

Mackenzie Valley
Review Board



Annual Report 2010 – 2011

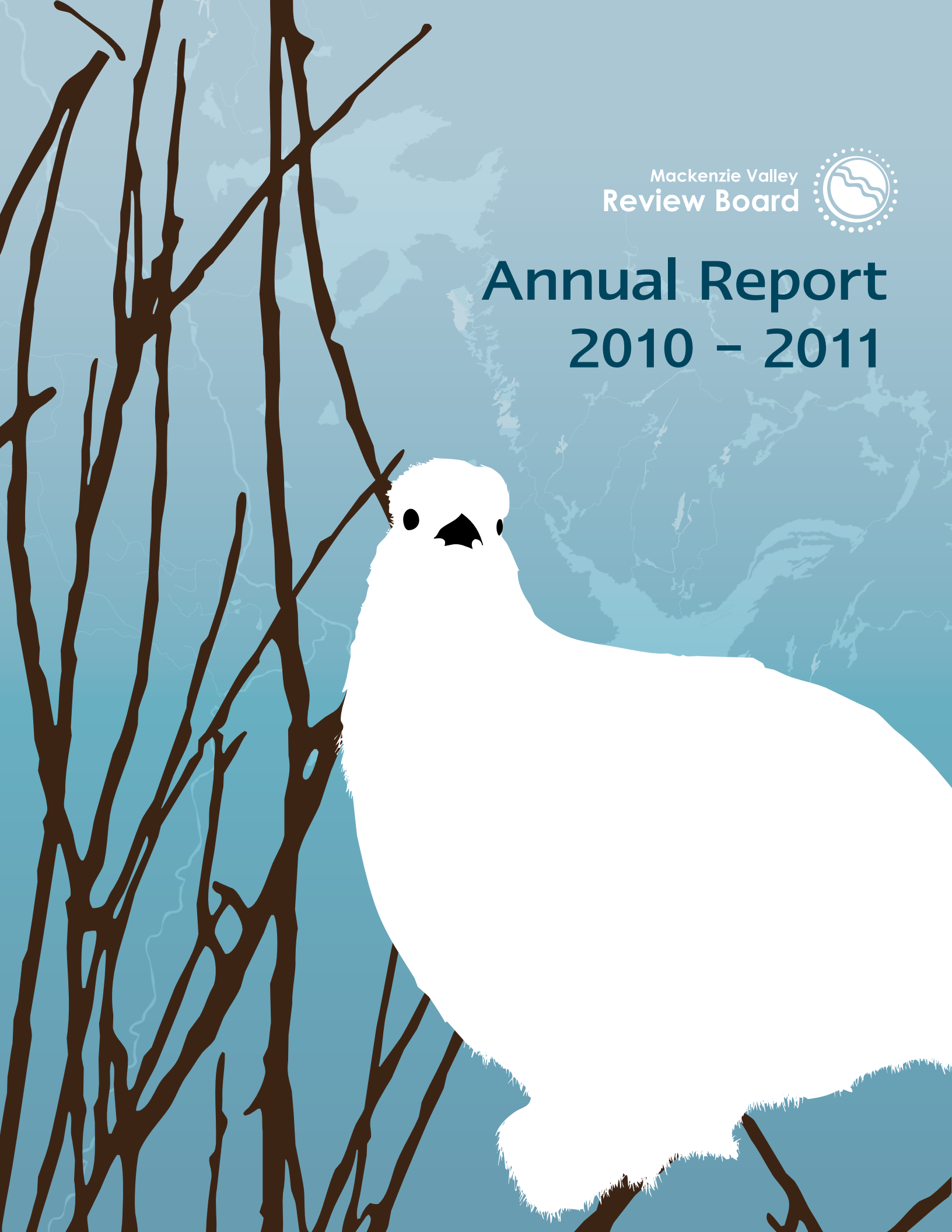




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Message from the Chairperson



Richard Edjericon,
Chairperson of the Review Board since April 2008

The 2010-11 fiscal year was an important year for the Mackenzie Valley Environmental Impact Review Board. As an organization we are continually striving to meet our vision of “working together, balancing diverse values and making wise decisions that protect the environment for present and future generations.” To do this, we needed to renew our three-year strategic plan, which will guide the Review Board’s work over the 2011-12 to 2013-14 period. A comprehensive planning process was necessary to make sure we are prepared for the challenges ahead.

The process of renewing our strategic plan meant gathering input from our stakeholders and taking stock of our processes. We had to reflect on what the organization’s and our stakeholders’ needs are, which resources are required and how best to proceed. Taking into consideration the feedback of our stakeholders,

and reflecting on our own experiences, we approved four goals and related strategies to be the focus of the organization for the next three year period. These are highlighted in our new strategic plan posted on our website at www.reviewboard.ca

The primary goal in our new strategic plan is to ensure a timely environmental assessment process. We have already taken a first important step towards this goal by beginning an external review of the environmental impact assessment process. This review, which was in its final stages at the end of the fiscal year, will help the Review Board identify improvements that can be made to address our stakeholders’ concerns about the timeliness of the environmental impact assessment process.

Aside from the strategic planning work, the Review Board’s main job of conducting quality environmental assessments took a great deal of our time and effort this year. In addition to the seven environmental assessments already underway and two environmental impact reviews, the Review Board worked on two new assessments, one of which we concluded in the same year. Over the course of the year, the Review Board issued two reports of environmental assessment and of those the Minister referred one back to the Review Board for further consideration. That proceeding, the Dezé Energy Taltson Project, is now on hold at the request of the developer. I am happy to report that the environmental impact review of the Mackenzie Gas Project was completed this past year when the Governments of Canada and the Northwest Territories issued their Final Response to the Joint Review Panel’s Report in November 2010 and the National Energy Board released its Reasons for Decision approving the Mackenzie Gas Project in December 2010.



During the course of 2010-11, we welcomed two new board members, Mr. Richard Mercredi and Ms. Rachel Crapeau, both nominated by the territorial government. My own appointment as chairperson and Mr. Percy Hardisty's appointment as the Dehcho nominee were also renewed. The Gwich'in nominated position was vacant at fiscal year end after Mr. Fred Koe's term expired on March 16th, 2011.

The Review Board is proud of its excellent staff who provide essential support to the board so that it can complete timely, quality and fair environmental assessments. The staff knowledge and expertise are vital to the board's success and have helped the Review Board earn its reputation as a leader in environmental impact assessment both within Canada and internationally.

I wish you all the best in this upcoming year. There is a lot of work to be done if we are going to achieve our goals in the coming years. The environmental impact assessment process is a collaborative one and it requires the support and commitment of all groups involved. We look forward to working with everyone in the future to ensure the needs of the current and future generations are met while protecting the environment in a timely and efficient way.

Mahsi Cho,

A handwritten signature in black ink, appearing to read 'Richard Edjericon'.

Richard Edjericon, Chairperson



Our mission

To conduct fair and timely environmental impact assessments in the Mackenzie Valley that protect the environment, including the social, economic, and cultural well being of its residents.

Our vision

Working together, balancing diverse values and making wise decisions that protect the environment 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; and
- continual improvement through innovation and adaptation.

Contact us

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Mackenzie Valley Environmental Impact Review Board members.

Back row (L-R) Richard Edjericon, Richard Mercredi, Darryl Bohnet, Peter Bannon, Fred Koe.

Front row (L-R) Percy Hardisty, James Wah-Shee, Rachel Crapeau, Danny Bayha



Review Board Staff Members.

Back row (L-R): Paul Mercredi, Vern Christensen, Travis Schindel, Renita Jenkins, Alan Ehrlich.

Front row (L-R): Therese Charlo, Nicole Spencer, Linda Piwowar, Martin Haefele, Chuck Hubert.

Missing: Jessica Simpson and Wendy Ondrack

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.

The Review Board's vision for itself is: "working together, balancing diverse values and making wise decisions that protect the environment 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.

