

# Northern Mining News

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## From the Executive Director ...

It was with deep shock and heavy heart that we heard of the passing of northern ice road icon, John Zigarlick. His commitment and drive and innovation will be missed.

There are interesting messages on what this year holds for us. Finance officials warn of economic downturn. At the same time, senior business leaders are projecting strong commodity markets for years to come. A powerful statement by McKinsey analysts says: "Economic advances sweeping through China, India, and other emerging-market economies dwarf the pace and scale of the Western world's Industrial Revolution, in the 18th and 19th centuries." Wow!

Our conclusion? Take advantage of our mining industry to dig us out of debt and rebuild our economic future.

Happy reading!

***Our Mission:*** To be the leading advocate for responsible and sustainable mineral exploration and development in the NWT and Nunavut.

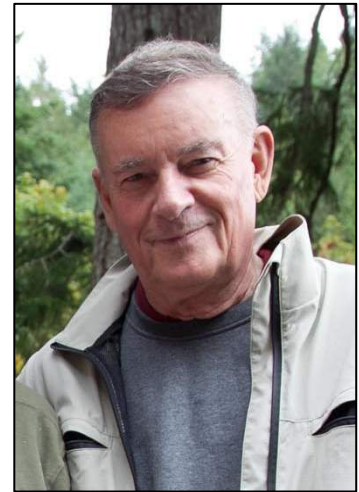
## In Memoriam: North Loses Mining and Ice Road Icon, John Zigarlick

It was with heavy heart that we heard of the sudden passing of John Zigarlick, a well known mining man in our part of northern Canada. While John's mining roots go way back to Uranium City in Saskatchewan, he is most familiar to us for his work on the now famous Tibbitt to Contwoyto ice road.

The road's roots go back to John's time managing the Echo Bay silver mine at Great Bear Lake which was supplied by air and by the famous Denison winter road. As that mine ran out of ore, John and his team found a promising gold deposit, unfortunately challenged by its remote location in the Arctic barrenlands.

By applying his winter road and air resupply experience, John was able to eventually build the Lupin mine by air, using a Hercules and Convair aircraft. (In time, he would add Twin Otters, Beaver and a Boeing 727 to his company fleet.) To keep the mine operating he took the bold step to build a winter road from Lupin to connect with the highway near Yellowknife, a particularly challenging feat when 75% of the road's 568 kilometres is built over lake ice – the longest ice road in the world.

John's initial success saw the road support under 1,000 truckloads yearly to service Lupin, which became one of Canada's top gold mines, capturing the interest of The New York Times. It wrote in 1987: "The success of Lupin has given a boost to the flagging mineral investment in the Northwest Territories, where legend and hope have traditionally outrun economic development." In his 21 years with the company, John saw Echo Bay Mines grow from a net worth of \$7 million in 1979, to a corporation with a market capitalization of \$2 billion.



billbradenphoto

John left Echo Bay Mines in the late 1990s to form Nuna Logistics, a new partnership with the Inuit of the Kitikmeot Region. Under John's guidance, Nuna took over the annual construction of his old Lupin ice road which was now ramping up to service three diamond mines. With solid engineering and safety considerations, he increased the road capacity to reach nearly 11,000 truckloads in a single year, a phenomenal feat considering its humble roots. Under his guidance too, Nuna has grown to become one of the best known frontier development companies in Canada.

John's achievements were recognized. In 1984, he was named *Mining Man of the Year* by the Northern Miner newspaper. In 1985, he received the *Distinguished Service Award* of the Prospectors and Developers Association. In 2006, the Transportation Association of Canada gave John their *Award of Achievement* for the development of the Tibbitt to Contwoyto Winter Road.

John was truly a visionary who was able to get the job done. We will miss him. A celebration of John's life will be held in the New Year where family, friends and business associates can come together and pay respects to John.

## **Mining Can Help Address Finance Minister's Economic Warning**

Perhaps new mine development can help?

The NWT's Finance Minister Michael Miltenberger recently provided an update on the state of the NWT's economy, predicting difficulties ahead. "Right now we are experiencing economic uncertainty because of the fragility of the international financial system, the high value of the Canadian dollar, and limited access to international markets. These factors all have negative implications for our exporting industries, and therefore for NWT businesses and employment." Miltenberger said there will most likely be less revenue in the coffers than was forecast last February.

The Chamber of Mines respectfully suggests supporting the progress of our five mining projects that are in environmental review, could help advance that significant investment in the economy.

In addition, the minerals strategy that the new NWT Government has put in its priorities plan could do much to help rejuvenate mineral exploration investment that has fallen so far behind our northern neighbours and the world.

We should move quickly if we are to maximize opportunities from currently strong global commodity markets.



## **Prime Minister Announces New President of CanNor**

The Prime Minister has announced that Patrick Borbey will take over as President the Canadian Northern Economic Development agency as of December 19, 2011. Mr. Borbey has had a long career with the Federal Government, in the department of Aboriginal Affairs and Northern Development (AANDC). For many years he was Assistant Deputy Minister of Northern Affairs where he was responsible for non-renewable resource development and in that role had close dealings with the Chamber of Mines. Most recently he was Senior Assistant Deputy Minister of for Treaties and Aboriginal Government. We look forward to working closely with Patrick in his new role at CanNor.



