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Federal and N.W.T. governments team up to sell Cantung mine and Mactung deposit

'Not having these 2 properties compete against each other is important,' says territorial gov't

Jamie Malbeuf · CBC News · Posted: Feb 14, 2019 7:00 AM CT | Last Updated: February 14



A drilling production stope at the Cantung Mine. The federal and territorial governments are working together to sell the Cantung mine and Mactung deposit. (North American Tungsten)

The federal and Northwest Territories governments are working together to sell the Cantung mine and Mactung deposit, located along the N.W.T. and Yukon border.

- [Exploration company eyes new life for Cantung mine mill](#)
- [N.W.T. government paying for Mactung upkeep, a mineral exploration site it shares with Yukon](#)

"It's a very small worldwide market ... Not having these two properties compete against each other is very important," said Pamela Strand, assistant deputy minister for minerals and petroleum with the territorial government.

The territorial government bought the Mactung exploration project in 2015 for \$2.5 million as a stipulation to hand over the now-abandoned Cantung tungsten mine to the federal government. This came after the company that owned the properties, North American Tungsten, [filed for bankruptcy](#).



The Mactung deposit and Cantung mine are located on the N.W.T. and Yukon border. (North American Tungsten Corp.)

So far, the territorial government hasn't gotten an adequate offer for the Mactung property, and the territorial government has been [footing the bill](#) for upkeep since 2015. These costs come to about \$175,000.

The federal government has spent much more on the Cantung site: more than \$17 million. In an email, Indigenous and Northern Affairs media relations officer Tim Kenny said the government has been consulting with Yukon and Northwest Territories Indigenous groups who assert rights in the area. As well, it's been maintaining the site in accordance with the Mackenzie Valley Land and Water Board.

The federal government also hired Tetra Tech to assess the site and develop remediation options.

The decision to try and sell the property again is partly due to the price of tungsten, which has "improved significantly," according to Strand.

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She said multiple companies have expressed interest in the site over the years.

"These are world-class tungsten opportunities, and they both will take a really experienced owner and operator."

The territorial government has been researching the deposit over the past few years as well, and that research has shown tailings at the site have tungsten in them.

"There's a lot of new technology and process paths that could allow these tailings to be reprocessed and converted to an economic resource," said Strand.

She said it's important to note the federal government has gone out of its way not to reclaim the Cantung site, because it still has potential. She said the last estimate for the mine's life was about 10 years, but "it could be 15 years or more."

- [N.W.T.'s purchase of Mactung rights gets mixed response in Yukon](#)

Concern over permits

Lewis Rifkind, mining analyst with the Yukon Conservation Society, said his organization is concerned with the territorial government's work to make the site more appealing to buyers.



Lewis Rifkind says the Yukon Conservation Society will submit a written statement if the permits gets to the public engagement stage.

The government has submitted an application for a quartz permit to the Yukon Environmental Assessment Socio-Economic Board. If the permit is granted, it would allow a potential buyer to do some "really basic exploration" immediately, according to Strand.

The Quartz Mining Act states a mineral claim holder is entitled to all the minerals on the lands for the operation of the mine "but for no other purpose."

Rifkind said the submitted application doesn't follow that guideline. The territorial government's proposal says it doesn't plan on carrying out mining activities, and is seeking the permit "as a means of increasing the appeal of the Mactung property to prospective buyers."

"The whole reason we have a mining act is to facilitate mining, not to do ... the mining equivalent of a real estate flip," he said.

He said it's possible that a buyer wouldn't want to carry out the exact plan the territorial government has outlined, and the buyer would have to go through the process of applying for the approval again, which would make this a "pointless" paper exercise.

"Everyone's spending a lot of time and effort and money on it," said Rifkind.

He said if the permit gets to the public engagement stage, the Yukon Conservation Society will submit a written statement with its concerns.

With files from Katie Toth