As of March 31st, 2011 eight out of the nine board members were aboriginal and the remaining board member was a long time northerner. Two new members were nominated to the Review Board this year, both by the territorial government. Mr. Richard Mercredi was one of the territorial government nominees. He was appointed in May 2010. Mr. Mercredi, brings diverse and practical experience to the Review Board. As a Fort Smith resident, he worked at Public Works and Services for the GNWT for 38 years in a number of positions with increasing responsibility, before eventually becoming Regional Superintendant for the South Slave Region in 2000. He filled this position until his retirement in 2008, managing a budget of several million dollars and a staff of forty-seven.

A dedicated community supporter, Mr. Mercredi has served in many volunteer and local community organizations, and in various capacities, among them Justice of the Peace, Fort Smith Town Council, Métis Nation of the NWT, Union of Northern Workers shop steward, Fort Smith Hunters and Trapper Association, President of the Fort Smith Ice Fishing



Derby, and member of the Beverly and Qamanirjuaq Caribou Management Board. Mr. Mercredi is equally dedicated to the environment, and has spent many years trapping and living off the land. He was the Métis representative on the Wildlife Act Review Committee in 2009. He brings a valuable perspective on land use and wildlife management practices to the Review Board.

In July 2010, Ms. Rachel Crapeau, the other territorial government nominee, was appointed to the board. Ms. Crapeau brings to the Review Board valuable experience from her work in health care, print and broadcast journalism, community resource management and, most recently, environmental monitoring and management. Ms. Crapeau managed the Yellowknives Dene First Nation Land and Environment Department for nine years.

She is very familiar with the legislation establishing the framework for environmental assessment and monitoring in the NWT. A former Certified Nursing Assistant and a print and broadcast journalist, Ms. Crapeau retains a keen interest in community health and communications matters. She has worked with youth and elders to help them understand the ramifications of resource development, and her abilities as a trilingual translator (Chipewyan, Tlicho and English) served her well during her time as a journalist with the Canadian Broadcasting Corporation, the Native Press and the Native Communications Society.

In February 2011, the Minister of Indian Affairs and Northern Development reappointed Mr. Richard Edjericon as the Chairperson of the Review Board, extending his term until March 28th, 2014. Richard Edjericon has been the chairperson since April 2008. He was initially appointed to the Review Board as a federal nominee in March 2007.

Mr. Percy Hardisty's term with the Review Board was renewed in March 2011, extending his term until March 24th, 2014. As a Dehcho nominee, he has served the Review Board since October 2003. He

took a leave of absence in August 2004 to serve as a member of the Joint Review Panel of the Mackenzie Gas Project and returned to the Review Board in January 2010.

In March 2011, the appointment term for Mr. Fred Koe expired. The Gwich'in Tribal Council originally nominated Mr. Koe to the position in 2008. As of March 31st, 2011, the Gwich'in nominated position remained vacant.

As noted above, the Review Board had one vacancy as of March 31st, 2011. The Review Board continues to work with the Department of Indian Affairs and Northern Development to ensure the Review Board vacancies do not give rise to quorum issues, which could delay board business.

As of March 31st, 2011, the members of the Review Board were:

Richard Edjericon, Chairperson

Darryl Bohnet, Vice-Chairperson
(Federal nominee)

Peter Bannon, (Federal nominee)

Danny Bayha (Sahtu nominee)

James Wah-Shee (Tlicho nominee)

Percy Hardisty (Dehcho nominee)

Rachel Crapeau (Territorial nominee)

Richard Mercredi (Territorial nominee)

The Review Board has working committees responsible for providing high quality advice, research and information on specific issues. Mr. Fred Koe chaired the Finance Committee until his term expired in March; Mr. James Wah-Shee took over the responsibilities after Fred left. As of March 31st, 2011, Mr. Darryl Bohnet chaired the Review Board's Governance Committee. Mr. James Wah-Shee chaired the Finance Committee and the Chair of the Human Resources Committee was Mr. Richard Mercredi.



Review Board staff

In 2010-11, there was limited staff turnover at the Review Board. In August 2010, Ms. Jessica Simpson, Community Liaison Officer went on education leave to attend the Sauvé Scholars program at McGill University in Montréal. The program is a nine-month regime of study, personal and professional development for outstanding young students from around the world.

In January 2011, Ms. Sunny Munroe's term with the Review Board ended as Acting Communications Manager when Ms. Renita Jenkins returned to work following her maternity leave.

At the end of March 2011, Linda Piwowar, Board Secretary, announced she was moving to Edmonton to be closer to her grandchildren. Linda has worked for the Review Board for many years and she will be missed around the office.

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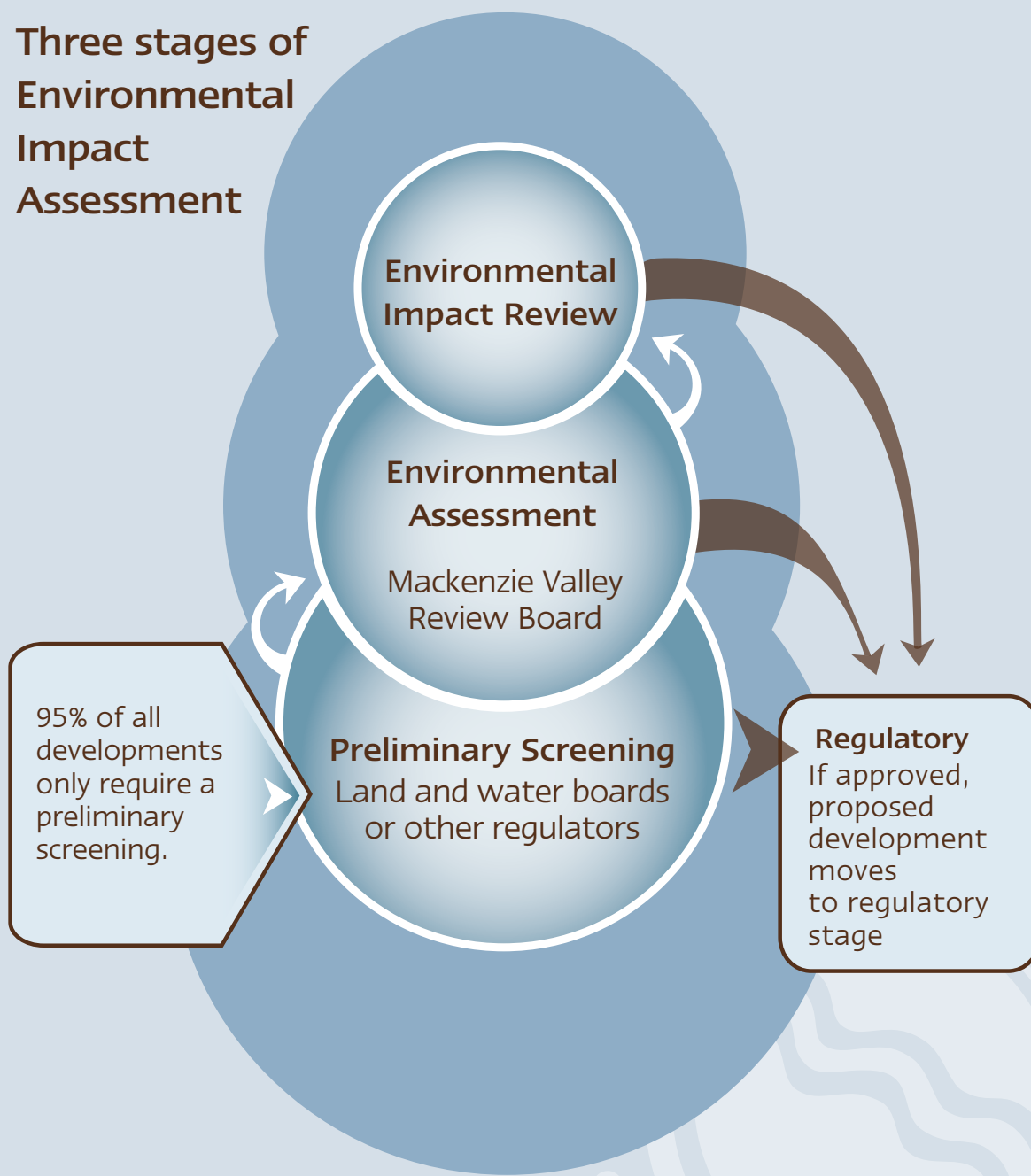
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Three stages of Environmental Impact Assessment





Environmental impact assessment and regulatory process

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, a regional panel of the Land and Water Board or other regulating authority, usually runs this process. Preliminary screening is a quick review of a proposed development to decide if it 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 to decide if it 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:

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

Alternatively, if the Review Board decides, based on the evidence presented during an assessment, that a proposed development is likely to have significant impacts on the environment, the Review 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. 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 rigorous study of the issues raised during the environmental assessment.