## **De Beers Supports NWT Writing Competition**

De Beers Canada and NorthWords has received 94 submissions from around the Northwest Territories and across Canada for their planned Anthology of NWT Writing.

"This project is another one of De Beers Canada's literacy initiatives in the NWT," said Cathie Bolstad, Director, External & Corporate Affairs for De Beers Canada. "De Beers' goal in supporting this project is to publish a book that reflects and celebrates the dynamic spirit, beauty and vibrancy of the Northwest Territories, its people and their stories."

“NorthWords is not only looking forward to discovering new northern writers and re-visiting established northern writers, but to sharing new northern literary works with a broader audience,” said Annelies Pool, Executive Director of NorthWords. “I want to thank all those who submitted. I also want to thank De Beers for their support, without which this project would not be possible.”



A panel of judges will now review the submissions without knowing the identity of the authors. About 30 works will be included in the finished anthology. Winners will be notified in the next few weeks, and their names officially announced at the seventh annual NorthWords Festival, May 31-June 3 in Yellowknife. It's hoped the book will be ready for release in early fall of 2012.

De Beers is the major funder of the Anthology and the Premier Sponsor of NorthWords. For more information visit: <http://www.northwordsnwt.ca>.

### **Canadian Mining Blog One of Best – Try It and See**

For interesting and informative opinions and news on industry developments, visit the Republic of Mining blog [www.republicofmining.com](http://www.republicofmining.com). Toronto-based communications consultant and mining columnist (National Post/Toronto Star) Stan Sudol produces the blog.

In contrast to the avalanche of anti-mining information on the internet and in the media, RepublicOfMining.com is trying to ensure that clear and accurate facts about the mineral industry are available on the web, the first source that media, politicians, and the general public and students go to for their information.



The Canadian Business Ethics Research Network stated that RepublicOfMining.com is “The ultimate mining database!” It adds that the Republic of Mining “blog is fast becoming a go-to resource for professionals and academics involved in the mining and resource extraction industries ... a large, well-research repository for articles and information about Aboriginal mining issues within Canada and abroad.” Give it a read, we’re sure you’ll like it.

### **Boreal Caribou Data Available for Download**

Through their website [www.data.gc.ca](http://www.data.gc.ca), Environment Canada has now made available for download “Anthropogenic disturbance footprint within boreal caribou ranges across Canada”, data used in the Boreal caribou Science Assessment and Recovery Strategy. The disturbance footprint for all 57 boreal caribou ranges, the range boundaries and detailed documentation describing the disturbance mapping methods can be accessed directly from this address: <http://www.data.gc.ca/default.asp?lang=En&n=5175A6F0-1&xsl=datacataloguerecord&metaxsl=datacataloguerecord&formid=F34DCB32-4845-4E88-B125-5AC03C6E4A7F,%20F34DCB32-4845-4E88-B125-5AC03C6E4A7F>

For additional inquiries please contact Jason Duffe ([jason.duffe@ec.gc.ca](mailto:jason.duffe@ec.gc.ca)).

## Federal Finance Committee Report Supports Mining

In early December, the Government of Canada's Standing Committee on Finance released its report titled: "STAYING FOCUSED ON CANADIAN JOBS AND GROWTH". Several of its recommendations support our mining industry and the north, including:

- The federal government continue to provide strong support to protect, sustain, and promote Canada's traditional industries — like mining, forestry, and manufacturing — by maintaining support and tax incentives to assist them.
- The federal government continue its work in the development of a national securities regulator in order to better protect Canadians.
- The federal government continue to recognize the need to promote the trade and export of Canadian goods and services abroad, such as in natural resources and financial and educational services.
- The federal government work with municipalities, especially in rural Canada, to continuously review the *Navigable Waters Protection Act*.
- The federal government, as committed to in Budget 2011, continue to work with provinces, territories, the Federation of Canadian Municipalities and other stakeholders to develop a long-term plan for public infrastructure that extends beyond the expiry of the Building Canada plan, including ensuring support for rural communities.
- The federal government continue to advance public-private partnerships (P3s) to produce value for taxpayers in the delivery of public infrastructure.
- The federal government continue to explore cost-effective ways to support greater energy cost savings, especially with regard to northern and remote communities and transportation choices for Canadians.
- The federal government examine the concept of a First Nations Property Ownership Act as proposed by the First Nations Tax Commission.
- The federal government make progress in engaging in a new approach to providing support to First Nations and Inuit post-secondary students to ensure that students receive the support they need to attend postsecondary education and engage in the labour

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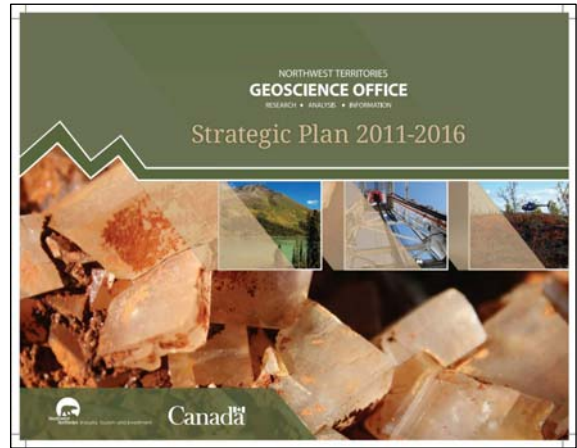
market. The new approach should be effective and accountable, and coordinated with other federal student support programs.

