

**ESSENTIAL TRANSPORTATION  
DEVELOPMENT FOR THE  
KITIKMEOT REGION,  
NORTHWEST TERRITORIES**

Northwest Territories Chamber of Mines

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## **TRANSPORTATION INFRASTRUCTURE FOR THE KITIKMEOT REGION**

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### **THE NORTH - CANADA'S 3rd WORLD NATION?**

The N.W.T. sprawls over an area one third the size of Canada, with a diminutive population of just over 50,000 inhabitants.

This small area holds the unenviable Canadian records for:

- the highest unemployment,
- the lowest education,
- the highest social problems, and
- the highest birthrate.

There is a polarized distribution of wealth and education: rural communities have little of either, while the few urban communities have the best.

Transportation infrastructure is poorly developed, and the territory relies heavily on expensive air transportation.

The N.W.T. is far from self-sufficient, and relies on transfer payments from Ottawa.

With the exception of mining, industry is virtually nonexistent.

As measures of the N.W.T.'s economic health, these statistics categorize the N.W.T. as a 3rd world nation.

### **MINING IS THE ONLY SUBSTANTIAL INDUSTRY IN THE NORTH**

There is a ray of sunshine in this bleak picture. The mineral industry is the #1 industry in the North.

- The value of production is in the neighbourhood of \$1 billion;
- Mining employs over 2,000 people, the majority who are Northern residents;
- Mining contributes 36% of the NWTs gross domestic product; and
- Over 75% of the value of all goods produced in the North are minerals.

In Canadian production, the N.W.T. mineral industry ranks:

- #1 in zinc,
- #3 in lead,
- #3 in cadmium
- #4 in gold

Overall, the N.W.T. is the 5th largest producer of minerals in Canada.

Not bad for a 3rd world nation.

## **MINING IS A MAJOR CONTRIBUTOR TO INFRASTRUCTURE**

Besides extensive socio-economic benefits such as employment & royalties, mining has provided or instigated nearly all major infrastructure in the North including:

- the use of aircraft,
- marine transportation on the Mackenzie River system,
- the 1st hydro-electric generation facility,
- the highway to Yellowknife,
- the N.W.T.s only railway,
- the design & construction of Canada's only ice-breaking cargo vessel,
- the demonstration of ice road construction as a viable transportation method.

The development of transportation and the development of mining are closely interconnected and interdependent.

## **AN OBVIOUS CONCLUSION CAN BE DRAWN**

Despite a limited geological database, when compared with the south, the geology indicates a great potential for growth in the mining industry.

Many deposits, particularly those of zinc, lead and copper are already known in the Kitikmeot, or North Slave region (map attached).

Mining development, and its associated infrastructure, holds very great promise for improving the socio-economic conditions in the Northwest Territories.

## **OBSTACLES PREVENT MINING FROM GROWING**

The biggest obstacle to mining development in the Northwest Territories is the lack of infrastructure, in particular, transportation.

The initiatives taken by northern mines to build winter roads to their operations, without government assistance, is not enough to support increased mining development. Only gold mines can afford to construct their own winter roads despite the lack of government assistance, since the gold they produce is low in volume and can be shipped south by aircraft.

Base metals, of which we have high potential for growth, are produced in high volumes of product which must be shipped by road, rail, or boat.

Without the supply of land and marine transportation infrastructure, mining development will be confined to gold, and will be confined to areas from which industry can afford to carry the transportation costs themselves.

## THE NORTH SLAVE DEVELOPMENT PROPOSAL

Vision in the vein of John Diefenbaker's "Road to Resources" is lacking in the North.

The following visionary development plan can help not only mining, but can stimulate growth in virtually all sectors of the economy.

### THE AREA

The area of concern is called the North Slave Province in mining parlance, and the Kitikmeot Region in geo-political references (see map of area).

### MINERAL POTENTIAL

#### Base Metal Deposits Are Known

Several base metal deposits were discovered in the Kitikmeot Region during the 1970s. They are:

- Musk - under 1 million tonnes
- Yava - over 1 million tonnes
- Hackett River - over 4 million tonnes
- High Lake - nearly 3 million tonnes
- Hood River - nearly 1 million tonnes
- Izok Lake - over 11 million tonnes

(Izok Lake is a world class deposit of zinc, lead, copper and silver. It is a great target for immediate development. To compare: Mt. Hundere, a Yukon deposit half the size of Izok Lake is going into production this year despite requiring a road haul of over 400 kilometres to the coast. Izok Lake is only 250 kilometres from the coast.)

#### Gold deposits are also known:

In addition to base metals, gold exploration has led to the development of one mine, the Lupin Mine, and has located additional showings which may well become mines in the very near future. These include:

- the Crown deposit;
- the George Lake deposit; and
- the Arcadia or Canuc deposit.

