

Northern Mining News

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From the Executive Director ...

Another great month behind us, with the NWT election bringing changes that we believe bode well for industry. The snow on the ground reminds us that the North’s largest conference – the Annual Geoscience Forum – is just around the corner. Make sure to attend. Good news on NWT geoscience funding, and consensus is growing on NWT regulatory improvements needed. Note the stories on progressive and innovative industry agreements with First Nation and Inuit governments. In a different innovation, read Diavik’s announcement of what might well be the first “step change” for alternative energy at mine sites.

.... Happy reading!

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

New NWT Government & Cabinet

On October 26, MLA for Yellowknife South Bob McLeod was elected by his legislature colleagues to be the next Premier of the Northwest Territories. In addition, six new members of Cabinet were elected and announced.

On November 2, the Legislature announced how the various portfolios would be distributed amongst the Cabinet:

- Hon. Jackson Lafferty – Deputy Premier, Minister of Education, Culture and Employment, Minister of Public Works and Services, Minister Responsible for the Workers' Safety and Compensation Commission.
- Hon. J. Michael Miltenberger – Minister of Finance and Chairman of the Financial Management Board, Minister of Environment and Natural Resources, Minister Responsible for the Northwest Territories Power Corporation, Government House Leader.
- Hon. Robert C. McLeod – Minister Responsible for the Northwest Territories Housing Corporation, Minister of Municipal and Community Affairs, Minister Responsible for Homelessness, Minister Responsible for Youth.
- Hon. David Ramsay – Minister of Industry, Tourism and Investment, Minister of Transportation.
- Hon. Glen Abernethy – Minister of Justice, Minister of Human Resources, Minister Responsible for the Public Utilities Board.
- Hon. Tom Beaulieu – Minister of Health and Social Services, Minister Responsible for Seniors, Minister Responsible for Persons with Disabilities.

New NWT Premier recognizes need for mining and vision

As we hear more public statements from our new Premier Bob McLeod, it is encouraging to see that he is holding out hope for change and for vision.

In the lead up to his election by his elected legislature colleagues, he recognized the need for a refocus on economic development and the minerals industry, to bring greater balance to the NWT Government:

There is a need for an economic strategy responsive to changing economic conditions which will be critical to our ability to invest in and stabilize the northern economy. I have heard calls for a resource development strategy, I have heard concerns about exploration investment declining in the NWT and I have heard the calls for increased environmental stewardship. My response is simple, we must take a balanced approach. And not a high wire balancing act where the impacts of a development could be catastrophic, but a solid balanced approach that allows economic growth, employment for Northerners and conservation of our land.



Photo by James Mackenzie,

Premier McLeod also spoke on how he sees government working more closely and cooperatively with the public and with Aboriginal groups, who are also of course becoming governments in their own right:

We are committed to working in partnership with the Members of the Legislative Assembly, Aboriginal leaders, community leaders and all those with a stake in creating a strong and prosperous Northwest Territories.

I am encouraged by the good will shown by Members and Aboriginal Leaders, to find better ways of working together. Each of us elected to this Assembly recognizes that our Territory is one of immense potential – and that realizing even a share of that potential can mean a vibrant and prosperous future for our people.

Our territory is too small to be fragmented by issues that divide us.

My immediate task as Premier is to build and maintain the consensus that it will take to move our Territory forward. The evolution of our Territory is too critical and our Territory is too

large – too diverse to proceed on this without some form of consensus.

With a recognized ability to build relationships, and with his long history in the north, Premier McLeod holds out great promise to bring the north together in a common vision, one that will create new opportunities and benefits for northerners, and that could see us reach greater self-reliance, all in the spirit of cooperation.

As a powerful tool for just that task, we in the minerals industry look forward to it.

39th Annual GeoScience Forum Promises Lots of Interest

The 2011 GeoScience Forum in Yellowknife is promising to be another “house filled” event. Scheduled for November 15-17, the usual venues will be used with talks hosted at the Capitol Theatre and the trade show at the combined Weledeh and St. Patrick school gymnasiums. For registration details visit: <http://www.miningnorth.com/geoscienceforum/delegates.htm>.

At the time of writing we have just under 100 talks on such exotic sounding subjects as *Correlating Mid-Cretaceous Strata in the Canadian High Arctic using Palynology* (translation: finding your way in the rocks using fossil pollen and other little critters!) to *Age, Composition and Thermal history of Lower Crustal Xenoliths from the Slave Craton* [no translation!] For those in the know, these will prove to be fascinating.

There are also talks for those of us less geologically educated, and a sampling includes: *Tyhee Gold Corp’s Yellowknife Gold Project to Heavy Lift Hybrid Air Vehicle Support to Mining* [translation: dirigibles for mining].

Bobby Drygeese and the Yellowknives Dene Drummers will help open the event along with the NWT Minister of Industry, Tourism and Investment.

