

Mackenzie Valley
Review Board



2012-13 Annual Report



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Our mission

To conduct independent, 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 teamwork;
- 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 Environmental Impact Review Board

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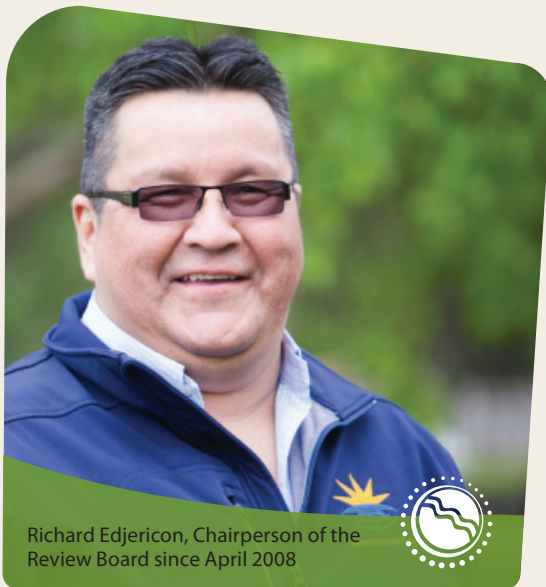
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Message from the Chairperson



Richard Edjericon, Chairperson of the Review Board since April 2008

There were two major challenges facing the Review Board in 2012-13 above all others. The first was to pursue its top goal of conducting a timely environmental assessment process with utmost vigour and discipline. The second was to position the Review Board for the ready implementation of anticipated legislative changes to the Mackenzie Valley Resource Management Act resulting from the federal government's Northern Regulatory Action Plan. This latter challenge included the implementation of an environmental impact assessment process improvement action plan developed by the Board to complement the government's plans for legislative change.

2012-13 brought with it the "perfect storm" in environmental assessment activity. This included nine active environmental assessment files and one environmental impact review. All of the Review Board's environmental assessments were mining-related developments, with the exception of Deze Energy's proposed Taltson Hydroelectric Expansion project and an exploratory oil drilling development involving hydraulic fracturing technology. However, the latter referral was withdrawn by the developer before the environmental assessment was initiated.

The four largest files converged on a schedule where technical sessions, public hearings, deliberation and report writing phases occurred primarily within the same six month period of the year. The work load was intense for Board members and staff. Meeting the timelines set in each work plan was the top priority. To do so, the Board was forced to incur a significant shortfall in its operating budget; in addition, staff was reduced by four indeterminate and two term positions. As well, office space was reduced by a similar amount. Despite these challenges the Board and staff remained focused on carrying timely, thoughtful environmental impact assessments, and opted to defer other strategic objectives due to these operational realities.

Implementation of the Board's EIA process improvement action plan remains a top priority once sufficient funding allows. The action plan will require the financial support of Aboriginal Affairs and Northern Development Canada. During the course of the year, the Review Board released one Report of Environmental Assessment while two others and one Report of Environmental Impact Review are nearing completion.

The Review Board will be carrying over seven environmental assessments into the next fiscal year. 2013-14 will be another busy year for the Review Board. Board funding is expected to be limited once again as the Board must also address the funding shortfall from 2012-13 in addition to the on-going growth in environmental impact assessment activity in the Mackenzie Valley. In this era of fiscal restraint, we all must remain vigilant to ensure all operations are conducted in a way which maximizes efficiency without sacrificing quality.

We look forward to the 2013-14 fiscal year and hope you will continue to work with us so 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.

This year, two board members completed their terms. Peter Bannon, a federal nominee completed his three year term that started May 25th 2009 and concluded May 24th 2012. Danny Bayha, who was the Sahtu nominee, began his term in October

2000 and concluded his term in November 2012, after being re-appointed several times.

There were two appointments made to the Review Board in the 2012-13 fiscal years. John Curran was nominated by the federal government and was appointed to the Review Board in July 2012. Sunny Munroe, a second federal nominee, was appointed to the Board in September 2012. As of March 31st 2013, there are 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 the Sahtu nominated position, vacant since the expiry of Danny Bayha's term.

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, 2013, five of the seven members are of Aboriginal descent, and two are long-time non-Aboriginal northerners. The members are:

Richard Edjericon, Chairperson

James Wah-Shee (Tlicho nominee)

Percy Hardisty (Dehcho nominee)

John Curran (Federal nominee)

Sunny Munroe (Federal 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. Prior to March 19th, 2013 Ms. Rachel Crapeau chaired the Review Board's Governance Committee; Mr. James Wah-Shee chaired the Finance Committee and the



James Wah-Shee



Percy Hardisty



John Curran



Rachel Crapeau



Richard Mercredi



Sunny Munroe



Danny Bayha

Chair of the Human Resources Committee was Mr. Richard Mercredi. As of March 19th 2013, the Board has consolidated its Board Governance committee, Finance committee and the Human Resources into one larger, more efficient and inclusive Committee of the Whole.

Review Board Staff

In 2012-13, there were a number of staffing changes at the Review Board office. Ms. Renita Jenkins began her maternity leave at the end of April 2012. Mr. Travis Schindel, the Review Board's Executive Advisor, filled in for Renita as Acting Head of Communications/Executive Advisor. In November 2012, Travis who has been with the Board since January 2010, accepted the position of Contracts Co-ordinator with DeBeers Canada.

In March 2012, Ms. Jessica Simpson began her maternity leave and Ms. Stacey Menzies was appointed Acting Community Liaison Officer to backfill Ms. Simpson's position. Ms. Marilyn Martin left as secretary to pursue other career goals in June 2012. Ms. Jacey Firth-Hagen was recruited as a temporary secretary for the Board in June 2012 and was subsequently retained as a term Secretary-Receptionist until February 2013.

