



NT1122

February 15, 2023

Shelagh Montgomery  
Executive Director  
Mackenzie Valley Land and Water Board  
7<sup>th</sup> Floor – 4922 48<sup>th</sup> Street  
P.O. BOX 2130  
YELLOWKNIFE, NT X1A 2P6

**Re: MV2015L8-0003 Renewal, NATC Financial Capacity**

Dear Ms. Montgomery,

As a supplement to Cantung Water License Renewal (**MV2015L8-0003**), please accept this letter regarding the financial capacity of the applicant North American Tungsten (NATC). The following letter provides the relevant information demonstrating both the financial capacity of NATC and the financial arrangement between NATC and The Government of Canada.

The *Mackenzie Valley Resource Management Act* prohibits the licensing of a new undertaking unless the applicant can demonstrate the financial capacity to complete the undertaking, including the carrying out of mitigative measures, care and maintenance and closure requirements (section 72.03(5)(d)).

Having considered the mandate of the Board, in our view, the board can and should exercise its discretion to consider this application, based on both its technical merits and the demonstrated financial capacity of the applicant (NATC). We do not think that denial of this application on financial grounds would be in the interests of the residents of the Mackenzie Valley or Canadians generally. NATC can demonstrate the financial capacity to complete the undertaking, including the carrying out of mitigative measures, care and maintenance and closure requirements, as noted below.

On June 28, 2015 NATC filed for creditor protection under the Companies' Creditors Arrangement Act (CCAA) and Alvarez & Marsal Canada Inc. (A&M or the Monitor) was appointed by the Court as the Monitor. The Order of the Supreme Court of British Columbia entered on November 17, 2015 gives the Court appointed Monitor exclusive powers to manage the business and property of NATC. This court order also requires the Government of Canada, through Crown-Indigenous Relations and Northern Affairs Canada (CIRNAC), to fund NATC's care and maintenance activities at Cantung. At this time, the Government of Canada is the sole creditor of NATC's property and assets.



The Government of Canada funds the activities at Cantung Mine through the Northern Abandon Mines Reclamation Program (NAMRP). This program, announced in the 2019 Federal budget, invests \$2.2 billion over 15 years starting in 2020–21 to exclusively address the eight largest and highest-risk abandoned mines in the Yukon and the Northwest Territories, of which the Cantung Mine is one of. The existence of the Northern Abandoned Mines Reclamation Program ensures that the funding for NATC's operations is both stable and long-term.

Having considered the issue carefully, it is our view that it is a sound resource management decision and best serves the interests of the residents of the Mackenzie Valley and Canadians generally, for the Board to consider the renewal application on its technical merits, given the demonstrated financial capacity of the applicant as noted above.

Yours sincerely,



Matthew Spence  
Regional Director General  
Northwest Territories Region, CIRNAC

c.c.: Todd Martin, Alvarez & Marsal Canada Inc, North American Tungsten Corporation Ltd.  
Kimberley Murray, Regulatory Specialist, MVLWB  
Jeffrey Mackey, Director, Northern Contaminated Sites Program Branch, CIRNAC  
Rasel Hossain, Director, Contaminants and Remediation Directorate, CIRNAC  
Michael Roesch, Resources and Land Management, CIRNAC