Free public events include the Charles Camsell talk at the Prince of Wales Northern Heritage Centre on Tuesday November 15 at 7:30PM, where United States government geologist Dr. Geoff Plumlee will reveal *How Geoscientists Can Help In Environmental Disaster Response And Preparedness*. The annual tradeshow is filling up quickly, and will be open to the public for a few hours on the morning of November 17, from 10 to 12pm.



Yellowknives Dene Drummers will open Forum

Sabina Gold & Silver Sets Up Development Trust for Kitikmeot

In early October, Sabina Gold & Silver Corp announced it has entered into a Memorandum of Understanding (“MOU”) with the Kitikmeot Inuit Association (“KIA”) for the creation of a development trust (the “Trust”).

In recognition of Inuit rights under the Nunavut Land Claims Agreement, and in light of Sabina’s continuing commitment to development of its projects on Inuit Owned Lands in Nunavut, Sabina and the KIA have signed a MOU whereby Sabina would establish and contribute to the Trust.

The Trust would provide short and long term benefits to the Inuit of the Kitikmeot region in which Sabina’s Nunavut properties are located. The Trust will contribute towards KIA development projects and initiatives including training and education as well as infrastructure projects that will serve to support sustainable economic development in a currently struggling region.

“The development of the Trust is indicative of our investment in the people and sustainability of the Kitikmeot,” said Tony Walsh “We view this Trust as a vehicle to cultivate long term relationships, train our future employees and support infrastructure needs and growth. We realize a need to start now to prepare for our future as a mid-tier gold producer and establish win-win relationships to prosper. We are proud to be one of the first companies in Nunavut to create such a Trust.”

The definitive form of the agreement would incorporate the following terms:

- The Trust would receive 3% of Sabina’s net proceeds from the silver royalty retained by Sabina on the Hackett River and Wishbone properties sold to Xstrata Zinc.
- The Trust would be comprised of a maximum of six trustees of which a majority would be KIA appointees with at least one Sabina appointee;

- Funds contributed to the Trust would be allocated by the Trustees to initiatives that provide benefits to the Kitikmeot region. A portion of the Trust funds would be retained for allocation after mine or project closure;
- Payments can be made to the Trust in shares at Sabina's election (subject to regulatory approval);
- To kick off the initiative, prior to creation of the Trust, Sabina will pay approximately \$1.4 million to an existing KIA fund which provides for development and community initiatives in the Kitikmeot Region.

Land Use Agreement

The Company and the KIA have also agreed that it would be mutually beneficial to enter into long-term land use agreements for the Back River and Sabina's remaining Wishbone properties. Key provisions which have been agreed upon in a separate Memorandum of Understanding include an initial seven year term for exploration activities with a provision to extend for an additional two years.

The Company is well funded to continue its aggressive exploration and development objectives and expects to end the year with \$150 million in cash.

Sabina Gold & Silver Corp

Sabina Gold & Silver Corp. is an emerging precious metals company with district scale, world class undeveloped assets in one of the world's newest, most politically stable mining jurisdictions: Nunavut, Canada.

In addition to a significant silver royalty on the Hackett River and Xstrata Wishbone claims, the assets consist of the Back River Gold Project, an advanced exploration property, as well as the Wishbone Claims, a vastly prospective grass roots project.

Xstrata Zinc new owner of world class Hackett River

Xstrata Zinc has closed its acquisition of the Hackett River and Wishbone exploration properties, located in the Western Kitikmeot region of Nunavut, Canada, from Sabina Gold and Silver Corp. for a cash consideration of C\$50 million.

Under the terms of the agreement, Xstrata will commit a further C\$50 million towards exploration on the properties within four years of the transaction's completion and Xstrata will pay Sabina a royalty on silver produced from the properties.

The Hackett River property comprises nine mineral leases totalling 12,250 hectares. The Wishbone area comprises 132 mineral claims covering 107,227 hectares. Exploration drilling in Hackett River has confirmed an NI 43-101 compliant resource of circa 60 million tonnes of ore containing zinc, silver, copper, lead and gold, with approximately 5.2 million tonnes of zinc equivalent, housed within four proximal near surface deposits amenable to open pit mining. Both properties contain significant additional exploration potential.

Xstrata Zinc Canada Chief Operating Officer Manuel Alvarez commented: "The closing of this transaction marks an important milestone in our strategy to grow our business in Canada. We

look forward to working with local stakeholders in Nunavut in the coming years as this project moves forward.”

Xstrata Zinc Chief Executive and Xstrata plc Executive Director Santiago Zaldumbide added: "This transaction affords us entry into a highly prospective region with exciting exploration opportunities that could add value and complement our future growth pipeline.”

Headquartered in Madrid, Spain, Xstrata Zinc is one of the world’s largest producers of zinc and one of the commodity business units within the major global diversified mining group Xstrata plc. Xstrata’s zinc and lead operations and exploration projects are located in Australia, Canada, Germany, Peru, Spain and the United Kingdom.