In July 2012, Nicole Spencer, an Environmental Assessment Officer with the Board accepted employment with BHP as an environmental analyst. She had worked at the Board since

June 2008. Ms. Roxane Landry was hired as the Finance and Administrative Officer in July 2012. Ms. April Taylor was hired in December 2012 to fill the position of Executive Advisor. Ms. Cailin Maki was our Summer Intern for 2012; she started in July and was very resourceful and was kept on until February 2013. Carol Luttmer was hired in September 2012 as an Environmental Assessment Officer.

Due to fiscal constraints, there were several reductions in Review Board Staff: two Environmental Assessment Officers; Head of Communications, Community Liaison Officer, Executive Advisor, and the Secretary-Receptionist position. The Head of Communications, Renita Jenkins, had been with the Board since September 2004 and had been instrumental in the Board's public engagement and communications strategies. Community Liaison Officer Jessica Simpson had been with the Board since May 2011. Term environmental Assessment Officer Paul Mercredi had been with the Board since July 2008, while Environmental Assessment Officer Shannon Hayden had been on staff at the Review Board since January 2012.

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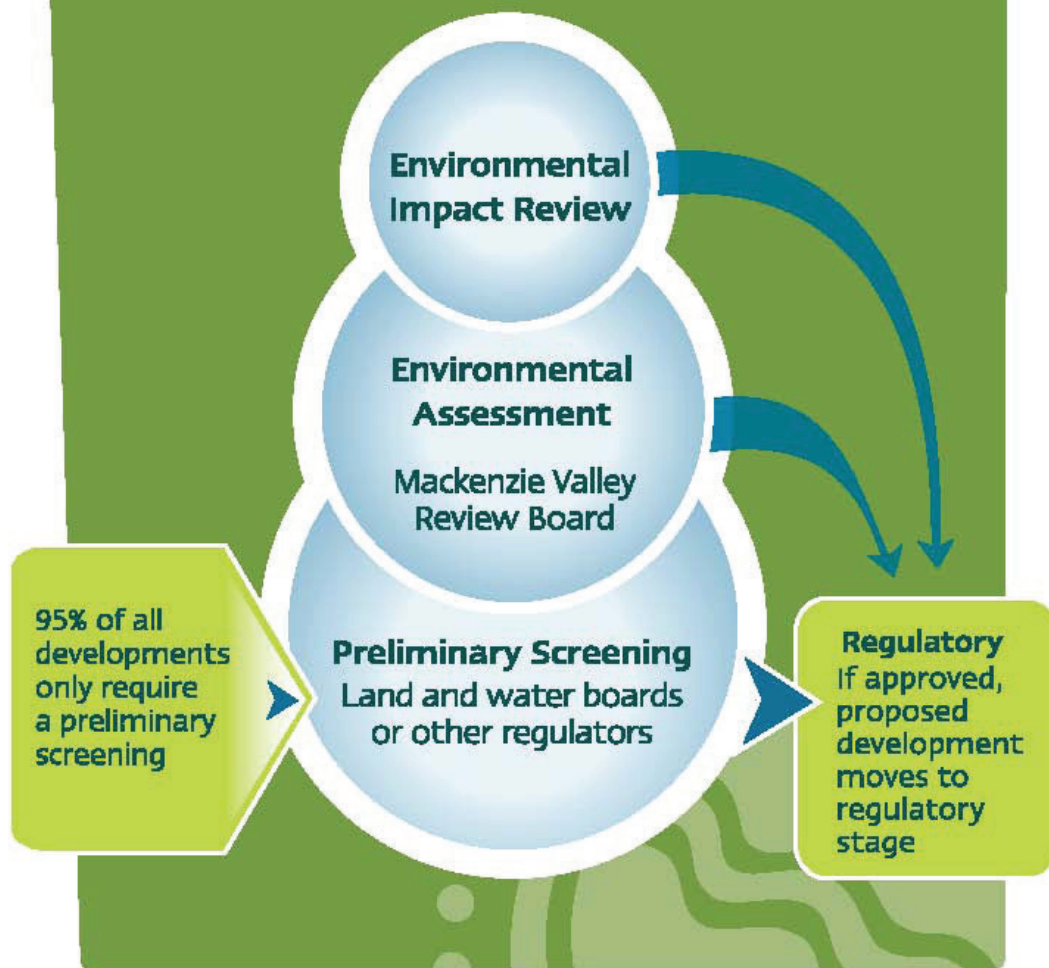
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Three stages of Environmental Impact Assessment



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 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 other 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 certain mitigation measures are put in place; or
- c) a recommendation that the project be rejected.



Board members: Danny Bayha, Rachel Crapeau, Richard Mercredi, Chairperson Richard Edjericon, James Wah-Shee, Percy Hardisty, and John Curran.

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 63 preliminary screenings in the 2012-13 operating year. As summarized in the annual report for 2011-12, the Review Board examined 53 preliminary screenings. The distribution among the various types of projects has changed from last year, with quarrying representing the single largest sector, followed by both mineral exploration, land mining as well as gas exploration. These sectors were followed by Other which included remediation, sewage treatment, tourism and research. The Other category was followed by transportation. As in previous years, the Mackenzie Valley Land and Water Board conducted a majority of the preliminary screenings- 57% of all

screenings. The other land and water boards conducted 41% and government agencies accounted for 2% of all screenings.

