

Asked by:

Member for Yellowknife North

February 6, 2026

**Application of *Waters Act* Provisions
to the Sale or Transfer of Mining Assets**

There is concern that the sale of mining assets to smaller operators may increase the risk of bankruptcy and unfunded remediation liabilities. The *Waters Act* contains provisions that allow for financial testing of new owners when licences are assigned, but the Department of Environment and Climate Change has indicated through correspondence that the applicability of such testing depends on whether a transaction is structured as an asset purchase or a share purchase.

My questions are for the Minister of Environment and Climate Change:

1. What legislation, regulation, policy, or best practice supports the Department's stated position that the applicability of financial testing under the *Waters Act* depends on whether a transaction is structured as an asset purchase or a share purchase?
2. Can the Minister explain how Section 39 of the *Waters Act* is applied in cases where mining assets change ownership through a share purchase, including situations involving a change in controlling shares?
3. Can the Minister provide either publicly, or confidentially to Members, any existing analysis by the Department on how Section 39 of the *Waters Act* has been applied thus far to sales/transfers of mining assets, over the last ten years?