Preliminary screenings

The Review Board reviewed 66 preliminary screenings in the 2010-11 operating year. In the annual report for 2009-10, the Review Board noted that numbers of development applications have been stabilizing over the last five years. This year there was a small decrease in the number of applications from 73 in 2009-10, down to 66.



Review Board members and staff listening to a presentation in board meeting

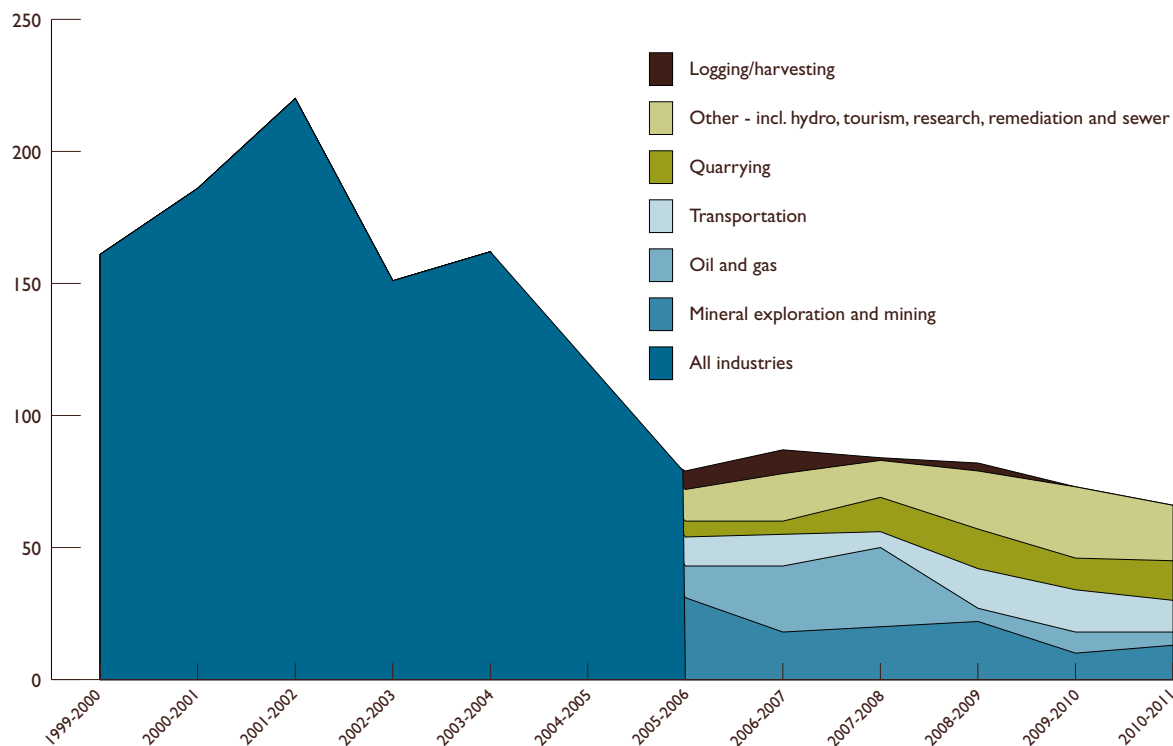


The figures below do not include developments that did not require a preliminary screening, such as “grandfathered” projects, which are developments related to projects approved prior to June 22nd, 1984 and have been exempt from preliminary screening.

The distribution among the various types of projects has changed from last year, with quarrying presenting the single biggest sector, followed by mineral exploration and mining and then transportation. The number of applications for mineral exploration and mining, and quarrying has increased slightly as well.

As in previous years, the Mackenzie Valley Land and Water Board conducted a majority of the preliminary screenings—71% of all screenings. The other land and water boards conducted 22% and government agencies accounted for 6% of all screenings.

Preliminary screening trend into Mackenzie Valley







Map of environmental assessments and impact reviews during 2010-11





EA #	Project name	Developer
1 EIR0405-001	Mackenzie Gas Project	Imperial Oil Resources Ventures Ltd.
2 EA0506-005	Mineral Exploration	Consolidated Goldwin Ventures Inc.
3 EA0506-006	Mineral Exploration	Sidon International Resource Corp.
4 EIR0607-001	Gahcho Kué Diamond Mine	De Beers Canada Mining Inc.
5 EA0708-007	Taltso Hydroelectric Expansion Project	Dezé Energy Corporation
6 EA0809-001	Giant Mine Remediation	Indian and Northern Affairs Canada
7 EA0809-002	Prairie Creek Mine	Canadian Zinc Corporation
8 EA0809-003	Yellowknife Gold Project	Tyhee NWT Corporation
9 EA0809-004	NICO Project	Fortune Minerals Limited
10 EA1011-001	Thor Lake Rare Earth Element Project	Avalon Rare Metals Inc.
11 EA1011-002	Moose Property	TNR Gold Corp

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Environmental assessments and impact reviews overview

The table below provides an overview of the status of environmental assessments and environmental impact reviews at the beginning and the end of the reporting period. It shows that the Review Board

started two assessments, one of which it concluded in the same year. Over the course of the year, the Review Board issued two reports of environmental assessment. Of those the Minister referred one back to the Review Board for further consideration. That proceeding, the Dezé Energy Taltson Project, is now on hold at the request of the developer.

Environmental Assessment	Referred to EA	Status at April 1, 2010	Status at March 31, 2011	Notes
EA1011-002 Moose Property – TNR Gold Corp	July 2010	–	EA complete and closed	Review Board issued Report of EA in January 2010. Project approved.
EA1011-001 Thor Lake Rare Earth Elements Project – Avalon Rare Metals Inc.	June 2010	–	Avalon Rare Metals Inc. preparing Developer's Assessment Report	Review Board issued Terms of Reference in February 2011.
EA0809-004 NICO Project – Fortune Minerals Ltd.	February 2009	Fortune Minerals preparing its Developer's Assessment Report	Fortune Minerals preparing its Developer's Assessment Report	Review Board issued Terms of Reference in November 2009.
EA0809-003 Yellowknife Gold Project – Tyhee NWT Corporation	Sept. 2008	Tyhee NWT Corp. preparing its Developer's Assessment Report	Tyhee NWT Corp. preparing its Developer's Assessment Report	Review Board issued Terms of Reference in May 2009
EA0809-002 Prairie Creek Mine – Canadian Zinc Corporation	Aug. 2008	Developer's Assessment Report received April 2010	Public hearings scheduled for late spring	–
EA0809-001 Giant Mine Reclamation and Remediation Project – Indian and Northern Affairs Canada	April 2008	Developer preparing its Developer's Assessment Report	Developer preparing information request responses	Developer's Assessment Report received in October 2010.
EA0708-007 Taltson Hydroelectric Expansion Project – Dezé Energy Corporation Ltd.	Oct. 2007	Parties preparing proposed information requests	EA adjourned at request of developer in March 2011	Review Board issued Report of EA in August 2010. In December 2010, Minister referred the Report of EA back for further consideration.