By screener for 2012-13

Mackenzie Valley Land and Water Board: 36

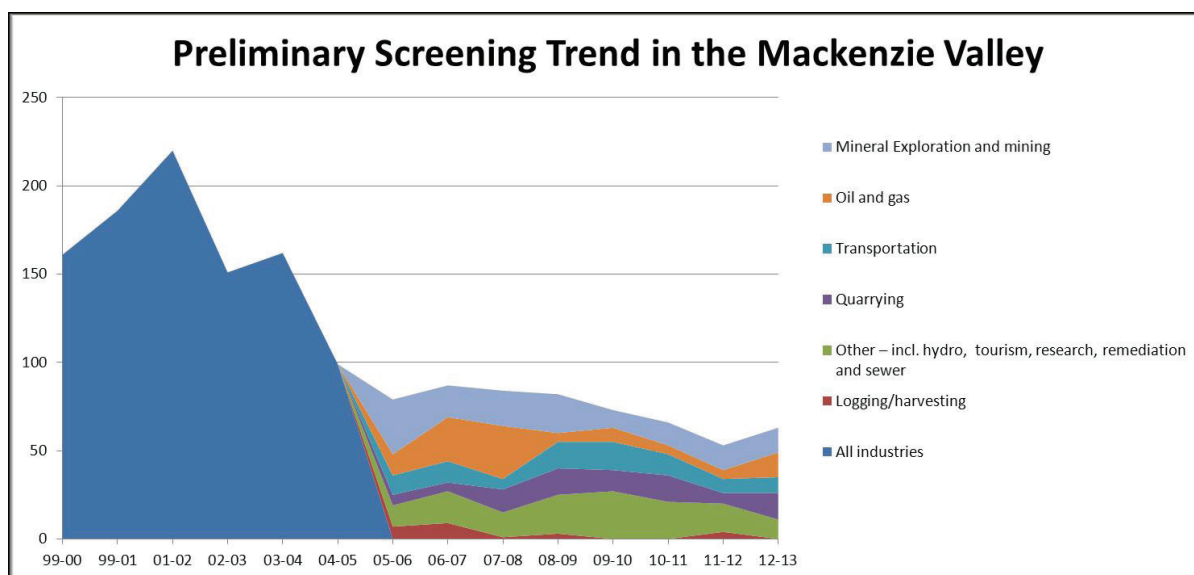
Gwich'in Land and Water Board: 6

Sahtu Land and Water Board: 19

Wek'eezhii Land and Water Board: 1

Government of Northwest Territories: 1

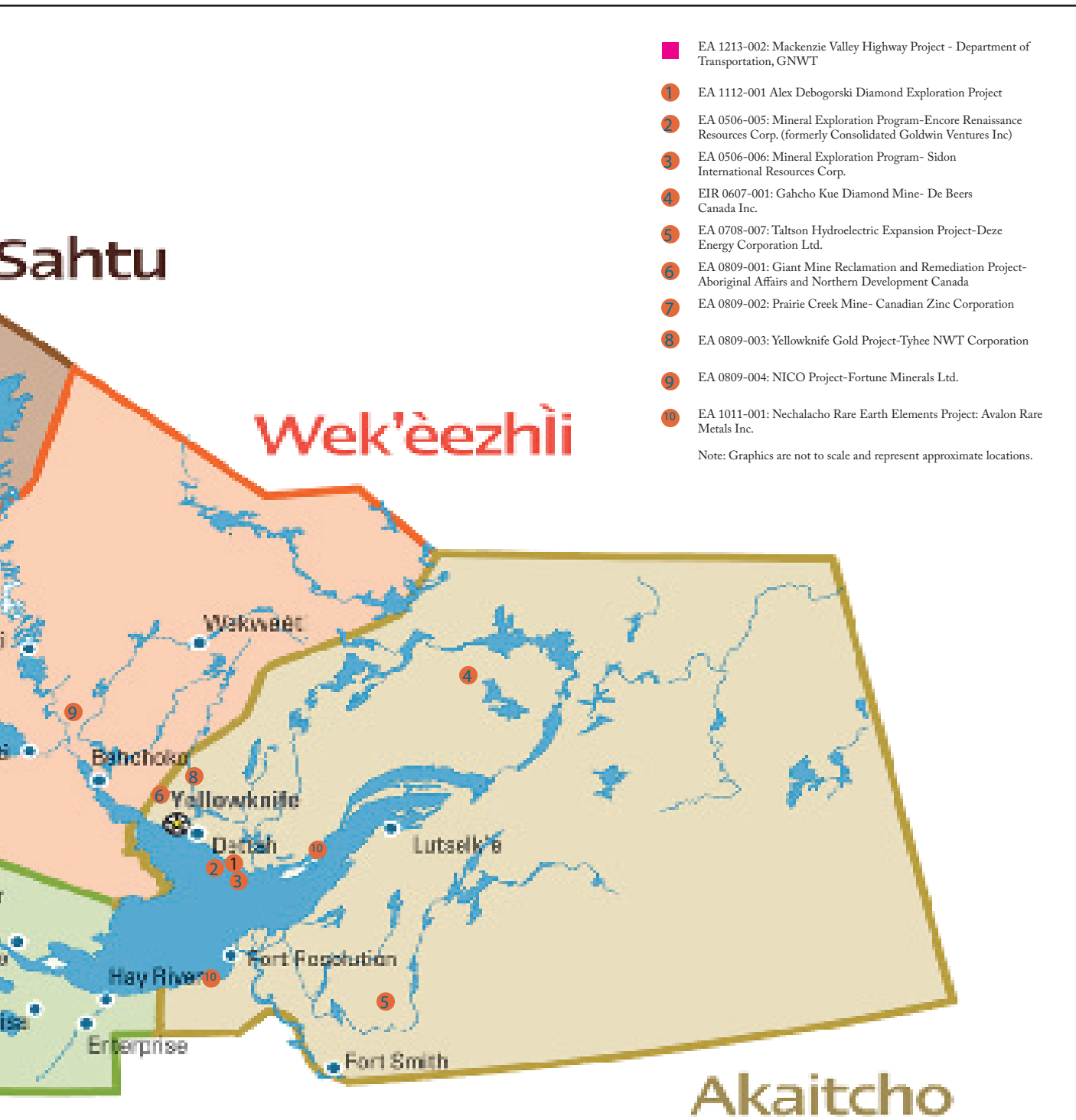
Preliminary screening trend in the Mackenzie Valley



The figures in the graph 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.

