

OPPORTUNITIES NORTH 2005

“Check Against Delivery”

- Ladies and gentlemen, distinguished guests, friends and neighbours, good morning and welcome to the Yukon.
- In particular, I would like to extend a warm welcome to Governor Murkowski of Alaska who is able to be with us here today.
- The theme for this conference, **Opportunities North 2005**, is a most timely and fitting one.
- There are many signs that the north is coming of age and that the north is indeed a land of opportunity.
- One of these signs is the fact that the City of Whitehorse will host the Canada Winter Games in 2007.
- This is the first time the games will be held north of 60 on this the 40th anniversary of the games.
- This will be the north's opportunity to host the south.
- We want to show southern Canadians what the north has to offer and to make them more aware of Canada's northern potential.
- We want to show them that the north has much to contribute to Canada's future.

- Another sign is mega projects such as the Alaska Highway Natural Gas Pipeline and the Alaska Canada Rail Link connecting railroads in Alaska to railroads in the south attest to Yukon's strategic location.
- While the Yukon is currently preparing itself to take advantage of these mega projects when they occur, we are doing much more.
- Our government has already acted in that regard to revitalize, diversify and expand Yukon's economy.
- Yukon today is much more than a resource-based economy.
- While the natural resource sector and the tourism industry remain our economic mainstays, we have worked hard to diversify the Yukon economy by investing in the information technology sector, the film and sound industry, forestry, agriculture and fur harvesting, as well as increasing spending on education, arts, health care and social programs.
- Upon taking office in 2002, our government acted quickly to introduce policies and programs to create certainty in the natural resource sector and restore investor confidence in the territory.
- The results speak for themselves.

- Mining exploration has increased by \$43 million to an anticipated \$50 million this year.
- \$30 million was invested in drilling for natural gas in southeast Yukon.
- This was the first drilling in the area for several decades.
- Three more land claims settlements have been signed off under our watch.
- Moreover, our government is committed to making Yukon First Nations full partners in the economic development of the territory.
- Devolution also played a part in creating certainty.
- As of April 1, 2003, we assumed the responsibility for the management of Yukon land and resources from the federal government.
- Another tool that Yukon has at its disposal is the Yukon Environment and Socio-Economic Assessment Act or YESAA, which is federal legislation.
- I know there is considerable concern about YESAA in the resource sector; however, I want to reassure you that our government is committed to doing its part to make this process work.
- To this end, we wish to develop a policy in consultation with First Nations, the Grand Chief of CYFN and the YESAA Board that will outline the roles and

responsibilities of government and developers in addressing the socio-economic effects of projects.

- The policy will clarify what is expected of government under YESAA and what is expected of developers.
- Since 1898, placer mining has been one of the Yukon's economic mainstays.
- We have worked hard with the Department of Fisheries and Oceans, First Nations and the mining industry to prepare a new, realistic Yukon Placer Authorization to enable the placer industry to continue contributing to Yukon's economy.
- Currently there are several advanced mineral projects on the road to development in Yukon.
- **Sherwood Mining Corporation** recently purchased the Minto property from Minto Explorations Ltd.
- This mine project is fully permitted and I just signed off its water license application yesterday.
- We are hopeful that the company will announce a production decision by year end.
- **Western Silver Corporation** owns 100% of the Carmacks Copper property.

- A feasibility study of the project was completed in 1998 and is being updated with an intention to proceed with development by 2008.
- We are pleased that the company has re-entered the permitting process.
- **Cash Minerals Ltd.** is focused on developing the Division Coal Project located approximately 20 km west of Braeburn.
- The company has invested \$3 million to complete project scoping, delineation drilling of the deposit, and feasibility studies.
- Cash Minerals is proposing to operate an open-pit coal mine, trucking approximately 100,000 tonnes of coal per month to Skagway where the coal will be shipped to Asian markets. This will require a fleet of 70 trucks.
- **Yukon Zinc** has been undertaking advanced exploration at its Wolverine Project in southeast Yukon near Faro and Ross River.
- We commend the company for its significant work with the Kaska to conclude a socio-economic participation agreement.
- Our government has assigned a project coordinator, Mr. Greg Jilson, to facilitate the review of this proposed mine development.

- **Ketza River Holdings** is currently undertaking a \$3 million drilling program and extensive exploration efforts at the former Ketza river mine property near Ross River in an attempt to expand known reserves of gold.
- In late July 2005, the company signed a Memorandum of Understanding with the Ross River Dena Council for their participation in the exploration project.
- Ketza River Holdings agreed to complete a significant clean-up of the site and we are pleased with their efforts to date.
- **North American Tungsten Corporation** undertook a financial restructuring this spring and is now proceeding to restart the CanTung Mine located in the NWT, near the Yukon border.
- While the mine is located in the NWT, it provides employment for 200 plus Yukoners and numerous other economic benefits.
- CanTung was the western world's leading producers of Tungsten concentrates and appears to be on the verge of becoming so again.
- The company has also initiated a drilling exploration project on their Mactung property located 250 km northeast of Ross River.
- Our government is pleased to hear that the Expatriate Group of companies, through its affiliate company, Pacifica Resources Ltd., is undertaking a \$3.5 million exploration program on the Howard's Pass deposit which is located

along the Yukon-NWT border approximately 80 km north-northwest of Tungsten, NWT.

- Howard's Pass is the largest undeveloped zinc deposit in the world and demonstrates the significant potential for base metal deposits in the Selwyn Basin area.
- Tourism continues to be a major growth industry for the territory.
- Our government has been investing heavily in tourism and culture and our investments have been paying off as both tourism visitation numbers as well as revenues are increasing.
- New investments include:
 - \$350,000 for the Alaska Highway Scenic Drives marketing campaign;
 - \$150,000 for the Yukon Tourism Brand Strategy;
 - \$500,000 for the Tourism Cooperative Marketing Fund;
 - \$190,000 for product development;
 - \$150,000 increased funding for the Yukon Arts Centre; and
 - \$200,000 to support cultural and heritage centres.