Environmental Assessment	Referred to EA	Status at April , 2010	Status at March 31, 2011	Notes
EA0506-005 Mineral Exploration Program – Consolidated Goldwin Ventures Inc. (Encore Renaissance)	Sept. 2005	Minister preparing response to Report of EA	Review Board to decide next steps in spring 2011	Review Board issued Report of EA in November 2007. In April 2010, Minister referred the Report of EA back for further consideration. Minister response regarding quorum issues received in February 2011.
EA0506-006 Mineral Exploration Program – Sidon International Resources Corp.	Sept. 2005	Minister preparing response to Report of EA	Minister preparing response to Report of EA	Review Board issued Report of EA in February 2008. In May 2010, the federal and responsible ministers indicated they required more time to review the Review Board's report.

Ongoing environmental assessments

The following environmental assessment status updates are provided as of March 31st, 2011. Please visit the public registry at reviewboard.ca for the current status of these environmental assessments.

EA1011-001: Thor Lake Rare Earth Elements Project Avalon Rare Metals Inc

This proposed rare earth element mining project is 100 kilometres southeast of Yellowknife at Thor Lake on the north side of Great Slave Lake. The development includes a hydro-metallurgical processing facility at the former Pine Point mine site on Great Slave Lake's south side. The Mackenzie Valley Land and Water Board referred the Thor Lake Project to environmental assessment on June 11th, 2010 on the basis that the development might have a significant impact on the environment and be a cause of public concern. The Review Board held scoping sessions in five communities in the fall of 2010 and released the final Terms of Reference for this environmental assessment in February 2011. As of March 31st, 2011, Avalon was preparing its Developer's Assessment Report.

EA0809-004: NICO Project Fortune Minerals Ltd.

The NICO Project is a gold, cobalt, bismuth and copper combined open pit and underground mine proposed by Fortune Minerals Ltd. It is located in the Tlicho region, approximately 50 kilometers northwest of Whati. The proposed project has an ore reserve of 31 million tonnes with a fifteen-year mine life, and will require an all-season access road.

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 decide key issues to focus on in the Terms of Reference, which were issued in November 2009. In May 2010, the Tlicho Government requested that the environmental assessment be put on hold until access road applications acceptable to the Wek'eezhii Land and Water Board could be completed. The access road applications require access agreements between the developers and the Tlicho Government. The Review Board denied the request and the Tlicho Government asked the Supreme Court of the NWT to conduct a judicial review on the issue.



The matter was heard in NWT Supreme Court in March 2011 with a decision anticipated later in 2011. As of March 31st 2011, Fortune Minerals Ltd. was preparing its Developer's Assessment Report for the NICO Project.

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

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 decided that all physical works and activities associated with the mine and winter road would be part of this environmental assessment. The Review Board issued the Terms of Reference for the Prairie Creek Mine in June 2009. Canadian Zinc Corporation submitted its Developer's Assessment Report to the Review Board in March 2010. During the course of this year, one round of information requests was completed, followed by a three day technical meeting, and then a second round of information requests focused on key remaining issues. As of March 31st, 2011, the Review Board was planning an informal technical meeting in advance of public hearings scheduled for late spring 2011 in Nahanni Butte and Fort Simpson.

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

The Yellowknife Gold Project is a proposed gold mine 88 kilometers northeast of Yellowknife and adjacent to the historic Discovery Mine site. This development 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 an open pit that would transition to an underground mine.

Environment Canada referred this Yellowknife Gold Project to environmental assessment in late August 2008 on the basis that 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 31st, 2011, Tyhee Gold Corp was preparing its Developer's Assessment Report.



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

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 and the remediation of 16 million tonnes of tailings covering an area of 51 hectares. 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 the Review Board issued a final Terms of Reference and Work Plan in May of 2009. The developer submitted its Developer's Assessment Report in October 2010.

At the end of November 2010, the Review Board issued a deficiency statement requiring more information about the risks of malfunctions or failure of the frozen block method, the risks and impacts of an intentional thaw, the lifespan of the containment system and funding certainty. In mid-December, the

developer responded and the Review Board deemed the Developer's Assessment Report was in conformity with the Terms of Reference. The Review Board sent the developer 27 information requests in February 2011. Parties also submitted their own information requests. As of March 31st, 2011, INAC was preparing its information request responses.

This is the first environmental assessment where parties have been provided with participant funding. Indian and Northern Affairs Canada announced participant funding allocations at the end of January 2011.



L-R Alan Ehrlich, Percy Hardisty, Richard Mercredi, Sunny Munroe, and Travis Schindel in front of the Giant Mine Headframe during a site tour.



Environmental assessments completed and closed

EA1011-002:

Moose Property

TNR Gold Corp.

This is a proposed exploration project for pegmatite containing lithium and tantalum, 115 kilometres southeast of Yellowknife on the north shore of Great Slave Lake. In July 2010 the Mackenzie Valley Land and Water Board referred TNR Gold Corp. Ltd land use permit application to environmental assessment due to “significant public concern that the project might impact traditional land use activities, archaeological and heritage resources, as well as environmental resources in the context of harvesting and cumulative impacts”.

Using the preliminary screening submissions made to the Mackenzie Valley Land and Water Board, the Review Board decided on the scope of assessment. The submissions consider by the Review Board included documents from the Yellowknives Dene First Nation, Deninu Kué First Nation and the Lutselk’e Dene First Nation. The initial workplan released first in draft, and then finalized in September 2010 included one community information session, a public

hearing, time for undertakings from the hearing and a board decision.

However, during the assessment, the Review Board received Requests for Ruling to add information session to the workplan. Although the Review Board has full discretion over the environmental assessment process, in an updated work plan issued in October 2010 the Review Board added two more information sessions to accommodate the communities that had requested them. Community information sessions took place between September and October 2010 in N’Dilo, Fort Resolution and Lutsel K’e.

In November 2010, the Review Board held a public hearing in Yellowknife and on January 20th, 2011, the Review Board approved the proposed development. It is the Review Board’s opinion that the proposed development is not likely to cause significant adverse impacts or to be a cause of significant public concern if TNR Gold implements the mitigation commitments outlined in the Review Board’s report. The federal and responsible ministers decided not to order an environmental impact review during the 10 day waiting period following the Review Board’s approval; therefore the development’s application proceeded to the regulatory phase.



TNR Gold Public Hearing in Yellowknife in November 2010.



Completed environmental assessments under further consideration

The following environmental assessment status updates are provided as of March 31st, 2011. Please visit the public registry at reviewboard.ca for the current status of these environmental assessments.

EA0708-007:

Taltson Hydroelectric Expansion Project Dezé Energy Corporation

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. Having decided that 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, the Review Board began the information request process. Parties were asked to submit proposed information requests by June 2009. However, in response to requests from several parties, the Review Board extended the deadline to July 2009. In considering the proposed information requests, the Review Board concluded that scale of the project and the complexity of the issues could best be dealt with in a technical session format. Therefore, rather than issuing the information requests, the Review Board held a three-day facilitated information request session in Yellowknife in October 2009. Following final submissions from parties, a public hearing was held in Dettah, NT on January 14th and 15th, 2010.

After careful deliberation, on August 6th, 2010 the Review Board recommended approving the development with measures to mitigate environmental and cultural impacts. These included measures to

prevent increased hunting access to caribou herds, to reduce impacts to the Trudel Creek river system downstream of the generators at Twin Gorges, to prevent desecration of the spiritually important Lockhart River and Lady of the Falls.

On December 10th, 2010 the Minister of Indian and Northern Affairs Canada, on behalf of responsible ministers, returned the Report of Environmental Assessment to the Review Board for further consideration. The Review Board reopened the public record and asked the developer to submit a revised routing proposal. However, on March 2nd 2011, Dézé Energy requested a temporary adjournment to the environmental assessment so that it could further examine the project structures, engage communities and assess the NWT market for power. The Review Board has agreed to adjourn the assessment until the developer is ready to proceed.

EA0506-005:

Mineral Exploration Program Consolidated Goldwin Ventures Inc.