Map of environmental assessments and impact reviews during 2012-2013





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, 2012	Status at March 31, 2013	Notes
EA1213-002: Department of Transportation-Mackenzie Valley Highway Project	February 2013	---	Notice of Environmental Assessment published.	
EA1112-001: Alex Debogorski – Diamond Exploration Project	April 2011	---	EA complete and closed.	Review Board issued Report of Environmental Assessment in January 2012, approving the proposed development. In February 2012, the Yellowknives Dene First Nation applied to the NWT Supreme Court for a judicial review of the decision. Decision pending.
EA1011-001: Nechalacho Rare Earth Elements Project – Avalon Rare Metals Inc.	June 2010	Avalon responds to Review Board information requests.	Final submissions March 19 and 21. Public record closed April 3.	Review Board begins preparing Report of Environmental Assessment after April 3, 2013.
EA0809-004: NICO Project – Fortune Minerals Ltd.	February 2009	Parties preparing second round information requests.	Review Board awaiting decision from AANDC.	Report of Environmental Assessment sent to AANDC Minister and Tlicho Government January 25, 2013 approving project with measures.
EA0809-003: 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.	Remaining responses expected in 2013.
EA0809-002: Prairie Creek Mine – Canadian Zinc Corporation	August 2008	Environmental Assessment completed and closed.	Minister accepts Board decision June 8, 2012.	Review Board issued Report of EA in December 2011, approving the proposed development.

Environmental assessment	Referred	Status at April 1, 2012	Status at March 31, 2013	Notes
EA0809-001: Giant Mine Reclamation and Remediation Project – Aboriginal Affairs and Northern Development Canada	April 2008	Developer preparing information request responses .	Board deliberation.	Board is considering responses to additional information requests received March 2013, and finalizing the Report of Environmental Assessment
EA0708-007: 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 Environmental Assessment in August 2010. In December 2010, Minister referred the Report back to the Board for further consideration. The assessment was adjourned at the request of the developer in March 2011
EA0506-005: 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 Environmental Assessment 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
EA0506-006: 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 Environmental Assessment 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, 2012	Status at March 31, 2013	Notes
EIR0607-001: Gahcho Kué Diamond Mine – De Beers Canada Inc. Ordered to EIR, June 2006	Developer preparing responses to information requests	Panel preparing Report of Environmental Impact Review.	Public record closed January 3, 2013.

Ongoing environmental assessments

The following environmental assessment status updates are provided as of March 31st, 2013. Please visit the public registry at reviewboard.ca for current status of these environmental assessments.

EA 1213-002: Department of Transportation - Mackenzie Valley Highway Project

http://reviewboard.ca/registry/project.php?project_id=672

The Department of Transportation proposes to construct an all weather gravel highway up the Mackenzie Valley from Wrigley to the Dempster Highway near Inuvik. Public notice of this environmental assessment has been published.

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

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 September/October and 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 March 2012, the Board requested clarification from Avalon in responses to information requests specific to water quality issues. Technical meetings were held in Yellowknife from August 14th to the 17th, 2012. In September, the Board submitted a second round of focused information requests to Avalon. The developer responded to these requests for information in October.

Parties submitted technical reports to the Board at the end of November 2012 and public hearings were held in Yellowknife from February 18th to 20th, and in Fort Resolution on February 22nd, 2013. Closing comments were submitted by parties on March 19th and by Avalon on March 21st. The public record was closed on April 3rd, 2013.

EA0809-004: Fortune Minerals Ltd. – NICO Project

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



A pre-hearing conference meeting held at the Review Board boardroom.

that the environmental assessment be put on hold until access road applications acceptable to the We'keezhii 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.

The second round of information requests from parties to Fortune were submitted in April and responses from the developer were received in May. Parties submitted technical reports on June 15th and a pre-hearing conference was held July 13th. Public hearings were held in Whati on August 27th, in Yellowknife on August 29th and in Behchoko on August 30th and 31st. In order to accommodate the results of a Tlicho Government traditional knowledge study the Board held additional hearings in Behchoko on October 10th and 11th. Closing comments were submitted by parties on October 17th and by Fortune on October 22nd. The public record was closed on October 22nd, 2012.

The Review Board sent its Report of Environmental Assessment to the Minister of Aboriginal Affairs and Northern Development and the Tlicho Government on January 25th, 2013. The Report stated that the proposed development is likely to have significant adverse impacts on the environment including water, wildlife and the cultural environment. The Review Board set out measures in its Report which, if adopted, will ensure that these impacts are no longer significant.

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

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



Community members and Parties at the NICO Project public hearing in Behchoko, August, 2012.

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. Some of these responses described significant changes in the proposed project. In response to these changes, the Review Board set a deadline for parties to submit their information requests until June 29th 2012. Several parties submitted information requests. On December 18th, 2012, the Review Board sent a letter to the developer expressing its concern over delays to date, and requested a submission date for the developer's outstanding responses to information requests. On January 18th, the developer responded that the outstanding information would be submitted by the second quarter of 2013.

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

http://reviewboard.ca/registry/project.php?project_id=69

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 2009, parties provided comments in April 2009 and the Review Board issued a final Terms of Reference and Work Plan in May 2009. The developer submitted its Developer's Assessment Report in October 2010.

By April 2012, two rounds of written information requests and in-person technical sessions had been completed. Parties submitted their technical reports by April 16th, 2012. The Review Board held a pre-hearing conference with parties on June 26th, 2012 to discuss hearing procedures and to set an agenda for public hearings in Yellowknife.

From September 10th to 14th, 2012, the Review Board held hearings. These were in Yellowknife each day, with an evening session in Yellowknife on September 11th, and an evening session in Dettah, on September 12th. At the hearing, the developer and several other parties gave presentations to the Review Board. All parties had the opportunity to question both the developer and the other parties involved. During the hearings, the Review Board required the submission of undertakings from the developer and other parties. Responses to these undertakings were submitted to the Review Board on September 25th, 2012. The Review Board accepted closing comments from parties on October 5th, 2012, and final submissions from the developer on October 11th, 2012.

