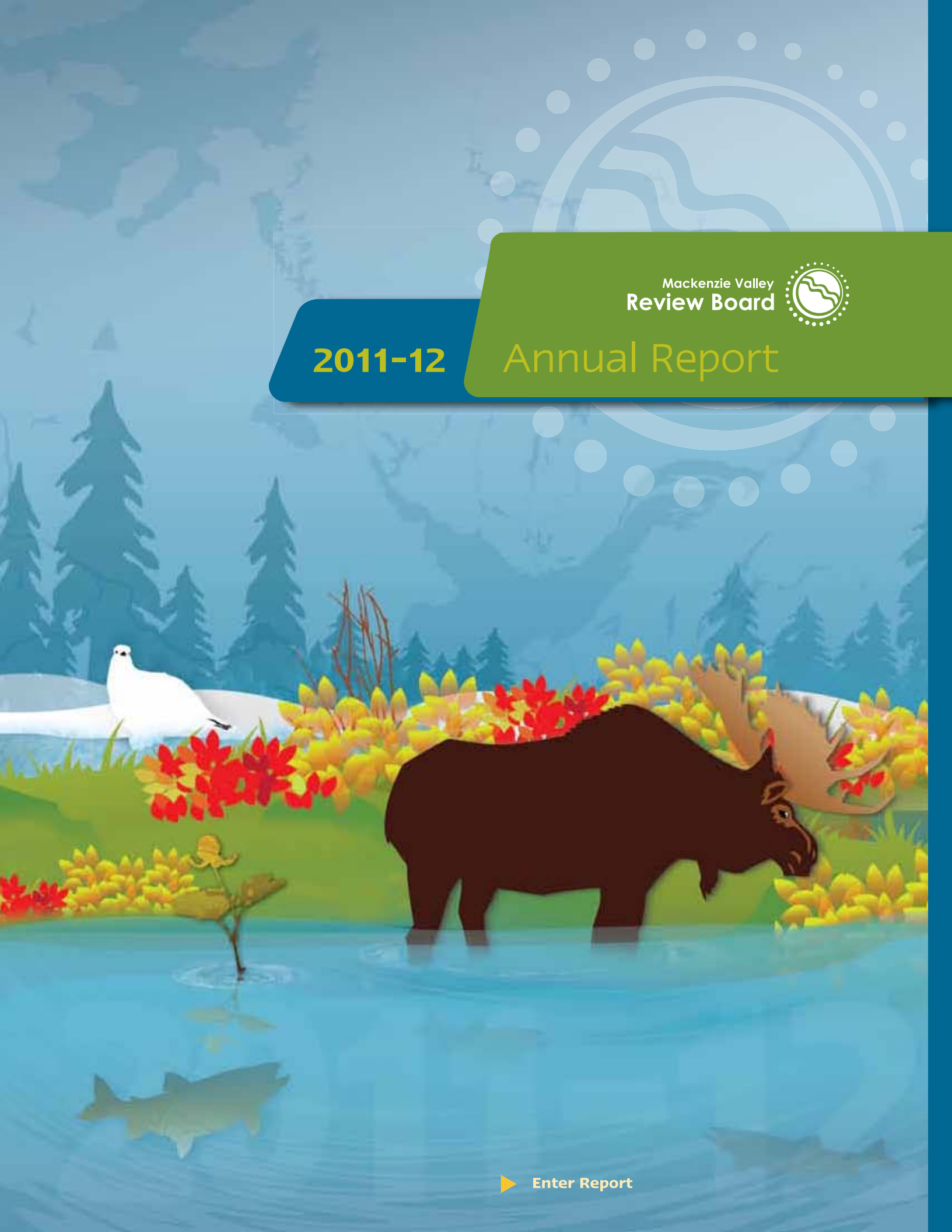


Mackenzie Valley  
Review Board



2011-12

# Annual Report



▶ Enter Report

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## 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.

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Mackenzie Valley Review Board members.

(L-R): Percy Hardisty, Richard Mercredi, Rachel Crapeau, Richard Edjericon, James Wah-Shee.

Missing: Danny Bayha

## Message from the Chairperson



Richard Edjericon, Chairperson of the Review Board since April 2008

This was a year for the Review Board to take a hard look at how it's doing its business and find ways to better meet the needs of those who are involved or affected by our decisions. In this year's annual report, you will see that the organization was very busy during 2011-12 with nine environmental assessments on the books, in addition to working on our strategic activities. All of the Review Board's environmental assessments, with the exception of Deze Energy's proposed Taltson Hydroelectric Expansion project, were mining related developments.

During the course of the year, the Review Board released two Reports of Environmental Assessments, which found that neither development had a significant adverse impact on the environment. The Review Board also released a Reasons for Decisions document on a small mineral exploration project which still requires ministerial approval and the board adjourned another assessment at the request of the developer. The Review Board will be carrying over seven environmental assessments into the next fiscal year.

On the strategic side, the Review Board spent considerable effort reviewing the results from its external environmental impact assessment review and developing an action plan for 2012-13. In its action plan, the Review Board has identified a number of tasks that could potentially address the priority issues identified by stakeholders during the external review. Some tasks can be completed in the short term, while others are longer term and may require cooperation of other agencies or legislative change. The action plan will require the financial support of Aboriginal Affairs and Northern Development Canada.

The Review Board also made sure it provided its views to Aboriginal Affairs and Northern Development Canada on the proposed amendments to the Mackenzie Valley Resource Management Act, which are planned for introduction in Parliament in 2012-13. The Review Board would like to see improvements made to clarify and provide greater certainty to specific administrative provisions of the Act.

I have little doubt that 2012-13 will be another busy year for the Review Board. I hope you will continue to work with us so that we can continue making wise decisions together.

Mahsi,

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 arose 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 Aboriginal Affairs and Northern Development 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.

There were no new appointments made to the Review Board in the 2011-12 fiscal year. As of March 31, 2012, there were two vacant positions on the Review Board: the Gwich'in nominated position, vacant since March 2011 after the expiry of Mr. Fred Koe's term, and one federal position vacant since November 2011 when Mr. Darryl Bohnet's term expired.

The Review Board continues to work with the Department of Aboriginal Affairs and Northern Development Canada to ensure the Review Board vacancies do not give rise to quorum issues, which could delay board business.

As of March 31st, 2012, seven of the eight members were Aboriginal, and one was a long-time northerner.

The members were:

- Richard Edjericon, Chairperson
- Peter Bannon, (Federal nominee)
- Danny Bayha (Sahtu nominee)
- Rachel Crapeau (Territorial nominee)
- Percy Hardisty (Dehcho nominee)
- Richard Mercredi (Territorial nominee)
- James Wah-Shee (Tlicho nominee)

The Review Board has working committees responsible for providing high quality advice, research and information on specific issues. As of March 31, 2012, Ms. Rachel Crapeau 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 2011-12, there were a number of staffing changes at the Review Board office.

