Planning for Profits
REPORT ON MINING

Mining: Our Spectacular NWT Emerges!
Tapping into our Vast Potential

Resource development is a crucial part of the Northwest Territories economy. Vast potential in the mining sector, combined with a renewed focus on developing that potential, ensures that mineral exploration and development will long remain a key industry here.

Mining in the NWT and continued investment in exploration and development creates jobs, opens up educational opportunities, and strengthens northern businesses. The Government of the Northwest Territories is committed to encouraging and supporting environmentally sustainable mineral development that will help to create a sustainable economic future for northern communities.

For more information about the NWT mining sector, visit www.iti.gov.nt.ca/mineralsoilgas

The NWT Mineral Development Strategy: Unlocking our Potential

Mining has a long history in the Northwest Territories and this development has brought with it unprecedented opportunities for our residents, communities, and businesses. With a wealth of untapped resources, interest in the Canadian North as the new frontier for mineral development only continues to grow.

The new NWT Mineral Development Strategy, developed in partnership with the Government of the Northwest Territories and the NWT and Nunavut Chamber of Mines, sets out a clear path to ensure the long-term growth of an environmentally sustainable mining industry.

Addressing our investment challenges, having a qualified and prepared work force, and fostering new innovative exploration techniques will help to ensure that mining remains a key economic driver for the Northwest Territories. Most importantly, this new Strategy represents a commitment – on the eve of the GNWT’s devolution of resource management authority – that we are serious about addressing our investment challenges and unlocking the mineral potential of our territory.

For more information visit www.iti.gov.nt.ca/mineralsoilgas
Canada is geographically a large country with a wealth of natural resources. However, at this particular time not all political jurisdictions are mining friendly. The Northwest Territories, the focus of this special edition of Report on Mining, stands out as a jurisdiction is encouraging both mining exploration companies and mining investors.

Both the politicians and the resident population appreciate the economic benefits of an active mining industry. This issue provides an excellent look at how and why this unique part of Canada works so well for an industry that is such a large component of the national economy.

Of course the northern climate and the large thinly populated region present unique challenges to the industry. But as you’ll read these challenges are being met and the industry is flourishing. The region certainly deserves recognition for the commendable job being done to enhance the standard of living of its population by encouraging and supporting an active mining industry.
Minister’s Message

For more than half a century, mineral exploration and development in the Northwest Territories has been one of the driving forces behind the strength of the territorial economy.

Mining and its impacts and benefits – both direct and indirect – have provided NWT residents with a wide range of employment, business and advancement opportunities, which have enriched the lives of many families and communities. And although mining in the territory has been a prosperous industry for several decades, much of the mineral potential still remains untapped and undiscovered.

This potential – coupled with the new NWT Mineral Development Strategy – will revitalize the industry. Clearer regulations and permitting processes, increased engagement of NWT residents, and completion of land use planning processes will encourage new investment in the NWT mining industry and help to ensure its sustainable, vibrant and exciting future.

The Canadian North is the next frontier in mining and mineral development and nowhere is this more evident than in the NWT. As the Government of the Northwest Territories nears closer to taking over administrative control of our resources from the Government of Canada, we have never been more serious about addressing our investment challenges and unlocking the mineral potential of our territory.

The Honourable David Ramsay
Minister of Industry, Tourism and Investment

Chamber of Mines President’s Message

Welcome to this special publication highlighting the minerals industry and its tremendous potential in the Northwest Territories, Canada.

For over 80 years we have been mining, producing a variety of minerals, metals and precious stones. From the earliest production of radium in the early 1930s to our dominant global position producing gem quality diamonds today, our industry has been characterized by innovation and by optimism.

The results have been good for Canada and our territory. Our industry continues to make great strides, providing new benefits to northern and Aboriginal residents and businesses, and developing innovative approaches not only in workforce and business development, but also in infrastructure and energy. We confident in our industry’s ability to address the challenges of our remote and special region.

Whether you are looking for a great place to invest in our minerals industry, or wanting to reap the benefits through employment or business opportunities, you will find a wealth of information in this special publication.

I invite you to learn more about where our northern minerals industry has come from, but better yet, where we are going. And especially to invite you to be part of our exciting adventure as the Northwest Territories builds its future on its tremendous mineral potential.