After careful consideration of the evidence, the Review Board re-opened the public record and issued additional information requests to the developer regarding alternative water treatment methods on February 7th, 2013. Responses from the developer and party comments were received on March 14th and March 25th, 2013, respectively, and the public record was again closed. The Review Board is now finalizing its Report of Environmental Assessment.



Board members at the Avalon Public Hearing,
Fort Resolution, February, 2013.

Environmental assessments completed and closed in 2012-13

EA1112-001: Alex Debogorski – Diamond Exploration Project

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 Work Plan 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, serving notice on February 8th, 2012. Hearings were held from April 3rd to 5th, 2013.



The Public attends the evening hearing sessions for the Giant Mine Remediation Project in Yellowknife, September, 2013.

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

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 that 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. 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 22nd, 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. On June 8th, 2012, after consulting with responsible Ministers, the Minister of AANDC accepted the Review Board's decision and confirmed that it would not order an environmental impact review.

Completed environmental assessments under further consideration in 2012-13

The following environmental assessment status updates are provided as of March 31st, 2013.

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

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. 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 the 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 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, reduce impacts to the Trudel Creek river system

downstream of the generators at Twin Gorges, and to prevent impacts to the spiritually important Lockhart River as well as 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 was ready to proceed. On December 27th 2012, the Review Board agreed to extend its adjournment until July 2013, and requested that the developer submit a detailed report describing the factors that are relevant for the developer to re-engage in the currently adjourned environmental assessment if the Board is to consider further adjournment.

Completed environmental assessments under ministerial consideration in 2012-13

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

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 3rd to the 4th, 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 prescribed 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 federal Minister of Aboriginal Affairs and Northern Development that the Review Board no longer had quorum for this particular assessment and a response was received in late 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. No response has yet been received from the Minister.



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

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, Encore Renaissance Resources Corp. (formerly 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 3rd to 4th, 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, conduct no activities within 100 meters of suspected sites, and 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. No response from the Minister has yet been received.

Ongoing environmental impact reviews 2012-13

The following environmental impact review status updates are provided as of March 31st, 2013. Please visit the public registry at 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

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.

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, 2011 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 DeBeers responses were completed in April. Technical meetings were held in Yellowknife on May 22nd to the 25th. A second round of focussed information requests were submitted to the developer and parties responses were received in August and September. Technical Reports were submitted between October 22nd to the 25th and De Beers responded to the recommendations in these reports by November 13th. Public hearings were held in Dettah on November 30th, in Lutsel K'e on December 3rd and in Yellowknife from December 5th to the 7th, 2012. Closing comments were submitted by parties on December 21st and De Beers submitted its Closing Argument on December 31st. The public record was closed on January 3rd, 2013.



Gahcho Kue Panel members at the public hearing in Dettah, November 2012. L-R: Richard Mercredi, Peter Bannon, Chairperson Darryl Bohnet, James Wah-Shee, and Rachel Crapeau.

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 for 2012-13 and 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	2012-13
Prior Fiscal Years 1								
Core	2,398,324	2,381,604	2,419,011	2,479,947	2,513,599	2,567,390	2,596,590	2,648,252
Supplementary Funding	525,000	500,000	525,000	500,000	N/A	N/A	559,103	155,000
Deferred Contribution	331,219	351,822	341,396	614,182	750,000	683,896	119,564	263,410
Total (\$)	3,254,543	3,233,426	3,285,407	3,594,129	3,263,599	3,251,286	3,275,257	3,066,662

1 - Note that the funding levels shown do not include funding provided in support of the Joint Review of the Mackenzie Gas Project, the De Beers 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 independent, 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 1A – Improve the efficiency and reduce the time required to complete the environmental assessment process
Tasks

1. Implement the top priorities resulting from the external review of the environmental impact assessment process, which was completed by Stantec Consulting Inc.
2. Develop and implement a communications plan regarding environmental assessment process improvements resulting from the process review.
3. Initiate talks with other agencies where the external process review identifies linkages to the timelines of other processes within the overall environmental impact assessment process.
4. Identify improvements that would better facilitate responsible minister acceptance of measures.
5. Develop a plan for updating the Review Board's existing Environmental Impact Assessment Guidelines and Rules of Procedure and communicate the plan to stakeholders.
6. Finalize the review and update the Environmental Impact Assessment Guidelines (Year 3, following adoption of process improvements).



Elders present their concerns to the Review Board at the Giant Mine public hearing in Yellowknife, September, 2013.

7. Develop supplementary guidelines and reference bulletins. For example, cultural impact assessment guidelines, the nature of information to be placed on the public registry, approaches to addressing public concern, as well as other topics periodically identified by the Review Board.
8. Conduct regular lessons-learned reviews of environmental assessments.

Preliminary development of updated and revised process Rules of Procedure occurred in 2012-13.

All other planned process guidelines, reference bulletins and other process improvement remained abeyance pending the addition of staff and financial capacity to proceed; given an extraordinary environmental impact assessment workload for the year.

In 2011-12, 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. A funding proposal was submitted to Aboriginal Affairs and Northern Development Canada during 2012-13. A communication plan to accompany the tasks was also developed.

Strategy 1B – Balance effectiveness and efficiency

Tasks

1. Continue working with the Mackenzie Valley Land and Water Board and other Mackenzie Valley Resource Management Act partner boards to identify opportunities to more actively work together, including the sharing of resources and processes; exploring possible office space co-location options with the Mackenzie Valley Land and Water Board.