Meadowbank Mine and NTI release Inuit IBA

Representatives from Agnico-Eagle Mines Ltd. (AEM) and the Kivalliq Inuit Association (KIA) signed a new Meadowbank *Inuit Impact Benefit Agreement (IIBA)* on October 18 in Baker Lake.

This is a renewal of the first IIBA signed for Meadowbank in 2008. It was modified by the consent of both parties to adjust for lessons learned over the past three years. The agreement itself can be found on the Chamber’s website www.miningnorth.com under *Our Industry/Socio-Economic and Community Commitments*.

Article 26 of the Nunavut Land Claims Agreement requires the proponent of any major development project that is situated wholly or partially on Inuit Owned Lands to enter into an IIBA with the Designated Inuit Association (in this case KIA) for the applicable region of the Nunavut Settlement Area. The purpose of these agreements is to ensure that the project, overall, contributes positively to the well-being of Inuit – particularly in the areas of training, employment, and business opportunities.

Fortune Minerals and Tli Cho sign Cooperation Agreement

Fortune Minerals and the Tlicho Government have signed a Co-operative Relationship Agreement for the NICO gold-cobalt-bismuth-copper project in the Northwest Territories (NT). This agreement, which is similar to a Memorandum of Understanding, establishes the framework and path forward for further negotiations, defines primary liaison officials, and sets the communication protocol for the two parties. The agreement states that the Tlicho Government and Fortune Minerals "wish to develop a co-operative relationship through which they will attempt to reach mutually beneficial agreement on matters affecting their respective interests."

"The signing of this agreement expands on our existing long-term relationship with the Tlicho Government and the Tlicho people", said Fortune Minerals President, Robin Goad. "The agreement lays the foundation for discussions on fundamental topics of interest such as the possible environmental and cultural impacts of the NICO Project on Tlicho owned lands."

Grand Chief Eddie Erasmus stated "This agreement provides the resources for the Tlicho Government to collect knowledge critical to understanding the impacts of this project. It also

provides resources to ensure the robust engagement of the Tlicho Government in the regulatory process."

In the spirit of the Co-operative Relationship Agreement, Fortune Minerals has agreed to fund a Traditional Knowledge (TK) Study that will focus on providing traditional knowledge and land use practice information for the environmental review of the NICO project. This study, which will be carried out by the Tlicho Government, will contribute to the environmental assessment process that Fortune Minerals is currently undertaking. The objectives, scope and financial terms of the TK study were detailed in a separate agreement that was signed as part of the Co-operative Relationship Agreement. "The information provided in this TK study will be of great value, not only in the assessment of potential impacts and mitigation strategies for NICO, but also in the development of management plans that take into consideration the knowledge and concerns of the Tlicho people", stated Fortune Minerals Director of Regulatory and Environmental Affairs, Dr. Rick Schryer.

The Tlicho Government and Fortune Minerals have also signed an Environmental Assessment Funding Agreement to support the Tlicho Government with their review of the NICO Project's Developers Assessment Report (DAR). The environmental assessment is currently at the Information Request stage where stakeholders, including the Tlicho Government, submit questions on the DAR. Fortune Minerals has received the first set of information requests from the Tlicho Government for which responses are currently being prepared. The Tlicho Government has also formed the Kwe Beh Working Group which manages the Tlicho Government's involvement in the regulatory process of environmental assessment for the NICO project, among other tasks. Representatives of Fortune Minerals will be meeting with this working group later next month to address questions that have been identified after their review of the DAR.

Fraser Institute Wants Your Input to Mining Survey

The Fraser Institute, Canada's leading economic think tank, conducts an annual survey of how miners and explorers rate the investment climate of jurisdictions around the world. The results identify the countries, states, and provinces whose policies create the greatest barriers to investment in the mining sector.

The results of the 2010-2011 Mining Survey, which elicited a great deal of attention, can be downloaded as a free PDF at: <http://www.fraserinstitute.org/research-news/display.aspx?id=17302>

The Institute is asking companies to participate in the 2011-2012 Survey of Mining Companies. Participation will help to ensure that the results reflect the views of professionals with first-hand knowledge of the mining industry investment climate in countries around the globe. Broad involvement in the survey will increase the number of jurisdictions evaluated, thereby increasing the number of governments who get candid and anonymous opinions on their policies. Additionally, all information collected through the survey remains confidential.

You can complete the survey on line in less than 15 minutes. Click on the following link: www.fraserinstitute.org/miningsurvey2011

Governments announce NWT Geoscience Funding

The most under-mapped part of Canada received a boost on November 8, when the Honourable Leona Aglukkaq, Minister of the Canadian Northern Economic Development Agency, together with the Honourable David Ramsay, NWT Minister of Industry, Tourism and Investment (ITI), announced over \$5 million for geoscience research to support exploration and development in the NWT.

