

# Northern Mining News

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## From the Executive Director ...

Some highlights in this issue start with breaking news that the first of the five NWT mining projects in environmental review – Prairie Creek – has cleared the next hurdle. This could be an important milestone in rejuvenating the investment climate in the NWT, which is significantly lagging Nunavut and Yukon. The NWT Government’s announcement that a mining strategy is a priority will also be important. Unfortunately, we must remain vigilant, and will need strong efforts to ensure the proposed national Boreal Caribou strategy doesn’t undermine the positive efforts. Some great stories from Nunavut on how Inuit are becoming major royalty recipients, Hall Beach is supporting iron mining, and that the missing caribou have been found.

... Happy reading and best of the season to everyone!

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

## **Prairie Creek Mine Project Receives Review Board Approval**

On December 8, the Mackenzie Valley Review Board concluded that the Prairie Creek mine is not likely to have any significant adverse impacts on the environment or to be a cause for significant public concern.

The Review Board has therefore concluded that an environmental impact review of this proposed development is not necessary and that the Prairie Creek Mine project should proceed to the regulatory phase for approvals. This phase is administered by the Mackenzie Valley Land and Water Board.

Chamber of Mines President Pamela Strand: “We are encouraged that Prairie Creek has passed this important step in the environmental process and look forward to seeing the project move expeditiously through the regulatory process. This would be an important milestone for the Northwest Territories, and will help send a signal of confidence to companies considering investment in the Territories.”

However, she says, “The Chamber of Mines encourages all parties to continue to demonstrate leadership in making appropriate changes in the regulatory processes to reinstate the NWT as an attractive investment destination.”

The Chamber of Mines continues to actively encourage the Government of Canada in its work to improve the northern regulatory environment, and the Boards in their work to improve the efficiency and predictability of their processes. Chamber members are also encouraged with the recent announcement that a mining strategy will form part of the new NWT Government’s priorities.

The Prairie Creek Mine is located in the South Mackenzie Mountains of the Northwest Territories, situated on Prairie Creek about 43 kilometres upstream from its confluence with the South Nahanni River and 35 kilometres upstream of the present Nahanni National Park Reserve boundary.

Since the mine was originally built in the early 1980s, an extension to the Nahanni National Park Reserve has been proposed that would surround, but not include the project site which is exempted from the Park.



Prairie Creek mine site in winter. (Courtesy Canadian Zinc)

### Confirmed: Exploration up in NU & Yukon, down in NWT

In November, Natural Resources Canada updated its exploration expenditures for Canada.

Generally, the revised figures continue to support their earlier estimates of increases in Nunavut and Yukon and a decrease in the NWT however some figures are significantly larger.

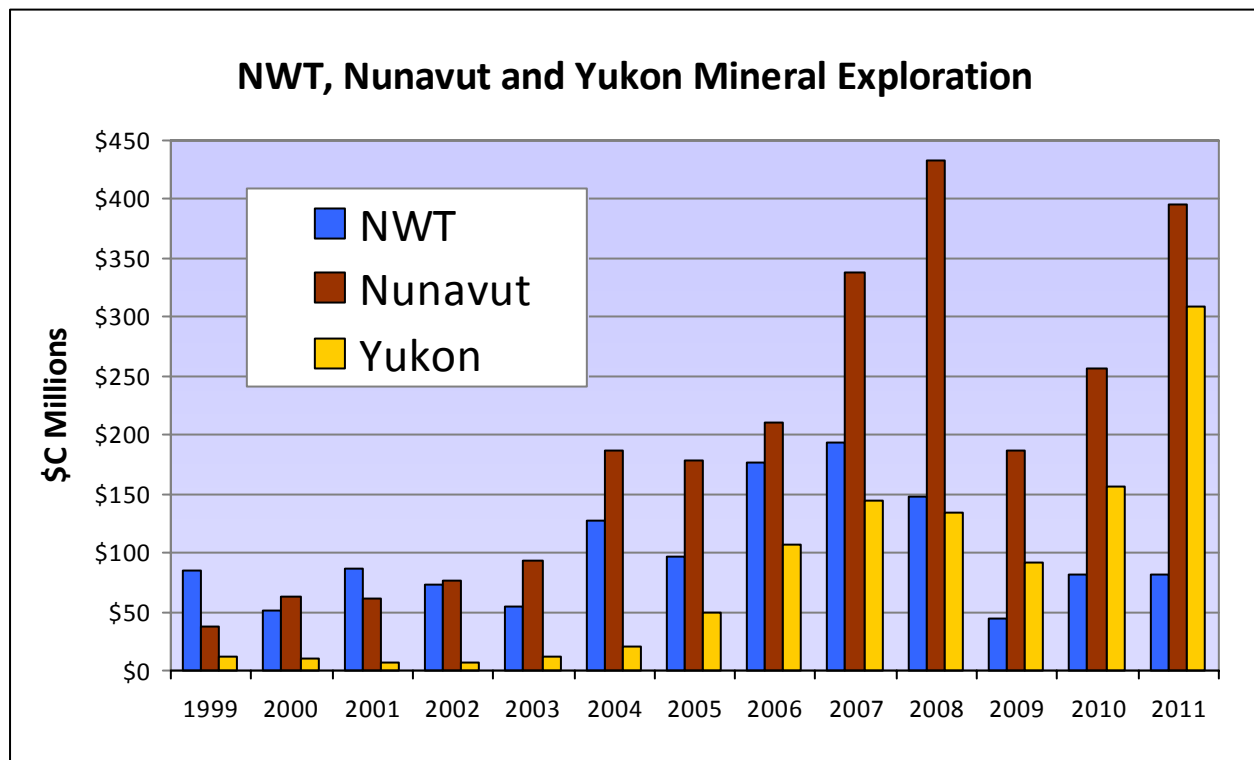
In Nunavut and the Yukon, expenditures are significantly higher than projected. Nunavut jumps from \$323 to \$396 million, for an increase of \$73 million or 23%.