In May 2011, Ms. Jessica Simpson returned from her education leave at McGill University in Montréal as the Review Board's Community Liaison Officer. In March 2012, Ms. Simpson began her maternity leave and Ms. Stacey Menzies, who originally started with the Review Board as a casual staff member to assist the office and environmental assessment team, was appointed Acting Community Liaison Officer to backfill Ms. Simpson's position.

In June 2011, Ms. Donna McLeod was retained through a local service provider to provide Finance and Administration support to the office.

Ms. Melissa Camsell was hired briefly as the Review Board secretary in April 2011. Later in the summer, Ms. Marilyn Martin was hired as the Review Board's secretary.

In mid-September 2011, Mr. Martin Haeefe, Manager for Environmental Impact Assessment, announced he was moving to Whitehorse, YT to pursue another job opportunity. After Mr. Haeefe's departure, Mr. Alan Ehrlich, was promoted to the position and Mr. Chuck Hubert was promoted to Senior

Environmental Assessment Officer. In February 2011, Ms. Darha Philpot was hired as an environmental assessment officer. However, she left the Review Board to take a job with the Government of the Northwest Territories in December 2011. Ms. Shannon Hayden was hired to fill the vacant environmental assessment officer position in February 2012. Mr. Simon Toogood was also hired as an environmental assessment officer in March 2012.

Ms. Renita Jenkins began her maternity leave at the end of April 2012 and will return to the Board in 2013. In the meantime, Travis Schindel the Review Board's Executive Advisor, will fill in for Renita as Acting Head of Communications/Executive Advisor.



Mackenzie Valley Review Board Staff members.  
Back row (L-R): Simon Toogood, Travis Schindel, Vern Christensen, Chuck Hubert, Alan Ehrlich, Paul Mercredi.  
Front row (L-R): Shannon Hayden, Therese Charlo, Stacey Menzies, Nicole Spencer, Marilyn Martin.  
Missing: Renita Jenkins and Jessica Simpson.

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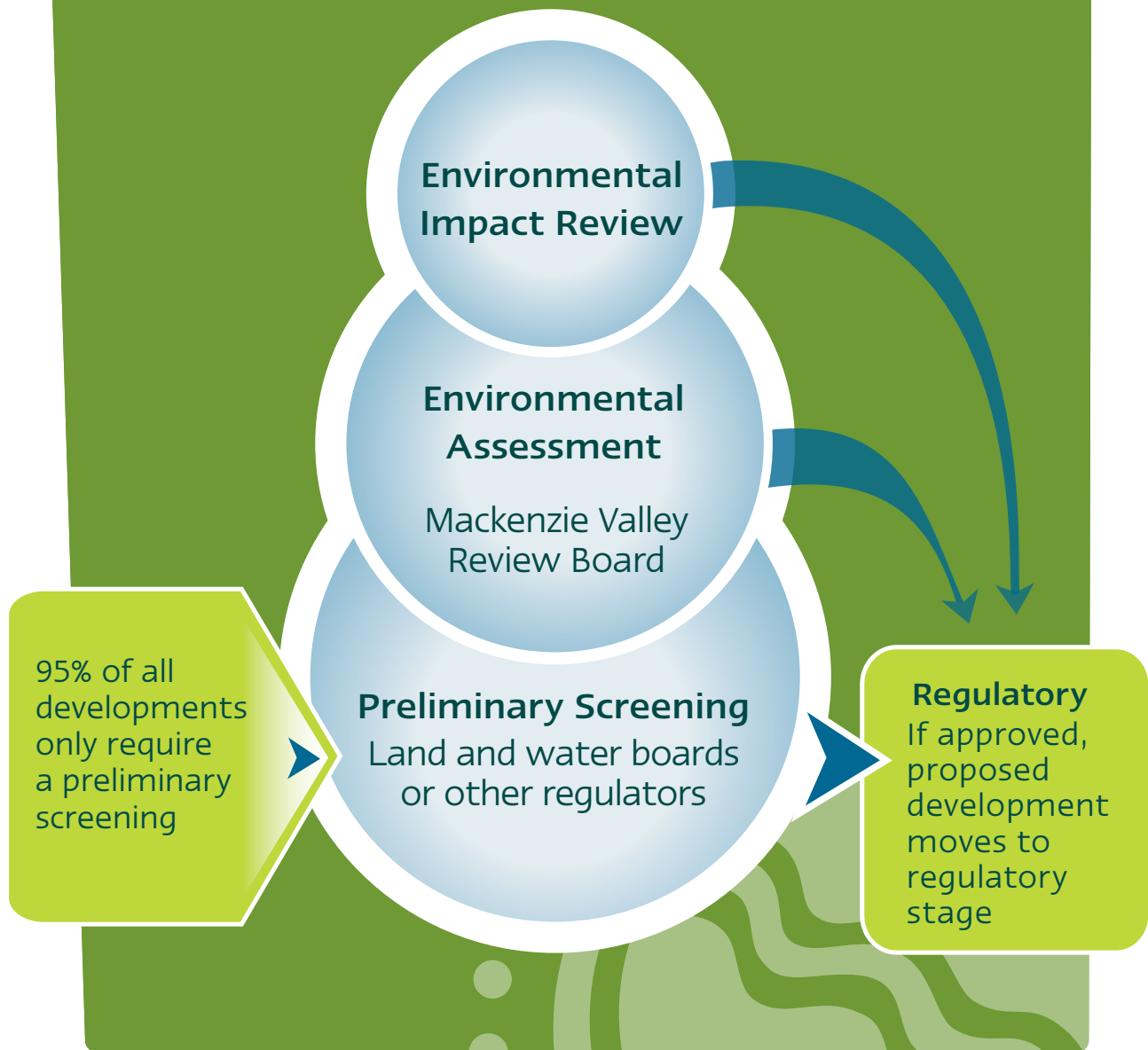
Mackenzie Valley Review Board and Staff members

Back row (L-R): Richard Edjericon, Simon Toogood, Travis Schindel, Vern Christensen, Chuck Hubert, Alan Ehrlich, Paul Mercredi, James Wah-Shee.

Front row (L-R): Percy Hardisty, Rachel Crapeau, Shannon Hayden, Therese Charlo, Stacey Menzies, Marilyn Martin, Nicole Spencer, Richard Mercredi.

Missing: Danny Bayha, Renita Jenkins and Jessica Simpson.

## 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 impact on the environment, or likely to be a cause of public concern. Upon completion of the environmental assessment, the Review Board sends its Reasons for Decision to the federal Minister of Aboriginal Affairs and Northern Development Canada and responsible ministers, 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 proceed to regulatory permitting and licensing provided some measures are in place; or
- c) a recommendation that the project be rejected.



Review Board members and staff hard at work.

