K'atloodéche First Nation.

### Strategy C - Clarify the preliminary screening process

#### Tasks

- 1• Improve understanding and implementation of MVRMA s.126(3), s.118(1) and s.62 in collaboration with Land and Water Boards (re: the exercise of Review Board discretion under Part 5 of the MVRMA)

In June 2008, the Review Board and the Mackenzie Valley Land and Water Board co-hosted a workshop to explore roles and responsibilities of the Review Board and all responsible Ministers regarding the preliminary screening process and in particular the implementation of s.126(3) of the *Mackenzie Valley Resource Management Act*. Section 126 governs the referral of a proposed development to environmental assessment following a preliminary screening as well as notwithstanding the results of a preliminary screening. The workshop provided a venue for all stakeholders to clarify their roles and to gain a better understanding of the roles others play. Some differences in interpretation of section 126 remained, however.

Further discussion of this issue is required to finalize a common interpretation and approach by the Review Board and preliminary screeners.

- 2• Clarify the roles and responsibilities of regulatory authorities in the preliminary screening process

The Review Board is continuing to work on this initiative partly by revising the Environmental Impact Assessment Guidelines, in particular those sections addressing the preliminary screening process.

The Review Board hopes the revised guidelines will provide more information to help regulators distinguish between the requirements of the preliminary screening process relative to those of the main regulatory process.

### Strategy D - Promote a comprehensive post Report of EA follow up process

#### Tasks

- 1• Evaluate the “consult to modify” process in order to:

- i) identify improvements that would maximize responsible minister acceptance of measures
- ii) update the Review Board’s reference bulletin on its approach to participating in a “consult to modify” process that may follow submission of a report of environmental assessment to the federal Minister

The Review Board has deferred this initiative pending an announcement of the government’s action plan in response to the May 2008 “Road to Improvement” report on the northern regulatory system by Mr. Neil McCrank. He recommended that the Review Board become the final decision maker on environmental assessments and reviews it undertakes. If that recommendation is accepted the “consult to modify” process will no longer be required.

- 2• Develop generic reporting requirements to be included as a measure in Review Board reports of environmental assessment



Follow-up to environmental assessment continues to be an area in which the Review Board sees room for improvement. As in previous years, the Review Board found it difficult to dedicate resources to this task. Given the importance and weight of measures in a report of assessment, the Review Board opted not to introduce a new type of measure without having been able to explore the implications adequately. Also, the Review Board continues to await the outcomes of efforts by INAC to develop an environmental assessment tracking system.

### 3• Develop a database of previous measures and track implementation results

The Review Board maintains and periodically updates an in-house database that simply tracks whether measures have been implemented. The Review Board also continues to collaborate with INAC on the development of an environmental assessment tracking and reporting system.

## Goal 3 Capacity to achieve our vision

### Strategy A – Secure timely and sufficient funding

#### Tasks

#### 1• Target project specific funding for strategic initiatives from INAC or third parties as a means of supplementing core funding

The Review Board secured project specific funding for two initiatives during the 2009-10 operating year. INAC provided funding to be used to update and published revised environmental impact assessment

guidelines. However, this initiative has been put on hold, pending any changes from the Northern Regulatory Improvement Initiative.

The Review Board applied for and received funding from the Canadian Northern Economic Development Agency to hold a workshop dedicated to translating words and terms for rare earth elements and minerals. This workshop took place March 30-31, 2010, at the Chief Drygeese Community Centre in Dettah.

We will continue to look for project specific funding as the need and opportunity arises.

#### 2• Pursue more effective communication with all Mackenzie Valley Resource Management Act partners (i.e. Canada, the Land Claimant Organizations and the Government of the NWT) to improve Review Board success in addressing critical funding (and other) issues

*Annual Meeting with senior Indian and Northern Affairs officials in Ottawa*

Each January, the Review Board has typically met with senior Indian and Northern Affairs Canada officials in Ottawa. A primary objective of this meeting is to review the Review Board's annual business plan submission for the coming fiscal year. For many years now, the Review Board has made a case for sufficient funding to fulfill all of its responsibilities under the *Mackenzie Valley Resource Management Act*.