Yukon also increases similarly by 21% from \$256 to \$309 million.

In the NWT, expenditures are still projected to fall, but these recent figures are lower than originally projected. Expectations in March indicated \$83 million would be invested, but the new figures show it is even lower at \$81 million.

In the face of growing global exploration investment, and particularly the huge increases in Yukon and Nunavut, it is troubling to see the NWT investment remaining flat and low. It reinforces the need for a strategic approach to strengthening investment in the NWT's primary industry. The announcement by the new NWT Government that a mining strategy is part of their priorities is encouraging.

To view Natural Resources Canada's data, visit: <http://mmsd.mms.nrcan.gc.ca/stat-stat/exp-1-eng.aspx>.



Since the 2009 global recession, exploration in Nunavut and Yukon has rebounded. However, exploration investment in NWT is languishing.

## NWT Government puts “Mining Strategy” in priorities

The newly elected NWT Government concluded a significant phase of its strategic planning exercise in mid-November by reaching agreement on its vision, goals, and priorities for action under the theme of *Believing in People and Building on the Strengths of Northerners*; however, the caucus cautions that expectations must be tempered in light of the Government’s fiscal reality.

The Chamber has been asking for government to take a strategic approach to help rejuvenate mineral investment in the territory, and one of the key priorities of the new government includes a mining strategy in its economic development priority:

*“Strengthen and diversify our economy by making strategic infrastructure investments such as the Inuvik-Tuktoyaktuk highway, the Mackenzie Fiberoptic Link, and hydro initiatives, supporting the Mackenzie Gas Pipeline project, developing a socially responsible and environmentally sustainable economic development and mining strategy, [emphasis added] supporting the traditional economy, and improving our regulatory processes”.*

The Chamber of Mines looks forward to working with the government to help advance this critically important work.

## NWT has New Economic Development Minister

With the Territorial election now behind us, Dave Ramsay has emerged as the minister responsible for two portfolios that can influence the health of our minerals industry: Industry, Tourism & Investment and Transportation.

While it’s still early in his mandate, the new Minister has already been signalling his support for a healthy minerals industry.

In an interview with local media, the Minister stated that one of the main goals of his campaign was to “get investment dollars back in this Territory ... in the area of exploration for resource development.” In looking forward, he stated that “Four years from now I’d like to see the Northwest Territories have the most in the area of exploration dollars spent. Right now we’re running behind both the Yukon and Nunavut.”

Minister Ramsay was also able to formally open the recent Geoscience Forum, the north’s largest conference. Some of his supportive statements include:

“There are several advanced exploration projects in the works. Combined, these projects have the potential to attract more than \$3 billion in capital expenditures, and add over 2,000 new jobs to our Territory. With this potential for development, we will emerge out of this crisis with a renewed strength and focus – a testament to our Northern resiliency.

We have heard the concerns of industry related to land availability and the complicated regulatory regime. We need a process that will support balanced development. Fundamentally, we envision a



regulatory system where decisions regarding use of NWT lands are made in the NWT. I strongly support a balanced approach to developing and advancing economic growth. Mineral development must not only be responsible and sustainable, it also needs to yield substantial economic benefits to NWT residents, communities and businesses.

With continued partnerships, and interest and support from industry and communities, we will maximize our resources and their benefits to NWT residents for years to come. This is the only way that resource development will be able to provide the vibrant and prosperous future we envision for our Territory – our families, our businesses and our communities.”

Powerful words indeed. We look forward to working with Minister Ramsay to help bring them to fruition.

### **BHP Reviewing Its Diamond Business**

On November 29, BHP Billiton announced it is reviewing its diamonds business, comprising its interests in the EKATI Diamond Mine and the Chidliak exploration project in Canada.

BHP Billiton’s strategy is to invest in large, long life, upstream and expandable assets while remaining a simple and scalable organisation. EKATI is a world class operation and Chidliak is a promising exploration opportunity, but many years of extensive exploration suggest there are few options to develop new diamond mines that are consistent with this approach.

This review will, therefore, examine whether a continued presence in the diamonds industry is consistent with BHP Billiton’s strategy and evaluate the potential sale of all or part of the diamonds business.

As it reviews its diamonds business, BHP Billiton will only pursue those options that will preserve EKATI’s outstanding safety and environmental standards and protect the benefits that the mine has created for local communities. Potential transactions arising from the review will be subject to detailed analysis before a final decision is made. In the event that these criteria are not met, BHP Billiton will continue to operate its world class diamonds business in a sustainable manner.

