



Economic Development
Box 2703, Whitehorse, Yukon Y1A 2C6

July 6, 2001

CONFIDENTIAL

MEMORANDUM

To: Kirk Cameron
Deputy Minister, Executive Council Office

Bill Oppen
Deputy Minister, Renewable Resources

From: Angus Robertson
Deputy Minister, Economic Development

Re: Special Management Areas - Mineral Potential Assessments

We expect that several SMAs will be coming forward for approval over the next couple of years through land claims negotiations. In some cases requests for withdrawal from disposition (including a ban on mineral staking) will be sought, yet in most cases no detailed mineral resource assessments have been conducted in these areas.

To quote from *The Minerals and Metals Policy of the Government of Canada (1996)*:

“... the Government will ... fully take into account the mineral potential of the area in question before creating protected areas on federal lands”.

More specifically, DIAND has provided written direction (reference: memorandum from Chris Cuddy to Mark Zrum, June 1, 2001) that assessment of the mineral and/or oil & gas potential of areas to be withdrawn, or an explanation of why no assessment was done, must accompany all requests for withdrawal. In light of unfolding YPAS linkages to SMA's and other current initiatives with industry such as the industry, federal territorial oversight committee mechanism to address longstanding industry concerns in the North, there would appear to be merit in us considering a Yukon government position that no further land be withdrawn from disposition for conservation purposes until a mineral and energy resource assessment is completed. I am cognisant that adopting such a position would be a departure from recent decisions. At minimum, there needs to be a risk assessment of the implications of not conducting such assessments for the remaining SMA's.

I think you will appreciate that the limited funding we have for mineral potential assessments must be used not only for SMAs negotiated through First Nation Final Agreements, but also for protected areas established under YPAS and for regional land use planning purposes. It is therefore necessary for us to set priorities in terms of where we can conduct such studies to maximum advantage.

Priorities for 2001

The following outlines our priorities for mineral potential assessments to be conducted by the staff of our Mineral Resources Branch during the remainder of this fiscal year:

- Proposed Frances Lake SMA – geological mapping and sample collection in the northern portion of the Study Area, with detailed mineral assessment to be carried out in Winter 2001/2002 or Fall 2002, depending upon schedule of Land Claims negotiations.
- Dhaw Ghro SMA - Geological mapping, sample collection and fossil chronology, with detailed mineral assessment to be carried out in winter 2001 (for use in management planning process).
- North Yukon Regional Land Use Planning Area and Eagle Plain Ecoregion - follow-up of geochemical anomalies from 2000 survey in Eagle Plain ecoregion; geological mapping and prospecting. (A regional mineral potential map to be updated and completed to include area north of Kaltag Fault by spring 2002. A detailed mineral potential map of YPAS areas of interest in Eagle Plain ecoregion to be completed within 3 months of identification of areas of interest).
- Proposed Snafu-Tarfu SMA - geological mapping and sample collection, with preliminary report and map to be completed by September 2001.
- Proposed Wellesley Lake, Pickhandle Lakes, and Scotty Creek SMAs - preliminary survey of work conditions, road access, etc.
- Proposed M'Clintock/Swan Haven and Chadburn Lake SMAs - preliminary survey of work conditions, road access, etc.

Outstanding Requirements

1. Boundary changes at Asi Keyi will likely be proposed to deal with the issue of existing mineral claims within the current area of withdrawal. We believe that there is merit in conducting a detailed mineral assessment of this area before advancing such a proposal. This would likely involve detailed geological field mapping at an estimated cost of up to \$150,000, but we do not have sufficient funds to conduct this work this year.
2. No mineral potential assessments have yet been conducted in the following areas, and again we do not have the funds to conduct assessments in these areas this year. Work could be done were additional funds to be made available to us.
 - Kusawa (estimated cost ~\$150,000)
 - Coal River (estimated cost ~\$150,000)
 - Tagish Narrows (estimated cost ~\$35,000)
3. Fieldwork is not planned for the Ross River SMAs at this time, since a proposal has yet to be advanced. We do know that any proposals for SMAs in the Macmillan Pass area are bound to run into difficulty owing to the extremely high mineral potential of the area, including several known world-class mineral deposits with established reserves.

Next Steps

I believe that it would be prudent for our officials to discuss what our approach should be for dealing with those SMAs where no detailed assessments have been conducted. In many cases the regional assessments indicate that the proposed SMAs are in areas of high mineral potential. I suggest that we need to explore how these additional costs for detailed mineral assessments may be covered should indeed it be decided that such assessments should be undertaken. As well, we need to discuss what socio-economic values have been assessed and what further work is needed before the government advances requests to DIAND for mineral withdrawals. At some point soon, there may also be merit in revisiting this matter with DIAND building upon discussions with them earlier this year led by our Land Claims Secretariat.

I would appreciate an email or few thoughts back from you on whether you are supportive of further work on this matter.



Angus Robertson
Deputy Minister