

**Chris MacInnis**  
Director  
Giant Mine Remediation Project  
Crown-Indigenous Relations and Northern Affairs Canada

January 24, 2023

**GMOB Request for Data for the Purpose of Understanding the Potential Economic Effects of the GMRP**

Chris:

Thank you for your letter of December 23, 2022, responding to GMOB's request for additional details regarding GMRP estimated costs. We appreciate the explanations provided as they enable us to better understand the potential economic effects of the Project.

However, the Board would like to follow up on your response to our Question #2, which asked for details on how the \$2.67 billion budgeted for the remediation would be spent. We're requesting those details so that we can accurately determine the economic potential of the Project.

GMOB takes seriously the economic opportunities that the Project will create. We share the view of Assistant Deputy Minister Georgina Lloyd, who states in her message appearing in this year's Giant Mine Remediation Project Annual Report:

"We are committed to following the mandate given to us by the Government of Canada to create more economic opportunity and a higher quality of life in the North of Canada by using public investments to spur economic growth, job creation, and advancing policy and programs that support Northerners and Indigenous Peoples."

As the Project moves forward with its implementation plan, a baseline is imperative to determine whether all the benefits that were made available by the Project were captured. GMOB is concerned that the Project has not conducted the type of analysis that would provide the information necessary to determine its potential effects on economic growth or job creation for the North, for Canada, or for Indigenous Peoples. The Board is of the view that this is a necessary step and is prepared to assist the Project in meeting this objective. However, to date we do not have the budget details necessary to make this so.

It is worth noting that this type of economic study is a requirement of every major resource development project across the North for the precise reason we are pursuing it for the GMRP. These studies provide the type of information required for informed decision-making when “advancing policy and programs that support Northerners and Indigenous Peoples.”

Before I get into more detail as to what the Board is requesting, I want to reassure you that we fully appreciate the concerns raised with regard to the competitive process. We are able to provide three key pieces of information that can put to rest these concerns.

First, GMOB has no interest in interfering with the competitive process, nor would it disclose the information we are asking for, and therefore there should be no reasonable expectation of prejudicing the competitive process. The Board is prepared to sign a non-disclosure agreement to further protect the data and would go even further by limiting the access to a single director on our Board who will be conducting the analysis on our behalf.

Second, the way results from economic effects assessments are reported does not require a presentation of the data used in the analysis. The presentation of results will not include any budget details beyond what has been provided to the public already. There is absolutely no way that anyone could reverse engineer the results such that they could determine with any level of accuracy how the \$2.67 billion remediation budget was divided amongst the numerous project activities, let alone how to divide those numbers further into estimates of the competitive work packages.

This practice of suppressing details of a firm’s business dealings in economic effects studies is common. For example, if assessing the economic contribution of a northern airline to the NWT and Canadian economy, the affected company would not want its total revenues or its detailed expenditure accounts published alongside the results. And so, they are not. They are required by the analyst to complete the study, however.

And third, the level of detail we require to conduct an economic effects assessment with confidence is lower than what a business wanting to bid on a future contract would find useful. We do not require a breakdown of expenditures to the penny. In fact, from an overall budget of \$4.38 billion, expenditure estimates with confidence intervals of +/- 25% would be sufficient in producing an assessment on which to base future decision-making and performance reviews.

The table below is provided to demonstrate the data we require. To reiterate, we are not asking for the exact budget numbers. We ask only that you provide budget estimates that are within a reasonable confidence interval. In the example provided, the overall remediation budget estimate is given as a range spanning \$500 million.

	<b>Budget Estimate (2022/23 to 2037/38)</b>
<b>Activities</b>	
<b>Remediation</b>	<b>\$2.5 to \$3.0 billion</b>
Tailings	To be provided
Contaminated Surficial Materials	To be provided
Water Treatment Plant	To be provided
Baker Creek Realignment	To be provided

Surface Water Management (incl elsewhere)	To be provided
Stabilisation and Remediation of U/G Works	To be provided
Demolition and Debris Removal	To be provided
Open Pit Closures	To be provided
Ground Freeze	To be provided
Openings to Surface	To be provided
Landfill	To be provided
Borrow	To be provided
Common Site Services	To be provided
Common Support Services	To be provided

We have two additional questions that are in addition to our request for the budget details associated with the 14 Project activities listed above:

- 1) What is the value of contingency that has been included in the overall budget of \$4.38 billion?
- 2) How is the \$244.8 million estimate for Program Management divided between NWT and the rest of Canada?

Our goal is to provide the public with a result that is reasonable and reliable. Confidence in the results rises with the quality and quantity of data used. Our work to date has produced preliminary results, but our confidence in them is low because we are having to hypothesize where the \$4.38 billion budget will be spent.

The Giant Mine Oversight Board knows that the Project, the Parties to the Environmental Agreement, and members of the public will benefit greatly from knowing the full economic potential of the GMRP and its performance in delivering benefits to the region, the NWT and to Canada over time. This is only possible with your support in providing the details we have requested.

Should you have questions regarding these requests, please feel free to contact Graeme Clinton, our lead for this initiative. Graeme can be reached at +1.867.444.6191 or [gclintonathome@gmail.com](mailto:gclintonathome@gmail.com).

On behalf of the Board, I thank you for your support and look forward to your response.

Sincerely,



David Livingstone  
Chair

c.c. Natalie Plato, Deputy Director, Giant Mine Remediation Project