



Tyree Mullaney
Regulatory Officer
Mackenzie Valley Land & Water Board

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& Water Board

File

MAR 20 2009

Application # MV2009C0001
VIA FAX

Copied To TM/Reg

March 19, 2009

MV2009C0001 – Type A Land Use Permit Mineral Exploration - Snowbird Project, NWT

Dear Ms. Mullaney,

We take note of the above application for a land use permit and write this letter in support of the project.

Mineral exploration is the first stage of the mining cycle and is the most important stage in the evaluation and discovery of economic mineral deposits. Inevitably, the vast majority of mineral deposits will not become producing mines. The odds are stacked against finding a deposit that will be economical to mine, especially in the remote north. It is also important to understand that mineral exploration as a land use activity has a very low impact. There is a substantial difference between exploration and mining activity, both in terms of its on-the-ground impacts and the financial/logistical resources of the company.

Mineral development and production are and have been the north's primary source of employment, training and business opportunities. Mining contributes over half of the NWT's Gross Domestic Product. Unfortunately, each day a mine operates it is one day closer to closure as its reserves are reduced and eventually exhausted. Only new (and successful) exploration, reduced costs or a new economic mineral find will guarantee the continuation of the mining industry. Under the current economic climate – unless improvement is seen – the NWT's diamond mines may only have another 10 years production remaining. Current estimates show that we will begin to see a reduction in activity, spending and investment by the existing diamond mines as early as 2012.

As mineral exploration statistics published by the federal government show, there has already been a reduction in the amount spent on exploration in the NWT, both overall and in terms of a share of the total Canadian expenditure. It is one of only two Canadian jurisdictions that have posted a decrease in 2008. This does not bode well for the economy of the NWT. Regulatory uncertainty is often listed as a major cause of exploration companies' reluctance to invest here. Mining and exploration opportunities may be the region's best hope for the next generation of residents to find meaningful, well-paid, full-time employment and for communities to continue to prosper.

The Chamber hopes that the Board will keep in mind the nature of the application's low environmental risk, yet high financial risk, and proceed with the permitting process in a timely-manner.

Yours truly,

Lou Covello
President
NWT & Nunavut Chamber of Mines