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. Consolidated Goldwin Ventures provided responses in November 2006. The Review Board held a public hearing in Yellowknife April 3-4, 2007.

This is a complex assessment with many difficult issues, largely related to the culturally sensitive location of the proposed activities. The issues include 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 recommended the federal Minister allow the proposed development to proceed to the regulatory phase only with these measures to avoid or reduce the predicted impacts.

On April 21st, 2010 the federal and responsible ministers referred the development back to the Review Board to further consider the measures. The Review Board sent a letter advising the Minister of Indian Affairs and Northern Development that the Review Board no longer had quorum for this particular assessment. As of March 31st, 2011, the Review Board was considering other fair means of further considering the measures.

Completed environmental assessments under ministerial consideration

EA0506-006:

Mineral Exploration Program

Sidon International Resources Corp.

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. 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 and responsible ministers 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. In May 2010, the Minister of Indian Affairs and Northern Development advised the Review Board that the federal and responsible ministers need more time to review the Review Board's report. As of March 31st, 2011, the Minister's office was still preparing its response.

Ongoing environmental impact reviews

The following environmental impact review status updates are provided as of March 31st, 2011. Please visit the public registry at reviewboard.ca for the current status of these environmental impact reviews.

EIR0607-001:

Gahcho Kué Diamond Mine

De Beers Canada Mining Ltd.

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



Environmental Impact Review	Ordered to EIR	Status at April , 2010	Status at March 31, 2011	Notes
EIR0607-001 Gahcho Kué Diamond Mine - De Beers Canada Inc.	June 2006	De Beers Canada preparing its Environmental Impact Statement	De Beers Canada preparing responses to deficiency statement	Environmental Impact Statement received in December 2010. Conformity check completed and deficiency statement issued in March 2011.
EIR0405-001 Mackenzie Gas Project - Imperial Oil Resources Ventures Ltd.	April 2004	Minister preparing response to Joint Review Panel's report	EIR complete and closed	JRP report released in December 2009. In November 2010, the Government of Canada and the Government of the NWT provided a joint response to the JRP report allowing the proposed MGP to process to the regulatory phase. The National Energy Board approved the project in December 2010.

a judicial review of the Review Board's order to conduct an environmental impact review. The Northwest Territories Supreme Court upheld the Review Board's decision in April 2007 and in May 2007, the Review Board announced the formation of the environmental impact review panel. The Panel issued its Terms of Reference for the developer's Environmental Impact Statement in October 2007.

In December 2008, De Beers informed the Panel it had deferred issuing its Environmental Impact Statement until further notice. The Panel received the Environmental Impact Statement in December 2010. Following a conformity check, the Panel issued a deficiency statement and as of March 31st, 2011, the developer is expected to submit its response to the deficiency statement in May 2011.

Completed environmental impact reviews

EIR0406-001: Mackenzie Gas Project Imperial Oil Resources Ventures

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 Panel issued its report on December 30th, 2009. In November 2010 the Governments of Canada and the Northwest Territories issued their final response to the Joint Review Panel's Report. In December 2010, the National Energy Board released its Reasons for Decision approving the Mackenzie Gas Project.



Funding arrangements

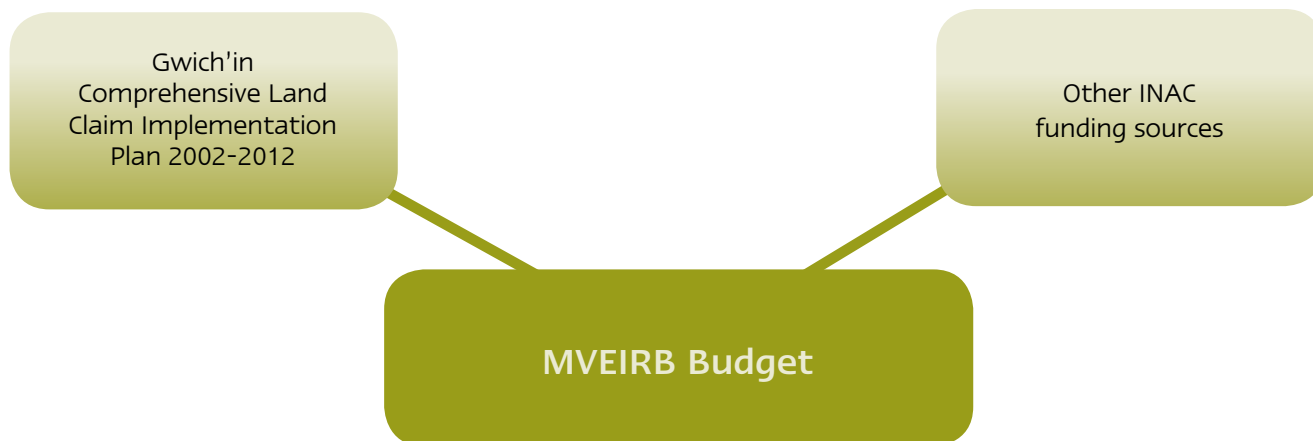
Every year, the Review Board develops a business plan submission for Indian and Northern Affairs Canada which describes the board's plans and priorities for the next three fiscal years and identifies the human and financial resources required to carry out those activities. This provides the foundation to the funding agreements that the Review Board reaches with the

department. Often identified funding requirements exceed the core funding and the Review Board relies on supplementary funding and deferred contributions to carry out its business.

Below is a table outlining the funding arrangements made in each of the past six fiscal years between the Review Board and Indian and Northern Affairs Canada.

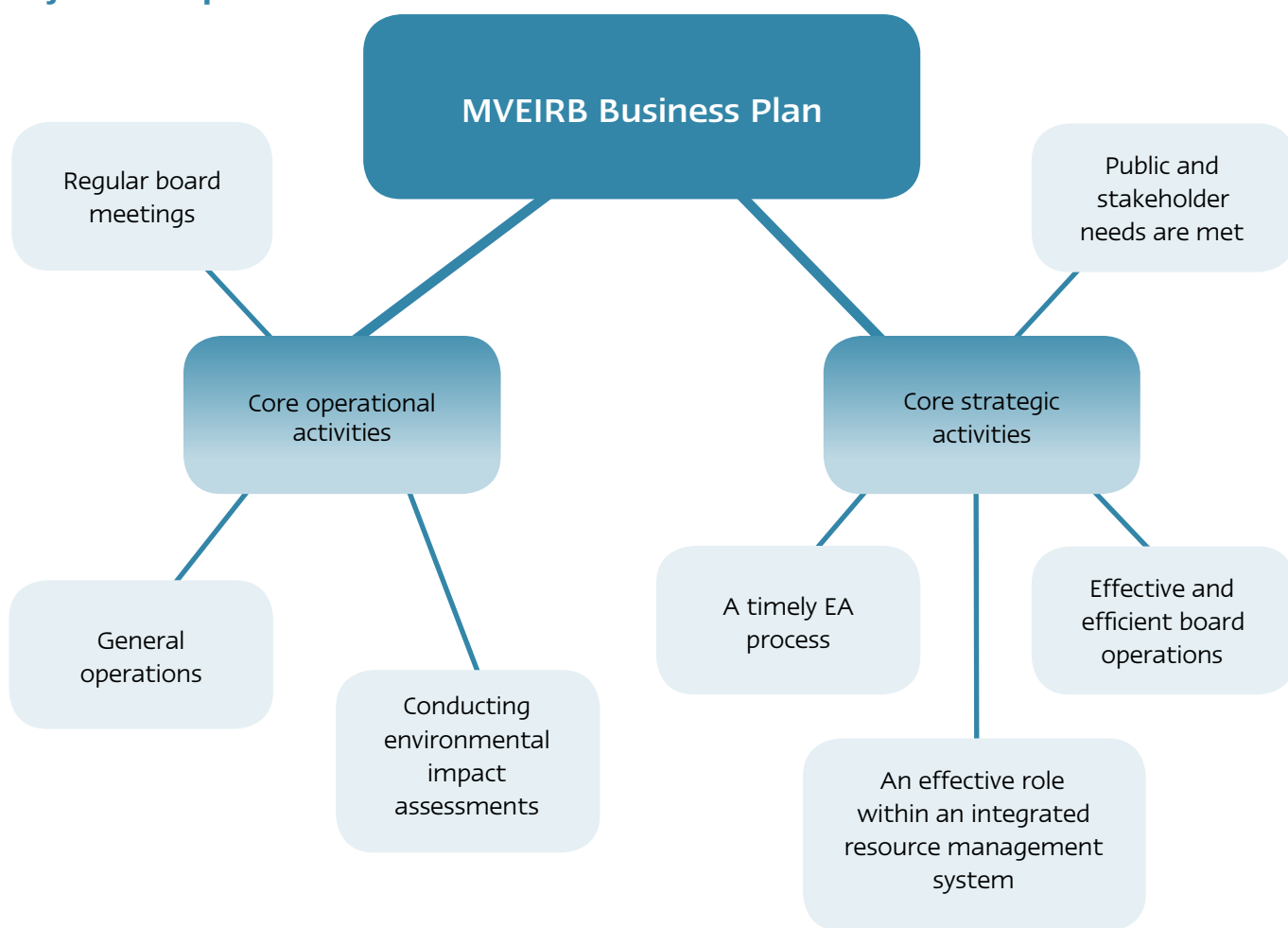
Fiscal Year	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11
Prior Fiscal Years						
Core	2,398,324	2,381,604	2,419,011	2,479,947	2,513,599	2,567,390
Supplementary Funding	525,000	500,000	525,000	500,000	N/A	N/A
Deferred Contribution	331,219	351,822	341,396	614,182	750,000	683,896
Total	\$3,254,543	\$3,233,426	3,285,407	3,594,129	3,263,599	3,251,286