The PDF version is now available at the following link:

<http://www.parl.gc.ca/CommitteeBusiness/ReportsResponses.aspx?Cmte=FINA&Language=E&Mode=1&Parl=41&Ses=1>

## **5 Year Strategic Plan for NWT Geoscience**

The Northwest Territories Geoscience Office (NTGO) has recently completed a five-year Strategic Plan to guide its operations and growth. The planning exercise was led by Dr. Murray Duke, a former Director General with the Geological Survey of Canada, who also authored the final report. The federal and territorial governments collectively fund and staff the Yellowknife-based NTGO, and this partnership has proven to be model for successful intergovernmental collaboration. The Strategic Plan recommendations build on this collaboration, with a focus on the following goals, most of which broadly reflect current NTGO priorities:



1. To be the principal resource for NWT geoscience information.
2. To learn about the mineral resources of the NWT.
3. To learn about the energy resources of the NWT.
4. To provide information to decision-makers about activities that could affect the land, environment and infrastructure of the NWT.
5. To use modern methods and best practices in managing geoscience information for the NWT.
6. To continually improve and expand the services provided to NWT stakeholders.

The plan builds on the announcement by Federal Minister Aglukkaq in November ... and most recently by the new NWT Minister of Industry, Tourism and Investment Dave Ramsay announced the Strategic Plan in the legislature on December 14, 2011, stating: “In November of this year Minister Leona Aglukkaq from the Canadian Northern Economic Development Agency announced an additional \$3.275 million in funding to support further geoscience research in the NWT. Combined with an in-kind contribution from the Government of the Northwest Territories of \$1.1 million, as well as contributions from the private sector, this investment totals over \$5 million dollars over three years. Reliable geoscience data is vital to encourage exploration in areas with high resource potential, which in turn contributes to the sustainability of the NWT mining industry.”

Both the Strategic Plan and a plain language version of the plan can be downloaded from the NTGO website at <http://www.nwtgeoscience.ca/>

## **First Crop of Diamond Drillers Complete Arviat Training Program**

Diamond drills are used for mineral exploration worldwide, and in the tiny community of Arviat, 11 more people are now qualified to use them. The 10-week “Arviat Diamond Driller’s Training Program” culminated in a graduation ceremony in early December, 2011. These students now have “immediate access to well-paying jobs as surface diamond driller helpers” said John Main, Economic Development Officer for the Hamlet of Arviat, in a December 13, 2011 news release.

“There is big demand for trained drillers in the mining industry and the Hamlet forged a partnership opportunity with Agnico-Eagle, drilling companies, colleges and government funding agencies to develop Nunavut’s first diamond drillers’ program”, said Graeme Dargo, Senior Economic Development Coordinator for Agnico-Eagle Mines Ltd. Those other partners include Orbit Garant Drilling Services, Boart Longyear Canada, the Kivalliq Mine Training Society, and the Kivalliq Inuit Association, to name a few.



Instructor points out features of diamond drill to Arviat students.  
Photo courtesy John Main.

Drilling activity in the Kivalliq Region included at least 10 drill programs in 2011, each program with 1 – 4 drills requiring a minimum staff of seven, according to Main, in a presentation at the recent Kivalliq Trade Show. “Each drill requires 2 Drill Crew; 2 Night Shift; 2 Shift Change; and 1 employee responsible for parts and service.”

Elders, students and course instructors all took part in the graduation ceremonies, which included a drum dance. Ludovic Onerc, a certified diamond driller for more than 20 years and assistant instructor, was pleased to share his knowledge and experience. “When I passed the drum to a student, it also represented a hand-over to all of them, in terms of working and succeeding in the industry.”

A second intake is slated to begin in February, 2012 – this time opening its doors to students from other communities in the Kivalliq. And the prerequisites for entry into the training program? “Employers are seeking staff who are able-bodied, willing to travel, and like to work,” said Main.

The program will continue to be offered at least twice a year, depending on industry demand and funding resources, the news release said.

People in Arviat are hungry for the training programs, Main told Nunatsiaq News earlier this year.

“That hunger comes from an everyday reality for people — poverty, not being able to feed their kids properly, not to afford a snowmobile. There’s a lot of guys who would like to go forward,

but they can't afford it" he said. "A lot of people are understanding that training means a better chance for a job."

Training programs to date have included a camp cook program, drillers' helper training, field assistant training and a Class 5 drivers' education course, a necessary step for further training as a heavy equipment or truck operator.

### **Ticking Time Bomb – Minerals and Metals Scarcity Predicted**

A survey of Executives of leading global manufacturing companies by consulting firm PWC has determined that the impact of minerals and metals scarcity will increase strongly in the next five years.

The world's growing population, an increase in GDP levels and changing lifestyles are causing consumption levels to rise globally, creating a higher and higher demand for resources. Governments and companies are becoming increasingly cognisant of the scope, importance and urgency of the scarcity of both renewable and non-renewable natural resources including energy, water, land and minerals. The interrelationships between these resources are strong, which means that both the causes of scarcity and the solutions to it are complex. There can be a fine line between 'just in time' and 'just not there'.