BHP Billiton Diamonds & Specialty Products President Tim Cutt said: “EKATI has made a substantial contribution to economic growth and development in the North ever since diamonds were first discovered there in 1991. Its success is a credit to the great team working at the mine and the strong partnerships they have built with Aboriginal communities and local businesses. The

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review we've announced today will seek to maintain this legacy so that EKATI continues to bring social and economic benefits to the North while remaining a great place to work."

BHP Billiton's review of its diamonds portfolio is expected to be completed by the end of January 2012.

### **Diavik gets New President – Welcome Niels!**

Diavik Diamond Mines Inc., operator of the Diavik Diamond Mine, is pleased to announce that Niels Kristensen has joined Diavik as the company's new President and Chief Operating Officer.

With Rio Tinto since 1989, Mr. Kristensen joins Diavik from the Murowa Diamond Mine in Zimbabwe where he was Managing Director. A chemical engineer with finance experience, Mr. Kristensen's career also includes management positions with Rio Tinto operations in Australia, South Africa, and London.



### **Did you know – China's the 2<sup>nd</sup> largest diamond buyer?**

According to De Beers, China has surpassed Japan to become the second largest buyer of diamonds behind the United States.

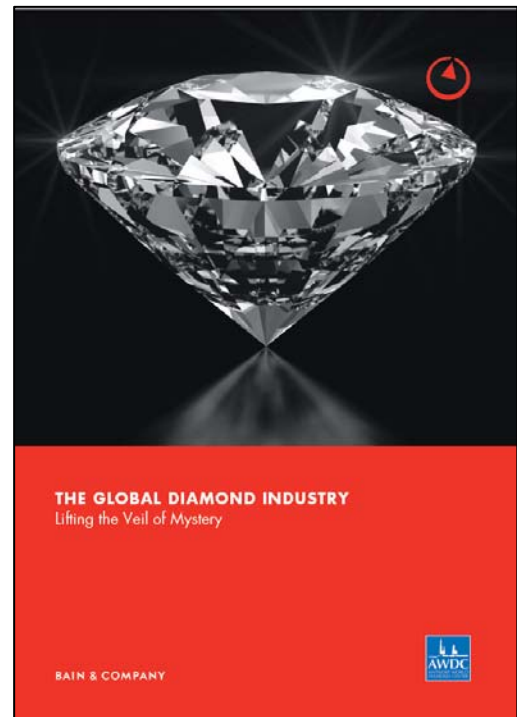
It might have something to do with the fact that there are currently more millionaires in the Asia-Pacific region now than in Europe.

### **Diamonds – Lifting the Veil of Mystery**

As a part of the continuing efforts by the diamond industry to increase transparency and engage with the broader financial community, Bain & Company and the Antwerp World Diamond Center (AWDC) recently completed a study of the global diamond industry.

Their report, "The Global Diamond Industry - Lifting the Veil of Mystery" explores in detail shifts in industry profit pools, global supply-demand projections for the next decade, the evolution of industry business models, the effect of the rising middle class in China and India and more.

For a free copy, visit Bain & Company's site here:  
<http://www.bain.com/publications/articles/global-diamond-industry-lifting-veil-of-mystery.aspx>



## Community Supports Roche Bay Iron Project

In moving forward with the Roche Bay Project's feasibility study toward development, Advanced Explorations Inc. (AEI) has received expressions of support from the Municipality of Hall Beach. Both entities have agreed to form a 'Roche Bay Project Committee' as an important step to advancing the project through the permitting process. A letter of support from Mayor Ammie Kipsigak of Hall Beach was forwarded to John Gingerich, AEI's President and CEO.

In his letter dated November 2, 2011, Mayor Kipsigak writes:

*"The community of Hall Beach is pleased to participate in the formation of a 'Roche Bay Project Committee' which reconfirms our support of the Roche Bay Iron Ore Project. The establishment of this important committee will enable and facilitate communications between the community of Hall Beach and AEI..."*



The Roche Bay Project will create many new opportunities for the Melville Peninsula's Inuit communities. AEI has worked to build real partnerships with regional stakeholders through open communication, political and social engagement and a vision to work together to achieve long term aspirations of prosperity and development.

For the complete text of the letter visit: [http://www.advanced-exploration.com/files/file.php?fileid=filecZFTClnPku&filename=file\\_CommunityLetter.pdf](http://www.advanced-exploration.com/files/file.php?fileid=filecZFTClnPku&filename=file_CommunityLetter.pdf)

## New Inuit Resource Revenue Policy for Windfall Royalties

As a result of Inuit receiving royalty revenues for the first time from mining on their private lands, Nunavut Tunngavik Inc. (NTI) created and approved a new Resource Revenue Policy at its Annual General Meeting in Cambridge Bay in November.

According to NTI President Cathy Towntongie, "The objective of the policy is to establish a clear, efficient and consensus-based policy to govern the use of a portion of the economic benefits derived from mineral resource development in Nunavut. It is not a policy on mining in general. NTI already has mineral resource development policies in place including the Mining Policy, Uranium Policy, as well as Rules and Procedures on Inuit Owned Lands. These policies will continue to govern how NTI negotiates exploration agreements or what's in them. The intent of the Resource Revenue Policy is not to change the existing process that is in place."