The Canadian Northern Economic Development Agency (CanNor) will invest \$3.275 million over three years (2011 to 2014) to support continuing geoscience research and data analysis in the Northwest Territories. “The Government of Canada recognizes that reliable information ... is essential to attract resource development and support the dynamic economic growth we are seeing across the North,” said Minister Aglukkaq. “The data gathered from these projects will provide more certainty for industry and investors, create job and business opportunities for Northerners, and support land use planning.”



CanNor Minister Leona Aglukkaq

The Government of the Northwest Territories’ Department of Industry, Tourism and Investment (ITI) and the private sector will invest a further \$2 million, for a total project value of \$5.275 million. “Reliable geoscience data is vital to encourage exploration ... which in turn contributes to the sustainability of the NWT mining industry,” said Minister Ramsay. “Not only will the outcomes of these research and data projects help attract investment to our territory, they will also create spin-off exploration projects that will provide employment and business opportunities for NWT residents.”

Funded activities will include geochemical and geophysical surveys, bedrock mapping, and petroleum and mineral deposit studies. It will be spearheaded by the Northwest Territories Geoscience Office, a collaborative partnership between ITI and Aboriginal Affairs and Northern Development Canada.

What is Geoscience you ask?

What is the importance of Geoscience you ask? Well the president of the Mining Association of Canada Pierre Gratton explained it quite nicely earlier this month to the Standing Committee on Natural Resources in Ottawa: “Finding an exploration project that will become a mine is like finding a needle in a haystack. For every thousand exploration projects only one will ever become a mine. In the north, we don’t know where the haystacks are. Geoscience allows us to identify those haystacks.” Industry can then use more detailed, more expensive and focused exploration techniques to hopefully find valuable mineral deposits, those much tougher to find needles in the haystack.

Mining is Top Aboriginal Employer – Statistics Canada

In the latest Statistic Canada reporting from the latest 2006 Census: “The mining industry is the most significant employer of Aboriginal peoples in Canada.”

Nowhere is that better seen perhaps than in the Northwest Territories where the diamond mines in 2010 employed approximately 750 Aboriginal workers. With the efforts of Aboriginal suppliers and contractors that number will be even larger.

Aboriginal Communities are Natural Partners with Mineral Industry

The president of the Prospectors and Developers Association of Canada (PDAC) addressed the World Indigenous Business Forum in New York

“Aboriginal people and the mineral industry are natural partners,” said Dr. Scott Jobin-Bevans, PDAC president. “And mining represents one of the few economic opportunities in many parts of Canada that can support business development, jobs, training, education and sustainable economic and community development.”

Dr. Jobin-Bevans adds that the mineral industry is the largest private-sector employer of Aboriginal peoples in Canada and that Aboriginal employees comprise 7.5 percent of the country’s total mining labour force – a number that continues to grow. Furthermore, the average income of Aboriginal people in mining is double that of the national average for Aboriginal income.

“Aboriginal participation in the industry is increasing and taking on a variety of forms,” said Dr. Jobin-Bevans, citing the example of Tli Cho Logistics, which is owned by the Tlicho Nation located in the Northwest Territories near Yellowknife, close to Canada’s first diamond mines. Tli Cho Logistics was formed through negotiated agreements reached with BHP Billiton’s EKATI diamond mine and Rio Tinto’s Diavik to provide its members with mining-related employment and business opportunities.

The company began providing site services to remote, northern mines and is now expanding its business to include construction projects in other parts of Canada. With almost 400 employees, Tli Cho is generating profits for its people while providing sustainable employment and skills development.

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CORE BOX PHOTOS

Sample	Depth (m)	Grade (%)	Fracture Density (mm/m)	Fracture Type
101	100	0.15	1.2	1
102	105	0.18	1.5	1
103	110	0.20	1.8	1
104	115	0.22	2.0	1
105	120	0.25	2.2	1
106	125	0.28	2.5	1
107	130	0.30	2.8	1
108	135	0.32	3.0	1
109	140	0.35	3.2	1
110	145	0.38	3.5	1

GEOCHEMICAL DATA

Sample	Depth (m)	Grade (%)	Fracture Density (mm/m)	Fracture Type
101	100	0.15	1.2	1
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108	135	0.32	3.0	1
109	140	0.35	3.2	1
110	145	0.38	3.5	1

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“We have seen an increase in Aboriginal service companies, geologists, drillers, engineers, lawyers, and labourers ... even modest growth in communities that have their own mining companies,” says Dr. Jobin-Bevans. “The next evolution for Aboriginal participation in the mineral industry is to increase involvement to the point where communities and its members have the capacity to do initial exploration, secure mineral titles, seek partners and develop publically traded companies.”

During his presentation, Dr. Jobin-Bevans restated the PDAC’s acknowledgement that “the responsible development of Canada’s mineral wealth must provide full and fair opportunity for Aboriginal peoples, along with other Canadians, to enjoy the benefits that all phases of the exploration and mining provide.”