Collaboration occurred with the Land and Water Boards to engage their staff earlier in the environmental assessment (EA) process; thereby facilitating an improved and more efficient transition from EA to permitting and licensing of a proposed development. Preliminary discussions with the Mackenzie Valley Land and Water Board did occur regarding sharing of resources including office space co-location. This initiative was deferred, however, until the Northern Regulatory Improvement Initiative, including possible restructuring of the Land and Water Boards, was confirmed. This will allow planning to proceed later in a more certain context.

Goal 2: Effective and efficient board operations

Strategy 2A – Improve Review 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.
5. Promote health and safety training for Review Board mem-

bers and staff in the workplace and while on duty travel.

Task 1 and 2 were implemented as planned. Task 3 was also implemented as time and opportunity allowed in the face of the intense workload occurring during 2012-13. Tasks 4 and 5 were deferred.

Strategy 2B – 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.

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 were also raised in discussion with the Department related to its Northern Regulatory Improvement Initiative. The Board also presented these options 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 for the strategic and business planning submissions prepared by the Review Board each year. Renewal of the Gwich'in Implementation Agreement has now been set back to 2013-14. It is hoped that the new Agreement will provide solutions to the Board's annual budgeting challenges.



Goal 3: Public and stakeholder needs are met

Strategy 3A – 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:
 - Environmental Scan (Year 3)
 - Stakeholder evaluation of timeliness and efficiency in achieving environmental impact assessment work plans (annually)
 - Survey third-party stakeholders
 - Environmental Impact Assessment Practitioner's Workshop
 - Develop a plan with Aboriginal Affairs and Northern Development Canada to implement French language services to meet the Review Board's obligations pursuant to the Official Languages Act, and continue to improve Aboriginal language services for participants in the Review Board's environmental assessment processes.
2. Implementation of Privacy Act provisions with the assistance of the Treasury Board of Canada.

An informal survey was sent out to website users in the summer of 2011 gathering feedback about the functionality of the website and the information it contains. This feedback, in addition to anonymous usage statistics, continued to form the basis for the website improvement work being contemplated by the Board.

Stakeholder feedback on the Review Board's process, timelines and efficiency was gathered and reported on during the external environmental impact assessment process review. In general, the Review Board's process was found to be one of the longer processes in Canada; however a number of process improvements that may remedy this concern have been identified. No Environmental Impact Assessment Practitioner's Workshop was carried out in 2012-13.

Tasks required to bring the Review Board in compliance with the Official Languages Act did not proceed for lack of funding, nor did public education and awareness activities. It is noted

that clarification of the Board's roles and responsibilities under the Official Languages Act and the Privacy Act may be clarified by legislative improvements being considered as part of the Northern Regulatory Improvement Initiative.

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

Tasks

1. Improve the website for user friendliness and functionality.
2. Improve general awareness of the Review Board through more effective utilization of media (radio, print, TV); including conferences, presentations, tradeshow attendance, promotional materials, etc.

Again, funding restraint limited website improvement and general awareness activities planned for 2012-13 - although it was possible to issue the Valley Talk newsletter.

Strategy 3C - Increase community awareness of the environmental assessment process

Tasks

1. Promote the Mackenzie Valley Review Board.
2. Visits to communities likely to be affected by a proposed development to explain Review Board mandate and process.
3. Provide plain language handouts in relevant Aboriginal languages
4. Continue with Aboriginal language workshops and glossary development.



A Fire Ceremony held before the Gahcho Kue Public Hearing in Lutsel K'e in December 2012.

Review Board representatives attended five annual assemblies of Aboriginal organizations and two tradeshows to engage with the Review Board's stakeholders and promote the Review Board's roles, responsibilities and achievements.

First Nation Assemblies attended:

- Dehcho Annual Assembly – June 26th-28th, 2012; Fort Simpson, NT
- Dene Nation Assembly – July 2nd- 6th, 2012; Whati, NT
- Tlicho Gathering - July 9th – 13th, 2012; Wekweeti, NT
- Gwich'in Annual General Assembly- August 12th-15th, 2012; Fort McPherson, NT
- Akaitcho Assembly – August 16th-17th, 2012; Lutsel K'e, NT

Tradeshow appearances:

- Inuvik Petroleum Show, June 18th – 20th, 2012; Inuvik, NT
- Yellowknife Geosciences Forum, November 19th – 21st, 2012; Yellowknife, NT

The Review Board developed a plain language handout describing the environmental impact assessment and regulatory processes. This pamphlet was handed out at community meetings, tradeshows and to stakeholders as appropriate.

Since 2002, the Review Board has held terminology workshops to translate technical terms that are often used in environmental assessments.

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

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

Strategy 4A – Clarify roles and functions with regulatory boards Tasks

1. Continue to implement existing cooperation agreements and memorandum 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. Promote a pan-northern "Best Practices in Integrated Resource Management- including environmental impact assessment" conference in collaboration with neighbouring trans-boundary cooperation agreement partners.
3. Promote and participate in the NWT Board Forum and other initiatives that facilitate advancing the integrated resource management system; including initiatives involving industry, and governments (all levels).
4. 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.
5. Identify improvements that would better facilitate responsible Minister's acceptance of measures.
6. Clarify the roles and responsibilities with respect to Aboriginal consultation obligations.



A Memorandum of Understanding signed between Elizabeth Copland, the Chair of the Nunavut Impact Review Board and Chairperson Richard Edjericon of the Mackenzie Valley Environment Impact Review Board.

The Review Board continued as an active participant of the NWT Board Forum during 2012-13. Much of the focus of the Board Forum was 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.

Limited progress occurred in other tasks under Strategy 4A due to operational requirements. These tasks will be carried over to future years.

Strategy 4B – Facilitate establishment of an effective environmental impact 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.

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

Mackenzie Valley Environmental Impact Review Board

Financial Statements

March 31, 2013

Mackenzie Valley Environmental Impact Review Board

Financial Statements

March 31, 2013

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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, 2013 and the statements of operations, changes in net assets, 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 Public Sector Accounting Standards for Not-for-Profit Organizations, 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, 2013 and the results of its operations for the year then ended in accordance with Public Sector Accounting Standards for Not-for-Profit Organizations.