Some key findings of the survey include:

- Major manufacturing companies consider minerals and metals scarcity as an important issue for their business, but do not see sufficient awareness of this topic among all their stakeholders.
- The risk of scarcity is expected to rise significantly, leading to supply instability and potential disruptions in the next five years, but this also creates opportunities for competitive advantage.
- Economic and political drivers of scarcity are generally seen as much more important than physical drivers.

Minerals and metals identified as being in short supply include beryllium, cobalt and fluorspar. Beryllium is used in military equipment and in the aerospace industry, in high-speed aircraft, missiles, space vehicles and communication satellites. Cobalt is used in jet-turbine engines and automotive rechargeable batteries. Fluorspar is used in construction, cement, glass, iron and steel castings. Shortages of tantalum, used in mobile phones, computers and automotive electronics; and lithium, applied in wind turbines and lithium-ion batteries in hybrid cars, were cited also as being a source of concern.

Read more at: <http://www.theengineer.co.uk/pwc-survey-warns-of-mineral-shortages-harmful-effects/1011215.article#ixzz1gZJSzpVd>



## Global Institute Says Commodity Prices to Stay High for Long Term

Mirroring the messaging by the European executives (above), McKinsey Global Institute provides some very interesting observations on the global economic future.

From their perspective, “Economic advances sweeping through China, India, and other emerging-market economies dwarf the pace and scale of the Western world’s Industrial Revolution, in the 18th and 19th centuries. As three billion new middle-class consumers join the global economy over the next two decades, the impact on the world’s resource landscape will be profound—both in terms of demand and the need for new technologies to counterbalance critical shortages of food, water, and other resources.”

With respect to commodities, in a December report McKinsey’s analysts warn that commodity prices will be volatile over the next two decades:

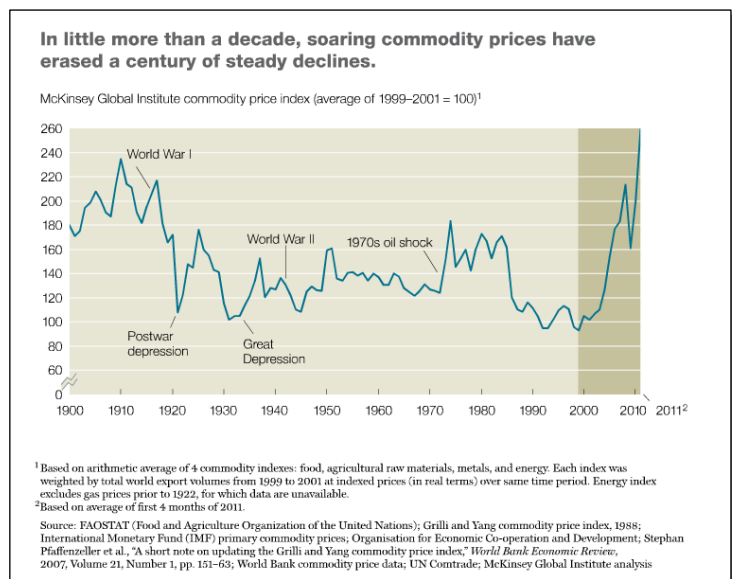
*Demand for energy, food, metals, and water should rise inexorably as three billion new middle-class consumers emerge in the next two decades. The global car fleet, for example, is expected almost to double, to 1.7 billion, by 2030. In India, we expect calorie intake per person to rise by 20 percent during that period, while per capita meat consumption in China could increase by 60 percent, to 80 kilograms (176 pounds) a year. Demand for urban infrastructure also will soar. China, for example, could annually add floor space totaling 2.5 times the entire residential and commercial square footage of the city of Chicago, while India could add floor space equal to another Chicago every year.*

*Such dramatic growth in demand for commodities actually isn’t unusual. Similar factors were at play throughout the 20th century as the planet’s population tripled and demand for various resources jumped anywhere from 600 to 2,000 percent. Had supply remained constant, commodity prices would have soared. Yet dramatic improvements in exploration, extraction, and cultivation techniques kept supply ahead of ever-increasing global needs, cutting the real price of an equally weighted index of key commodities by almost half. This ability to access progressively cheaper resources underpinned a 20-fold expansion of the world economy.*

McKinsey’s chart demonstrates how a steady decline in commodity prices over the past hundred years was erased with China’s turnaround in the past 10 years.

For more information on McKinsey’s work, visit: <http://www.mckinsey.com/>.

And to read the specific report, *A new era for commodities*, visit [here:](http://www.mckinseyquarterly.com/A_new_era_for_commodities_2887)  
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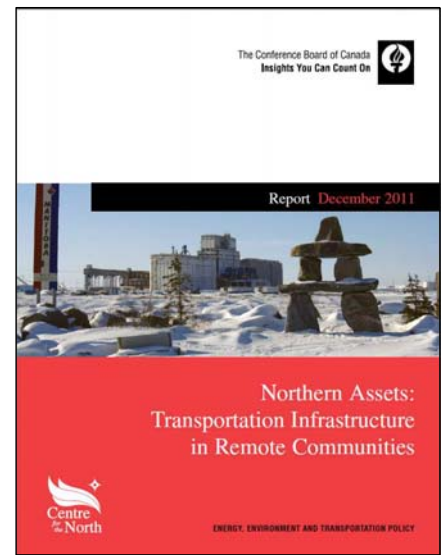


## Conference Board Says North Needs Infrastructure

The Conference Board of Canada has released another report in their ongoing analysis of Northern Canada. *Northern Assets: Transportation Infrastructure in Remote Communities* examines the role of Northern transportation infrastructure development in creating community links, enhancing commercial prospects, and facilitating economic growth. It features a case study of Churchill, Manitoba, to look at lessons learned and to analyze the implications of transportation infrastructure development that are relevant for other Northern communities. It also identifies policy issues and gaps in transportation infrastructure, as well as areas for further research.