Alternatively, if the Review Board decides, based on the evidence presented during an assessment, that a proposed development is likely to have significant impact on the environment or be a cause of public concern, 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 federal and responsible ministers deem 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

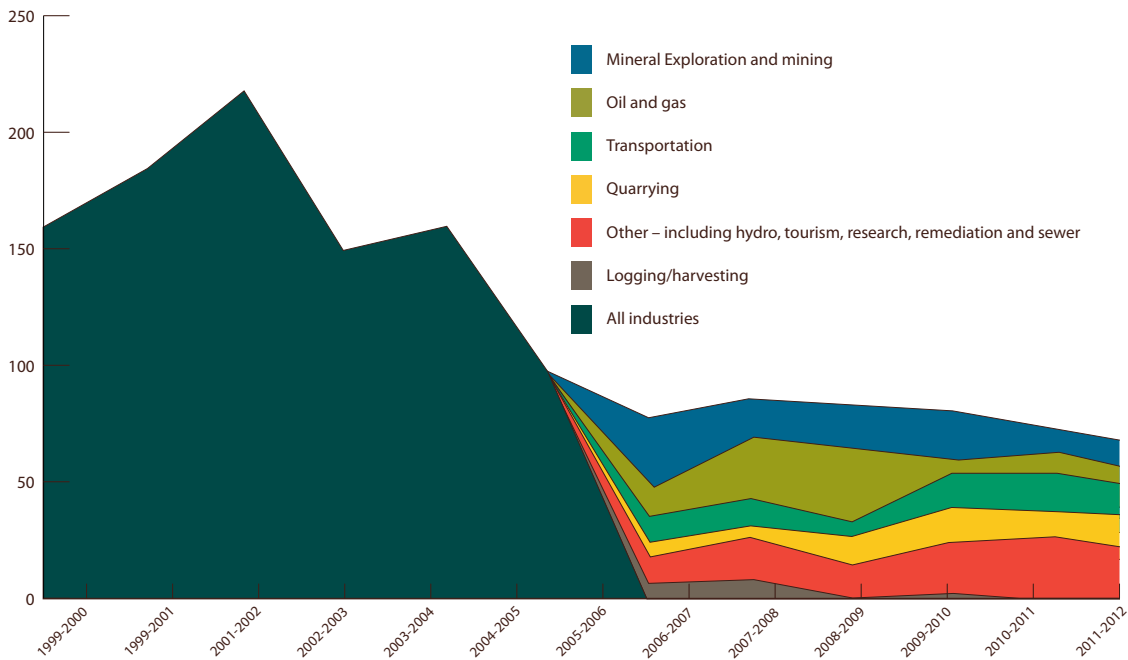
The Review Board reviewed 53 preliminary screenings in the 2011-12 operating year. In the annual report for 2010-11, the Review Board noted that the numbers of development applications had decreased slowly. This trend has continued.

The distribution among the various types of projects has changed from last year, with mining and mineral exploration presenting the single biggest sector, followed by transportation and then other, which includes sewage treatment, tourism and research. The number of applications for transportation and quarrying has decreased slightly from last year as well.

As in previous years, the Mackenzie Valley Land and Water Board conducted a majority of the preliminary screenings- 70% of all screenings. The other land and water boards conducted 26% and government agencies accounted for 4% of all screenings.

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 22, 1984 and have been exempt from preliminary screening.

### Preliminary screening trend in the Mackenzie Valley



## Map of environmental assessments and impact reviews during 2011-2012



ENEIR #	Proposed Development	Developer
1 EA112-001	Diamond Exploration	Alex Debogorski
2 EA0506-005	Mineral Exploration	Consolidated Goldwin Ventures Inc. / Encore Renaissance Resources Corp.
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	Aboriginal Affairs and Northern Development 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.

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## Environmental assessments and impact reviews summary

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.

Environmental assessment	Referred	Status at April 1, 2011	Status at Mar 31, 2012	Notes
<b>EA1112-001:</b> Alex Debogorski – Diamond Exploration Project	April 2011		EA complete and closed	Review Board issued Report of EA in January 2012, approving the proposed development. In February 2012, the Yellowknife Dene First Nation applied to the NWT Supreme Court for a judicial review of the decision.
<b>EA1011-001:</b> Thor Lake Rare Earth Elements Project – Avalon Rare Metals Inc.	June 2010	Avalon Rare Metals Inc. preparing Developer's Assessment Report	Board seeking clarification from Avalon on responses to 1st round of IRs	
<b>EA0809-004:</b> NICO Project – Fortune Minerals Ltd.	February 2009	Fortune Mineral's preparing its Developer's Assessment Report	Second round of focused IRs granted to parties March 2012	
<b>EA0809-003:</b> Yellowknife Gold Project – Tyhee NWT Corporation	September 2008	Tyhee preparing its Developer's Assessment Report	Developer's partial responses to Board IRs have been submitted	
<b>EA0809-002:</b> Prairie Creek Mine – Canadian Zinc Corporation	August 2008	Developer's Assessment Report received April 2010	EA complete and closed	Review Board issued Report of EA in December 2011, approving the proposed development.
<b>EA0809-001:</b> Giant Mine Reclamation and Remediation Project – Aboriginal Affairs and Northern Development Canada	April 2008	Developer preparing information request responses	Awaiting parties' technical reports	

Environmental assessment	Referred	Status at April 1, 2011	Status at Mar 31, 2012	Notes
<b>EA0708-007:</b> Taltson Hydroelectric Expansion Project – Dezé Energy Corporation Ltd.	October 2007	Adjourned at the request of the developer	Adjourned at the request of the developer	Review Board issued Report of EA in August 2010. In December 2010, Minister referred the Report of EA back for further consideration. The assessment was adjourned at request of developer in March 2011
<b>EA0506-005:</b> Mineral Exploration Program – Encore Renaissance Resources Corp. (formerly Consolidated Goldwin Ventures Inc)	September 2005	Review Board establishing procedure to conduct further consideration of its measures	Minister preparing response to Review Board's November 2011 Reasons for Decision	Review Board issued Report of EA in November 2007. At the request of the ministers, the Review Board further considered some of its measures, and released a Reasons for Decision in November 2011
<b>EA0506-006:</b> Mineral Exploration Program – Sidon International Resources Corp.	September 2005	Minister preparing response to Report of EA issued in February 2008	Minister preparing response to Report of EA issued in February 2008	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

Environmental Impact Review	Status at April 1, 2011	Status at Mar 31, 2012	Notes
<b>EIR0607-001:</b> Gahcho Kué Diamond Mine – De Beers Canada Inc.	Preparing responses to deficiency statement	De Beers completing responses to 1st round of information requests	Panel making preparations for technical meetings

## Ongoing environmental assessments

The following environmental assessment status updates are provided as of March 31st, 2012. Please visit the public registry at [reviewboard.ca](http://reviewboard.ca) for current status of these environmental assessments.

### **EA1011-001:** Avalon Rare Metals Inc. – Thor Lake Rare Earth Elements Project

[http://reviewboard.ca/registry/project.php?project\\_id=87](http://reviewboard.ca/registry/project.php?project_id=87)

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.

