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NEWS RELEASE

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The Land and Water Boards of the Mackenzie Valley, the Government of the Northwest Territories, and Indigenous and Northern Affairs Canada Release Guidelines for Closure and Reclamation Cost Estimates for Mines

Friday, November 24, 2017 – The Land and Water Boards of the Mackenzie Valley¹ (the Boards), the Government of the Northwest Territories (GNWT), and Indigenous and Northern Affairs Canada (INAC) are pleased to announce the release of the Guidelines for Closure and Reclamation Cost Estimates for Mines (the Closure Cost Guidelines).

Closure cost estimates are the basis for setting security deposits, which are funds held by the appropriate authority (the GNWT, INAC, or other landowner) for closure and reclamation of a site, in the case of abandonment of the project. In the Mackenzie Valley, the Boards have the authority to set the amount of security that a proponent must post and maintain. The Boards establish the amount of security under land use permits and water licences for projects on federal and non-federal lands. INAC and the GNWT set the form of security, hold security, and are ultimately responsible for the closure and reclamation of abandoned mine sites on federal and non-federal areas (respectively).

In recognition of their overlapping responsibilities related to security, the Boards, the GNWT, and INAC have collaborated to develop and jointly release the Closure Cost Guidelines. The Guidelines outline the process for setting security and the expectations of proponents when submitting closure cost estimates. The Guidelines apply to new and existing mining, milling, and advanced mineral exploration projects that require a Type A or Type B water licence.

The Closure Cost Guidelines are part of a larger framework for closure and reclamation planning in the Mackenzie Valley, as described in Indigenous and Northern Affairs Canada's [Mine Site Reclamation Policy for the Northwest Territories](#), 2002 (the INAC Policy) and [MVLWB/INAC Guidelines for the Closure and Reclamation of Advanced Mineral Exploration and Mine Sites in the NT](#), 2013 (the Closure and Reclamation Planning Guidelines).

¹ The Sahtu, Wek'èezhìi, Gwich'in, and Mackenzie Valley Land and Water Boards.



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The Guidelines describe existing practices, reflect past Board decisions, and aim to enhance transparency, process efficiency, and consistency, in setting and adjusting security. To ensure the Closure Cost Guidelines meet their objectives, a draft version was distributed for public review prior to finalization. The Boards, the GNWT, and INAC appreciate the many insightful and constructive comments and recommendations from reviewers. Many changes were made to the draft to address reviewer recommendations, resulting in a document that we believe will better serve all parties.

Some reviewers requested that the Guidelines include information about security refunds. The INAC Policy provides the underlying principles for security refunds, and the Closure and Reclamation Planning Guidelines provide a framework for the refund process.² Additional guidance is needed to establish a complete set of expectations for proponents requesting a refund for completed reclamation work. The Boards and the GNWT consider this issue to be a top priority and will collaborate to address this gap.

In the Mackenzie Valley, closure costs are typically estimated using the RECLAIM model, a tool which is developed and maintained by the GNWT and INAC. The GNWT has also developed a [RECLAIM User Manual](#) to support the model. The Closure Cost Guidelines describe the Boards' processes related to setting security and the expectations of proponents, while the RECLAIM User Manual provides technical information about estimating closure costs and guidance on how to use the RECLAIM model. The Closure Cost Guidelines and the RECLAIM User Manual are mutually consistent and complementary. Both documents should be used as references when preparing closure cost estimates. The RECLAIM model and User Manual will be uploaded to the Resources page of the Boards' websites shortly after release of the Closure Cost Guidelines.

The Guidelines for Closure and Reclamation Cost Estimates for Mines is now available under the Resources page of the Boards' websites (mvlwb.com, slwb.com, glwb.com, wlwb.ca). For more information, please contact:

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² See for example, the Closure and Reclamation Planning Guidelines discussions about financial security requirements (section 1.3), reclamation completion reports (section 1.2), performance assessment reports (section 1.2), and progressive reclamation (section 6.0).