Cathie Bolstad
President, NWT & Nunavut Chamber of Mines
Welcome to the Northwest Territories: A Mining Region Open for Business

When most investors hear a reference to the Northwest Territories the first thing that comes to mind other than cold and snow is likely diamonds. There is good reason for this, as the NWT is now ranked the third richest producer of diamonds in the world.

But diamond production is just one part of the mining story in the NWT.

The territory is a region of rich mineral potential and is on the path to becoming a premier destination for mining investment. It is a region of innovation and change, of overcoming challenges. It is a world-class example of vested interests working together toward a common goal of responsible development with economic rewards for all.

Tom Hoefer is the Executive Director of the NWT & Nunavut Chamber of Mines. “Mining is already a significant part of our economy, but given our huge size and remoteness, there is still a great deal of land that has never been explored or at best has seen little mineral exploration. When you factor in the large variety of geological terrains, attractive opportunities lie waiting for intrepid explorers.”

Even Canada’s Prime Minister has picked up on that theme stating “The North’s time has come”. In his most recent northern tour Prime Minister Stephen Harper stated, “Our investment in resource exploration will continue to unlock the full economic, mineral and energy potential of the region, while generating new government revenues, private sector investment and jobs.”

What can explorers expect to discover?

To start, the mining history of the NWT stretches back some eight decades with total mining production value exceeding $60 billion. Known mineral deposits range from gold to silver, from zinc to lead to uranium, from rare earth metals to diamonds, to bismuth, and to cobalt. Given there is so much unexplored and unmapped ground, explorers have just scratched the surface of the truly massive economic potential that this vast land has to offer.

The NWT has also been technologically innovative with examples including Diavik’s award-winning dikes and environmentally friendly and efficient wind power generation. The famous ice road is another innovative adaptation, and an engineering marvel that provides cost effective support to the diamond mines each year.

There are several mines operating in the territory today with the Ekati, Diavik and Snap Lake mines producing world class gem diamonds, and the CanTung mine producing tungsten concentrate.

We take advantage of our mineral potential – Over $60 billion mined since 1932 –

Current & Past Producing Mines: Ekati ▪ Diavik ▪ Snap Lake ▪ Con ▪ Giant ▪ Pine Point ▪ Cantung ▪ Discovery ▪ Rayrock ▪ Outpost Island ▪ Supercrest ▪ Eldorado ▪ Ruth ▪ Terra ▪ Nores ▪ Silver Bay ▪ Colomac ▪ Tundra ▪ Camlaren ▪ Contact Lake ▪ Fairmigan ▪ Tom ▪ Mine ▪ Salmita ▪ Negus ▪ Thompson-Lundmark ▪ Rich ▪ Rycon ▪ El Bonanza ▪ Bullmoose
In addition, explorers are advancing future mining projects through the environmental approvals and permitting and licensing processes. All of this bodes well for the future economic vitality of a region that is ready to be rediscovered by the investment and mining community.

To help add momentum to this investment drive, a new Mineral Development Strategy has been developed through a partnership between the NWT and Nunavut Chamber of Mines and the GNWT, with support and input from industry and the people of the NWT. Actions proposed under the Strategy include the establishment of a new regulatory environment, enhanced Aboriginal participation, enriched workforce development and public awareness. According to Mr. Hoefer: “The Northwest Territories really is an emerging land of undiscovered opportunity.”

**Mining: The NWT’s Economic Strength**

The non-renewable resource industry, and in particular mining, is the Northwest Territories’ economic strength and advantage. Its direct and indirect benefits contribute the largest private sector share of the economy.

**Geological Diversity Spells High Potential**

Geoscientists have identified eight distinct geological provinces in the Northwest Territories - the Continental Shelf, Arctic Platform, Bear Province, Churchill Province, Cordilleran Orogen, Innuittian Orogen, Slave Province and the largest by landmass, the Interior Platform. With their variety of ages and origins, these geological provinces add diversity in mineral deposit styles and targets.

One of the most prodigious is the Slave Geological Province, with dozens of mineral deposits, many located within a few hundred kilometres of Yellowknife, the capital city. It is a province with a rich gold and diamond mining history, and ongoing exploration has led to the city of Yellowknife becoming a hub for exploration and mining in the NWT.

