

Victoria Gold Corporation (VIT): Comprehensive Exploration Agreement (CEA)

Context

The Eagle gold project is situated on Victoria’s Dublin Gulch property in the Mayo Mining District of central Yukon, Canada. The site is approximately 85 km north-northeast of the village of Mayo and is located within the traditional territory of the Na-cho Nyak Dun (NND) First Nation, with part of the project on Category B Lands.¹

Victoria Gold Corporation (VIT) and the NND signed a Comprehensive Exploration Agreement (CEA) in September 2012 outlining the company’s commitment to the NND beginning at the early exploration phase of the Eagle gold project, with the intent that the relationship would continue on until a resource has been identified. The agreement included funding for an NND Environmental Monitor and a Community Liaison on both the Category B project area and the Eagle gold project. A community celebration and official signing were held in Mayo, Yukon, to commemorate this historic event.

It is increasingly common for exploration companies to enter into an early-stage agreement with the First Nation(s) concerned in anticipation of the impacts and opportunities arising from exploration activities in the short term. Entering into a more comprehensive agreement prior to the identification of the resource is unique to the mineral exploration industry and it was viewed as a significant milestone for both VIT and the NND.

Throughout the negotiation of this comprehensive agreement, the company demonstrated its long-term commitment to working with the NND throughout the life cycle of the mining project and building a strong relationship from the start. If and when a resource is found, a Community Comprehensive Cooperation Benefits Agreement (CCBA) will be negotiated with the starting point already being established by the CEA.

Description of Measures Implemented

Having this CEA in place has established a strong foundation and provided reassurance to the NND that VIT will be committed to working closely with the community throughout the entire project and to developing a working relationship between the two parties regarding exploration related to the Eagle gold project and specifically on the NND Category B Lands.

Pre-exploration	Exploration	Development	Operation	Closure	Post-closure
Lead: Industry (Yukon)					
Step of the Mineral Development Sequence: Exploration					
Key Finding: Having an exploration agreement in place establishes a strong foundation and provides reassurance to local communities that the company is committed to working closely with them throughout the entire exploration project.					



¹ Category B Settlement Land is a parcel of land where a Yukon First Nation has ownership of the surface.

One of the major challenges faced by both VIT and the NND was that they were negotiating for a mining project that may or may not exist in the future since no exploration had been done to confirm any resources.

For this reason, there was difficulty in defining how far to go with the agreement, recognizing that it would set a precedent for industry.

Results

The NND was pleased with the negotiation of the CEA, and the agreement was signed by the Chief and Council. The CEA applies to exploration activities carried out by VIT, its agents, or assigns on the exploration area until such time as a CCBA is executed by the parties or terminated as per the terms in the agreement. This agreement does not authorize any exploration activities on the NND settlement land other than the exploration area or constitute the NND's consent for VIT to undertake production activities within the exploration area. This agreement is therefore recognized to be strictly for exploration activities.



The agreement provides a base for further negotiations and gives certainty to the relationships on both sides if a mine is proposed. A harmonious working relationship developed from the start, and both sides clearly stipulated what their expectations were, minimizing the probability of future conflicts and relationship breakdowns. The agreement thus provides solid guidance to leadership if any changes are made within the company or First Nation, decreasing potential misperceptions about what will happen on either side as the project moves forward. As time passes and the situations change for either side, there may be opportunities for further negotiations.

Lessons Learned

VIT learned throughout this process, and it took the company a good deal of time to determine where it was going and how it could effectively build its relationship with the NND. Originally, the company had focused on the development of a standard exploration agreement and, had it known ahead of time where it would be going with the negotiations, a lot of time and resources could have been saved. With the detail that was addressed in the CEA at this stage, there were increased costs related to legal services and time spent preparing the agreement for signing.

During the negotiating process, the NND gained experience and a better understanding of the Eagle gold project, and VIT gained greater knowledge about working with the First Nation community.

VIT's CEA helps demonstrate that a more comprehensive and long-term vision of engaging with First Nations communities is beneficial for both the local community and the project proponent.

For more information:

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