Avalon Rare Metals submitted its Developer's Assessment Report in May 2011. After conducting a conformity check, a deficiency statement was sent to the developer in August 2011. Avalon Rare Metals responded in Sept/Oct and



Fortune Minerals technical meeting in February 2012 in Yellowknife.

the Review Board found the DAR to be in conformity with the Terms of Reference in November 2011. Information requests were submitted by parties in December 2011 and January 2012 and responses were provided by the developer in January through March 2012. In late March 2012 the Board requested clarification from Avalon on responses to information requests specific to water quality issues.

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

[http://reviewboard.ca/registry/project.php?project\\_id=72](http://reviewboard.ca/registry/project.php?project_id=72)

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 determine 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'ezhii 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 and in June 2011 the Supreme Court ruled in favour of the Mackenzie Valley Environmental Impact Review Board. Tlicho government filed an appeal that same month but in February 2012 filed a Notice of Discontinuance of the appeal.

In May 2011, Fortune Minerals submitted its Developer's Assessment Report. Parties submitted information requests to the developer in October and Fortune responded to the information requests in December 2011. A technical meeting was held in February 2012 in Yellowknife and Fortune provided follow-up undertakings from the meeting later that month.

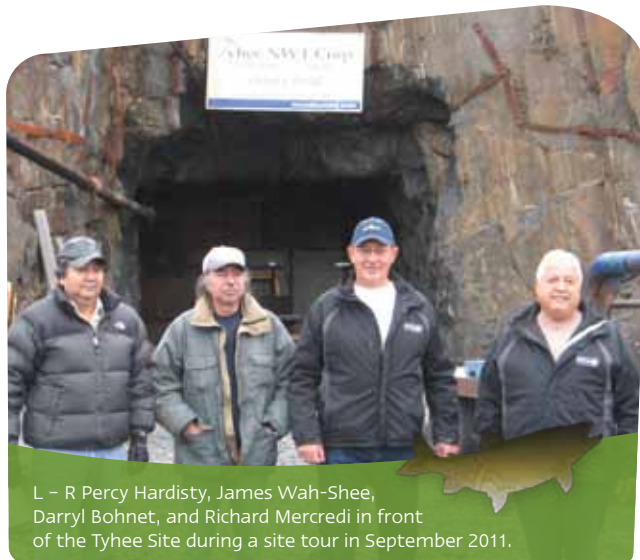
In March 2012, Aboriginal Affairs and Northern Development Canada and the Tlicho Government requested a second round of information requests. The Review Board granted a second round of information requests to be focused on key issues.

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

[http://reviewboard.ca/registry/project.php?project\\_id=71](http://reviewboard.ca/registry/project.php?project_id=71)

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



L – R Percy Hardisty, James Wah-Shee, Darryl Bohnet, and Richard Mercredi in front of the Tyhee Site during a site tour in September 2011.

the final Terms of Reference in May 2009. In May 2011, the developer submitted its Developer's Assessment Report. The Review Board issued information requests to address deficiencies in the report in August 2011. Partial responses were received from the developer in March 2012.

### **EA0809-001: Giant Mine Remediation Directorate, Aboriginal Affairs and Northern Development – Giant Mine Remediation**

[http://reviewboard.ca/registry/project.php?project\\_id=69](http://reviewboard.ca/registry/project.php?project_id=69)



Giant Mine technical meeting in Yellowknife in October 2011.

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



2010, the developer responded and the Review Board deemed the Developer's Assessment Report was in conformity with the Terms of Reference. This is the first environmental assessment where parties have been provided with participant funding. Aboriginal Affairs and Northern Development Canada announced participant funding allocations at the end of January 2011. The Review Board sent the developer 27 information requests in February 2011. Parties also submitted their own information requests. The Giant Team responded in June 2011. At the developer's request, technical meetings were delayed until October 2011. Following this, parties submitted their information requests in November 2011. The Giant Team responded in February 2012. Technical reports' deadlines were extended from mid-March to mid-April 2012 based on the developer's earliest availability for hearings.

## Environmental assessments completed and closed in 2011-12

### **EA1112-001:** Alex Debogorski – Diamond Exploration Project

[http://reviewboard.ca/registry/project.php?project\\_id=627](http://reviewboard.ca/registry/project.php?project_id=627)

This was an environmental assessment of a proposed small-scale diamond drilling program in the Drybones Bay area, within the area identified in previous EAs as the Shoreline Zone. It was referred to the Review Board in April 2011. The workplan was

released in April 2011, and information requests were issued in May 2011. The Review Board held a community information session in Dettah in July 2011, and held a hearing in N'Dilo in October 2011.

The Review Board considered potential cultural impacts, including cumulative impacts from this project in combination with other human activities. The Report of Environmental Assessment was issued by the Review Board in early January 2012. It determined that the proposed project is neither likely to significantly contribute to the previously identified cumulative adverse impacts on land use and culture, nor be a cause of significant public concern because of the very small scale of the project and its location within an area where the land is previously disturbed. The Yellowknives Dene First Nation have since initiated a judicial review of this decision

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

[http://reviewboard.ca/registry/project.php?project\\_id=70](http://reviewboard.ca/registry/project.php?project_id=70)

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



Alex Debogorski Diamond Exploration Project public hearing in N'Dilo in October 2011.

requests was completed, followed by a three day technical meeting, and then a second round of information requests focused on key remaining issues. A second technical meeting took place in April 2011 and follow-up commitments were provided by the developer in May.

Public hearings were held in Nahanni Butte and in Fort Simpson in June. Canadian Zinc Corporation submitted undertakings from the hearings in July and provided possible project modification in August related to achieving better water quality. Final submissions were submitted by parties and the developer in September and the public record was closed on September 22, 2011. The Review Board sent its Report of Environmental Assessment to the Minister of Aboriginal Affairs and Northern Development in December 2011. The Report stated that the proposed development as described in the Report of Environmental Assessment including the list of commitments made by the developer during the proceedings is not likely to have significant adverse impacts on the environment or be a cause of significant public concern. The Prairie Creek Mine project proceeded to the regulatory phase for approvals.



Canadian Zinc Corp. – Prairie Creek Mine public hearing in Nahanni Butte in June 2011.

## Completed environmental assessments under further consideration in 2011-12

The following environmental assessment status updates are provided as of March 31st, 2012.

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

[http://reviewboard.ca/registry/project.php?project\\_id=68](http://reviewboard.ca/registry/project.php?project_id=68)

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 in January 2010.

After careful deliberation, the Review Board recommended approving the development with measures to mitigate environmental and cultural impacts in August 2010. 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.

In December 2010, the Minister of Aboriginal Affairs and Northern Development 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, in March 2011, Dezé 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.

