

Honourable Archie Lang, Minister of Energy, Mines and Resources
OPENING REMARKS - YUKON GESOCIENCE FORUM
November 21, 2005

Check against delivery

Welcome to the annual **Yukon Geoscience Forum** and to Whitehorse.

Before I begin, I want to commend the **Yukon Chamber of Mines** for again doing such an exceptional job hosting the forum.

Naturally, the Yukon government's department of Energy, Mines and Resources is a strong supporter of this event which highlights the work of our **Yukon Geological Survey**.

With the high demand for natural resources in China and Asia, we have every reason to believe that the Yukon will be seen as a land of opportunity for the resource industries.

On the **oil and gas** front, for the first time in twenty years, two new wells, one exploration and one development, were drilled in Yukon.

We expect more as energy demand continues to grow with the world economy. We are preparing for that development when it does happen.

Yukon has eight sedimentary **basins** rich in untapped potential. Today these resources are underexplored, but that will change with the construction of the Mackenzie Valley and Alaska Highway **pipelines**.

Placer mining continues to be a major contributor to our economy. Production this year, so far, has totaled over 65,000 crude ounces of gold valued at more than \$28 million.

We are working on a **new model** to manage placer mining under the federal *Fisheries Act*. A framework was recently endorsed by the Council of Yukon First Nations, DFO and Yukon government with input from the Klondike Placer Miners' Association.

A **secretariat** is being established to develop the placer regime. They will undertake public consultations early in the new year.

Mineral exploration continues to rise for the third consecutive year. We are forecasting that this year's exploration spending will hit the **\$40-50 million** mark.

And, thanks to high global demand and rising commodity prices, mining and oil and gas activity will continue to increase in the territory.

The Yukon government is preparing for this surge in activity in several ways, by ensuring:

- regulatory certainty for industry;
- adequate infrastructure is in place to support resource development; and,
- a skilled labor force.

Regulatory certainty

On the regulatory end, we continue to improve our permitting and licensing processes since taking over responsibility for mining from Canada in April 2003.

For example, we formed a Mineral Rights Task Force to find ways to improve our administrative process when issuing mineral rights.

One topic it looked at was how to make more information available over the internet.

We are also looking at electronic business online.

Many provinces in Canada have implemented online map selection systems in addition to other e-business online initiatives.

We are monitoring the rollout in these jurisdictions and are working closely with the mining community to determine how we can improve e-business on many fronts.

I hope you had a chance to attend our Mineral Titles and E-Business seminar.

We are in the midst of creating a Mine Reclamation and Closure Policy to guide new hard rock mine developments.

This policy will play an important role in future mine developments. The latest draft of the policy will be presented at a workshop on Wednesday at 1:00 pm.

We appreciate your efforts to provide us with feedback as we finalize this policy.

I want to say a few words about the *Yukon Environmental and Socio-Economic Assessment Act*. YESAA is expected to be implemented in mid December when projects will be subject to this new Act and its rules.

The Mining Land Use Regulations, which apply to all mineral claims are being amended to conform with YESAA.

Yukon government is ready to help answer your questions and assist you with this new process.

Integrated Resource Management Strategy

Internal to government we have initiated an Integrated Resource Management strategy. It streamlines review processes, address policies and legislation gaps. And it establishes better collaboration between departments.

An example of this strategy is the Project Management Process to assist to mining companies in their efforts to secure permits for development proposals. A team of deputy ministers, chaired by Energy, Mines and Resources, is responsible for regulatory approvals.

There are currently three mineral properties currently approaching production decisions: Yukon Zinc's Wolverine, Sherwood Copper's Minto and Cash Minerals Division Mountain Coal deposits.

All three projects conducted advanced exploration in support of feasibility studies.

Two additional noteworthy projects are Western Silvers' Carmacks Copper which has restarted the permitting process and Tintina Mines' Red Mountain moly property that has announced plans to proceed with a major underground exploration program in 2006.