1 - Note that the funding levels shown do not include funding provided in support of the Joint Review of the Mackenzie Gas Project, the DeBeers Gahcho Kué Diamond Mine EIR or other "special projects" that arose during the fiscal year that were in addition to the original work plan and expenditure plan for that fiscal year



Source of Funds

Objects of Expenditure







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





The following is a summary of the key goals, strategies and tasks the Review Board undertook this past fiscal year.

Goal 1 Excellence in environmental impact assessment (EIA)

Strategy A
Improve the resources available
to EIA stakeholders

Tasks

1. Continue to pursue capacity participant) funding for stakeholders.

Participant funding, which is provided in other jurisdictions in Canada, 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. Progress has been made on this initiative as Indian and Northern Affairs Canada (INAC) recently announced two participant funding programs in 2010; one for the Giant Mine Remediation environmental assessment and one for the Gahcho Kué Diamond Mine environmental impact review. For now INAC is considering the need for participant funding on a case by case basis. INAC is administering the provision of participant funding for the Giant Mine and Gahcho Kué proceedings directly. This is consistent with the Review Board's wish to ensure it maintains an "arms length" position when providing funding support to interveners in the Review Board's processes.

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

This initiative was deferred because our Community Liaison Officer Jessica Simpson was away on leave, having won a prestigious Sauvé Scholarship to attend McGill University in Montreal for the 2010-11 Winter Session.

3. Support the provision of aboriginal interpreter/translators' skills development.

As in 2 above, our Community Liaison Officer, typically the lead for translator workshops, was on a leave of absence for most of the year. However, the Review Board did complete the layout of the Rare Earth Elements and Minerals terminology into its glossaries. They are available on the Review Board's website.

4. 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.

5. Maintain an EIA Career Promotion Program targeted at NWT students.

The summer intern program entered its fourth year with Yellowknifer Moses Hernandez hired to provide assistance to various staff members, conduct a small project and receive training in environmental impact assessment. In the fall, Moses went on to finalize his Master of Arts thesis in polar law at the University of Akureyri in Iceland.



Danny Bayha, Sahtu nominated board member reviewing board briefing materials

Strategy B Expand the EIA toolbox

Tasks

1. Conduct regular "lessons learned" of environmental assessments and share with stakeholders.

No lessons learned workshops were held in 2010-11. The focus was on a major external review of the Review Board's environmental assessment process with a focus on process timeliness. Stantec Consulting Ltd. undertook a major study in consultation with key stakeholders with offices in Yellowknife and across Canada. An expert team was assembled and had substantially completed their task by fiscal year end. The consultants examined improvements that the Review Board could implement directly, improvements that required the cooperation of other boards, agencies etc. and still others that required legislative change. A plan to implement the priority findings of this review will be developed in 2011-12.

2. Conclude and implement the Cultural Impact Assessment Guidelines.

3. Develop EIA process improvements designed to increase public engagement in aboriginal communities through improved accommodation of local cultures and traditions.

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 in 2009 the Review Board began drafting a cultural impact assessment guideline. The Cultural Impact Assessment Guidelines continue to be in the drafting stage as are considerations regarding EIA Process improvements to increase public engagement in aboriginal communities.

4. Continue to engage stakeholders in annual EIA Practitioner' Workshops to review EIA lessons learned, raise awareness of EIA process issues and develop improved "best practices".

See Task 1.B.1

5. Review and update the Environmental Impact Assessment Guidelines and encourage their application.

This initiative continues to be on hold while waiting for the outcomes of the federal government's Northern Regulatory Improvement Initiative. The Review Board did initiate an external review of its processes and operations late in the fiscal year to identify opportunities for a more timely process, as well as needs for guideline revisions.

6. Develop supplementary guidelines and reference bulletins: various guidelines for assessing wildlife at risk.

Guidelines for considering wildlife at risk



The guidelines for dealing with wildlife at risk in the environmental impact assessment process took a back seat to work on environmental assessments and to other board priorities in 2010-11. The Review Board hopes to complete these guidelines in the next fiscal year.

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 Review Board showcased its research at various forums, including the International Association for Impact Assessment's annual conference in Geneva. The comment period for the discussion paper ended in December 2010. Work on this initiative will continue in 2011-12.

7. Annually revise the internal "How to" manual to guide environmental assessment officers, incorporating the process improvements developed during the previous 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.

8. 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 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.



NWT Board Forum's website can be found at www.nwtboardforum.com



Strategy C Enhance EIA communications

Tasks

1. Conduct stakeholder satisfaction surveys (part of the strategic planning process once every three years).

A major stakeholder survey was completed as the first step of the Review Board strategic planning process. Aboriginal organizations, industry, government, consultants and other Mackenzie Valley Resource Management Act boards were consulted. The Review Board received a good response to its survey and highlighted a number of key challenges that need to be addressed in the next three year period. Among them were concern about the complexity and length of environmental assessments, lack of adequate and stable board funding, lack of participant funding and the need for increased collaboration with other regulatory agencies. These issues and others were addressed in the Review Board's recently issued strategic plan for the next three year period. A copy of the strategic plan can be found on the Review Board's website www.reviewboard.ca.

2. Continue to improve the functionality (user friendliness, accessibility and scope) of the Board website.

The Review Board continued with improvements to the website, although most were of a technical nature to improve functionality and not readily noticeable by website users. These improvements 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.

3. 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:

- "Determining Significance of Public Concern." Martin Haeefe, Manager of EIA, Presenter; IAIA 2010, Geneva, Switzerland; April 2010
- "The Mackenzie Valley Review Board - Working Together to Make Wise Decisions." Vern Christensen, Executive Director, Presenter; Central Agencies Northern Tour 2010, Yellowknife, NT; June 2010
- "Northern Frontier, Northern Homeland: Aboriginal Consultation and Environmental Assessment North of 60." Martin Haeefe, Manager EIA, Presenter; Canadian Institute's Aboriginal Consultation North of 60 conference. Yellowknife, NT; October 2010
- "What we do and how the system works." Richard Edjericon, Chairperson, Speaker; Northwest Territories Métis Nation General Assembly, Hay River, NT; November 2010.