He also repeated the PDAC’s recognition “of constitutionally-protected Aboriginal and Treaty Rights and encouraged members to engage with communities, respect these rights and minimize any impacts that may result from activities on the land.”

Dr. Jobin-Bevans credited the PDAC with having done much to increase Aboriginal participation in the mineral industry. These achievements include signing the historic Memorandum of Understanding with the Assembly of First Nations in March 2008; *Mining Matters*, a registered charitable organization founded by the PDAC that introduces young students and teachers to geology; and PDAC’s participation in the First Nations Natural Resources Youth Employment Program, which offers a geology, minerals, mining and job training workshop with content specially tailored to Aboriginal young people in remote communities.

Dr. Jobin-Bevans also highlighted the Aboriginal Program which takes place during the PDAC’s annual Convention every March in Toronto. Now in its sixth year, the Aboriginal Program continues to grow as it showcases successful partnerships between Aboriginal communities and exploration and mining companies.

“At the 2011 Convention, three different agreements were signed and delegates were able to witness firsthand the positive result of sound engagement efforts and good relationship building – activities that take time, respect, honesty and trust,” said Dr. Jobin-Bevans. “We were also pleased to welcome AFN National Chief Shawn Atleo and more than 400 self-identified Aboriginal delegates. We look forward to building on the program’s success for the 2012 PDAC Convention hope to see all of you there.”

Diavik selected as a “Canada Top 100” Employer

Diavik Diamond Mines Inc., operator of the Diavik Diamond Mine, has been selected as one of Canada’s Top 100 Employers. This national external endorsement places Diavik Diamond Mines Inc. among a select group of Canadian businesses providing exceptional workplaces. This is the second time Diavik has been recognized as a Canada’s Top 100 Employer.

Canada’s Top 100 Employers editors described Diavik as “one of the most unique work locations in Canada (and the world)” and a “leading community citizen” citing employee benefits, including pension and share purchase plans, physical workplace, including a fully-equipped fitness facility, and our Aboriginal development and northern resident scholarship programs. As well,



our work with local communities was rated “exceptional.”

“I would like thank everyone for their hard work and professionalism which contributed to our garnering this national recognition,” said Diavik Diamond Mines Inc. Acting President and Chief Operating Officer Alasdair Martin. “Everyone at Diavik can take great pride in this achievement as everyone plays a role in ensuring our workplace is of the highest standards,” he added.

For the competition, the Canada’s Top 100 Employers selection committee evaluated the quality and characteristics of Diavik’s workplace, including:

- health and safety standards
- financial and family benefits
- vacation and time off plans
- employee communications programs
- performance management
- training opportunities and skills development initiatives
- work with local communities

Diavik to build NWT’s largest wind farm at mine site

After several years of studying renewable energy resources, Diavik Diamond Mines Inc. has announced it will construct a wind farm at its Diavik mine site, 300 kilometres northeast of Yellowknife, Northwest Territories. Diavik expects to complete construction and commissioning of the NWT’s first large scale wind farm in 2012.

As with most northern communities, Diavik relies on diesel fuel for its energy needs. Using four 2.3 megawatt turbines, the wind farm is expected to provide approximately 10% of Diavik’s energy requirements and will reduce the mine’s greenhouse gas emissions by 6% or 12,000 tonnes of CO₂ per year. The wind farm will provide 17 gigawatt hours of renewable energy per year.

According to Diavik’s acting President and Chief Operating officer Alasdair Martin, “The benefits of the initiative are numerous and will be realized for many years to come. Diversifying our energy portfolio reduces our greenhouse gas emissions and our reliance on diesel fuel.” He added, “We are optimistic that the innovations, experience, and knowledge gained from our wind farm will be able to be shared with others in the North.”

The wind farm is expected to cost about \$25 million but save the company \$5 million in fuel costs each year.



Diavik will construct 4 similar wind turbines
© With permission from ENERCON GmbH

Mackenzie Valley Review Board Focuses Attention on Regulatory Efficiency

On October 3, the Review Board released a report it commissioned into the environmental assessment process in the Mackenzie Valley. The report was prepared by Stantec Consulting Limited and was commissioned as the first step in the Review Board's work to address criticism by industry and others that the regulatory system governing land and water resources in the Mackenzie Valley is increasingly complex and lengthy.

Stakeholders have raised concerns that environmental assessments have now become onerous for all participants from the perspective of work load and available resources. The Review Board is very aware of those concerns and made timeliness of the environmental assessment process the top priority in its most recent three year strategic plan.

The report illustrates that the NWT has a relatively lengthy process compared to most other jurisdictions in the country, and that 50% of the projects which are taken to Environmental Assessment would not be taken to Environmental Assessment in other jurisdictions. Also pointed out, was that rigid timelines where implemented in other jurisdictions greatly help in the efficiency of their regulatory processes.