## Completed environmental assessments under ministerial consideration in 2011-12

### **EA0506-005: Encore Renaissance Resources Corp. (formerly Consolidated Goldwin Ventures Inc.) - Mineral Exploration Program**

[http://reviewboard.ca/registry/project.php?project\\_id=5](http://reviewboard.ca/registry/project.php?project_id=5)

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 and a response was received in later 2010. The Review Board then canvassed parties to the assessment to decide on the fairest way to proceed with the assessment using the current Review Board members.

Following a public hearing in September 2011, the Review Board further considered the evidence and revised most of its measures. The revisions clarify the responsibilities of government for implementing the measures, as well as the intent and desired outcomes of the original measures. The Review Board's recommendation to approve the project with the revised measures was resubmitted to the federal and responsible ministers for acceptance on November 16th, 2011.

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

[http://reviewboard.ca/registry/project.php?project\\_id=22](http://reviewboard.ca/registry/project.php?project_id=22)

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 Aboriginal 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, 2012, 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, 2012. 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**

[http://reviewboard.ca/registry/project.php?project\\_id=37](http://reviewboard.ca/registry/project.php?project_id=37)

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. 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.



Gahcho Kué environmental impact statement analysis session in Yellowknife in December 2011.



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 in March 2012. De Beers responded to the deficiency statement in May and July and the Panel found the Environmental Impact Statement to be in conformity with the Terms of Reference in July 2011. Participant funding was allocated to five organizations in September. The Panel hosted a five day Environmental Impact Statement Analysis Session in

Yellowknife in late November and early December, to facilitate further elaboration on the scope of development by the developer and face to face discussion of impacts between the parties. First round information requests were submitted by parties in January 2012 and by the end of March 2012, De Beers was completing responses to those information requests.



Gahcho Kué Panel members and support staff made a visit to the Diavik Diamond Mine in April 2012.

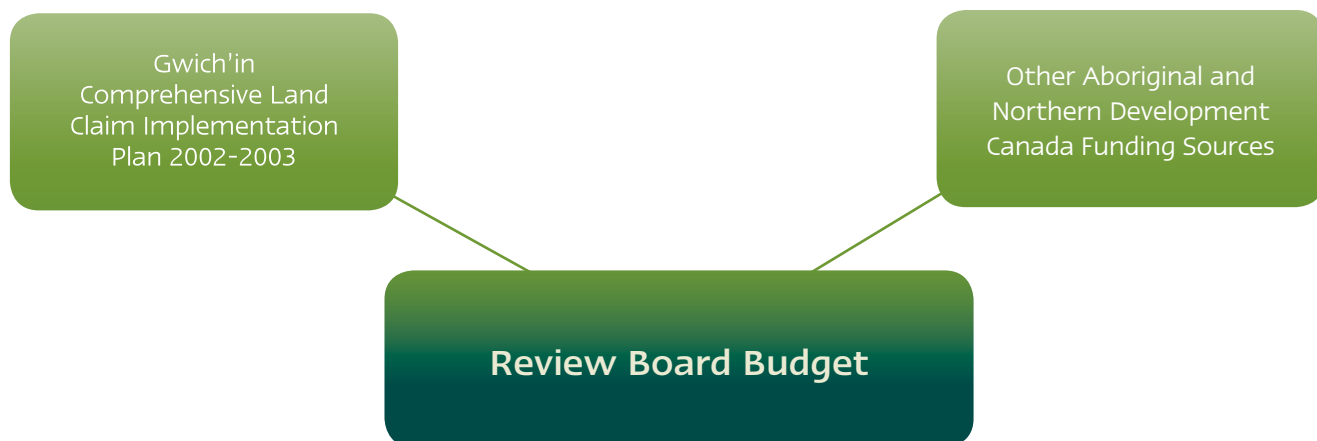
## Funding arrangements

Every year, the Review Board develops a business plan submission for Aboriginal Affairs and Northern Development Canada which describes the Review 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 every year in each of the past seven fiscal years between the Review Board and Aboriginal Affairs and Northern Development Canada.

Fiscal Year	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12
<b>Prior Fiscal Years 1</b>							
Core	2,398,324	2,381,604	2,419,011	2,479,947	2,513,599	2,567,390	2,596,590
Supplementary Funding	525,000	500,000	525,000	500,000	N/A	N/A	559,103
Deferred Contribution	331,219	351,822	341,396	614,182	750,000	683,896	119,564
<b>Total</b>	<b>\$3,254,543</b>	<b>\$3,233,426</b>	<b>3,285,407</b>	<b>3,594,129</b>	<b>3,263,599</b>	<b>3,251,286</b>	<b>3,275,257</b>

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 environmental impact review 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 2011-14

### 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.

### Vision:

Working together, balancing diverse values and making wise decisions that protect the environment for present and future generations.





## Key Goals

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

### Goal 1 A timely environmental assessment process

#### ► Strategy 1 A – Improve the efficiency and reduce the time required to complete the environmental assessment process

##### Tasks

- 1 Conclude an external review of the environmental impact assessment process and Review Board operations.
- 2 Implement the top priorities resulting from the external review of the environmental impact assessment process.
- 3 Develop and implement a communications plan regarding environmental assessment process improvements resulting from the process review.



Richard Edjericon, Chairperson, displays a copy of Stantec Consultants external review of the Review Board's environmental assessment process.

#### 4 Initiate talks with other agencies where the external environmental impact assessment process review identifies linkages to the timeliness of other processes within the overall environmental impact assessment process.

This year, the Review Board commissioned Stantec Consultants to conduct an external review of the environmental impact assessment process and board operations. During the review, the Review Board heard from industry, government and other stakeholders. Stantec Consultants outlined the priority issues identified by these groups. The concerns raised formed the basis for the Review Board's action plan to address the need for a more timely environmental assessment process that ensures fairness and transparency for all stakeholders. Many of the tasks identified in the action plan require consultation and collaboration with other organizations and stakeholders involved in Mackenzie Valley resource management. The action plan identified the resourcing requirements needed to begin work in completing these tasks and submit a funding proposal to Aboriginal Affairs and Northern Development Canada for funding during 2012-13. A communication plan to accompany the tasks was also developed.

#### ► Strategy 1 B – Balance effectiveness and efficiency

##### Tasks

- 1 Undertake a cost effectiveness evaluation of the Review Board's environmental assessment process.
- 2 Develop environmental assessment process improvements designed to increase public engagement in Aboriginal communities through improved accommodation of local culture and traditions. (2012-13)
- 3 Conduct regular "lessons learned" reviews of environmental assessments.

Tasks 1 and 3 were incorporated into the Board's external review of its EA process. The focus of the external review was to identify process improvements that would improve the timeliness and certainty of the EA process. A number of process improvement options were identified and selected for further study, stakeholder consultation and/or implementation; subject to available funding in 2012/13.

**4** Develop a plan for updating the Review Board's existing Environmental Impact Assessment Guidelines and Rules of Procedure and communicate the plan to stakeholders.