**Yellowknife, Northwest Territories
June 13, 2013**



Chartered Accountants

Mackenzie Valley Environmental Impact Review Board

Statement of Financial Position

As at March 31,	March 31, 2013	March 31, 2012	April 1, 2011
Assets			
Current			
Cash	\$ -	\$ 444,057	\$ 313,046
Term deposits (Note 5)	20,248	20,130	20,000
Accounts receivable (Note 6)	31,273	47,769	21,176
Prepaid expenses	9,776	1,265	1,124
	61,297	513,221	355,346
Capital Assets (Note 7)	17,889	25,312	34,340
	\$ 79,186	\$ 538,533	\$ 389,686

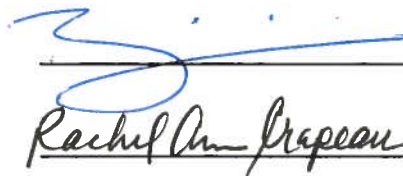
Liabilities

Current			
Bank indebtedness (Note 8)	\$ 35,886	\$ -	\$ -
Accounts payable and accrued liabilities	228,592	217,963	180,655
Contributions repayable (Note 9)	56,128	30,182	30,182
Deferred contributions	-	265,076	144,509
	320,606	513,221	355,346

Net Assets

Net assets invested in capital assets	17,889	25,312	34,340
Unrestricted net assets	(259,309)	-	-
	(241,420)	25,312	34,340
	\$ 79,186	\$ 538,533	\$ 389,686

Approved on behalf of the Board

 Director
Rachel Ann Gapeau Director

Mackenzie Valley Environmental Impact Review Board

Statement of Operations

For the year ended March 31,	Budget 2013	Actual 2013	Actual 2012
Revenue			
Government of Canada Department of Aboriginal Affairs and Northern Development			
- Claims Implementation	\$ 2,803,758	\$ 2,803,758	\$ 3,156,182
- Environmental Impact Review	764,311	764,311	400,000
- Website Development	-	-	35,000
- Board Forum Training	200,000	200,000	-
Other	81	118	134
Deferred contribution from prior year	265,076	265,076	144,509
	4,033,226	4,033,263	3,735,825
Expenses			
Administration	92,084	166,406	183,483
Communications	87,100	72,377	55,771
Honoraria	611,137	606,331	537,719
Office rent	349,136	306,222	287,520
Professional fees	1,163,295	1,169,265	814,630
Salaries, wages and benefits	1,391,987	1,523,536	1,370,324
Training	200,000	136,584	15,519
Travel - board	111,000	223,636	169,621
Travel - staff	27,487	62,269	30,025
	4,033,226	4,266,626	3,464,612
Excess of revenue over expenses before transfer		(233,363)	271,213
Transfer to capital asset fund (Note 4)	-	-	(6,137)
Excess of revenue over expenses	-	(233,363)	265,076
Transfer to deferred contributions	-	-	(265,076)
Transfer to contributions repayable	-	(25,946)	-
Excess revenue (expenses)	\$ -	\$ (259,309)	\$ -

Mackenzie Valley Environmental Impact Review Board

Statement of Changes in Net Assets

For the year ended March 31,	Invested in capital assets		Unrestricted	2013	2012
Balance, beginning of year	\$	25,312	\$ -	\$ 25,312	\$ 34,340
Excess revenue (expenses)		-	(259,309)	(259,309)	-
Investment in capital assets		-	-	-	6,137
Loss on disposal of capital assets		(883)	-	(883)	-
Amortization of capital assets		(6,540)	-	(6,540)	(15,165)
Balance, end of year	\$	17,889	\$ (259,309)	\$ (241,420)	\$ 25,312

Mackenzie Valley Environmental Impact Review Board

Statement of Cash Flows

For the year ended March 31,

2013

2012

Cash provided by (used in)

Operating activities

Excess revenue (expenses)	\$ (259,309)	\$ -
Change in non-cash operating working		
Accounts receivable	16,496	(26,594)
Prepaid expenses	(8,511)	(140)
Accounts payable and accrued liabilities	10,629	37,309
Contributions repayable	25,946	-
Deferred contributions	(265,076)	120,566
	(479,825)	131,141

Investing activities

Purchase of equipment	-	(6,137)
Investment in Capital Asset Fund	-	6,137

-

-

Change in cash position **(479,825)** **131,141**

Cash (bank indebtedness) position, beginning of year **464,187** **333,046**

Cash (bank indebtedness) position, end of year **\$ (15,638)** **\$ 464,187**

Represented by

Cash (bank indebtedness)	\$ (35,886)	\$ 444,057
Term deposits	20,248	20,130
	\$ (15,638)	\$ 464,187

Mackenzie Valley Environmental Impact Review Board

Notes to the Financial Statements

March 31, 2013

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

These financial statements have been prepared in accordance with Public Sector Accounting Standards for Not-for-Profit Organizations (PSA-NPO) as issued by the Public Sector Accounting Board (PSAB). This is the first time that the Board has prepared its financial statements in accordance with PSA-NPO, having prepared its previous financial statements in accordance with Canadian Generally Accepted Accounting Principles (GAAP). Details of how the transition from GAAP to PSA-NPO has affected the financial statements has been disclosed in Note 3. The financial statements have been prepared by management in accordance with Canadian public sector accounting standards ("PSAS") as established by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants.

(a) 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 Public Sector Accounting Standards 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.

Mackenzie Valley Environmental Impact Review Board

Notes to the Financial Statements

March 31, 2013

2. Significant Accounting Policies (continued)

(b) Capital Assets

Purchased equipment is recorded in the capital asset fund at cost. Amortization is recorded in the capital asset fund using the declining balance method and the straight-line method at the annual rates set out in Note 7.