"This is a policy on resource revenue, and the focus is on how to manage, distribute and use royalties from Inuit Owned Lands and revenue from oil and gas development. Until Agnico-

Eagle Mines Ltd.'s Meadowbank gold mine came into production, there was no mining in Nunavut on Inuit Owned Lands. Meadowbank is the first project from which Inuit are to receive royalties as a result of mineral title," said Towntongie. Meadowbank is scheduled to pay \$2.3 million in royalties this year.

Future revenues are expected to be significant. Baffinland Iron Mines estimates that because the Inuit own subsurface rights to Deposit No. 1, they will pay royalties of approximately \$100 million/year for a total of over \$2 billion for Project life. NTI estimates that Agnico-Eagle's Meadowbank mine could pay nearly \$220 million in royalties by 2019 and Newmont's Hope Bay project would pay out over \$250 million.

The policy will cover royalties from mines on Inuit Owned Lands, and includes royalties negotiated directly between NTI and mining companies, and royalties collected by the federal government from grandfathered mining leases. It also makes the 12% Net Profit Interest Royalty, which NTI has had in place since 1993, the minimum for the negotiated royalty.

The policy is effective April 1, 2011. This means resource revenue covered by the policy that falls under the current fiscal year will be paid into a separate account and eventually the Resource Revenue Trust.

Visit here for a copy of the policy: <http://www.tunngavik.com/wp-content/uploads/2011/11/resource-revenue-policy-eng.pdf>.

### Nunavut Cabinet Shuffle

Due to the recent resignation from Cabinet of Minister Tagak Curley, Premier Eva Aariak announced changes to the Nunavut Cabinet, in a November 21<sup>st</sup> news release. As a result, five Ministers will take on responsibility for additional portfolios:

- **Keith Peterson** – Currently Minister for Finance; Public Agencies Council; Labour Standards Board and; the Liquor Licencing Board, is now also responsible for *Health & Social Services*;
- **Fred Schell** – Retains Human Resources but now is responsible for: *Nunavut Housing Corporation, Homelessness, and Worker's Safety and Compensation Board*;
- **Daniel Shewchuk** – Formerly responsible for Environment, Minister Shewchuck retains responsibility for Nunavut Arctic College and now *Justice*;
- **James Arreak** – Current Minister for Culture, Language, Elders & Youth; Language and; the Utility Rates Review Council, Mr. Arreak has now taken over *Environment*;
- **Peter Taptuna** – Also Deputy Premier, Mr. Taptuna retains portfolios for Economic Development & Transportation; Nunavut Business Credit Corporation; Mines; Nunavut Development Corporation, and is now Minister responsible for *Energy*.

Additional details are provided in a backgrounder available on the Government of Nunavut website.



## **Rankin Inlet Airport to Receive Much Needed Cash Influx**

During a recent visit to the Kivalliq, Nunavut MP and Minister of CanNor, Leona Aklukkaq announced a \$27 million funding injection to the Rankin Inlet airport. The announcement followed an audit of the airport completed by Transport Canada earlier this year. The funding will increase safety and convenience for the 55,000 passengers who pass through Rankin Inlet's airport each year and provide a boost to the local economy, according to a November 9<sup>th</sup> news release. The money will go toward improving the airport runway and electrical systems and building a new taxiway and public waiting area at the airport terminal.

The announcement was welcome news to the Government of Nunavut. The *Ingirrasiliaqta Nunavut Transportation Strategy* describes how the Rankin Inlet airport, though "paved and long enough for most narrow-body aircraft, needs an improved approach to assist in landings in poor weather, and has an undersized and congested apron". A better airport system will provide enhanced economic opportunities for the region.

Mining is the fastest growing economic sector in the Kivalliq. However, the industry requires an adequately sized and equipped airport to accommodate the transport of equipment and personnel throughout the region, primarily through charter air services.

Later that evening, the Minister addressed delegates at the Kivalliq Trade Show as the Keynote Speaker at a banquet sponsored by Agnico-Eagle Mines Ltd. Noting the long standing issue of congestion, the Minister cheekily added that the airport "is really a good place to campaign."

## **MAC Recognizes NWT Diamond Miners**

The Mining Association of Canada (MAC) has established the ***Towards Sustainable Mining*** (TSM) initiative to improve the industry's performance by aligning its actions with the priorities and values of Canadians. TSM was developed to help mining companies evaluate the quality, comprehensiveness and robustness of their management systems under four performance elements: *Tailings Management, Energy Use & GHG Emissions Management, External Outreach, and Crisis Management Planning.*

For 2010-11, two of our northern mining companies have been honoured in the following categories:

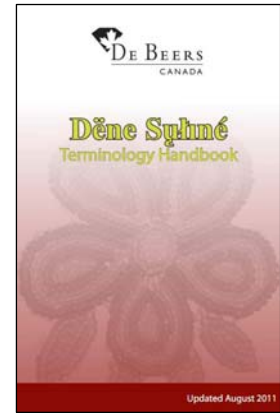
- Energy Use & GHG Emissions Management – Diavik Diamond Mine
- External Outreach – De Beers Snap Lake Mine and Diavik Diamond Mine
- Crisis Management Planning – De Beers Canada

To be eligible for an award, a mine must go through external verification scheduled on a 3-year cycle. EKATI was recognized in the previous cycle, and is eligible for external verification again in 2012.