This meeting did not occur in January 2010 given the era of fiscal restraint facing government and the Board. However, the Review Board was aware that Neil

McCrank, the Minister of Indian and Northern Affairs Canada's special representative reviewing the northern regulatory system, had considered the theme of capacity and stable funding for resource management boards. It is the Review Board's understanding that the matter of funding process and capacity may be addressed in the government's Northern Regulatory Improvement Initiative responding to Mr. McCrank's report and related submissions to Minister Strahl by the Review Board and other NWT resource management boards. The Review Board looks forward to the government's plan for Northern Regulatory Improvement to be announced shortly.

*Meetings with Indian and Northern Affairs Canada Claims Implementation Branch throughout the year*

Fulfilling all the Review Board's obligations under the *Mackenzie Valley Resource Management Act* requires approximately \$6 million annually. The Review Board funding flows through the Gwich'in land claims agreement implementation plan in the amount of \$2.5 million annually.



A small bouquet of flowers graces the table at the Minerals and Mining Workshop, March 30-31, 2010 at Dettah.

This amount is tied to a ten year "flat line" contract ending in 2012. Review Board staff met regularly with Claims Implementation staff to seek supplementary funding in the amount of \$500-\$700,000 annually to meet the minimum operating requirement of the Review Board. The availability of supplementary funding continues to be very uncertain from year to year. Not only is there a chronic annual funding shortfall and but the funding uncertainty continues to complicate good planning and project management by the Review Board. Again the Review Board looks forward to the results of the Northern Regulatory Improvement Initiative and hopes it will address this issue.

### Strategy B – Secure adequate human resources and infrastructure

#### Tasks

#### 1 • Strengthen planning and policy capacity within the organization

The Review Board was successful in hiring an Executive Coordinator for the coordination and support of the Review Board's strategic and business planning process. Increasing the capacity for policy development and research support services also is an important part of the position's responsibilities. Another vacancy, the Senior Environmental Assessment Officer position, has yet to be filled; however, the aim is to have the position staffed in 2011.



**2• Expand office infrastructure to address human resource accommodation and storage needs**

The Review Board was able to secure additional office accommodation space in the same building and across the hall from the existing suite of offices. A new records storage area was also established following the closing of the building the storage site was formerly situated in.

**3• Ensure reliable and quality legal, communications, financial auditing and technical expert advisory support service capacity**

After close review for quality and budgetary expenditures, the Review Board renewed and utilized a number of standing offer contracts for legal, communications, financial auditing and technical expert advisory support services during 2009-10.



Looking after the environment for future generations.

**4• Ensure reliable and quality IT service capacity and reliable infrastructure**

Through the replacement and expansion of hardware as needed and regular software upgrades, the Review Board has managed to make best use of the electronic technology available to support efficient operations. The Review Board is anticipating a conversion to the Microsoft Windows 7 operating system; however, certain software upgrades must become available in order for the operating system to be compatible with the Review Board's 'Document Management' system, an integral part of the Public Registry updating system now on the website. This will be monitored and reviewed again in the 2010-11 fiscal year.

**Strategy C - Enhance capacity through professional development and training**

*Tasks*

- 1• Provide staff professional development and training**
- 2• Provide Board member professional development and training**

Review Board and staff attended a number of training conferences over the year. The Review Board provided training on a variety of topics, most often focused on board governance, administrative law, introduction to oil and gas industrial operations and to mining operations; plain language writing; media training and environmental impact assessment. The Review Board generally offers this type of training annually to newer Board members and staff in each year.

- 3• Partner with other organizations to access training for Board members and staff**

The NWT Board Forum annually organizes professional development and training opportunities that address the most common needs of member Boards. The Review Board regularly accesses these training opportunities. Most noteworthy in 2009/10 was the initiation of the New Member Orientation Course which had been developed by the Board Forum and was attended by four members of the Board and staff.