**5** Finalize the review and update the Environmental Impact Assessment Guidelines (2012-13).

**6** Develop supplementary guidelines and reference bulletins.

Tasks 4 and 6 were placed on hold this past year due to the external review of the process underway. The action plan coming from the external review identifies the revised completion dates for these initiatives. Completion dates will be subject to availability of funding for this initiative in 2012/13.

## Goal 2 Effective and efficient board operations

### ► Strategy 2 A – Improve adherence to environmental assessment work plan and operational timelines

#### Tasks

**1** Conduct an analysis of past environmental assessments to identify causes and durations of delays, as a basis for practical work planning in new environmental assessments; including a survey of stakeholder perspectives regarding environmental assessment process timelines and causes of delays that are incurred from time to time.

**2** Establish work plan performance standards and criteria. (2012-13)

**3** Determine to what extent work planning decision making can be delegated to staff. (2012-13)

Task 1 was placed on hold this past year due to the external review of the process underway. The action plan coming from the external review identifies the revised completion dates for this initiative.

### ► Strategy 2 B – Improve funding arrangements

#### Tasks

**1** Continue development of a rationalized budget development and approval process with Aboriginal Affairs and Northern Development Canada and in consultation with all Mackenzie Valley Resource Management Act partners.

**2** Pursue more effective communication with key Mackenzie Valley Resource Management Act partners to improve Review Board success in addressing critical funding (and other) issues.

In its funding submission for 2012/13, the Review Board submitted a funding options paper for the consideration of the Department of Aboriginal Affairs and Northern Development Canada. Funding options to achieve a more rational budget development and approval process was also raised in discussion with the Department of its Northern Regulatory Improvement Initiative. The Board will also be presenting these options in future discussions with the Gwich'in Implementation Committee leading up to renegotiation of the next 10 year Gwich'in land claim implementation plan between the Government of the Northwest Territories, the Gwich'in Tribal Council and the Government of Canada. The key issue that remains is that there needs to be a more responsive budget development and approval process to the strategic and business planning submissions prepared by the Review Board each year.

► **Strategy 2 C – Improve Board capacity and readiness to address change**

**Tasks**

- 1 Maintain reliable and quality IT service capacity and reliable infrastructure.
- 2 Maintain staff professional development and training.
- 3 Establish Review Board member professional development and training.
- 4 Complete a Management Risk Audit of the Review Board's operations. (unfunded)
- 5 Promote health and safety training for Board members and staff in the work place and while on duty travel. (2012-13)
- 6 Implement the ISO 9000 standard to the Review Board organization. (unfunded)

The Review Board continued to invest in both its IT infrastructure as well as its human resources this past year. A number of hardware and software purchases were made to ensure the Review Board's IT services were maintained and performing at top capacity.

Review Board members and staff attended a variety of training and professional development sessions during the year to stay abreast of current and emerging topics related to carrying out quality and timely environmental impact assessment.

Tasks 4 and 6 were unfunded this year and so little work was done on these two tasks.

## Goal 3 Public and stakeholder needs are met

► **Strategy 3 A – Improve the provision of timely communications and information to stakeholders and the public**

**Tasks**

- 1 Conduct multi-year surveys to measure communications effectiveness and Review Board and environmental assessment process awareness as follows:
  - i. Communications effectiveness – website, newsletter, information documents
  - ii. Stakeholder and community awareness of Review Board and process (2012-13)
  - iii. Environmental scan (2013-14)

- 2 Stakeholder evaluation of timeliness and efficiency in achieving environmental assessment work plans.

An informal survey was sent out to website users in the summer of 2011 gathering feedback from users about the functionality of the website and the information presented there. This feedback, in addition to anonymous usage statistics formed the basis for the website improvement work completed later in the winter.

- 3 Develop a plan with Aboriginal Affairs and Northern Development Canada to:

- i. Implement French language services to meet the Review Board's obligations pursuant to the *Official Languages Act* of Canada, and
- ii. Continue to improve aboriginal language services to assist participants in the Review Board's environmental assessment processes. (unfunded)

This task was once again unfunded. The Review Board did however implement a policy for paying a bilingual bonus to its employees, who are proficient in two or more of the

official languages used in the Mackenzie Valley, Northwest Territories and assists the Review Board in the delivery of services in that language.

### ► **Strategy 3 B – Enhance the communications toolkit to address target audiences**

#### **Tasks**

- 1 Improve the functionality of the website for user friendliness, accessibility and scope.
- 2 Improve the newsletter to be easier to download and read.
- 3 Develop effective materials and methods to improve media understanding of Review Board mandate and process.
- 4 Improve general awareness of the Review Board through more effective utilization of media.

With supplemental financial support from the Review Board Relations Secretariat Regulatory Support Program, the Review Board's website underwent a cosmetic and functional makeover this past year. The public registry was updated to include:

- a preliminary screening and transboundary notifications database;
- the ability to upload larger files
- more meta data for each file uploaded to the registry;
- workplan progress tracking documents; and
- improved search engine capabilities.

In addition, the website's new overall look was modernized and designed to be mobile and tablet friendly. The Review Board's newsletter was also revised to make it easier to download and distribute and also be presented in a more appealing way on the website.

This year the Review Board also began issuing more frequent media advisories and news releases about upcoming environmental assessment milestones and decisions. The Review Board also continued to purchase radio and newspaper ads, as well as used the website and social media to advertise for upcoming public environmental assessment events. The Review Board also hired a media relations expert to provide training to potential spokespersons on staff.

### ► **Strategy 3 C – Increase community awareness of the environmental assessment process**

#### **Tasks**

- 1 Attendance at annual assemblies by a Review Board member and one staff person to explain Review Board mandate and process.
- 2 Visits by Review Board member(s) and staff to communities likely to be affected by a proposed development to explain Review Board mandate and process.

Review Board representatives attended three 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.



Review Board staff members Stacey Menzies and Paul Mercredi chat with a Lutsel K'e Career fair participant in Lutsel K'e, NT in April 2012.

#### First Nation Assemblies attended:

Akaiicho Assembly - July 5th – 7th, 2011; Lutsel K'e, NT

Tlicho Gathering - July 5th – 7th, 2011; Whati, NT

Dene Nation Assembly – July 12th – 14th, 2011; Fort Providence, NT

#### Tradeshaw booth appearances:

Inuvik Petroleum Show, June 13th – 15th, 2011; Inuvik, NT

Yellowknife Geosciences Forum, November 15th - 17th, 2011; Yellowknife, NT

Mineral Exploration Round-up, January 23rd - 26th, 2012; Vancouver, BC

**3** Provide plain language handouts in English and relevant Aboriginal language.

**4** Continue with Aboriginal language workshops and glossary development.

**5** Develop a pamphlet to inform stakeholders on access to participant funding in both settled and unsettled claim areas.