Observations & conclusions include:

- Transportation infrastructure is considerably more expensive to build and to maintain in the North than in the South, and climate change is disrupting existing rail and winter-road links.
- Canada needs a coordinated strategy to strengthen transportation links to and within the North, to support social and economic development, and to enhance Canada's security and sovereignty.
- Planners and policy-makers must consider the unique social and economic benefits, and full life-cycle costs, of proposed transportation infrastructure projects in the North. They should engage communities to understand their needs and concerns, and address competing public, business, and individual interests.
- While governments must lead in setting priorities, they should also consider greater use of public-private partnerships to accelerate development.



A copy of the report can be downloaded here: [www.centreforthenorth.ca/](http://www.centreforthenorth.ca/)

## Aboriginal Firm Purchases Dash 7 Combi Aircraft

Tli Cho Air, a partnership that is majority owned by the Tli Cho Investment Corporation and minority owned by Discovery Air subsidiary Air Tindi Ltd., has purchased its own de Havilland Dash 7 Combi, registration C-FWZV.

"This is an exciting day for all of us involved in Tli Cho Air," said Alex Nitsiza, Chairman of Tli Cho Investment Corp. "We have been partners in the aviation business with Air Tindi for many years and now we have taken the next logical step of building equity with the help of our partners at Air Tindi."

"This deal has been in the works for a while now and it is great to be making this multi-million-dollar investment with our partners in the future prosperity of Tli Cho Air and the Tli Cho people who benefit from its success," said Air Tindi President Chuck Parker.

This aircraft, ideally suited for servicing the Tlicho communities and remote Northern resource exploration and mining properties in the NWT and Nunavut, is already integrated into the fleet at Air Tindi, which conducts all flight operations for Tli Cho Air. Unlike other Northern combi-configuration aircraft the de Havilland Dash 7 Combi features a quick-change design, allowing it to go from a passenger airplane to a full freighter in little more than an hour.

### **Manitoba Adds Momentum to Airship Technology**

In mid-December, the first Manitoba-built airship was introduced to the public. The 80-foot behemoth was built by Buoyant Aircraft Systems International (BASI) and ISO Polar, a non-profit research institute founded to encourage airship technology.

Barry Prentice, president and CEO of BASI, said: “Since 2001, I have been researching the potential to use a modern generation of transport airships as a means to deal with the logistical challenges of northern Canada. Because the lift is free, airships do not consume much fuel and the economic competitiveness of airships is growing.” Prentice is professor of supply chain management at the I.H. Asper School of Business and the former director of the Transport Institute at the University of Manitoba.

Prentice explained that the difficult living conditions of the remote communities in the North can be directly related to the high cost of transportation. Food prices in Island Lake, Manitoba, for example, are two to three times higher than those in Winnipeg. Climate change is beginning to shorten the length of the ice road season, and as this trend continues ice roads are becoming less economic to construct. Finally, advances in materials, control systems, propulsion and design had eliminated all the technical problems that had held back buoyant aircraft systems and airships are becoming more appealing as a solution to many transportation problems.



The fins, gondola and envelope of the airship were constructed at Red River College during the summer of 2011. Subsequently, all materials were moved to the University of Manitoba to complete the final seam of the envelope, the fins, nose cone and landing gear. Following final assembly inside the EITC Atrium at the University of Manitoba, the airship (designated the *MB80*), will be taken to the BASI hangar at St. Andrews Airport just outside Winnipeg to begin flight tests.

To best determine if the airship is feasible as a northern workhorse, BASI will undertake a research program on cold weather operations, ballast exchange, robotic flight, electrical propulsion and fuel cells.

Prentice noted: “The airship industry will need many engineers and technicians, as well as pilots and ground crews as the technology becomes accepted and expands. It is our hope that Manitoba can be the centre of this educational and research activity because it will help attract other airship companies to establish a presence in the Province of Manitoba.”

He added: “Airships may seem to come from the past, but they represent the future.”

### **Northern Land Claim Agreements Provide a Piece of Devolution**

Comprehensive Land Claim Settlements with the Gwich'in, the Sahtu Dene and Metis and the Inuit of the Nunavut Settlement Area provide for these Aboriginal groups to receive a share of the resource royalties, including those from mining, from Crown Land in the N.W.T.

The Gwich'in and the Sahtu Dene and Metis each receive 7.5% of the first \$2 million and 1.5% of any additional amounts of resource royalties from the Mackenzie Valley Claim Area.

The Inuit of the Nunavut Settlement Area receive 50% of the first \$2 million and 5% of any additional amounts of resource royalties from the Nunavut Settlement Area.

Where DIAND collects royalty on a mineral right under the Canada Mining Regulations which is located on Aboriginal owned subsurface, the Crown remits 100% of the royalty to the Aboriginal group owning the subsurface of the land.