4. Improve the 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 2010-11 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.

5. 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.

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

First Nation assemblies attended:

- Akaitcho Assembly – June 1-3, 2010 in Fort Smith, NT
- Dene Nation Assembly – July 5-9, 2010 in Fort Good Hope, NT
- Tlicho Annual Gathering– July 6-8, 2010 in Gameti, NT
- Sahtu Assembly – August 23-27, 2010 in Deline, NT
- Gwich'in Assembly – August 9-13, 2010 in Aklavik, NT
- NWT Métis Nation – November 23-25, 2010 in Hay River, NT

Tradeshow booth appearances:

- Yellowknife Geosciences Forum, November 16th - 18th, 2010; Yellowknife, NT
- Mineral Exploration Round-up, January 24th - 27th, 2011; Vancouver, BC

6. 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.

Community visits were deferred for 2010-11 due to a limited budget and the temporary absence of our Community Liaison Officer who was away attending school as a Sauv  Scholar for the winter session at McGill University.



Vern Christensen, Executive Director, posing with Miningfor Miracles mascot at the BC mineral exploration roundup in Vancouver.



Goal 2 A timely EIA process

Strategy A
Reduce the time required
for the conduct of EIAs

Tasks

1. Investigate time-saving measures for each component of the process that will balance with the efforts already undertaken to improve process quality.

The focus was on a major external review of the Review Board's environmental assessment process with a focus on process timeliness. Stantec Consulting Ltd. undertook a major study in consultation with key stakeholders with offices in Yellowknife and across Canada. An expert team was assembled and had substantially completed their task by fiscal year end. The consultants examined improvements that the Review Board could implement directly, improvements that required the cooperation of other boards, agencies etc. and still others that required legislative change. A plan to implement the priority findings of this review will be developed in 2011-12.

2. Participate in processes leading to improved process certainty and clarity in the *Mackenzie Valley Resource Management Act* and consistency in its application.
3. Participate/assist in the implementation of the recommendations related to EIA in the federal government's Northern Regulatory Improvement Initiative Action Plan.

The main component of the Action Plan announced to date that directly relates to the Review Board's operations is the review and amendment of the *Mackenzie Valley Resource Management Act*.

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. In 2010-11 INAC initiated a process to review the *Mackenzie Valley Resource Management Act*. To assist INAC, the Review Board reviewed all of its previous recommendations on legislative and regulatory improvements and prioritized them; indicating which are most critical to the timeliness and clarity of the EIA process.

Further recommendations to INAC regarding legislative change may arise from the final report of the external review of the Review Board's environmental assessment process which was completed in large part during the 2010-11 fiscal year.



Review Board members receive information from Avalon Rare Metals company representatives during a site visit.



Goal 3 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 environmental impact assessment best practices and “lessons learned”. Negotiations with the relevant environmental impact assessment authorities in Alberta continued in 2010-11. The Review Board anticipates that a comprehensive Cooperation Agreement with the Government of Alberta may be possible before the end of 2011-12.

2. 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 continuing to hold this initiative in abeyance until the results of the legislative review of the *Canadian Environmental Assessment Act* are known.

3. Continue to improve communication and cooperation with all Mackenzie Valley Resource Management Act (MVRMA) 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 Review Board representatives attend most aboriginal First Nation assemblies each year to listen to any feedback on Review 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 2010-11 and the Review Board deferred the initiative until 2011-12.

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.



4. 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 2010-11. Board Chairperson Richard Edjericon has been involved in promoting the implementation of the Board Forum strategic plan. Review Board staff have also been involved in the development of a Board Forum training courses, 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.

5. Initiate a process with other MVRMA Boards to more actively work together, including the sharing of resources/processes.

During the 2010 fiscal year, the Review Board has encouraged the Board Forum to take on a strategic priority focused on the more effective and efficient integration of member Board operations. In particular the Review Board has engaged the Mackenzie Valley Land and Water Board in discussions to co-locate operations with a view to sharing common resources to achieve savings and greater integration of day to day operations. A tentative planning target is to co-locate by the fall of 2012 subject to the necessary incremental funding being available from INAC to cover changes to current lease arrangements, as well as associated moving and tenant improvement costs.

Land and Water Board restructuring options currently under active consideration by INAC through its Northern Regulatory Improvement Action Plan may also affect these co-location plans.

Strategy B

Improve MVRMA clarity, certainty and consistency

Tasks

1. Review the Board's existing list of proposed legislative changes with those that may be proposed through the Northern Regulatory Improvement Initiative and reconcile and combine them in an effort 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. In 2010-11 INAC initiated a process to review the *Mackenzie Valley Resource Management Act*. To assist INAC, the Review Board reviewed all of its previous recommendations on legislative and regulatory improvements and prioritized them; indicating which are most critical to the timeliness and clarity of the EIA process.



Strategy C

Clarify the preliminary screening process

Tasks

1. Develop a common understanding of the MVRMA's requirements related to the Board's role in preliminary screening in collaboration with the Land and Water Boards.
2. Regulatory authorities in the preliminary screening process.

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. 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 to finalize a common interpretation and approach by the Review Board and preliminary screeners has occurred in the process of revising and updating the preliminary screening guidelines. This task has been assisted by a working group comprised of representatives of the Land and water Boards and relevant government departments. The revised preliminary screening guidelines should be finalized in 2011-12.

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. Promote the development of a multi-stakeholder plan to monitor, report and evaluate implementation of Review Board measures and suggestions.

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. The Review Board continues to await the outcomes of efforts by INAC to implement the environmental assessment tracking system they are developing. In the meantime, the Review Board maintains and periodically updates an in-house database that simply tracks whether measures have been implemented.



Goal 4 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 one initiative during the 2010-11 operating year. INAC provided \$45,000 through the Natural Resources Canada Regulatory Support Funding Initiative towards 50% of an comprehensive external review of the Board's environmental assessment process. This initiative was substantially completed by fiscal year end and an implementation plan for priority recommendations will be developed in 2011-12.

The Review Board 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 occurred this year on January 31-February 1, 2011. The Review Board delegation was limited to the Board Chairperson Richard Edjericon, Vice Chairperson Darryl Bohnet, Executive Director Vern Christensen and Executive Advisor Travis Schindel given the era of fiscal restraint facing government and the Review Board. Meetings were held with senior officials in the Treaties and Aboriginal Affairs Branch and Northern Affairs Branch of INAC.

The delegation also met with senior officials in the Canadian Environmental Assessment Agency with a focus on strengthening on-going working relationships and to discuss progress regarding the announced comprehensive review of the *Canadian Environmental Assessment Act* as it may affect how the two organizations work together on joint assessments of transboundary developments.

3. 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. 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.

It is the Review Board understanding that the matter of funding process and capacity may be addressed in the government's Northern Regulatory Improvement Action Plan. While the initial components of the Action Plan have been announced; the Review Board continues to look forward to the further announcements in the hope that chronic funding shortfalls are finally addressed.



Strategy B Secure adequate human resources and infrastructure

Tasks

1. 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 2010-11.



Vern Christensen, Executive Director of the Review Board

2. 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 invested in an internal file sharing website to allow for timely sharing of board meeting materials as well as reference documents. 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 2011-12 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 2010-11 was the initiation of the new member Administrative Law Course which had been developed by the Board Forum and was attended by four members of the Review Board and staff.

Strategy D
Maintain best practices and
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 did not schedule any specific health and safety training events for 2010-11. The Review Board plans to provide standard first aid and CPR training in 2011-12 subject to available funding. The office conducts regular fire escape drills as well as staff briefings on feedback and advice from the fire department as required.

3. Investigate the feasibility of applying the ISO 9000 standard to the Review Board organization.

The Review Board Staff continues to monitor environmental assessment best practices in other jurisdictions. There were no specific projects undertaken in 2010-11. However, the Review Board did undertake an assessment of the cost and logistics of applying the ISO Management Standard to the Review Board. This would include undertaking a management risk audit of the Review Board's operations over the next three years. Subject to the availability of funding, a formal ISO audit will be conducted by the Review Board on its operations.