The Review Board developed a plain language handout describing the environmental impact assessment and regulatory processes. This pamphlet was handed out at community meetings, tradeshaws and to stakeholders as appropriate. It was not translated due to insufficient aboriginal language funding in 3.A.3. The Review Board decided not to develop a pamphlet for participant funding this year since the program funding is managed by Aboriginal Affairs and Northern Development Canada.

Since 2002, the Review Board has held terminology workshops to translate technical terms that are often used in environmental assessments. This year, the focus of the workshops was not to translate new terms, but to edit the existing glossaries to make sure the terms are up to date and every word has an acceptable and understandable definition and translation.

Terminology workshops are a good opportunity for people to learn not only new developments in environmental assessments, but also about the land and their language. Workshops were conducted in Tlicho (including the Weledeh dialect), Gwich'in, Chipewyan and Sahtu and Dehcho languages.

## Goal 4 An effective role within an integrated resource management system

### ► Strategy 4 A – Improve partnerships/relationships to achieve common goals

#### Tasks

**1** Develop and implement initiatives for improving key partnerships/relationships.

**2** Continue to facilitate the development of consolidated research priorities for the NWT Board Forum and communicate those priorities to individuals and organizations that fund or conduct research in the Northwest Territories.

**3** Initiate a process with other Mackenzie Valley Resource Management Act boards to identify opportunities to more actively work together, including the sharing or resources/processes; including exploring possible office space co-location options with the Mackenzie Valley Land and Water Board.

The Review Board continued as an active participant of the NWT Board Forum during 2011/12. Much of the focus of the Board Forum was addressing strategic concerns including, providing advice to Aboriginal Affairs and Northern



Staff members from both the Mackenzie Valley Review Board and the Mackenzie Valley Land and Water Board joined forces to take first place in the corporate challenge at the Long John Jamboree in Yellowknife, March 2012.



Development Canada on improvements to the Mackenzie Valley Resource Management Act, developing a consensus on Board roles and responsibilities for implementation of Section 35 of the Constitution Act responsibilities for aboriginal consultation, and Board Forum member training requirements.

The Review Board has also developed a proposal to co-locate the Review Board and Mackenzie Valley Land and Water Board Offices. It is now with the Mackenzie Valley Land and Water Board for consideration. If approved, co-location will provide a “one stop shop” for the public and facilitate improved and timely communication between the two Boards including more efficient sharing of common resources such as reception, IT, and Board Room resources.

#### ► **Strategy 4 B – Clarify roles and functions with regulatory boards**

##### **Tasks**

**1** Continue to implement existing Cooperation Agreements, Memorandums of Understandings with neighbouring environmental impact assessment jurisdictions regarding trans-boundary processes, information sharing and best practices and seek to conclude an agreement with the Province of Alberta initially and then with Saskatchewan and British Columbia.

**2** Conduct Review Board and staff level meetings with departments who are responsible ministers and the National Energy Board to facilitate timely information exchange and relationship building.

**3** Encourage increased information flow between the Review Board and regulators regarding respective processes and outcomes.

A phase 1 cooperation agreement is now in place with Alberta Environment and the Review Board now receives regular notifications of proposed developments in Alberta within the Mackenzie River watershed. A more comprehensive phase 2 agreement with the Province of Alberta will be discussed further in 2012/13.



Stephen Mills, Chairperson, Yukon Environmental and Socio-economic Assessment Board and Richard Edjericon, Chairperson, Review Board shake hands during a joint Board discussion in the Review Board's boardroom, June 2012.

Discussion has now commenced with Saskatchewan Environment on a similar transboundary cooperation agreement to that in Alberta. The establishment of an agreement with Saskatchewan should be in place by the end of 2012/13 fiscal year.

The external EA Process Review undertaken by the Review Board in 2011/12 also examined how information flow between the Review Board and regulators can occur. Some improvements have been identified and will be considered for implementation in 2012/13, particularly with main regulators, being the Land and Water Boards.

**4** Promote a bi-annual, pan-northern “Best Practices in Integrated Resource Management - including EIA” conference in collaboration with neighbouring trans-boundary cooperation agreement (MOU) partners. (2013-14)

**5** 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 the Act's administrative and funding issues.

**6** 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.

The Review Board continued to strive for improved communication with all partners as described in Task 5 through its business planning, attendance at First Nation Assemblies and Board Forum activities.

Regarding Task 6, specifically, the Review Board continued as an active participant of the NWT Board Forum during 2011/12. Much of the focus of the Board Forum was on addressing strategic concerns including, providing advice to Aboriginal Affairs and Northern Development Canada on improvements to the Mackenzie Valley Resource Management Act, developing a consensus on Board roles and responsibilities for implementation of Section 35 of the Constitution Act responsibilities for aboriginal consultation, and Board Forum member training requirements.

**7** Review and update the roles and responsibilities of preliminary screeners and other referral organizations described in the Review Board's Preliminary Screening Guidelines in consultation with those organizations.

**8** Identify improvements that would better facilitate responsible minister acceptance of measures.

**9** 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. (2013-14)

Guideline development was suspended in 2011/12 to focus on an external review of the Review Board's environmental assessment process. It was decided that the results of the external review could have a significant impact on the content of proposed guideline documents and how the Review Board may be able to enhance ready acceptance of measures in a report of environmental assessment by responsible

Ministers. As a result, these tasks were placed on hold. They are to be incorporated into the Review Board's EA process improvement action plan to be initiated in 2012/13.

## ► **Strategy 4 C - Facilitate establishment of an effective environmental assessment follow-up program**

### **Tasks**

**1** Promote the development of a multi-stakeholder plan to monitor, report and evaluate implementation, including enforcement, of Review Board predictions, measures and suggestions; including:

- i. Development of generic reporting requirements to be identified as a measure in Review Board reports of environmental assessment and impact review as required
- ii. Development of a database of previous measures and tracking of implementation results in Aboriginal Affairs and Northern Development Canada and other responsible government departments. (2013-14)

Follow-up to environmental assessment continues to be an area in which the Review Board sees room for improvement. The Review Board continues to await the outcomes of efforts by Aboriginal Affairs and Northern Development Canada to implement an environmental assessment (measures, commitments and suggestions) tracking system.

## Financial Statements

March 31, 2012

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## 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, 2012 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 for such 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 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, 2012 and the results of its operations for the year then ended in accordance with Canadian generally accepted accounting principles.