## De Beers updates Aboriginal dictionary for Gahcho Kue

As part of their work to permit the Gahcho Kue diamond mine in the Northwest Territories, De Beers Canada has updated two Aboriginal Terminology Booklets, first released in 2008. This second edition was developed from a Terminology Workshop held in Yellowknife in May 2011, and includes more than 112 new terms. The workshop brought together 18 Community Interpreters and Elders for both the Tlicho and Chipewyan languages.

The company's hope is that through the workshops and the Terminology Booklets, they ensure elders in the communities are part of developing terminology and that interpreter/translators are playing an important role in bridging communications between industry and communities as De Beers talks about their projects.



## Nunavut Senator speaks out in support of mining

On November 16, Senator Dennis Patterson addressed the Senate in a powerfully supportive statement on how mining can take credit for Real GDP Growth in Nunavut. Some of the more salient points include:

*Mr. Speaker: Last week Statistics Canada reported that ... the largest proportional increase of any province or territory in Canada occurred in Nunavut where real GDP advanced 11 percent in 2010. This increase in Nunavut's GDP, according to Statistics Canada, is mainly due to Agnico-Eagle's Meadowbank gold mine which poured its first brick in Q1 of 2010.*

*Meadowbank is a success story...for Agnico-Eagle shareholders, for the Governments of Canada and Nunavut, but in particular for the people of Baker Lake and the Kivalliq Region of Nunavut. When he visited the mine last August, Prime Minister Harper commented that: "We make investments in health, we make investments in housing, but social development issues, as we all know from experiences in our own country and worldwide, are so much easier if we have economic development. That's why this is important. Mr. Speaker, the Meadowbank mine, which currently employs 770 full time employees, of which 290 are Inuit, is but one example of how mining exploration and development are changing the economy and future of Nunavut.*

*The NWT and Nunavut Chamber of Mines has estimated that between 2011 and 2037 existing and proposed mines could generate 82,000 person years of employment and spend \$32B. Let me elaborate.*

*On Baffin Island, ArcelorMittal wants to build an iron mine at Mary River. The price tag - \$6B; production life – a minimum of 21 years; operations work force – between 750 – 1,000 people; revenues to the Nunavut Government - \$100M/year and to Nunavut Tunngavik - \$1.9B over the life of the project.*

*Another promising Baffin Region iron ore project is being developed by Advanced Explorations at Roche Bay. While still in the exploration phase, Advanced Explorations estimates it will spend*

*\$1.1B to build the mine, creating 500 – 600 jobs. Also on Baffin Island, Peregrine Diamonds and BHP plan to continue kimberlite bulk sampling and plan to spend \$18M next year.*

*To the west in the Kivalliq region north of Manitoba, Agnico-Eagle wants to develop another gold mine at Meliadine near Rankin Inlet. Exploration expenditures between 2011 and 2012 will amount to \$129M.*

*In the Kitikmeot region, Newmont is close to production at its Hope Bay gold property. 2011 expenditures on the project were \$300M. Another promising project is MMGs base and precious metals deposit at Izok Lake. Capital cost of a mine is estimated at \$1.25B, creating another 760 jobs.*

*Mr. Speaker, this is only a sampling of Nunavut's incredible mining potential which has been attracting industry and investors from around the world, including China, Australia, France, Japan, the United States and England. It is also attracting top quality mining people who have experience developing mines in the north and working with Aboriginal people to ensure they benefit from employment, training, business and equity opportunities.*

*I will continue reporting good news from Nunavut based upon mining and how it will continue to fundamentally change Nunavut. Thank you.*

On behalf of the mining industry, we thank Senator Patterson for carrying our positive messages to his Senate colleagues.

### **New Reports from Centre for the North**

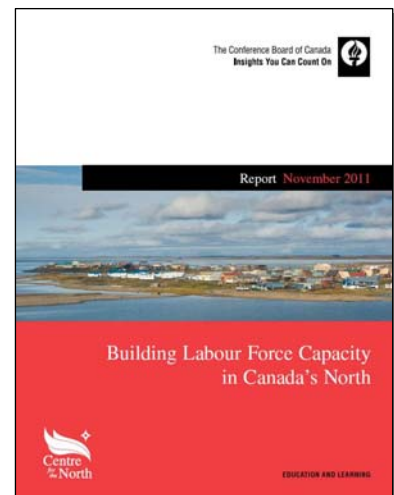
The Conference Board of Canada (CBoC) has released two new briefing reports: *Striking a Balance: Impacts of Major Natural Resource Projects in the North* and *Building Labour Force Capacity*.

#### ***Striking a Balance: Impacts of Major Natural Resource Projects in the North***

By their very nature, Major Projects are large, capital intensive, and of finite duration. This briefing reviews how stakeholders are trying to balance the economic benefits of major natural resource projects in the North with their social and environmental costs.