### Strategy D – Maintain best practices and a quality work environment

#### Tasks

- 1• Complete a management risk audit of the Review Board's operations
- 2• Undertake a health and safety audit of the Review Board work place

The Review Board Staff continues to monitor environmental assessment best practices in other jurisdictions. There were no specific projects undertaken in 2009-10; however, the Review Board is anticipating an assessment of how the ISO Management Standard could be applied to the Review Board. This would include undertaking a management risk audit of the Review Board's operations over the next three years.

#### 3• Promote health and safety training in the work place

The Review Board did not schedule any specific health and safety training events for 2009-10. The Review Board plans to provide standard first aid and CPR training in 2010-11. The office conducts regular fire escape drills as well as staff briefings on feedback and advice from the fire department as required.

#### 4• Promote “green” initiatives in the work place

The Review Board continues to minimize the “waste footprint” by recycling plastic containers and paper and producing “paperless” documents where practical to do so. The Review Board uses only FSC-certified paper products for printed publications, copier paper or letterhead where possible. The FSC standard promises that the paper products used come from forests that are managed to meet the social, economic and ecological needs of present and future generations.

The Review Board will continue to provide frequently used reference documents (such as guidelines) in limited paper quantities but the primary publishing vehicle will be the website.



## Financial Statements

### March 31, 2010

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## Auditors' Report

### To the Board of Directors of Mackenzie Valley Environmental Impact Review Board

We have audited the statement of financial position of Mackenzie Valley Environmental Impact Review Board as at March 31, 2010 and the statements of operations operating fund, and changes in equipment fund for the year then ended. These financial statements are the responsibility of the Board's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Board as at March 31, 2010 and the results of its operations for the year then ended in accordance with Canadian generally accepted accounting principles.

Yellowknife, Northwest Territories  
May 13, 2010

*Mackay LLP*  
Chartered Accountants

## Statement of Operations - Operating Fund

For the year ended March 31,	Budget 2010	Actual 2010	Actual 2009
<b>Revenue</b>			
Department of Indian Affairs and Northern Development			
- Claims Implementation	\$ 2,513,599	\$ 2,713,599	\$ 2,979,946
- Environmental Impact Assessment Guidelines	-	33,120	49,850
- Environmental Impact Review	-	155,796	33,095
- Joint Review Panel	-	456,685	1,685,167
Canadian Northern Economic Development Agency			
- Rare Earth Elements Translators Workshop	-	25,000	-
Other	-	12,971	13,649
Deferred contribution from prior year	750,000	1,585,710	1,002,740
	<b>3,263,599</b>	<b>4,982,881</b>	<b>5,764,447</b>
<b>Repayable surplus contribution</b>	-	<b>22,604</b>	<b>36,253</b>
	<b>3,263,599</b>	<b>4,960,277</b>	<b>5,728,194</b>
<b>Expenses</b>			
Administration	188,190	172,644	135,755
Canadian Environmental Assessment Agency			
- 1/3 share of Joint Review Panel costs	-	767,494	1,223,642
Communications	85,250	54,654	68,054
Honoraria	574,550	521,250	441,085
Office rent	186,898	227,797	179,144
Professional fees	583,179	561,321	438,751
Salaries, wages and benefits	1,114,722	1,506,370	1,343,084
Travel – board	307,085	222,576	228,424
Travel – staff	223,725	85,906	84,544
	<b>3,263,599</b>	<b>4,120,012</b>	<b>4,142,483</b>
<b>Excess of revenue over expenses before transfer</b>		<b>840,265</b>	<b>1,585,711</b>
<b>Transfer to equipment fund (Note 5)</b>	-	<b>(20,839)</b>	-
<b>Excess of revenue over expenses</b>	-	<b>819,426</b>	<b>1,585,711</b>
<b>Transfer to deferred contributions (Note 10)</b>	-	<b>(819,426)</b>	<b>(1,585,711)</b>
<b>Excess revenue</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

