

NWT & Nunavut Chamber of Mines

Update to Members

September 2009

The NWT & Nunavut Chamber of Mines is pleased to provide a regular update to its members on the projects and initiatives that the organization is currently involved in. Through these updates, it is the Chamber's goal that members are better informed on the important work it conducts to promote mineral development in the Canadian north.

Nunavut Land Use Planning and Impact Assessment Act

In April 2009, INAC released draft legislation for the Nunavut Land Use Planning and Impact Assessment Act for public review. The release of the draft legislative proposal is an important step toward achieving the full implementation of the land use, impact assessment and environmental regulatory regime contemplated by the 1993 Nunavut Land Claims Agreement. The Chamber hired a lawyer to conduct a thorough review of the legislation, and submitted a joint industry response through the PDAC and the Mining Association of Canada in May 2009. The Chamber is eager to advance this key document, one that will have a profound impact on the future of our industry, and therefore the economic development of the Nunavut territory, for decades to come.

However, industry's original submission concluded that the present draft still requires substantial revision and modification before it will be ready for introduction into Parliament, and recommended to INAC that they defer plans to present the legislation to the House until amendments to address our concerns were made.

The Chamber's original May 2009 submission can be found at:

<http://www.miningnorth.com/docs/Combined%20Cover%20Letter%20and%20Submission%20May6%2009.pdf>

In August 2009, INAC released a second draft of this legislation for public review. Industry was discouraged to conclude that the legislative proposal is still not ready for introduction into Parliament for First Reading. While the details of our recent submission are not yet public, the Chamber fears that the proposed enactment, no matter how well intentioned, may nonetheless discourage the responsible development of the significant natural resource endowment of Nunavut. If that is the case, Nunavummiut are at risk of losing the important employment, training, business opportunities and other economic benefits that the exploration and mining industry, among others, is capable of providing.

Nunavut Fuel Guidelines and Lack of Consistency in INAC Inspection Procedures

In March 2009, two new drafts for fuel storage guidelines in Nunavut were released, one for fuel storage on Inuit Owned Lands in the Kivalliq, and one for Federal Lands. The Chamber reviewed both documents and will be providing comments to both authorities. Our position on fuel storage is the promotion of clear and concise guidelines and/or regulations that will be standardized across all lands in Nunavut and eventually the Northwest Territories. Stringent guidelines can be a potential detriment to smaller exploration projects, especially when INAC guidelines that theoretically are to mitigate damage to the environment may in fact create an impact far worse for the environment than the possible clean up of a fuel spill. The Chamber advocates safe storage of drummed fuel for small programs as practiced by industry and commerce and guided by the CSA standards, and we support the use of fuel bladders for advanced projects as an alternative over large steel tank farms. We also stress the need for consistency across INAC-regulated northern regions for a standard set of fuel storage and handling Guidelines. The

goal of the INAC Minister in commissioning the McCrank Review was to streamline the regulatory process across the North, and we believe that clarifying fuel guidelines and regulations would be a positive step in this direction.

Chamber membership is also discouraged by the lack of clarity and consistency by INAC field inspectors in their visits to mineral exploration camps in Nunavut. Some inspectors are acting outside of the rules of existing permits and demanding more stringent requirements with a variety of environmental issues. For example, one company in Nunavut has been instructed to maintain a watchman on its property so long as there is fuel in storage. This goes against all convention and rationality, is not part of existing regulations, and therefore should not be a requirement of a permit holder. The Chamber hopes that INAC will work with their district staff and recognize the 2007 Federal Directive to Streamline the Regulatory System and of course the important work of the Northern Regulatory Improvement Initiative in 2008.

Prospector's Assistance Program and Prospectors Courses

A government-funded program known as the Prospector's Assistance Program was cut from the GNWT budget this year, to the dismay of the Chamber and many of its members. The Prospector's Assistance Program had provided basic financial assistance to independent prospectors in the NWT since 1962 and had been responsible for significant mineral discoveries. Preliminary research by the Chamber staff suggested that between 1993 and 2007, \$1.4 million was provided to prospectors through the program. Several of them successfully optioned their properties to junior exploration companies, and in the same period over \$16.9 million was spent on the optioned claims. This represents a 16-fold return on investment, with much of that expenditure going back into the NWT economy through local purchases and labour.