**A Rich Past, Present and Future**

The Northwest Territories has produced over $60 billion in minerals since the early 1930’s across a range of commodities and minerals that includes gold, diamonds and zinc. Those three products alone account for over 85 per cent of the value produced. There is much more to the mineralization story with other key products including tungsten, uranium, copper, silver and even radium. When the new mines currently in the approvals phase enter production, that list will also include bismuth, cobalt and rare earth metals, which are found in only a few places worldwide.

**NWT diamonds capture the world stage**

Besides being a global giant in diamond production, the NWT is also the western world’s largest producer of tungsten concentrate. The ongoing demand from a growing global population will underpin prices long term while simultaneously providing a market place for the variety of commodities found in the NWT.

The mining industry contributes in numerous ways to the overall quality of life for northern residents. From high-paying, high-quality jobs for northern and Aboriginal residents to the cooperative training initiatives supported by industry and government to the investments in infrastructure that mining can bring. And that just names a few.
The NWT is showing what can be done with inclusive processes, technological innovations and jurisdictional devolution all wrapped in a comprehensive mineral development strategy. It is clear the Northwest Territories is not just throwing words around when it states it is open for business. It is an appropriate time for astute investors to take a fresh look.

World Class Mining Operations

The Ekati Diamond Mine commenced operations in 1998 and currently produces nearly two percent of the world’s rough diamonds by weight or five percent by realized value. The Ekati production is characterised by a high proportion of gem quality diamonds. The mine site is located roughly 300 kilometres northeast of Yellowknife and is accessed by air and by a 400-kilometre ice road in the winter. The Ekati Diamond Mine was Canada’s first diamond mine with the original mine property covering nearly 350,000 hectares.

In April 2013, Dominion Diamond Corporation completed the acquisition of the interests of BHP Billiton Canada Inc. and its various affiliates in the Ekati Diamond Mine. Dominion Diamond is a Canadian company with its head office located in Yellowknife NT. The Ekati Mine’s environmental management plans include comprehensive monitoring of operations for any adverse effects on the environment, to air, fish, wildlife, and surrounding land and water. In 1996, a Socio Economic Agreement was signed with the Government of the Northwest Territories whereby both parties work together to provide a framework to monitor and provide opportunities to Northern residents in a variety of areas.

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The Diavik Diamond Mine is located on a 20 square kilometre island in a 60-km long lake called Lac de Gras. Four diamond bearing deposits discovered under the waters of the lake, just offshore the island presented unique engineering and construction challenges. The mine, 300 kilometres northeast of Yellowknife, went into production in 2003 and today has a footprint of just 10 square kilometres with life of mine production estimated at well over 130 million carats of diamonds over two decades. The major global miner Rio Tinto owns the majority of the mine and operates the mine. The Diavik mine is a joint venture of Rio Tinto (60%) Dominion Diamond Corporation (40%), owner of the nearby Ekati diamond mine. Mining began by open pit methods but all activity has since moved underground.

The operation at Diavik is ISO 14001 certified for the advanced and innovative environmental management system in place. Eventually the mine will be reclaimed such that what remains will closely resemble the landforms that existed prior to mine development. Upon closure, the area contained by the dikes will be flooded and the dikes breached to return the area back to its original state as a productive part of Lac de Gras.

To reduce its reliance on diesel fuel and lower its carbon footprint and winter road fuel haul Diavik recently constructed a four turbine 9.2 megawatt wind farm at its remote mine site. The wind farm is expected to reduce diesel fuel for power by 10 per cent annually. As is the case with other northern based mines, Diavik is also committed to hiring local labour and doing business locally.

The De Beers Snap Lake Mine was the company's first mine outside of Africa and is also the first completely underground diamond mine in Canada. Snap Lake is isolated approximately 220 kilometres northeast of Yellowknife. As with the other two diamond mines, a seasonal ice road supported mine construction and operations, and an airstrip provides year-round access. Unlike other diamond mines, the Snap Lake deposit is a kimberlite dyke or sheet that averages 2.5-3 metres thick and dips down beneath the lake at an angle of about 12 degrees. The mine site covers roughly 500 hectares inclusive of processing facilities. In 2012, 870,000 carats of diamonds were extracted from Snap Lake.
De Beers has entered into agreements with four local Aboriginal communities for the Snap Lake Mine. Between 2005 and the end of 2012, a little over $768 million dollars worth of expenditures in construction and supply was awarded to Aboriginal businesses and joint ventures, adding to the significant benefits that diamond mining is now providing the NWT economy. In total De Beers has spent about $1.89 billion to build and operate the mine between 2005 and 2012.