## Statement of Changes in Equipment Fund

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<b>For the year ended March 31,</b>	<b>2010</b>	<b>2009</b>
<b>Opening balance</b>	<b>\$ 40,377</b>	<b>\$ 53,506</b>
<b>Transfer from operating fund (Note 5)</b>	<b>20,839</b>	<b>-</b>
<b>Amortization</b>	<b>(15,390)</b>	<b>(13,129)</b>
<b>Closing balance</b>	<b>\$ 45,826</b>	<b>\$ 40,377</b>

## Statement of Financial Position

As at March 31,	2010	2009
<b>Assets</b>		
<b>Current</b>		
Cash	\$ 556,515	\$ 350,086
Temporary investments (Note 6)	520,000	1,500,000
Accounts receivable (Note 7)	81,792	188,500
Prepaid expenses	4,103	6,857
	<b>1,162,410</b>	<b>2,045,443</b>
<b>Equipment (Note 8)</b>	<b>45,826</b>	<b>40,377</b>
	<b>\$ 1,208,236</b>	<b>\$ 2,085,820</b>

## Liabilities

<b>Current</b>		
Accounts payable and accrued liabilities	\$ 320,380	\$ 423,479
Contributions repayable (Note 9)	22,604	36,253
Deferred contributions (Note 10)	819,426	1,585,711
	<b>1,162,410</b>	<b>2,045,443</b>

## Net Assets

<b>Equipment fund</b>	<b>45,826</b>	<b>40,377</b>
	<b>\$ 1,208,236</b>	<b>\$ 2,085,820</b>

Approved on behalf of the Board



Director



Director

## Statement of Cash Flows

<b>For the year ended March 31,</b>	<b>2010</b>	<b>2009</b>
Cash provided by (used in)		
<b>Operating activities</b>		
Net Income	\$ -	\$ -
Item not affecting cash		
Change in non-cash operating working		
Accounts receivable	106,708	(61,134)
Prepaid expenses	2,754	(2,381)
Accounts payable and accrued liabilities	(103,099)	304,472
Contribution repayable	(13,649)	15,178
Deferred contributions	(766,285)	582,970
	<b>(773,571)</b>	<b>839,105</b>
<b>Investing activities</b>		
Purchase of equipment	(20,839)	-
Investment in Equipment Fund	20,839	-
	-	-
<b>Change in cash position</b>	<b>(773,571)</b>	<b>839,105</b>
<b>Cash position, beginning of year</b>	<b>1,850,086</b>	<b>1,010,981</b>
<b>Cash position, end of year</b>	<b>\$ 1,076,515</b>	<b>\$ 1,850,086</b>
<b>Represented by</b>		
Cash	\$ 556,515	\$ 350,086
Temporary investments	520,000	1,500,000
	<b>\$ 1,076,515</b>	<b>\$ 1,850,086</b>



## Notes to Financial Statements

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**March 31, 2010**

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### **1. Organization and Jurisdiction**

The Mackenzie Valley Environmental Impact Review Board (the “Board”) was established under the *Mackenzie Valley Resource Management Act* with a mandate to conduct environmental impact assessments in the Mackenzie Valley of the Northwest Territories.

The Board is exempt from income tax under section 149(1) of the *Income Tax Act*.

### **2. Implemented Accounting Changes**

#### **Allocation of Expenses**

Section 4470 specifies (i) the disclosure of accounting policies adopted for the allocation of expenses among functions, the nature of the expenses being allocated and the basis for which such allocations have been made, and (ii) that the amounts allocated from fundraising and general support expense and the amounts and functions to which they have been allocated should be disclosed. This new section does not apply to the Board as it does not allocate overhead costs across functions. All costs attributed to a function are direct costs of the specific function.