This well-written briefing reviews how stakeholders are trying to balance the economic benefits of major natural resource projects in the North with their social and environmental costs. It looks at the impact and benefit agreements used by industry to address the social, economic, cultural, and environmental concerns of Aboriginal communities impacted by major resource projects; at the regulatory processes that aim to balance the costs and benefits; and at innovative practices that are emerging to enhance the benefits of major resource projects while mitigating their negative impacts.

This briefing is also intended to provide a general context and



background for the Centre for the North's detailed upcoming studies: *The Future of Mining in Canada's North*, *The Determinants of Positive Educational Outcomes in Northern Communities*, *Building Labour Force Capacity in Canada's North*, and *Northern Assets: The Costs and Benefits of Transportation Infrastructure in Remote Communities*.

Download it from the CBoC's site here: <http://www.centreforthenorth.ca/>.

### **Building labour force capacity**

"The North is a vast region, dotted with diverse communities. Economic conditions vary from place to place, but many Northern communities are experiencing the paradox of high unemployment rates while employers in those communities struggle to recruit. In many regions in the North, this reflects a lack of labour force capacity among the local population."

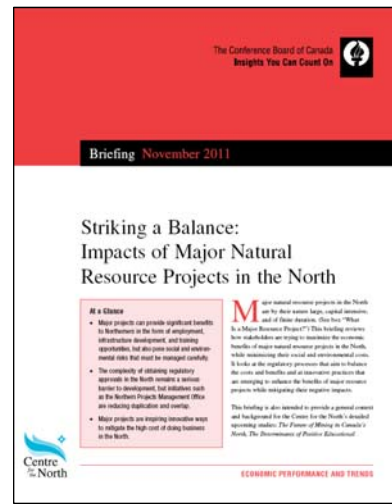
*Building Labour Force Capacity in Canada's North* attempts to answer the question:

*Given the multiple and often unique challenges in the North, how are organizations and communities building labour force capacity among the local population?*

According to results of the Centre for the North's Survey of Northerners' Outlooks and Wants (SNOW), Northerners feel that more employment opportunities are the number one way to make their communities better places in which to live.

This report finds that there have been slow, yet successful, gains made in developing local Northern workforce capacity. By taking a long-term, mutually beneficial approach to both community and economic development, communities and organizations are partnering to build labour force capacity. By dedicating attention and resources to education, employability skills, and job specific skills, communities and organizations are, first, addressing the immediate employment needs of individuals and businesses by providing the training needed to fill open vacancies. Second, improving education and increasing employment skills has the long-term effect of not only economic development, but community development as well.

Download it from the CBoC's site here: <http://www.centreforthenorth.ca/>.



### **US Support for Nuclear Holds Despite Japan Accident**

The Nuclear Energy Institute reports that six months after the Fukushima Daiichi accident in Japan, solid majorities of Americans still view nuclear energy favourably, still support the extension of operating licenses at existing facilities that meet federal safety standards, and still believe that construction of a new reactor is acceptable at the site of the nearest nuclear power plant that already is operating, a new national survey shows.

While support for nuclear energy has declined from the historically high level seen one year ago, support on a variety of measures is holding at the majority levels found consistently in public opinion surveys conducted throughout the past decade.

In the new telephone survey of 1,000 U.S. adults, 62 percent of respondents said they favour the use of nuclear energy as one of the ways to provide electricity in the United States, with 35 percent opposed. Those strongly favouring nuclear energy outnumber those strongly opposed by a two-to-one ratio, 28 percent vs. 13 percent, according to the survey conducted Sept. 22-24 by Bisconti Research Inc. with GfK Roper.

The survey was sponsored by the Nuclear Energy Institute and has a margin of error of plus or minus three percentage points. Numerous surveys conducted by Bisconti Research over the past decade show that public support for nuclear energy topped 60 percent each year, rising as high as 74 percent of Americans in March 2010.

“While there is some evidence of impact of the Fukushima events, support for nuclear energy continues at much higher levels than in earlier decades,” company President Ann Bisconti said. “Turmoil in oil-rich areas of the world and hikes in oil prices historically have focused public opinion even more on nuclear energy, and may have helped to preclude serious impact of events in Japan on public attitudes.”

Despite the Fukushima accident, 67 percent of Americans rate U.S. nuclear power plant safety high. This is identical to the safety rating found in a national survey last February, one month prior to the earthquake and tsunami that caused the Fukushima accident. Eighty-two percent of Americans believe that “we should learn the lessons from the Japanese accident and continue to develop advanced nuclear energy plants to meet America’s growing electricity demand,” the new survey showed.

Nuclear energy supplies electricity to 20 percent of U.S. homes and businesses, even though the 104 nuclear facilities operating in 31 states constitute only 10 percent of the nation’s electric generating capacity.

Eighty-five percent of those surveyed agree that, “When their original operating licenses expire, we should renew the license of nuclear power plants that continue to meet federal safety standards.” Seven months ago, 88 percent of Americans agreed with this statement.

The full text can be found here: <http://www.nei.org/newsandevents/newsreleases/americans-support-for-nuclear-energy-holds-at-majority-level-6-months-after-japan-accident/>

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## Nuclear Power Expansion Continues Globally

A Nuclear Energy Institute white paper released describes the resurgence of nuclear power underway around the world.