(c) Use of Estimates

The preparation of financial statements in conformity with Public Sector Accounting Standards for Not-for-Profit Organizations 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.

(d) Financial Instruments

Initial measurement

Financial assets originated or acquired or financial liabilities issued or assumed in an arm's length transaction are initially measured at their fair value. In the case of a financial asset or financial liability not subsequently measured at its fair value, the initial fair value is adjusted for financing fees and transaction costs that are directly related to its origination, acquisition, issuance or assumption. Such fees and costs in respect of financial assets and liabilities subsequently measured at fair value are expensed.

Subsequent measurement

Financial assets measured at amortized cost include cash, term deposits and accounts receivable. Financial liabilities measured at amortized cost include bank indebtedness, accounts payable and accrued liabilities, and amounts due to related parties.

The Board has no financial instruments measured at fair value.

Impairment

At the end of each reporting period, management assesses whether there are any indications that financial assets measured at cost or amortized cost may be impaired. If there is an indication of impairment, management determines whether a significant adverse change has occurred in the expected timing or the amount of future cash flows from the asset, in which case the asset's carrying amount is reduced to the highest expected value that is recoverable by either holding the asset, selling the asset or by exercising the right to any collateral. The carrying amount of the asset is reduced directly or through the use of an allowance account and the amount of the reduction is recognized as an impairment loss in net income.

Previously recognized impairment losses may be reversed to the extent of any improvement. The amount of the reversal is recognized in net income.

Mackenzie Valley Environmental Impact Review Board

Notes to the Financial Statements

March 31, 2013

3. First Time Adoption of Public Sector Accounting for Not-for-Profit Organizations

PS 2125 First-time adoption by Government Organizations requires that comparative financial information be provided and that the Public Sector Accounting Standards for Not-for-Profit Organizations be applied retrospectively as of the reporting date, which for the Board is March 31, 2013. However, PS 2125 provides for certain optional exemptions and mandatory exemptions for first time adopters.

Optional Exemptions

The Board has elected to apply the exemption and consider the conditions for write-down on capital assets on a prospective basis from the date of transition. As a result, no write-downs of capital assets were recognized. No other optional exemptions were enacted.

Mandatory Exemptions

The estimates previously made by the Board under Canadian Generally Accepted Accounting Principles (GAAP) were not revised for the application of PSA-NPO to reflect any difference in accounting policy or when there is objective evidence that those estimates were in error. As a result the Board has not used hindsight to revise estimates.

The Board issued financial statements for the year ended March 31, 2013 using GAAP. The adoption of PSA-NPO results in no adjustments to the previously reported assets, liabilities, net assets, net income and cash flows.

4. Interfund Transfers

Nil amounts (2012 - \$6,137) were transferred from the operating fund to the capital asset fund for the acquisition of assets.

5. Term Deposits

The term deposits are made of redeemable Guaranteed Investment Certificates. They bear interest at 0.8% and mature on October 17, 2013.

6. Accounts Receivable

	2013	2012
Goods and Services Tax	\$ 26,980	\$ 36,063
Other	4,293	11,706
	\$ 31,273	\$ 47,769

Mackenzie Valley Environmental Impact Review Board

Notes to the Financial Statements

March 31, 2013

7. Capital Assets

				2013	2012
	Rate	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Furniture and fixtures	20%	\$ 115,614	\$ 106,620	\$ 8,994	\$ 11,242
Leasehold improvements	20%	99,876	92,196	7,680	11,450
Computer hardware	3 yr S/L	35,288	34,073	1,215	2,620
		\$ 250,778	\$ 232,889	\$ 17,889	\$ 25,312

8. Bank Indebtedness

A demand operating loan has been authorized to a maximum of \$100,000 and bears interest at CIBC's prime lending rate plus 1.5% per annum and is secured by a general security agreement and an assignment of insurance. For the period from February 19, 2013 to July 31, 2013 the authorized limit is \$300,000. Secured by capital assets with a net book value of \$17,889.

9. Contributions Repayable

	2013	2012
Department of Aboriginal Affairs and Northern Development		
- Board Forum Training	\$ 25,946	\$ -
- Joint Review Panel	30,182	30,182
	\$ 56,128	\$ 30,182

10. Commitments

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

2014	\$ 292,050
2015	286,667
2016	142,437
	\$ 721,154

Mackenzie Valley Environmental Impact Review Board

Notes to the Financial Statements

March 31, 2013

11. 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.

12. Pension Plan

The Board participates in the NEBS Pension Plan which is a defined contribution plan. Substantially all employees with at least one year of service are eligible to participate.

The contribution percentage to the plan is up to 16% of each employee's salary (8% from the employees and 8% from the employer).

During the year contributions made by the Board to the NEBS pension plan totaled \$76,175 (2012 - \$70,468).

13. Budget

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

14. Financial Instruments

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

The Board does not have formalized financial risk management objectives and policies.

(b) Liquidity risk

The Board does have a liquidity risk in the accounts payable and accrued liabilities of \$228,592 (2012 - \$217,963). Liquidity risk is the risk that the Board cannot repay its obligations when they become due to its creditors. The Board reduces its exposure to liquidity risk by ensuring that it documents when authorized payments become due; maintains an adequate line of credit to repay trade creditors and repays long term debt interest and principal as they become due. In the opinion of management the liquidity risk exposure to the Board is low and is not material.

15. Contingent liability

During the 2012 fiscal year, a former employee filed a statement of claim in the Supreme Court of the Northwest Territories against the Board for wrongful dismissal. At this time it is not possible to provide an estimate of the potential claim, if any; therefore, no amount for the contingent liability has been recorded in the financial statements at March 31, 2013.

Mackenzie Valley Environmental Impact Review Board

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16. Comparative Figures

The financial statements have been reclassified, where applicable, to conform to the presentation used in the current year.



Mackenzie Valley
Review Board



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