The Chamber would like to see the program re-invented and is currently investigating new sources of government funding so that the Chamber itself could act as manager for the program. The Chamber is also investigating rejuvenating the Prospector's Courses, a very successful outreach program that was also cut in the recent GNWT budget. The Prospector's Course was typically the community's only access to the basics of geology, mineral exploration, and prospecting, and the Chamber believes it is important to continue this education for the benefit of northerners wishing to participate in our industry.

Two proposals have been drafted by the Chamber and will be submitted to the INAC Strategic Investments and Economic Development program with hopes that both the Prospector's Assistance and Prospector's Courses programs can be restarted in the NWT in the next few years.

Protected Areas Strategy – Edehzhie Wildlife Area

The Chamber sits as a representative of the mineral industry on the Protected Areas Strategy to bring a more balanced approach to this conservation initiative. A focus of work right now is the Edehzhie or Horn Plateau Wildlife Area. A boundary recommendation has been put forward by the Committee responsible for the creation of this park. The Chamber sits on this committee and is currently reviewing a draft recommendation paper. The Chamber supports protected area initiatives and other forms of land use planning as final boundaries will hopefully bring some certainty to where mineral exploration and development can proceed. At the same time, the Chamber is concerned with the pace and scale of conservation initiatives in the north, especially in regions where economic opportunities are limited.

The draft recommendations report is now out for public comment. It is available for download here:

<http://www.nwtpas.ca/areas/document-2009-edehzhie-finalrecommendations.pdf>

New Yellowknife Geology Tour Guide Map

Public access to geological information has also been a priority for the Chamber of Mines. There is an incredible need for informative, entertaining, and user-friendly science publications that can give the average person a greater understanding on geological processes and the mining industry. This past winter, the Chamber hired a consultant to work on a Geology Tour Guide from the section of Highway between Rae-Edzo (Bechoko) and Tibbitt Lake on the Ingraham Trail. The highway cuts through the Slave Craton, home of some of the oldest rocks in North America. The small folding map contains information on how the Slave Craton formed and points out some of the interesting and unique geological and mineral features along the highway route as it passes through Yellowknife, an ancient greenstone belt.

The map was published in July 2009 and is now available at the Chamber of Mines office and at tourism outlets across the NWT.

Akaiitcho Exploration Agreements

In the past two years, the Chamber and its members have discussed with Akaiitcho Dene leadership about the terms and conditions of the Akaiitcho Exploration Agreements. At the time, our members expressed some hesitation on signing these agreements as they were written, and the Chamber offered constructive criticism and suggestions on how to improve the agreements so that they could work for the mineral industry. Since that time, the Akaiitcho have signed agreements with several exploration companies in the NWT (most of which are not members of the chamber). The Chamber still believes that the Akaiitcho Exploration Agreement should better reflect the realities of grassroots exploration and the rules and requirements of the securities regulators, and has offered to reopen dialogue with the Akaiitcho. In the coming months, the Chamber will be discussing the matter with its membership to hammer out an agreement that can work for both industry and the Akaiitcho Dene.

Infrastructure Vision Map

The Chamber received considerable media attention this summer when it distributed a map showing a vision for infrastructure across the three northern territories. The map was compiled by president Lou Covello for discussion purposes and it has certainly done just that. The NWT and Nunavut is blessed with unique mineral deposits, most of which are rendered uneconomic by lack of roads, rail, or powerlines. The map is a vision for what could be done to help open up our vast geological basins to development. Obviously, the map is discussion document and will require the participation and cooperation of all levels of governments and billions of dollars to accomplish, but this is the type of vision the people of the north should consider. President Lou Covello presented this vision at a recent Transportation Conference in Iqaluit.

The map is available for download at the Chamber of Mines website, <http://www.miningnorth.com/>

Bathurst Inlet Port and Road

The Bathurst Inlet Port and Road (BIPAR) project is back on the agenda after several years, and the Chamber recently attended a meeting in Vancouver as part of an industry and government consortium. Details of this meeting are not yet public, but the group has made commitments to develop a feasibility study in 2010. The BIPAR will be important for several mineral deposits in Nunavut including MinMetal's Izok Lake zinc mine.

Nunavut Mining Week – September 19-26, 2009

Nunavut Mining and Mineral Exploration Week will be held across the Territory September 19-26.
Watch for events in your community!

On Behalf of the Board,

A handwritten signature in black ink, appearing to read "Lou Covello". The signature is fluid and cursive, with the first name "Lou" being more prominent than the last name "Covello".

Lou Covello, president
NWT & Nunavut Chamber of Mines