The Snap Lake mine has entered into agreements with four local Aboriginal communities that has resulted in close to 700 million dollars worth of expenditures in construction and supply being awarded to Aboriginal businesses and joint venture projects, adding to the significant benefits that diamond mining is now providing the NWT economy.

The CanTung Mine is located in the southwestern NWT in a mountainous region bordering the Yukon Territory, roughly 300 kilometres northeast of Watson Lake, Yukon. The tungsten deposit was first discovered in 1954 by prospectors searching for copper deposits with initial production commencing in 1962 via an open pit operation. Over the years, fluctuations in tungsten prices have resulted in mine operations being halted with the most recent shut down taking place in 2009 with operations once again resuming in 2010.

The mine is owned and operated by North American Tungsten. The CanTung mine’s primary product is tungsten concentrate with the deposit encompassing an open pit near surface resource and an underground mining zone.

Mining contributes important infrastructure

The shear horsepower of a large industry like mining has provided lasting benefits in infrastructure in the territory. These include new highway construction, the NWT’s only railway, and all three of the territory’s hydropower facilities. Most recently, the three diamond mines have brought microwave communications into areas that have had no reliable communications to this point.
This now offers the potential to advance this communications further north into the neighbouring Nunavut territory, helping link it digitally to southern Canada and the rest of the globe.

The industry has also been a great indirect contributor to community infrastructure with spending under corporate social responsibility programs resulting in community arenas, a territorial dementia centre, and transition homes for both women and men to name a few examples.

**Mining is innovating**

Industry is no stranger to challenges, and to overcome them the NWT mines have fully embraced leading edge technology. From the remarkable 400 kilometre ice highway, to Diavik’s award winning dikes, to the ground-breaking use of wind power, innovation borne from need will continue help this land of opportunity release its buried mineral treasure.

**Engineered Ice Highways – making winter’s cold work for mining**

In a land with few public highways, frozen winter roads are critical to the movement of goods to the mines. In fact, without ice road technology, there would be no diamond mines.

The Tibbitt to Contwoyto “ice highway” has taken over 11,000 truckloads at its winter peak, and over the years the road has facilitated the shipment of millions of kilograms of fuel, freight and construction materials essential to mine operations. This amazing road allows regular highway transports to continue their freight movement seamlessly, driving directly off the public highway onto the ice road to continue their 400-km journey to the mines. The main difference is the slower posted speed limit to protect it from damage. Some have even dubbed this very safe ice link as “the longest school zone in the world” since radar patrolled speeds are less than those typically posted in our community school zones.

Safety is due also to the significant data collected and corresponding analysis used to optimize road operations. Ice penetrating radar is used to constantly profile ice thicknesses to determine when the road opens, and to increase truck weight limits as the ice thickens.

In light of its important contribution to the NWT diamond-mining industry and economy, the Tibbitt to Contwoyto joint-venture winter road project was recognized for leading innovation by the Northwest Territories and the Nunavut Association of Professional Engineers and Geoscientists for the combination of its socio-economic impact and engineering achievements.
**Award Winning Dikes make underwater mining possible**

The Diavik diamond mine had to overcome a huge challenge to mine its diamond deposits using open pit methods when they were discovered beneath the waters of a 60-km long lake, Lac de Gras.

The only way this could be done was by using a dam or dike structure to hold back the lake for mining, and make it withstand mine blasting operations and the challenging Arctic conditions.

Diavik set up a board of independent engineers to oversee the project to ensure both safety and environmental concerns were adequately measured and addressed at every stage of planning and construction.

Diavik researched the world to determine the best construction methods to achieve all their goals for the dike. The result was a unique 3.9 kilometre rock fill dike constructed “in the wet”, right in the lake using six million tonnes of rock of varying sizes. A flexible concrete “cut off wall” poured down the entire centre line of the dike and locked into the underlying bedrock makes the massive structure watertight.