## Notes to Financial Statements

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March 31, 2010

### 3. Significant Accounting Policies

The following is a summary of the significant accounting policies used by management in the preparation of these financial statements

#### (a) Financial Instruments – Recognition and Measurement

Section 3855 requires that all financial assets and financial liabilities be measured at fair value on initial recognition except for certain related party transaction. Measurement in subsequent periods depends on whether the financial asset or liability has been classified as heldfortrading, availableforsale, heldtomaturity, loans and receivables or other liabilities.

Financial instruments classified as heldfortrading are subsequently measured at fair value and unrealized gains and losses are included in net income in the period in which they arise. Cash and temporary investments have been classified as heldfortrading.

Availableforsale assets are those nonderivative financial assets that are designated as availableforsale or are not classified as heldfortrading, heldtomaturity, or loans and receivables. Availableforsale assets are subsequently measured at fair value with unrealized gains and losses recorded in other comprehensive income until realized, at which time they will be recognized in net income. No assets have been classified as availableforsale.

Held to maturity assets are those nonderivative financial assets with fixed or determinable payments and fixed maturity that the Board has an intention and ability to hold until maturity, excluding those assets that have been classified as heldfortrading, availableforsale, or loans and receivables. They are subsequently measured at amortized cost using the effective interest method. No assets have been classified as held to maturity.

Financial instruments classified as loans and receivables are nonderivative financial assets resulting from the delivery of cash or other assets by a lender to a borrower in return for a promise to repay on a specified date or dates, or on demand, usually with interest. These assets do not include debt securities or assets classified as heldfortrading. They are subsequently measured at amortized cost using the effective interest method. Accounts receivable have been classified as loans and receivables.

All other financial liabilities that are not classified as held for trading are subsequently measured at cost or amortized cost.



## Notes to Financial Statements

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March 31, 2010

### 3. Significant Accounting Policies (continued)

#### (b) Financial Instruments – Disclosure and Presentation

Section 3861 establishes standards for presentation of financial instruments and nonfinancial derivatives and identifies the information that should be disclosed about them. Under the new standards, policies followed for periods prior to the effective date generally are not reversed and therefore, the comparative figures have not been restated.

#### (c) Fund Accounting

The Board uses fund accounting to segregate transactions between its Operating fund and Equipment fund. The Operating fund includes the main core operating accounts of the Board. The Equipment fund reports the activities relating to the Board's equipment.

#### (d) Equipment

Purchased equipment is recorded in the equipment fund at cost. Amortization is recorded in the equipment fund using the declining balance method and the straightline method at the annual rates set out in Note 8.

#### (e) Revenue Recognition

The Board follows the deferral method of accounting for contributions. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and its collection is reasonably assured. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred.

#### (f) Deferred Contributions

Under Canadian generally accepted accounting principles for notforprofit organizations, funding received for restricted purposes that has not been expended is required to be deferred. The commitments of the Board under the funding agreement have been met; any remaining balance will be applied towards the planning and carrying out of duties and responsibilities assigned to the Board under the Gwich'in Comprehensive Land Claim Agreements, Implementation Plan, and related Act(s) of Parliament.

#### (g) Use of Estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the updated amounts of revenues and expenses during the period. Actual results could differ from those estimates.

## Notes to Financial Statements

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March 31, 2010

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### 4. Future Changes to Significant Accounting Policies

#### International Financial Reporting Standards

In January 2006, the CICA Accounting Standards Board (“AcSB”) approved a strategic plan for the direction of accounting standards in Canada. As part of that plan, accounting standards for publicly accountable entities, and other entities that so choose, will converge with International Financial Reporting Standards (“IFRS”). In September 2009, the AcSB approved the final accounting standards for private enterprises in Canada. The Company must choose which of these sets of standards they will adopt, but has not yet made that choice. Implementation of whichever set of standards the Company chooses is mandatory for fiscal years beginning on or after January 1, 2011, but earlier adoption is permitted. The impact of the transition to either IFRS or accounting standards for private enterprises in Canada has not been determined.

