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Yellowknife NT X1A 2R3

September 30, 2009

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CIDM #337930

Mr. Larry Wallace
Chair,
Sahtu Land and Water Board
P.O. Box 1
FT. GOOD HOPE, NT X0E 0H0

Fax: (867) 598-2325

Dear Mr. Wallace:

**RE: REPORT OF ENVIRONMENTAL ASSESSMENT AND REASONS FOR
DECISION ON SELWYN RESOURCES LTD. MINERAL EXPLORATION
AT HOWARD'S PASS (EA0708-001, LAND USE PERMIT #S07C003)**

As a follow-up to a discussion between Mr. Govier and Ms. Barbara O'Neill of my office on September 21, 2009, I am writing on behalf of all the Responsible Ministers to clarify their position on Selwyn Resources Ltd.

We understand that the Sahtu Land and Water Board is under the impression that a response from the federal Minister is required under Section 130(4) of the *Mackenzie Valley Resource Management Act (MVRMA)* before it could proceed with the permitting process. Section 130 deals specifically with a decision by the Responsible Ministers to order an environmental impact review notwithstanding a Review Board's determination under Section 128 of the *MVRMA*. Since that is not what happened with Selwyn Resources Ltd., we are of the opinion that Section 130 would not be engaged.

The present circumstance would fall under Section 129(a) of the *MVRMA*. Section 129 is clear that where the Review Board makes a determination under Section 128(1)(a) the Sahtu Land and Water Board must wait ten days before issuing a licence, permit or other authorization for development. There is no requirement that the federal Minister issue a letter indicating acceptance of the EIR decision. In fact, the Act contemplates a scheme where such a letter is not required, and sets the time frame for the Land and Water Board to proceed.

I understand that for greater certainty, Mr. Govier requested my department forward a letter outlining its position in this regard, which is outlined above.

I trust this letter will allow you to proceed with issuance of the land use permit Selwyn Resources applied for.

If further discussion is required on this matter, I would like to suggest we place this item on the agenda for the next Board Forum meeting which is taking place in Norman Wells in October.

Sincerely,



Trish Merrithew-Mercredi
Regional Director General – NT Region

- c. Vern Christenson, Executive Director, Mackenzie Valley Environmental Impact Review Board
- George Govier, Executive Director, Sahtu Land and Water Board
- Manik Duggar, Executive Director, Mackenzie Valley Land and Water Board
- Zabey Nevitt, Executive Director, Wek'èezhii Land and Water Board
- Robert A. Alexie, Executive Director, Gwich'in Land and Water Board
- Gary Bohnet, Deputy Minister – Environment and Natural Resources, Government of the Northwest Territories
- Carey Ogilvie, Head, Environmental Assessment North (NT & NU), Environment Canada
- James Boraski, District Manager (Southern NT), Fisheries and Oceans Canada
- Chuck Blythe, Superintendent of Nahanni National Park Reserve of Canada, Parks Canada