See: <http://www.aadnc-aandc.gc.ca/eng/1100100036012>

### **De Beers Raises \$60,000 for NWT Hospital Foundation**

De Beers Canada announced its recent raffle raised \$60,000 for the Stanton Territorial Hospital Foundation to help equip a new Chemotherapy/IV Treatment Suite at the Stanton Territorial Hospital in Yellowknife.

“We only give away two diamonds each year in the Northwest Territories, both to support health care, and we’re thrilled to reach our goal this year,” said Cathie Bolstad, Director, External and Corporate Affairs for De Beers Canada.

“Once again, thanks to De Beers Canada, we’ve raised substantial funds to improve healthcare at our Territorial Hospital, through their diamond and vacation raffle,” said John Williston, Chair of the Stanton Territorial Hospital Foundation.”



The grand prize winner, Lee Urekar of Fort MacLeod, AB, works at De Beers’ Snap Lake Mine for Orica/Tlichon Explosives. He wins a 1.19 carat Snap Lake diamond, \$1,000 toward the setting and a seven-day trip for two to Honolulu, Hawaii – a prize package worth about \$20,000.

This year’s raffle was made possible thanks to the support from First Air, Crossworks Manufacturing and Fantasy Land Hotel. Including the results of this year’s fundraiser, De Beers Canada has helped raise \$150,000 for the Stanton Territorial Hospital Foundation since 2007.

## MP Introduces Legislation for More Foreign Investment in Uranium Mines

On December 14, Brad Trost, Member of Parliament for Saskatoon-Humboldt, moved for leave to introduce a Private Members' Bill, C-385, the Uranium Mine Ownership Act, in the House of Commons.

"This legislation would enable foreign investors to purchase and own the entirety of Canadian uranium mines and properties," stated Mr. Trost. "This is a policy that has been supported by not just the current government of Saskatchewan but previous NDP and Conservative governments in Saskatchewan because it would increase jobs and investment in our province and throughout the country."

"The Government of Canada made a commitment in its March 2010 Throne Speech to ensure that unnecessary regulation does not inhibit the growth of Canada's uranium mining industry by unduly restricting foreign investment."

This commitment to attracting foreign investment was repeated in its Speech from the Throne on June 3, 2011. Foreign investment in uranium mining is focused on northern Saskatchewan, but ore deposits have been identified in Nunavut, northern Ontario and northern Quebec as well.

"Lifting foreign ownership limits on uranium mines will not pose a national security threat nor risk Canada's non-proliferation commitments. Uranium will remain a highly regulated commodity; licenses will still be required to mine and export it."

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## **Mining an Important Tool Against Poverty**

The Nunavut Government recently invited the Chamber of Mines to participate in Nunavut's first ever "Poverty Summit", a historic meeting called to bring some key players to the table to discuss how poverty could be eradicated from Nunavut once and for all.

Mining is a natural fit in any equation to reduce poverty, particularly in northern Aboriginal communities where unemployment levels are so very much higher than the rest of the country.

The mining industry is already the largest private sector employer of Aboriginal people in Canada. It pays some of the highest wages of any industry in Canada, and does so with the highest regards for sustainability and environmental protection.

We're seeing the benefits already in Nunavut. The Meadowbank gold mine alone has achieved nearly 40% Inuit employment, and has significantly reduced unemployment in Baker Lake and the Kivalliq region. Families that once survived on income assistance now have good salaries which contribute to a better way of life and less dependence on government. Agnico-Eagle has spent over \$1.5 billion on the Meadowbank mine project to date, creating even more valuable business and job opportunities for Nunavummiut.

And the future looks bright. Projections show that Nunavut is the fourth largest mineral investment destination in the country. With demand for minerals in China and India driving the global mining economy, it's providing a unique moment in history for Nunavut to use its mineral resources to reduce poverty.

In the next 10 years, we could see as many as 10 new mines producing products including gold, silver, uranium, iron, copper, lead, zinc, and diamonds.

Mining companies are making very strong commitments and "welding" them into place through socio-economic agreements with governments and benefit agreements with Aboriginal communities. We can feel confident that they will contribute to community well-being through training, employment and business. Such partnerships will provide thousands of jobs. Service and supply businesses will create even more jobs and opportunities for Nunavummiut.

Governments too will benefit from significant tax revenues that they can reinvest in community programs. Even NTI can contribute to poverty reduction using the millions to billions of dollars in royalties they will receive from mining on their lands.

In no small measure can mining be a key ingredient to putting community poverty behind us.

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## Did You Know? Substitution Can Affect Commodity Prices

The demand for commodities can be affected by such things as substitution. Here's an example of a work in progress. Free cutting steel, which is used for heavily machined components, such as car engine parts and electronics devices currently contains lead.

However, the toxicity of lead has elevated health and environmental concerns in recent years. One Korean steel manufacturer, POSCO, after a multi year effort has started producing a new alternative steel that uses bismuth instead of lead.

POSCO believes using bismuth would improve health conditions for workers and cope with tightening environmental regulations at home and abroad. This substitution of bismuth would see increased demand, which could lead to increased prices.

And that could bode well for at least one NWT mining project – Fortune Mineral's NICO project – which contains about 15% of the world's known bismuth reserves.