Yellowknife, Northwest Territories  
June 18, 2012

*Mackay LLP*  
Chartered Accountants

## Statement of Operations - Operating Fund

For the year ended March 31,	Budget 2012	Actual 2012	Actual 2011
<b>Revenue</b>			
Department of Indian Affairs and Northern Development			
- Claims Implementation	\$ 3,116,154	\$ 3,156,182	\$ 2,567,390
- Environmental Assessment Process Review	-	-	45,000
- Environmental Impact Review	-	400,000	33,095
- Website development	-	35,000	1,685,167
Other	-	134	413
Deferred contribution from prior year	119,564	144,509	819,425
	<b>3,235,718</b>	<b>3,735,825</b>	<b>3,528,843</b>
<b>Repayable surplus contribution</b>	-	-	30,182
	<b>3,235,718</b>	<b>3,735,825</b>	<b>3,498,661</b>
<b>Expenses</b>			
Administration	160,370	183,483	135,652
Canadian Environmental Assessment Agency			
- 1/3 share of Joint Review Panel costs	-	-	24,329
Communications	107,864	55,771	102,072
Honoraria	539,680	537,719	543,406
Office rent	246,600	287,520	272,463
Professional fees	539,860	814,630	578,540
Salaries, wages and benefits	1,204,815	1,370,324	1,435,035
Travel board	208,489	173,848	196,832
Travel staff	108,475	41,317	58,859
	<b>3,116,153</b>	<b>3,464,612</b>	<b>3,347,188</b>
<b>Excess of revenue over expenses before transfer</b>	<b>119,565</b>	<b>271,213</b>	<b>151,473</b>
<b>Transfer to equipment fund (Note 4)</b>	-	(6,137)	(6,964)
<b>Excess of revenue over expenses</b>	<b>119,565</b>	<b>265,076</b>	<b>144,509</b>
<b>Transfer to deferred contributions (Note 9)</b>	-	(265,076)	(144,509)
<b>Excess revenue</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>



## Statement of Changes in Equipment Fund

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For the year ended March 31,	2012	2011
Opening balance	\$ 34,340	\$ 45,826
Transfer from operating fund (Note 3)	6,137	6,964
Amortization	(15,165)	(18,450)
Closing balance	\$ 25,312	\$ 34,340

## Statement of Financial Position

As at March 31,	2012	2011
<b>Assets</b>		
<b>Current</b>		
Cash	\$ 444,057	\$ 313,046
Temporary investments (Note 5)	20,130	20,000
Accounts receivable (Note 6)	47,769	21,176
Prepaid expenses	1,265	1,124
	<b>513,221</b>	<b>355,346</b>
<b>Equipment (Note 7)</b>	<b>25,312</b>	<b>34,340</b>
	<b>\$ 538,533</b>	<b>\$ 389,686</b>
<b>Liabilities</b>		
<b>Current</b>		
Accounts payable and accrued liabilities	\$ 217,963	\$ 180,655
Contributions repayable (Note 8)	30,182	30,182
Deferred contributions (Note 9)	265,076	144,509
	<b>513,221</b>	<b>355,346</b>
<b>Net Assets</b>		
<b>Equipment fund</b>	<b>25,312</b>	<b>34,340</b>
	<b>\$ 538,533</b>	<b>\$ 389,686</b>

Approved on behalf of the Board

 Director

 Director

## Statement of Cash Flows

For the year ended March 31,	2012	2011
Cash provided by (used in)		
<b>Operating activities</b>		
Excess revenue	\$ -	\$ -
Change in non-cash operating working		
Accounts receivable	(26,594)	60,616
Prepaid expenses	(140)	2,979
Accounts payable and accrued liabilities	37,309	(139,724)
Contribution repayable	-	7,578
Deferred contributions	120,566	(674,918)
	<b>131,141</b>	<b>(743,469)</b>
<b>Investing activities</b>		
Purchase of equipment	(6,137)	(6,964)
Investment in Equipment Fund	6,137	6,964
	-	-
<b>Change in cash position</b>	<b>131,141</b>	<b>(743,469)</b>
<b>Cash position, beginning of year</b>	<b>333,046</b>	<b>1,076,515</b>
<b>Cash position, end of year</b>	<b>\$ 464,187</b>	<b>\$ 333,046</b>
<b>Represented by</b>		
Cash	\$ 444,057	\$ 313,046
Temporary investments	20,130	20,000
	<b>\$ 464,187</b>	<b>\$ 333,046</b>

# Notes to Financial Statements

March 31, 2012

## 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.

### (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.

# Notes to Financial Statements

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March 31, 2012

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## 2. Significant Accounting Policies (continued)

### (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 straight line 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 not for profit 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.

## 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 not-for-profit organizations ("GNPO's") that have been preparing their financial statements in accordance with accounting standards for not-for-profit 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 \$6,137 (2011 – \$6,964) were transferred from the Operating Fund to the Equipment Fund for the acquisition of assets.



## Notes to Financial Statements

### March 31, 2012

#### 5. Temporary Investments

The temporary investments are made of flexible Guaranteed Investment Certificates. They bear interest at 0.7% and mature on October 17, 2012.

#### 6. Accounts Receivable

	2012	2011
Goods and Services Tax	\$ 36,063	\$ 6,676
Other	11,706	4,500
	<b>\$ 47,769</b>	<b>\$ 21,176</b>

#### 7. Equipment

			2012	2011
	Rate	Cost	Accumulated Amortization	Net Book Value
Furniture and fixtures	20%	\$ 115,614	\$ 104,372	\$ 11,242
Leasehold improvements	20%	99,876	88,426	11,450
Computer hardware	3 yr S/L	48,715	46,095	2,620
		<b>\$ 264,205</b>	<b>\$ 238,893</b>	<b>\$ 25,312</b>
				<b>\$ 34,340</b>

#### 8. Contributions Repayable

	2012	2011
Department of Aboriginal Affairs and Northern Development – Joint Review Panel	\$ 30,182	\$ 30,182

# Notes to Financial Statements

March 31, 2012

## 9. Deferred Contributions

	2012	2011
Department of Aboriginal Affairs and Northern Development		
– Claims Implementation	\$ 264,546	\$ 119,565
– Environmental Impact Review Panel	530	24,944
	<b>\$ 265,076</b>	<b>\$ 144,509</b>

## 10. Capital Disclosure

The Board's objectives when managing capital are to safeguard the Board's ability to continue as a going concern, so that it can continue carryout its mandate.

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:

	2012	2011
Current Assets	\$ 513,221	\$ 355,346
Current Liabilities	513,221	355,346
	<b>\$ -</b>	<b>\$ -</b>

## 11. Commitments

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

2013	\$ 292,050
2014	292,050
2015	286,667
2016	142,437
	<b>\$ 1,013,204</b>

## 12. Related Party Transactions

During the year, honoraria and travel expenditures were paid to members of the Board of Directors. These expenditures were in the normal course of the Board's operations.

## Notes to Financial Statements

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**March 31, 2012**

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### **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.

### **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 Aboriginal Affairs and Northern Development. Management is of the opinion that if the funding was reduced or altered, operations would be significantly affected.

### **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 the Gov't of Canada.

### **17. Contingent Liability**

During the year, a former employee filed a statement of claim with the Supreme Court of the Northwest Territories against the Mackenzie Valley Environmental Impact Review Board, which claimed wrongful dismissal. At this time it is not possible to provide an estimate of the potential claim; therefore, no amount for the contingent liability has been recorded in the financial statements at March 31, 2012.

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