It includes case studies to show how different countries have balanced their resources and needs and determined that nuclear generation should be a part of their energy portfolios.

Even in the post-Fukushima environment, this robust growth is expected to continue.

A copy of the paper can be downloaded here:

[http://www.nei.org/filefolder/White Paper - Global Nuclear Power Development.pdf](http://www.nei.org/filefolder/White_Paper_-_Global_Nuclear_Power_Development.pdf)

### Global Nuclear Facts

- 433 nuclear plants operating in 30 countries
- 14 percent of the world's electricity provided by nuclear power
- 65 new nuclear plants under construction in 14 countries
- 152 new nuclear plants on order or planned, with an additional 350 proposed

## Boreal Caribou Recovery Plan threatens NWT Development

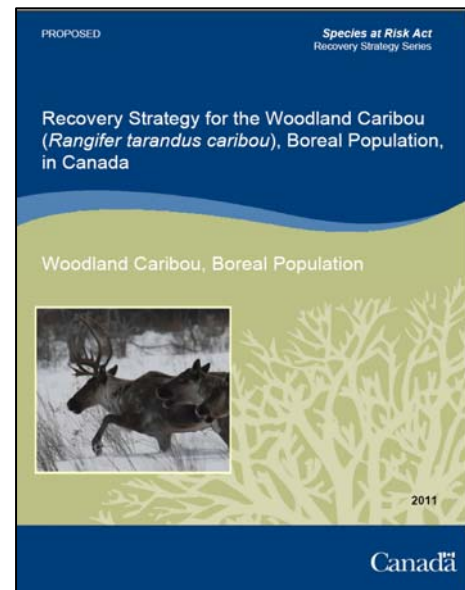
The Government of Canada has released a “Proposed Recovery Strategy for the Woodland Caribou in Canada”. If it is allowed to proceed as written it will threaten economic development in much of Canada, as well as the western Northwest Territories.

The Chamber of Mines and other industry associations from virtually all provinces have alerted the Federal Minister of Environment that the strategy is based on incomplete science and inconsistent application of methodology. Furthermore, it has the potential to significantly halt development while having little effect on sustaining or enhancing boreal caribou populations.

The Chamber has also flagged our concern with our northern mines ministry, Aboriginal Affairs & Northern Development, and with the NWT Government.

The strategy indicates that natural causes – predominantly forest fires – have already put the caribou at such high risk in the Dehcho region of the NWT that no development should be allowed to occur there today, or for many years to come. This conclusion has been reached for a region that is already experiencing very little development.

The strategy raises many questions. How can development proceed if forest fires have out-competed resource development for land use? If the Boreal Caribou Strategy trumps all, then will land use planning that is identifying areas open to development now have to be revisited? If the Strategy turns much of the Dehcho into a protected area for caribou, can we then cancel the protected areas strategy initiatives in that region? What role do Aboriginal communities and governments have in accepting, rejecting or modifying the Strategy? Are they part of that process?



We appreciate that the boreal caribou is a species that deserves to be protected. To do so, we need a combination of good science and local traditional knowledge. But we also need a balanced approach that will achieve the dual goals of healthy caribou populations and healthy economic development.

As proposed, the Strategy does not do that.

### **Missing Barren Ground Caribou Found!**

Despite numerous surveys suggesting a decline of the Beverly (Qamanirjuaq) caribou herd, recent media reports have shown that satellite data has now confirmed what many of Nunavut's Inuit elders have known all along – caribou move. Turns out, this is based on the animal's own unique, behavioural instinct, and not necessarily on any subscribed theories such as a return to calving grounds, thawing permafrost, or impacts of the mining industry, as was suggested during the 1980's.

Contrary to previous reports suggesting dwindling numbers, an article from *Caribou News* (Summer, 2011) shows compelling evidence of a higher Qamanirjuaq birth rate:

*“A 2010 Qamanirjuaq spring composition survey found that there were 33 calves for every 100 cows, a sign of ‘slightly increasing population’. In fact, the calves-to-cows ratio was higher than ratios for the previous four years.”*

Solving the complex mystery of the “missing” caribou has left many scientists relieved, yet perhaps scratching their heads, including the University of Alberta's biologist John Nagy. In a November 22nd article in the *National Post*, Mr. Nagy explained that the Beverly caribou, thought to have “disappeared” during the 1990's, had actually just moved a few hundred kilometres north, next to another herd on the Arctic coast along Queen Maud Gulf.

The findings are welcome news to the Chamber as well. Our members recognize the importance of healthy and abundant caribou herds to Nunavummiut and remain committed to working with communities to ensure the long term viability of those herds that exist in tandem with a sustainable development industry.

Some of our industry members will remember a similar case in the 1980s when caribou went missing and fingers were pointed at industry. The result was the creation of the Caribou Protection Measures 1982. A few years later, the missing caribou were found.

### **Makimaniq – Nunavut Poverty Reduction**

The Chamber, along with representatives from Agnico-Eagle Mines Inc., was invited to participate in a “Poverty Summit” in Iqaluit, on November 28-30, 2011. This historic meeting was the latest stage in a public engagement process for poverty reduction that was launched just over a year ago by the Government of Nunavut and Nunavut Tunngavik Inc. (NTI).