## Calendar of Events

- **Canadian Mining Hall of Fame, 24<sup>th</sup> Annual Dinner & Induction Ceremony**, Thursday January 12, 2012, Fairmont Royal York hotel. Email: [reservations@mininghalloffame.ca](mailto:reservations@mininghalloffame.ca).
- **29<sup>th</sup> Mineral Exploration Roundup 2012**, January 23-26, Westin Bayshore, Vancouver. Theme is *Celebrating our First Century of Global Discovery* to align with AME BC's 100 year birthday. Details to be posted to AMEBC website as they are confirmed: [www.amebc.ca](http://www.amebc.ca)
- **Northern Lights 2012**, February 1-4, 2012, Ottawa Convention Centre. The event is a joint venture of the Labrador North Chamber of Commerce and the Baffin Regional Chamber of Commerce. Visit: [www.northernlightsottawa.com/](http://www.northernlightsottawa.com/)
- **PDAC 2012, International Convention Trade Show and Investors Exchange**, March 4-7, 2012, Toronto. Visit: [www.pdac.ca/pdac/conv/](http://www.pdac.ca/pdac/conv/)
- **7<sup>th</sup> Learning Together Aboriginal Conference**, March 29-30, 2012:, Dettah, NT, just outside of Yellowknife, NT. Contact: Natalie Waboose, Project Manager at: [natalie@learning-together.ca](mailto:natalie@learning-together.ca) or visit their website for more details at: [www.learning-together.ca](http://www.learning-together.ca).
- **2012 Nunavut Mining Symposium**, April 16-19, 2012, Frobisher Inn and Conference Centre, Iqaluit, NU. Visit: [www.nunavutminingsymposium.ca/](http://www.nunavutminingsymposium.ca/)

## What is RSS and how can it help me?

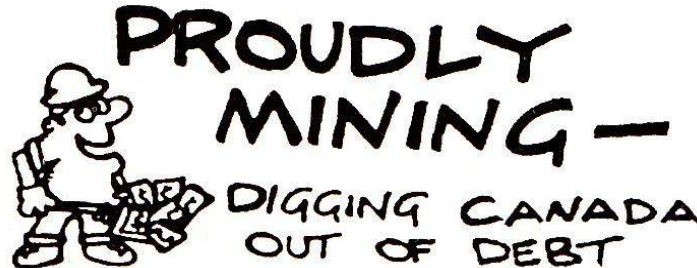
Like all progressive websites, the new Chamber of Mines website now offers you what's called RSS Feed. This stands for a bunch of words that don't really matter, as long as you understand that it's a convenient way to have up to date news sent to you, without you lifting much more than a finger. You can recognize RSS feeds by the orange logo with the white radio waves shown to the right which is now the industry standard for RSS . When you click on the logo, you are offered the opportunity to subscribe to an automatic subscription for news from that website, which can be sent to your email address or to your own website like iGoogle that you may have customized for yourself, or even to your Blackberry or iPhone. Try it, you'll like it.




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## Mines & Promising NWT Mine Projects

The following table describes mines and a number of leading mineral development projects in the NWT. Preliminary workforce estimates are provided if the projects become mines.

Project Name	Owner(s)	Commodity	Description	Status
Ekati Mine	BHP Billiton, Chuck Fipke and Stu Blusson	Diamonds	Canada's first and largest diamond mine, 310 km. NE of Yellowknife. Open pit and underground. Workforce ~ 1,300.	Annual sales from EKATI represent approximately 3% of current world rough diamond supply by weight and 5% by value.
Diavik Mine	Rio Tinto and Harry Winston	Diamonds	Canada's largest producer of diamonds, 300 km NE of Yellowknife. Open pit and underground. Workforce ~ 900.	Projected to produce over 100 million carats of diamonds over a mine life of 16 - 22 years, with expected annual diamond production peak of ~ 10 million carats.
Snap Lake Mine	De Beers	Diamonds	Canada's first all underground diamond mine, 220 kilometres NE of Yellowknife. Workforce ~ 630.	Commenced commercial production on January 16, 2008 and the Official Mine Opening took place on July 25, 2008.
Cantung Mine	North American Tungsten	Tungsten	Cantung is in the Nahanni area of western Northwest Territories, ~ 300 km by road NE of Watson Lake, close to the Yukon border.	Cantung suspended operations in October 2009 and resumed production in October 2010.
Nechalacho	Avalon Rare Metals	Rare earth metals	Proposed underground mine 100km SE of Yellowknife. Estimated mine jobs: 200	Developer's Assessment Report (DAR) submitted May 20, 2011. Review Board is conducting conformity review to ensure the DAR meets the requirements of the Terms of Reference. SNC Lavalin hired in December to conduct feasibility study.
NICO	Fortune Minerals Ltd.	Cobalt-gold-bismuth-copper	Proposed open pit and underground mine located 50 km NE of Wha Ti. Estimated mine jobs: 150	DAR submitted on May 20, 2011. The Review Board is conducting a conformity review to ensure the DAR meets the requirements of the Terms of Reference.
Yellowknife Gold	Tyhee NWT Corporation	Gold	Proposed open pit mine 88 km NE of Yellowknife. Estimated mine jobs: 238	DAR submitted on May 11, 2011. The Review Board is conducting a conformity review to ensure the DAR meets the requirements of the Terms of Reference.
Prairie Creek	Canadian Zinc Corporation	Lead-zinc-silver	Proposed underground mine 120 km west of Ft. Simpson within the Nahanni National Park. Estimated mine jobs: 220	Parties are submitting their technical reports. Public hearings scheduled for June 22-24, 2011.
Gahcho Kue	De Beers & Mountain Province	Diamonds	Proposed open-pit diamond mine approximately 180 km ENE of Yellowknife, NT. Estimated mine jobs: 360	In June 2010, project owners approved the Gahcho Kué feasibility study with agreed revisions and clarifications; approved the execution of the necessary development work for the Gahcho Kué project; and mandated the Gahcho Kué project operator to prepare a plan and budget to serve as the basis for a final investment decision, which is expected to be made once the partners have clarity on the progress of the environmental review currently underway.
Pine Point	Tamerlane Ventures	Lead-zinc	Proposed underground mine east of Hay River, NT. Estimated mine jobs: 225	Company has requested change from shaft to adit and decline to test mine the R-190 deposit.
Courageous Lake	Seabridge Resources	Gold	Proposed open pit mine 240 km northeast of Yellowknife	\$16 million program to generate data required to complete a Preliminary Feasibility Study (PFS)