In its report, Stantec identified several areas with room for improvement. Some are within the Review Board's control, others require collaboration of parties, and some involve legislative change.

The main recommendations focus on improving scoping efficiency, developing a defined process for referrals to environmental impact reviews, developing environmental assessment processes for large versus small projects, improving guidance materials and implementing rules based timelines.

The Review Board is reviewing Stantec's recommendations along with its own internal analysis and will initiate improvements it feels are appropriate and within its authority to change. There will be improvements that can be implemented in the short term while others will require more time. More information on the nature and timing of process improvements will be shared with stakeholders in the coming weeks.

The Chamber of Mines celebrates the leadership the Board has taken to examine what it can do to help make a difference.

NWT Environmental Audit also recommends changes to regulatory system

The Mackenzie Valley Land & Water Board has released the *2010 NWT Environmental Audit* which concludes that while improvements had been made to the system of land and water management, the overall situation is largely unchanged. The foundational elements of the system of land and water management are still missing, resulting in uncertainty in, and criticism of, the clarity, consistency and timeliness of *MVRMA* processes.

The overarching recommendation of the 2010 NWT Audit is that a number of foundational issues need to be resolved in an expeditious manner before a truly *efficient, timely* and *integrated* system of land and water management, as envisioned under Land Claims and Self Government Agreements and the MVRMA, can be implemented and judged as to its ultimate effectiveness and timeliness.

The 2010 NWT Audit Report focuses on the changes required to solidify the foundations of a fully integrated system of land and water management. Our objective in doing so was to focus efforts between now and the next NWT Audit on addressing those foundational issues that are most important to implementing a clear, consistent, timely and integrated system. The foundational challenges reported in the 2010 NWT Audit are not new. They have been previously identified to various degrees in one or more of the following reports: 2005 NWT Audit, the Auditor General of Canada Audits of 2005 and 2010 and the 2008 Road to Improvement Report (the McCrank Report). They are:



- Completion of Land Claim/Self-Government negotiations;
- Completion and implementation of Land Use Plans;
- Clarification of community engagement and consultation requirements, including the Crown’s consultation responsibility as required under s. 35 of the Constitution Act, 1982;
- Development of clear processes and effective systems to manage and monitor socioeconomic, cultural and air quality impacts associated with development;
- Full integration of traditional knowledge in monitoring and decision making;
- Adequate and stable funding of MVRMA Boards, including funding for improvement initiatives
- and variable workloads; and,
- Adequate and stable funding to facilitate the full participation of Aboriginal organizations and communities.

The audit can be downloaded from the Mackenzie Valley Land & Water Board website here: <http://mvlwb.com/2011/10/2010-northwest-territories-environmental-audit/>

Industry also provides advice on Regulatory Improvement

On October 25-26, the Chamber participated in a workshop hosted by Aboriginal Affairs & Northern Development to discuss “Amendment of the MVRMA”. The Mackenzie Valley Resource Management Act is the most critical piece of environmental legislation governing the minerals industry in the NWT.

Tom Hoefer presented industry’s position on behalf of the Chamber of Mines, the Mining Association of Canada and the Prospectors & Developers Association of Canada. The

presentation highlighted the importance of the mining industry, expressed industry's concerns over falling exploration investment in the NWT.

We also provided the following priority items for consideration in amending the legislation:

1. Establish appropriate thresholds for referral to environmental assessment
2. Resolve the requirements and procedures for Aboriginal consultation and community engagement
3. Establish definitive timelines for the entire process
4. Clearly define key terms in the legislation, notably "public concern"
5. Undertake a periodic review of the MVRMA

We also suggested four additional initiatives that we see as complementary and closely related to the amendment of the MVRMA that we believe would enhance the overall effectiveness of the legislation. Success with these initiatives would help to restore the confidence of the mineral exploration community in the NWT.

1. Settle the unresolved land claims
2. Complete land use planning
3. Continue to build competence and capacity in the regulatory system
4. Establish a permanent "roundtable" mechanism for key stakeholders to promote continuous improvement and enhance communication

Finally, we commended the Boards for their leadership in identifying areas for change in their regulatory practises.

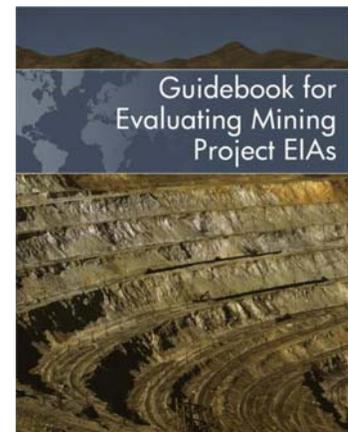
Guidebook to Environmental Assessments

Most countries require an environmental impact assessment (EIA) before giving the green light to a mining project. EIA processes provide a valuable opportunity for citizens to participate in decisions about mines. Project proponents often submit long, complex EIA documents that are incomprehensible to lay people.