The event was co-chaired by Nunavut Premier Eva Aariak and NTI Vice-President Jack Anawak. In her opening remarks, Premier Aariak stated:

*“We need to focus not on what we lack, but on the abundance we already have. Our plan to reduce poverty will be built on our current strengths and assets. The question*

*we must ask ourselves is not ‘How can we get more resources?’ but ‘How can we make better use of the abundant resources we already have?’*

Though the plan was primarily developed to enhance better communications between the Government of Nunavut and NTI, participation by the mining industry was welcomed as a fresh perspective on the issue. The Chamber had the opportunity to highlight industry’s contributions such as the recent royalty payments to NTI resulting from the *Resource Revenue Policy*; benefits negotiated through the IIBA structure; how families who were once on income assistance now have jobs – thus saving government millions and; other partnerships and initiatives underway by member companies designed to contribute to the enhancement of Nunavut’s communities.

The summit wrapped up with the draft “Makimaniq Plan – A Shared Approach to Poverty Reduction” in Nunavut.

Along with the Premier and NTI representatives, participants included Ron Elliot, MLA for the North Baffin communities of Grise Fiord/Resolute Bay/Arctic Bay, various non-profit associations, community representatives, and those who have lived with the experience of poverty.

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## Welcome New Members!

On behalf of all of our members, we would like to welcome the following new members to the Chamber of Mines. We encourage your support of their businesses. Welcome to:

**Elgin Mining Inc.** is a Canadian based gold company focused on the exploration and development of the Lupin Gold Mine and Ulu gold project, both located in Nunavut. Visit: <http://www.elginmining.com/>.

**Bearwise** is a Yellowknife based company that provides specialized services to increase human safety and conserve bears. Services include: bear safety training (black, grizzly & polar); site audits; wildlife mitigation and contingency planning; bear-guard training; electric bear fencing sales and installation. Contact: [bearwise@theedge.ca](mailto:bearwise@theedge.ca).

## 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/).
- **CIM Conference & Exhibition 2012**, May 6-9, 2012. "Minerals For All Seasons", Shaw Conference Centre, Edmonton, Alberta. To register visit: <http://www.cim.org/edmonton2012/>.

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

The new Chamber of Mines website offers RSS Feed, a convenient way to create an automatic subscription for news, 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. Look for the orange logo with the white radio waves shown to the right and click on it.





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## Mines & Promising NWT Mine Projects

The following table describes a number of advanced mineral development projects in the NWT.

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.	Annual sales from EKATI represent approximately 3% of current world rough diamond supply by weight and 5% by value. BHPB a review of their diamonds business with goal for completion by Jan 31, 2012.
Diavik Mine	Rio Tinto and Harry Winston	Diamonds	Canada's largest producer of diamonds, 300 km NE of Yellowknife. Open pit and underground.	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. Recently announced wind power program.
Snap Lake Mine	De Beers	Diamonds	Canada's first all underground diamond mine and De Beers' first diamond mine outside of Africa. 220 kilometres NE of Yellowknife.	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. New efficiencies have increased mine life by several years.
Nechalacho	Avalon Rare Metals	Rare earth metals	Proposed underground mine 100km SE of Yellowknife. Estimated mine jobs: 200	Project is in environmental review. Parties preparing information requests. Review Board updating workplan. Information request submissions due Dec 23, 2011.
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	Project is in environmental review. Developer is preparing responses to information requests.
Yellowknife Gold	Tyhee NWT Corporation	Gold	Proposed open pit mine 88 km NE of Yellowknife. Estimated mine jobs: 238	Project is in environmental review. Developer preparing information request responses.
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	Review Board recommended Dec 8 that project proceeds to permitting as no significant adverse environmental impacts or significant public concern.
Gahcho Kue	De Beers & Mountain Province	Diamonds	Proposed open-pit diamond mine approximately 180 km ENE of Yellowknife, NT. Estimated mine jobs: 360	On June 14, 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 De Beers to prepare a plan and budget for the development of the Gahcho Kué mine. Project is in environmental review and Review Board is now preparing for EIS analysis sessions.
Pine Point	Tamerlane Ventures	Lead-zinc	Proposed underground mine east of Hay River, NT. Estimated mine jobs: 225	Company has requested change to adit and decline from shaft 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 a number of leading mineral development projects in Nunavut. Very preliminary estimates have been provided for workforce size if the projects were to 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	Expect final Environmental Impact Statement (EIS) guidelines by mid-January, 2012. Application for transportation corridor under review.
Kiggavik	AREVA Resources	Uranium	Proposed uranium mine 80 km W of Baker Lake. Estimated Construction jobs: 600 Estimated mine jobs: 500	Expect draft EIS to be submitted by 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	Five gold 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	Purchase of Hackett River to Xstrata completed October 4, 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; 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 Tuktu 1 drill program. Plan to enter feasibility study by end of 2012.
Chidliak	Peregrine Diamonds Ltd.	Diamonds	Joint venture with BHP containing 59 known diamond-hosting formations. Located 180 km S of Pangnirtung.	Preliminary bulk sampling slated for February – May, 2012.

Project Maps