- One of the major reasons why the Yukon has been successful in attracting investment is because of our highly developed transportation and communication infrastructure.
- Under the Shakwak Project, for example, millions of dollars have been contributed by the Government of the United States to upgrade the North Alaska Highway.
- The Klondike Highway together with the Dempster Highway has recently been added to the Alaska Highway as part of the National Highways System eligible to receive federal funding.
- Yukon is only 110 miles from the coast and our government has been working with our Alaskan neighbours to ensure the Yukon has port access in both Skagway and Haines.
- Similarly, our government has been investing in our airports and Yukon enjoys excellent and expanding airline service to the south, as well as direct international flights from Frankfurt to Whitehorse.
- Our telecommunications system is also constantly improving with 98% of our population now having access to high-speed internet service.

- We are now partnering with business to expand cell phone service to rural Yukon communities as well as upgrade our emergency communications infrastructure across Yukon.
- Another reason for Yukon's success in reinvigorating the Yukon economy is because of the partnerships and relationships we have advanced both with Yukon First Nations and with our neighbouring jurisdictions – Alaska, Alberta, British Columbia, the Northwest Territories and Nunavut.
- We have established a Yukon Forum which allows the Government of Yukon to sit down with First Nation governments to work collaboratively while respecting each others jurisdictions.
- By working in this forum we have reached a consensus on the development of the Yukon chapter of the \$40 million Northern Strategy Fund.
- Currently we are engaged in this same forum to develop a joint Yukon position on the remaining \$20 million left in the Northern Economic Development Fund.
- We have also been working with First Nations involved in the Alaska Highway Aboriginal Pipeline Coalition to ensure that Yukon is pipeline ready.
- By working with our two sister territories in a pan-northern approach we have made our collective northern voice heard in Ottawa.

- By working together, we have been successful in obtaining \$780 million in increased federal funding for the three territories to counteract the deep federal funding cuts the territories experienced in 1995.
- We have worked collaboratively with the NWT to shut down the debate over competing pipeline routes.
- The NWT and Yukon have agreed that both the MacKenzie Valley Pipeline and the Alaska Highway Pipeline are going to be needed to meet energy demands in the south.
- Yukon has eight sedimentary basins rich in untapped potential. Natural gas potential is estimated at 20 trillion cubic feet and oil potential is estimated at 900 million barrels.
- We want to encourage exploration of this potential and development of pipeline infrastructure to get our natural gas to market.
- This is why we are committed to supporting both the construction of the Mackenzie Gas Pipeline and the Alaska Highway Pipeline.
- Yukon requires both pipelines to ensure its gas reserves are not stranded. These projects will be an important catalyst to encourage development of Yukon's oil and gas reserves.
- To this end, Yukon is an Intervener in Mackenzie Gas Project, both Joint Review and NEB processes, to ensure that Yukon interests are met. This includes access to business and employment opportunities, connection of North Yukon gas and mitigation of impacts.

- Both projects offer enormous economic opportunities for the North. The Mackenzie Gas Project will generate 181,000 person years of employment over 24 years. The Alaska Highway Pipeline Project will generate 375,000 person years of employment over 24 years.
- The construction of both the Alaska Highway Pipeline and the Mackenzie Valley Pipeline will inject billions of dollars into the North American economy.
- Yukon could earn \$40 million plus annually in royalty revenues from gas produced from Yukon oil and gas basins. Increased revenues from royalties and corporate taxes would mean greater self-sufficiency for Yukoners.
- Our government has been working hard to make sure we are pipeline ready and that our interests are met.
- We must have access to northern gas in the northern pipelines to use to heat our homes and businesses. Access to natural gas from the pipelines would significantly help advance northern resource development, particularly in the mining sector.
- Yukon access to natural gas for the residential and commercial sectors could displace diesel in power generation and space heating which would reduce greenhouse gas emissions.
- [Access to northern gas will improve our economic self sufficiency.](#)

- In speaking of energy, Yukon is forming a close alliance with Alaska, Alberta and British Columbia to further advance the prospects for the Alaska Highway Natural Gas Pipeline.
- I hope to be able to meet with Governor Murkowski, Premier Klein and Premier Campbell in the very near future to further develop this alliance.
- Yukon and Alaska have always enjoyed a very special relationship.
- Our history and cultures are interlocked and we have been friends for a long, long time.
- Together, we experienced the Klondike Gold Rush and the construction of the Alaska Highway.
- Now two other major events lie in the offing, the construction of the Alaska Highway Pipeline and the potential construction of an Alaska-Canada Rail Link.
- Both mega projects present profound opportunities for the development of Alaska and the Yukon.
- Yukon and Alaska are jointly funding a feasibility study of the Alaska-Canada Rail Link that is being conducted in consultation with Yukon First Nations and other stakeholders.

- The study should be completed by next summer.
- As a consequence of our government's actions, the Yukon today is a far better place to live in now than it was in 2002 when we were first elected into office.
- 2,500 more Yukoners are employed today than there were in 2002.
- While Yukon's population increased by more than 1,200 people, our unemployment rate earlier this summer reached a historic low of 4.8%, one of the lowest rates in Canada.
- There is a renewed sense of optimism in the air and Yukon's future has never looked brighter.
- For all these reasons, the north truly is the land of opportunity and promise.
- Northerners know this to be a fact. All we have to do is convince our friends and neighbours to the south and the world at large of this new reality.
- Thank you for giving me this opportunity to speak to you today and I wish you every success in your deliberations.