Florence Catholique presents Lutselk'e Dene First Nation's intervention at the TNR Gold hearing in Yellowknife.



Financial Statements

March 31, 2011

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Independent Auditors' Report

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

We have audited the accompanying financial statements of Mackenzie Valley Environmental Impact Review Board which comprises the statement of financial position as at March 31, 2011 and the statements of operations operating fund, changes in equipment fund, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian Generally Accepted Accounting Principles, and such for internal control as management determines is necessary to enable preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility to express an on 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 comply with ethical requirements and plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion

Opinion

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Board as at March 31, 2011 and the results of its operations for the year then ended in accordance with Canadian generally accepted accounting principles.

Yellowknife, Northwest Territories
June 24, 2011

Mackay LLP
Chartered Accountants



Statement of Operations - Operating Fund

For the year ended March 31,	Budget 2011	Actual 2011	Actual 2010
Revenue			
Department of Indian Affairs and Northern Development			
- Claims Implementation	\$ 2,567,390	\$ 2,567,390	\$ 2,713,599
- Environmental Impact Assessment Guidelines	-	-	33,120
- Environmental Impact Review	-	96,615	155,796
- Environmental Assessment Process Review	-	45,000	-
- Joint Review Panel	-	-	456,685
Canadian Northern Economic Development Agency			
- Rare Earth Elements Translators Workshop	-	-	25,000
Other	-	412	12,971
Deferred contribution from prior year	683,896	819,425	1,585,710
	3,251,286	3,528,842	4,982,881
Repayable surplus contribution	-	30,182	22,604
	3,251,286	3,498,660	4,960,277
Expenses			
Administration	185,070	135,652	172,644
Canadian Environmental Assessment Agency - 1/3 share of Joint Review Panel costs	-	24,329	767,494
Communications	71,800	102,072	54,654
Honoraria	591,500	543,406	521,250
Office rent	247,800	272,463	227,797
Professional fees	647,195	578,540	561,321
Salaries, wages and benefits	1,077,395	1,435,035	1,506,370
Travel – board	245,800	196,832	222,576
Travel – staff	184,726	58,859	85,906
	3,251,286	3,347,188	4,120,012
Excess of revenue over expenses before transfer		151,472	840,265
Transfer to equipment fund (Note 4)	-	(6,964)	(20,839)
Excess of revenue over expenses	-	144,508	819,426
Transfer to deferred contributions (Note 9)	-	(144,508)	(819,426)
Excess revenue	\$ -	\$ -	\$ -



Statement of Changes in Equipment Fund

For the year ended March 31,	2011	2010
Opening balance	\$ 45,826	\$ 40,377
Transfer from operating fund (Note 4)	6,964	20,839
Amortization	(18,450)	(15,390)
Closing balance	\$ 34,340	\$ 45,826



Statement of Financial Position

As at March 31,	2011	2010
Assets		
Current		
Cash	\$ 313,046	\$ 556,515
Temporary investments (Note 5)	20,000	520,000
Accounts receivable (Note 6)	21,176	81,791
Prepaid expenses	1,124	4,103
	355,346	1,162,409
Equipment (Note 7)	34,340	45,826
	\$ 389,686	\$ 1,208,235

Liabilities


Current		
Accounts payable and accrued liabilities	\$ 180,656	\$ 320,380
Contributions repayable (Note 8)	30,182	22,604
Deferred contributions (Note 9)	144,508	819,425
	355,346	1,162,409

Net Assets

Equipment fund	34,340	45,826
	\$ 389,686	\$ 1,208,235

Approved on behalf of the Board

 Director

 Director



Statement of Cash Flows

For the year ended March 31,	2011	2010
Cash provided by (used in)		
Operating activities		
Excess revenue	\$ -	\$ -
Change in non-cash operating working		
Accounts receivable	60,616	106,708
Prepaid expenses	2,978	2,755
Accounts payable and accrued liabilities	(139,723)	(103,100)
Contribution repayable	7,578	(13,649)
Deferred contributions	(674,918)	(766,285)
	(743,469)	(773,571)
Investing activities		
Purchase of equipment	(6,964)	(20,839)
Investment in Equipment Fund	6,964	20,839
	-	-
Change in cash position	(743,469)	(773,571)
Cash position, beginning of year	1,076,515	1,850,086
Cash position, end of year	\$ 333,046	\$ 1,076,515
Represented by		
Cash	\$ 313,046	\$ 556,515
Temporary investments	20,000	520,000
	\$ 333,046	\$ 1,076,515



Notes to Financial Statements

March 31, 2011

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. 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 held-for-trading, available-for-sale, held-to-maturity, loans and receivables or other liabilities.

Financial instruments classified as held-for-trading 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 held-for-trading.

Available-for-sale assets are those non-derivative financial assets that are designated as available-for-sale or are not classified as held-for-trading, held-to-maturity, or loans and receivables. Available-for-sale 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 available-for-sale.

Held to maturity assets are those non-derivative 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 held-for-trading, available-for-sale, 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 non-derivative 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 held-for-trading. 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

March 31, 2011

2. Significant Accounting Policies

(b) Financial Instruments – Disclosure and Presentation

Section 3861 establishes standards for presentation of financial instruments and non-financial 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 7.

(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.

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.

(f) 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

March 31, 2011

3. Future Changes to Significant Accounting Policies

Public Sector Accounting Standards

In October 2010 the Public Sector Accounting Board ("PSAB") decided that, effective for fiscal years beginning on or after January 1, 2012, government notforprofit organizations ("GNPO's") that have been preparing their financial statements in accordance with accounting standards for notforprofit organizations contained in Section 4400 of the CICA Handbook, must report in accordance with the CICA's Public Sector Accounting Handbook into which Section 4400 will be incorporated. Early adoption of either framework is permitted, however, the Board has decided against early adoption. The impact of the transition to these accounting standards has not been determined.

4. Interfund Transfers

Amounts of \$6,964 (2010 \$20,839) were transferred from the Operating Fund to the Equipment Fund for the acquisition of assets.

5. Temporary Investments

The temporary investments are made of flexible Guaranteed Investment Certificates. They bear interest at 0.5% and mature on October 18, 2011.

6. Accounts Receivable

	2011	2010
Goods and Service Tax	\$ 16,676	\$ 33,299
Other	4,500	48,492
	\$ 21,176	\$ 81,791

7. Equipment

				2011	2010
	Rate	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Furniture and fixtures	20%	\$ 115,614	\$ 100,255	\$ 15,359	\$ 20,506
Leasehold improvements	20%	99,876	84,639	15,237	19,970
Computer hardware	3 yr S/L	42,578	38,834	3,744	5,350
		\$ 258,068	\$ 223,728	\$ 34,340	\$ 45,826



Notes to Financial Statements

March 31, 2011

8. Contributions Repayable

	2011	2010
Department of Indian Affairs and Northern Development		
- Environmental Assessment Practitioner's workshop	\$ -	\$ 22,604
- Joint Review Panel	30,182	-
	\$ 30,182	\$ 22,604

9. Deferred Contributions

	2011	2010
Department of Indian Affairs and Northern Development		
- Claims Implementation	\$ 119,564	\$ 683,895
- Environmental Impact Review Panel	24,944	80,804
- Joint Review Panel	-	54,726
	\$ 144,508	\$ 819,425

10. Capital Disclosures

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:

	2011	2010
Current Assets	\$ 355,346	\$ 1,162,409
Current Liabilities	355,346	1,162,409
	\$ -	\$ -



Notes to Financial Statements

March 31, 2011

11. Commitments

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

2012	\$ 292,050
2013	292,050
2014	292,050
2015	286,667
2016	142,437
2016	\$ 1,305,254

12. 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.

13. 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 \$74,765 in 2011 on behalf of its employees.

14. Budget

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

15. 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.



Notes to Financial Statements

March 31, 2011

16. 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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