### 5. Interfund Transfers

Amounts of \$20,839 (2009 Nil) were transferred from the Operating Fund to the Equipment Fund for the acquisition of assets.

### 6. Temporary Investments

The temporary investments are made of flexible Guaranteed Investment Certificates. They bear interest at 0.15% and mature on October 18, 2010.

## Notes to Financial Statements

March 31, 2010

### 7. Accounts Receivable

	2010	2009
Goods and Services Tax	\$ 33,299	\$ 26,860
Other	48,493	161,640
	<b>\$ 81,792</b>	<b>\$ 188,500</b>

### 8. Equipment

	Rate	Cost	Accumulated Amortization	2010 Net Book Value	2009 Net Book Value
Furniture and fixtures	20%	\$ 115,614	\$ 95,109	\$ 20,505	\$ 13,877
Leasehold improvements	20%	99,876	79,905	19,971	16,636
Computer hardware	3 yr S/L	273,808	268,458	5,350	9,864
		<b>\$ 489,298</b>	<b>\$ 443,472</b>	<b>\$ 45,826</b>	<b>\$ 40,377</b>

### 9. Contributions Repayable

	2010	2009
Department of Indian Affairs and Northern Development		
- Environmental Assessment Practitioner's workshop	\$ -	\$ 36,253
- Environmental Impact Assessment Guidelines	<b>22,604</b>	-
	<b>\$ 22,604</b>	<b>\$ 36,253</b>

### 10. Deferred Contributions

	2010	2009
Department of Indian Affairs and Northern Development		
- Claims Implementation	\$ 683,896	\$ 1,002,058
- Environmental Impact Review Panel	80,804	169,432
- Joint Review Panel	54,726	414,220
	<b>\$ 819,426</b>	<b>\$ 1,585,710</b>

## Notes to Financial Statements

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**March 31, 2010**

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### 11. Capital Disclosure

The Board's objectives when managing capital are:

- (a) To safeguard the Board's ability to continue as a going concern, so that it can continue to provide returns for members and benefits for the community
- (b) To provide an adequate return on investment of capital by pricing products and services commensurately with the level of risk.

The Board manages the capital structure in the light of changes in economic conditions and the risk characteristics of the underlying assets. The Board monitors capital on the basis of the working capital ratio. The ratio is calculated as current assets minus current liabilities as follows:

	2010	2009
Current Assets	\$ 1,162,410	\$ 2,045,443
Current Liabilities	1,162,410	2,045,443
	\$ -	\$ -

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### 12. Commitments

The Board's total obligation, under various operating leases and a property lease agreement, is as follows:

2011	\$ 124,790
2012	32
	\$ 124,822

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## Notes to Financial Statements

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**March 31, 2010**

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### **13. Related Party Transactions**

During the year, honoraria and travel expenditures were paid to a member of the Board of Directors who is an immediate family member of one of the Board's managers. These expenditures were in the normal course of business.

### **14. Employee Benefit Plan**

The Board participates in a Registered Retirement Savings Plan for its employees. Substantially all employees with at least one year of service are eligible to participate. The Board contributions are in accordance with the individual's employment contract. The Board contributed \$73,346 in 2010 on behalf of their employees.

### **15. Budget**

The budget figures presented are unaudited, and are those approved by the Board.

### **16. Economic Dependence**

The Board is dependant upon funding in the form of contributions from the Government of Canada, Department of Indian Affairs and Northern Development. Management is of the opinion that if the funding was reduced or altered, operations would be significantly affected.

### **17. Comparative Figures**

Certain of the comparative figures have been reclassified to conform with the current year's presentation.

### **18. Financial Instruments**

The following section describes the Board's financial risk management objectives and policies and the Board's financial risk exposures.

#### **(a) Credit risk**

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Board is exposed to credit risk from the concentration of accounts receivable with one organization.

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