## Mines & Promising Nunavut Mine Projects

The following table describes mines and a number of leading mineral development projects in Nunavut. Preliminary workforce estimates are provided if the projects become mines.

Project	Owner(s)	Commodity	Description	Status
Meadowbank Gold Mine	Agnico-Eagle Mines	Gold	Open pit mine located in the Kivalliq Region, 300 km west of Hudson Bay and 70 km N of Baker Lake. Mine jobs: 450	Mill began commercial production in March, 2010. Paid first royalty payment to NTI.
Mary River	Baffinland Iron Mines	Iron	Proposed open pit mine with railway and port; 936 km N of Iqaluit with 5 known deposits. Estimated construction jobs: 3,500 Estimated mine jobs: 715	Application for Pre-Development work withdrawn on December 14, 2011. Planning for work that can be completed during May – October, 2012.
Kiggavik	AREVA Resources	Uranium	Proposed uranium mine 80 km W of Baker Lake. Estimated Construction jobs: 600 Estimated mine jobs: 500	Draft EIS submitted on December 21, 2011. Anticipate final Minister's decision in 2013/14.
Doris North/ Hope Bay	Newmont Mining Corp	Gold	Proposed gold mines 130 km S of Cambridge Bay; covers the majority of the Hope Bay Greenstone Belt. Estimated mine jobs: 300	Amended application package for Type A Water License submitted to NIRB on November 14, 2011.
Jericho Diamond Mine	Shear Diamonds Ltd.	Diamonds	Project to reassess viability of reopening the former diamond mine, 255 km SSE of Kugluktuk. Estimated mine jobs: 150-200	Recovered first 200 carats of diamonds from mine.
Meliadine Gold	Agnico-Eagle Mines	Gold	Possible gold mine, 5 deposits, the largest of which is the Tiriganiaq deposit, 25 km NE of Rankin Inlet. Estimated construction jobs: 600 Estimated mine jobs: 350 - 400	Plan to complete feasibility study in 2013.
Hackett River	XStrata Zinc Canada	Zinc, silver, copper, lead and gold	One of largest undeveloped VMS massive sulphide deposits in the world. 104 km SSW of Bathurst Inlet. Estimated mine jobs: 300	Sabina announces sale of Hackett River to XStrata, June 2, 2011.
Back River	Sabina Gold & Silver Corp.	Gold	Approximately 60KM from Hackett River; adjacent to the Wishbone Greenstone belt. Consists of the George and Goose Lake deposits and holds significant gold resources.	Mineral resource estimates at end of November indicated resource of 22.3 million tonnes; additional inferred resources of 10 million tonnes.
High Lake	MMG Resources Inc.	Copper, Zinc, Gold, Silver	1710 hectare, copper-zinc-silver-gold property, 190 km ESE of Kugluktuk. Estimated mine jobs: 500	NIRB requires that MMG provide a comprehensive project update by Jan. 6, 2012.
Izok Lake	MMG Resources Inc.	Copper, Zinc, Gold, Silver	High-grade zinc-copper-lead-silver deposit, 255 km SW of Kugluktuk. Estimated mine jobs: 760	Plan to advance to full feasibility study and permitting phase by end of 2012.
ULU & Lupin	Elgin Mining Inc.	Gold	Located SE of Kugluktuk. Lupin mine: past production; 3.7 million oz. ULU deposit: indicated mineral resource; 751,000 tonnes	Elgin purchased both properties from MMG Resources in July, 2011. Winterization of work camp at Lupin; Phase 1 drilling later this year.
Roche Bay	Advanced Exploration	Iron	Indicated resource of 323 million tonnes located next to a natural deep water harbour on the east coast of the Melville Peninsula.	Completed Tuktuk 1 drill program. Plan to enter feasibility study by end of 2012.
Chidliak	Peregrine Diamonds Ltd.	Diamonds	Located 180 km S of Pangnirtung. Contains 59 known diamond-hosting formations.	Peregrine purchased remaining 51% participating interest in Chidliak from BHP on December 20, 2011. Preliminary bulk sampling delayed.

Project Maps

