



April 17, 2025

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Dear Patti Balsillie and Andrei Samson,

RE: Advancing Transparency and Strengthening Local Procurement in Yukon's Resource Sector

Thank you for your letter dated February 12, 2025, sharing your concerns about transparency and local procurement in the Yukon's resource sector.

The Eagle Gold Mine provided important opportunities for many Yukon and Yukon First Nation businesses while in operation, and the disaster that occurred has resulted in significant loss and impact on many.

I am pleased to be able to provide the following updates on the topics brought forward in your letter:

1. *Procurement Oversight and Transparency:*

Regarding procurement mechanisms at the Eagle Mine site, the Receiver operates with the powers and authority set out in the Court Order and is subject to the supervision of the Court including in its management of procurement for the Eagle Mine site. The Receiver of Victoria Gold Corp. is not acting on behalf of the Government of Yukon, but is an officer of the Court, and was appointed by Court Order with the support of the Government of Yukon and the First Nation of Nacho Nyak Dun to oversee a very difficult environmental remediation in circumstances requiring an urgent response, in consideration of the interests of key stakeholders. The Government of Yukon continues to serve as the primary territorial regulator for the mine site and also acts as Receivership Lender.

In its role as Receivership Lender the Government of Yukon has emphasized the importance of providing local benefits to the First Nation of Nacho Nyak Dun (FNNND), its development corporation, and the residents and businesses of Mayo and the Yukon. This is reflected in the Amended and Restated Receivership Credit Agreement, found in Appendix H of the Receiver's Second Report to the Court on its website at pwc.com.

2. *Local and Indigenous Business Participation:*

Regarding the proportion of contracts awarded to Yukon-based and First Nation businesses:

- i) Eagle Mine site: Under the authority of the Receiver for Victoria Gold Corp., the Receiver provided contracting opportunities to FNNND citizens and Mayo and Yukon residents.

In accordance with the Amended and Restated Receivership Credit Agreement, the Receiver reports monthly to the Government of Yukon on local benefits in respect of members of FNNND and Mayo and Yukon residents. For the period from December 12, 2024, to January 15, 2025, approximately half of the contractors on site were local businesses, of which half were affiliated with the Nacho Nyak Dun Development Corporation.

- ii) Yukon-wide: Goods and services procured under the Yukon government Procurement Policy follow the Yukon First Nations Procurement Policy implemented in 2021. This policy fosters an inclusive economy by leveling the playing field for Yukon First Nations people and businesses. Recognized as a leading model of Indigenous procurement, it advances reconciliation through close collaboration with First Nations governments.

Since its launch, over 140 businesses have joined the Yukon First Nation Business Registry. For additional metrics related to the Yukon First Nations Procurement Policy, the annual report and the Yukon government procurement policy can be found on our website at [Monitor and Review Committee 2023-24 annual report | Yukon.ca](#) and [Procurement policy | Yukon.ca](#).

3. *Commitment to Preferential Local Contracting:*

The Yukon First Nations Procurement Policy prioritizes local businesses by fostering an inclusive economy and creating opportunities for Yukon-owned and First Nations enterprises, and the Yukon government is committed to ensuring the policy benefits the intended recipients.

Bid value reductions play an important role in achieving the objectives of the Yukon First Nations Procurement Policy. They are accessible to all businesses and help increase the competitiveness of bids that include Yukon First Nation participation and/or ownership. Contractors must meet commitments towards labour levels and Yukon First Nation business participation in their proposals, which then form part of the contract. Contractors must also provide proof of meeting their Yukon First Nation Participation Plan commitments, including a statutory declaration.

Additional measures being taken to enhance local contracting opportunities include:

- i) Community Development Agreements which help maximize benefits related to business and employment development for Yukon First Nations People and communities from projects within Yukon First Nations traditional territories.

- ii) Yukon First Nation Business Subcontractor verification forms, introduced in 2025, to ensure that Bid Value Reductions are only applied to submissions from contractors who have communicated and committed to working with Yukon First Nation Business subcontractors.
- iii) Vendor Performance Review Program to provide oversight of commitments made under the government's procurement policy.
- iv) Monitor and Review Committee to assess progress on the implementation of the Yukon First Nation Procurement Policy. The committee will continue to conduct regular data analysis and to monitor for any market disruption.
- v) Yukon First Nation Procurement Policy Review which will be initiated by an independent contractor by 2026. The review will take a broad, holistic assessment of the overall effectiveness of the policy, its implementation and overarching outcomes.

4. *Alignment with Government Priorities and Economic Reconciliation:*

Regarding your question about a procurement strategy for Eagle Gold, as noted above, the court-appointed Receiver for Victoria Gold Corp. is not an agent or contractor of the Yukon government. As the authority for procurement at the Eagle Mine site, the Receiver is best positioned to address any questions regarding its procurement practices.

I wish to thank the Yukon and Whitehorse Chambers of Commerce for their continued commitment to collaboration with the Yukon government on procurement practices and for supporting local businesses in navigating the socio-economic challenges that continue to evolve in the territory. Our government is committed to promoting the development, resilience, and prosperity of Yukon and Yukon First Nations businesses. I appreciate hearing from you on these issues and look forward to further discussions as we navigate the significant uncertainty caused by the unjustified tariffs imposed by the U.S. administration, and other challenges.

Sincerely,



Ranj Pillai
Premier of Yukon

- c. Tracy Allen, Deputy Minister, Highways and Public Works
Sierra van der Meer, Deputy Minister, Energy, Mines and Resources