The Guidebook for Evaluating Mining Project EIAs will help public interest lawyers, grassroots advocates, and community members understand mining EIAs, identify flaws in mining project plans, and explore ways that mining companies can reduce the public health hazards associated with mining.

The document is available free for downloading from this site:

<http://www.elaw.org/files/mining-eia-guidebook/Full-Guidebook.pdf>.



KIA Recognizes Mining Opportunities in the Kitikmeot

In an October 19 article (Nunatsiaq News) Kitikmeot Inuit Association President Charlie Evalik, indicated that he sees many opportunities for Inuit to work with mining companies, such as Newmont Mining Corp., to build new infrastructure in the Kitikmeot Region. “KIA supports the Hope Bay project”, Mr. Evalik was quoted as saying. Hope Bay is gearing up to become Nunavut’s second gold mine.

Mr. Evalik is also Chairman of Nunavut Resources Corporation (NRC). According to the corporate website, the Inuit-owned organization was established to invest in resource development in Canada’s North and provides Inuit with an opportunity to become more fully involved in the North’s resource development activities.

The formation of NRC means Inuit can move from being watchers to being participants and decision-makers in the development of the North. NRC, through access to southern capital markets, seeks investment opportunities in resource development both on Inuit-owned lands and Crown lands and provides Inuit with access to the entire value chain in mineral and other developments.

The Chamber was pleased to welcome NRC as a new member earlier this fall.

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AEM Assists in Baker Lake Search & Rescue Effort

In a dramatic rescue effort, an Agnico-Eagle helicopter saved a group of six people earlier this fall near Baker Lake.

The group was hunting on land and became stranded, a not uncommon occurrence in the Kivalliq's vast and volatile landscape. Once spotted, the helicopter pilot flew the group to the Meadowbank Gold Mine. After being lost for 36 hours, the two men and four teenage boys were cold, but otherwise unhurt.

Advancements in Search and Rescue (SAR) techniques in the North is coming more to the forefront as evidenced at the Arctic Search and Rescue Conference, held on October 5th. For the first time, delegates from eight councils gathered in Whitehorse for a table-top exercise with a focussed discussion on potential SAR events in the Arctic. According to the conference website, Canadian Forces Canada Command is responsible for the aeronautical and maritime SAR effort in Canada.

With the appropriate equipment and expertise, as demonstrated in the Baker Lake incident, the mining industry has already proven to be a valuable partner in SAR activity in Canada's North.

Did you know? Nunavut's Tax Credits for Explorers

Did you know that the Government of Nunavut offers a number of tax credits and rebates to Nunavummiut and Nunavut businesses? According to the Department of Economic Development and Transportation, these credits may apply to members of our industry:

The "Business Training Tax Credit" encourages and rewards businesses that develop the Nunavut workforce. A credit equal to 30 percent of eligible expenditures, such as wages, trainer travel/per diem costs, course fees, and course materials, is available to businesses that operate in the territory and provide qualified training. If the allowable training is for a beneficiary of the Nunavut Land Claim Agreement, then the eligible employer can claim 50 percent of the allowable expenditures as a refundable tax credit.

The "Fuel Tax Rebate" allows a company to claim back 100 percent of their fuel taxes for fuel used in eligible activities. There are two streams of the rebate which pertain to mining. The first stream is for companies engaged in mineral exploration and the second is for companies engaged in mine development, mineral extraction and mine site reclamation. Companies engaged in mine development, mineral extraction and mine site reclamation must have entered into a Development Partnership Agreement (DPA) with the Government of Nunavut to be eligible for the rebate.

As highlighted in a presentation at the Nunavut Trade Show in Iqaluit in September, the Chamber described how Government has a strong role in helping get Nunavut ready to maximize business opportunities. These tax tools demonstrate the Government of Nunavut's commitment as an ally in Nunavut's economic development.

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:

ABEN Resources – Aben Resources is a Canadian gold and silver exploration company with a focus on developing properties in the Yukon. See: www.abenresources.com

Associated Engineering Ltd. – For over 60 years, Associated Engineering has provided clients with the latest in engineering innovation. We remain the firm that clients can trust and work with to develop quality, value-added solutions for their engineering challenges.
See: <http://www.ae.ca/>

McLennan Ross LLP – McLennan Ross is a well established law firm committed to serving the legal needs of Albertans and Northerners. Founded over 100 years ago, McLennan Ross has grown today to more than 70 lawyers and an extensive support staff, with offices in Edmonton, Calgary and Yellowknife. See: <http://www.mross.com/law/Firm>

Arctic Tracks Ltd. – Northern seller of Hagglund snow vehicles used in forestry, transmission line work, pipeline construction and maintenance, construction work on remote sites, forest firefighting, rescue and relief work, ambulance duty, crew transport and tourism..
See: www.arctictracks.com

Safety North Inc. is a Northern company established in 2006 providing safety supplies to the mining industry and other northern companies in NWT and Nunavut in partnership with Levitt Safety. In Yellowknife, tel: 867-873-5655.