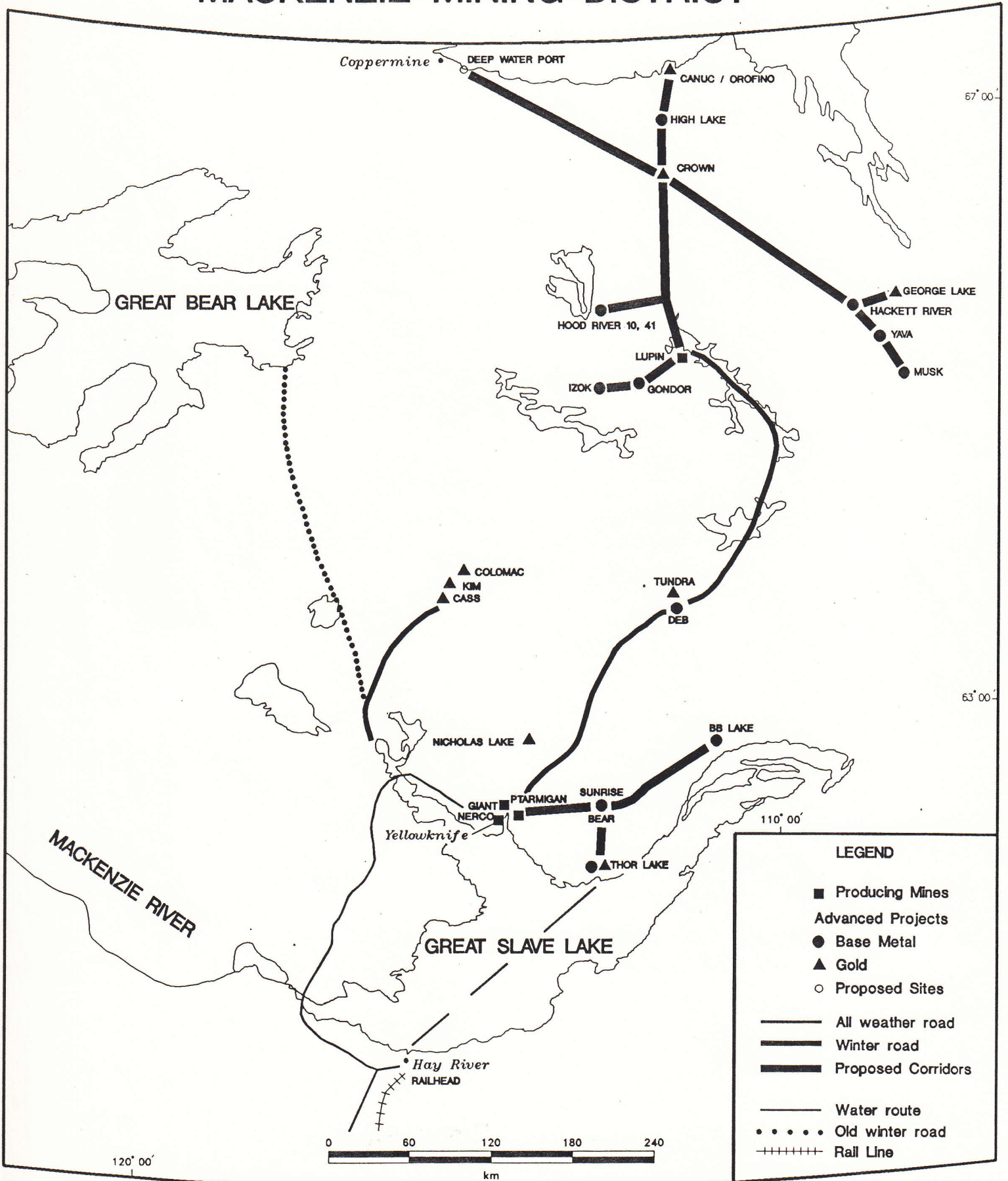
After spending millions of dollars in exploration, the George Lake deposit is close to making a production decision this year.

### TO DEVELOP MINING IN THE AREA, WE NEED TRANSPORTATION

To develop the rich potential of the Kitikmeot region, port facilities, additional ice capable ships like the M.V. Arctic, better bathometric information, and roads are needed.

It is too onerous to ask the mining industry to pay for all the transportation infrastructure needed to develop these deposits.

# PROPOSED TRANSPORTATION CORRIDORS FOR THE MACKENZIE MINING DISTRICT



Considering the implications for future development, it is only right that government take a lead role in supplying the infrastructure.

## **WHAT ARE THE IMPLICATIONS OF THIS DEVELOPMENT?**

There will be side effects to the development of mining in the area. These include:

### **Increased mining development**

Increased exploration will result in additional mineral discoveries and increased opportunity for increased mine development.

### **Reduced freight costs.**

Preliminary discussions suggest that landed cost of fuel in Coppermine area could be lower than existing rates. Empty cargo ships arriving to haul minerals out could also supply freight and fuel for local use. The freight rates for these goods would be competitive with existing transportation. This will benefit all users including communities, government and industry.

### **Reduced power costs**

The Coppermine River system can be used for a hydro-electric power source. Development of such a power supply would help not only mining, but also local communities and businesses.

### **Enhanced Employment Potential**

An average sized mine such as Lupin Mine, employs about 400 persons. Thus, new mines will provide increased employment for northern residents. Benefits to the communities will rise dramatically.

## **LARGE IMPLICATIONS FOR REGIONAL DEVELOPMENT**

Bringing the bulk of fuel and supplies into the Coppermine area from offshore rather than from the Mackenzie River and Delta will allow the construction of a regional supply depot. Northern Transportation Company, or others, could build a regional transportation network centred around the new port facility at Coppermine. This will allow lower transportation costs to be passed on to all consumers in the Kitikmeot and Central Arctic.

The construction of a regional supply depot would require the construction of bulk fuel storage facilities, warehousing, and mineral concentrate storage at the port site. As well, ship drydocks, and repair facilities could be built. Employment opportunities would mushroom.

Substantial small business will grow around the increased activity that improved transportation and mining development would bring.

## **CLOSING**

The North has suffered greatly from lack of vision over the past 20 years. There is no vision on the horizon.

The development of increased mining through the supply of improved transportation to the Kitikmeot region is visionary.

As such, it holds great potential to increase the capability of the N.W.T. to move closer to self-sufficiency, and to improve the socio-economic problems that are looming ahead of us.

If no vision comes to the north, the NWT will continue as a third world nation within a nation, and the south will become more firmly shackled to making transfer payments to this poor area.