We have dedicated project coordinators to assist with the reviews and timely resolution of issues for each of these projects.

We have a protocol with DFO that allows us to carry out inspections under the *Fisheries Act*. It allows a one window approach to inspections on placer mines.

In regards to oil and gas, you may have heard that we are proposing administrative changes to the disposition process.

We want to make it more efficient in terms of the time and resources needed by all parties to discuss issues and concerns in each region.

We are working on an improved process that will focus our discussions on a specific area identified by industry, rather than reviewing a larger area based on speculated interest.

We are undertaking discussions with parties who have been involved in past revisions to the disposition process, and hope to have a new process in place in the New Year.

We believe the changes will keep us competitive by putting in place a streamlined process similar to ones used by western provinces.

We also enacted three oil and gas regulations and are close to finalizing royalty regulations.

These improvements to the oil and gas disposition and regulatory process will help support growth in this sector.

Adequate Infrastructure

I want to talk a bit on some of the initiatives we are working on to enhance the Yukon's infrastructure in support of mining and oil and gas investment.

There are huge challenges in the north to get our resource products to market. Infrastructure costs for access roads to sites, highways, bridges and other transportation links are expensive and take time to responsibly plan and construct.

We are looking at options for road access upgrading and development with the Department of Highways.

Energy availability and reasonable competitive pricing are one of the top fundamentals to mine project economics.

Current mine developments will require improved energy networks and infrastructure and possibly new energy sources.

We are working with Yukon Energy to ensure energy infrastructure is in place for future developments.

The Yukon government is working hard to be prepared for the construction of the Mackenzie Gas Pipeline and particularly the Alaska Highway Pipeline Project.

These pipelines will allow us to develop our natural gas and get it to market.

We are also keenly aware of the importance of tide water access to Yukon's resource industry to get our commodities to the global marketplace.

Ports in Alaska are closer to Asia than Vancouver. I assure you we are committed to finding ways to attain port access. We are working closely with key officials in the Alaska government and in Skagway. Alaska Governor Murkowski has assured us that Yukon's industry will have access to ports for our commodities. .

The economic potential for the Yukon from a railway too is enormous. A railway would benefit resource development and improve access to ports and to southern markets for Yukon ore and oil and gas.

Yukon and Alaska have formed an advisory committee to study the feasibility of such a rail link.

Developing a Skilled Labor Force

On the human resource front we recently did a small Labour Market Demand Survey. It estimated a minimum requirement of 1,000 new positions over the next 3 to 5 years in the territory as exploration increases and mining projects move toward development and production.

The construction of pipelines would create a huge demand for skilled labor.

The government is supporting a number of made-in-Yukon recruitment and training programs aimed at rebuilding our labour force.

We are developing a Yukon Mine Training Strategy to support hard rock mine developments.

It would close the gap between the human resource needs of new and expanding mining developments and the overall labour pool in the Yukon.

We envision partnerships with industry, Canada and First Nations.

Leckie Awards

Tonight I am presenting the Robert E. Leckie Awards for outstanding mining reclamation practices at the geoscience banquet.

As well, we are very excited to have Dr. Paul Hoffman from Harvard University speaking at the banquet. Dr. Hoffman is considered one of this country's pre-eminent geologists. He will be speaking on his theory of Snowball Earth. It is a remarkable story about a unique chapter of the earth's history with a Yukon connection. I hope to see you there.

Closing

In closing I want to reiterate that the Yukon government is very pleased to support the geoscience forum.

I want to take this time to congratulate Energy, Mines and Resources' team of geologists for their excellent work and recognize their central role in the Forum.

I also want to acknowledge the crucial role the Yukon Geological Survey plays in supporting the management and development of our resources.

Expansion of our scientific and technical information on the geology of the territory is vital.

It is important for industry development, land use decision-making and wise-stewardship of our resources.

Be sure to attend their talks, visit our poster display and stop by our booths at the convention room.

Thank you and enjoy the forum.