IRL Safety Supplies – Providing quality products and services to the mining, forestry, safety and survey professional since 1958. See: www.irl.bc.ca/.

1984 Enterprises Inc. – Your contact for your site-specific safety and staffing solutions, from safety equipment rental, to trained professionals, to the development and implementation of entire site-specific safety programs. See: www.1984inc.com.

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.



Calendar of events

- **Canadian Aboriginal Minerals Association (CAMA)**. 19th Annual Conference, November 6-8, Vancouver. Theme: *Meeting Minds, Making Mines*. Visit: www.aboriginalminerals.com or www.canadaforum.com, click *Upcoming Conferences*.
- **Kivalliq Trade Show**, November 7-10, 2011, Rankin Inlet, NU. Theme: *Focus on the Future*, the trade show will focus on the future of the Kivalliq Region, which hosts a wealth of opportunity for its various business sectors as well as for today's youth. Visit: <http://www.kivalliqtradeshow.ca/>
- **39th Annual Geoscience Forum**, November 15-17: Yellowknife, NT. To register for the North's largest mining and exploration conference. Details to be posted to NWT & NU Chamber of Mines website as they are confirmed: www.miningnorth.com.
- **Airships VI: A Game-Changer**, December 5-6, 2011, Seattle, Washington. Lighter-than-air transport is ready to take its place in the world of logistics. Two large airships are scheduled for delivery to the US armed forces in December 2011. Civilian versions are expected to follow that can lift 10 to 50 tons. Visit: www.airshipstotheartic.com.
- **Canadian Mining Hall of Fame, 24th Annual Dinner & Induction Ceremony**, Thursday January 12, 2012, Fairmont Royal York hotel. Email: reservations@mininghalloffame.ca.
- **29th 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: <http://www.amebc.ca>
- **PDAC 2012, International Convention Trade Show and Investors Exchange**, March 4-7, 2012, Toronto. Visit: <http://www.pdac.ca/pdac/conv/>
- **7th 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 or visit their website for more details at: www.learning-together.ca.
- **2012 Nunavut Mining Symposium**, April 16-19, 2012, Frobisher Inn and Conference Centre, Iqaluit, NU. Visit: <http://www.nunavutminingsymposium.ca/>

Interested in Advertising?

There is a growing interest in advertising in our newsletter. Our distribution is also growing, and our newsletter is reaching more and more decision makers in industry and in the North.

If you are interested in advertising in our monthly newsletter, please contact Cheryl Wourms our office manager at: officemanager@miningnorth.com.

Congratulations! Our Office Manager Celebrates 10 Years!

We would like to congratulate Cheryl Wourms our Office Manager who just celebrated 10 years with the Chamber of Mines. She's the lynchpin behind us, overseeing the Chamber's work on the GeoScience Forum and on Mining Week. She keeps our books in order, answers public request, and really just helps us exist. Where would we be without her? We can't imagine.

Thanks Cheryl. ☺





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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.
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.
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.
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. The Review Board is now conducting a conformity review to ensure the DAR meets the requirements of the Terms of Reference.
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	On June 14, project owners: <ol style="list-style-type: none"> 1. Approved the Gahcho Kué feasibility study with agreed revisions and clarifications; 2. Approved the execution of the necessary development work for the Gahcho Kué project; and 3. Mandated the Gahcho Kué project operator to prepare a plan and budget for the development of the Gahcho Kué mine. <p>The plan and budget, once approved by the JV partners, will 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.</p>
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. IIBA between AEM & KIA renewed in Baker Lake on October 19, 2011.
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	Public comment regarding application exemption to NIRB & associated Type B water license due by November 12, 2011. Expect final Environmental Impact Statement (EIS) guidelines by mid-January, 2012.
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 November 30, 2011.
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	Type A water license amendments exempted from further assessments by NIRB, January 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	Updated Phase 1 - All weather road proposal to NIRB submitted by AEM on September 29, 2011.
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.	2011 focus is to extend and expand new deposits at Llama and Umwelt, and identify potential new deposits on the Goose claim block and elsewhere on the Back River property.
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	MMG believes project will advance to full feasibility study and permitting phase by the end of 2012.
ULU & Lupin	Elgin Mining Inc.	Gold	Located SE of Kugluktuk. Lupin Gold mine: past production; 3.7 million oz. ULU Gold 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 first round of geotechnical drilling for port development study.
Chidliak	Peregrine Diamonds Ltd.	Diamonds	Joint venture with BHP host 59 known diamond-hosting formations. Located 180 km S of Pangnirtung.	Bulk sampling of diamond parcels set to begin in 2012.

Project Maps