The dike also crosses a number of small islands, where an advanced refrigeration system is required to maintain the underlying permafrost year round. The entire dike is also “wired” with strategically placed sensors to monitor temperature, pressure and movement to ensure the integrity of the dike system through mining operations and through all seasons and weather conditions.

As dike construction was completed, and before the water was removed, in order to meet the mine’s high environmental standards, the fish trapped by the dike construction were returned to the lake, as was the water, after being treated of course to remove silt and material from the construction process.

Needless to say, with such engineering imagination and construction success, Diavik’s dike design received Canada’s top engineering award.


Wind Power saves costs, diesel fuel

The installation of a wind farm at the Diavik Diamond Mine site was completed in September 2012. Diavik’s goal for this project is to provide 10 per cent of the mine’s power needs and reduce its carbon footprint by six per cent. Loads range from 16 Megawatts in summer to 22 Megawatts in winter at the off-grid remote site.

The original –30 degree Celsius specifications were put to the ultimate test during the winter of 2012-2013 when colder than normal temperatures at the mine resulted in a considerable slowing of the turbines. Diavik worked with the manufacturer to ensure the direct drive gearless turbines would be operational to –40 °C, by adapting blade heating, upgrading lubrication, and retrofitting the units with additional heaters.

During its first 12 months of operations, the four 2.3 megawatt turbines provided 7 per cent of the mine’s power needs. Peak power penetration of 58 per cent was at times sufficient to power the underground mine. It is estimated that pay back of the $31 million wind turbine installation will be just eight years after which the contribution to the bottom line and the environment will be ongoing for the life of the turbines.

With the wind farm in operation Diavik has reduced its reliance on diesel fuel and now operates the world’s largest wind-diesel hybrid power facility. Needless to say, it is also the first large-scale wind farm ever constructed in the NWT, and technological innovation was at the forefront of this project.

In 2013, the wind farm was awarded the Canadian Wind Energy Association’s group leadership award and the Northwest Territories and Nunavut Association of Professional Engineers and Geoscientists environmental excellence award.

Several Projects Advancing to Mines

As of September 2013, six companies had acquired the prerequisite permits or were in the process of doing so to bring their mining projects into production. As these projects advance to construction and operations, they add to a brighter economic future for the Northwest Territories.

The proposed Gahcho Kué Mine is a joint venture between De Beers Canada (51%) and Mountain Province Diamonds Inc. (49%). Probable reserves total 31.3 million tonnes grading 1.57 carats per tonne for 49 million carats in the Tuzo, 5034 and Hearne kimberlites. The 2010 feasibility study demonstrated that an open-pit operation could produce an average of 4.5 million carats per year over an 11 year period while employing nearly 700 workers during the peak of construction with roughly 400 mine jobs resulting once operational. The project was approved in fall 2013 to proceed to the permitting and licensing phase.

Avalon’s Nechalacho Rare Earth Elements (“REE”) project is located at Thor Lake, 100 km southeast of the capital, Yellowknife and five km from Great Slave Lake. The development model contemplates a 2,000 tonne-per-day underground mine and concentrator, with a hydrometallurgical (“hydromet”) secondary processing facility being proposed for the south side of the lake and a refinery located in Louisiana, USA. In April 2013, Avalon announced the completion of a comprehensive feasibility study that confirmed strong economics with a 22.5% pre-tax IRR and average annual revenues of $645.8 million, with initial production projected for the second half of 2017. Avalon is presently doing process optimization work to improve REE recoveries, reduce costs and enhance project economics. A proposed new process could result in the hydromet plant being located elsewhere due to additional infrastructure requirements. This work is expected to be completed by January, 2014. Total capital requirements estimated for the feasibility study are $1.575 billion and over 200 new jobs are expected to be created in the NWT, mainly at the Nechalacho site.

The NICO gold-cobalt-bismuth-copper deposit of Fortune Minerals Limited is located 160 km northwest of Yellowknife, and only 85 km north of the major highway to the capital city. Construction of an all-weather road is proposed to allow metal concentrates to be trucked to southern markets.

Advancing NWT projects – our mines of tomorrow?
The 2012 Front End Engineering and Design Study outlines pre-production capital costs estimated at $441 million for a vertically integrated project with a mine and mill in the Northwest Territories and a refinery planned for Saskatchewan. The study indicated life of mine average operating costs of mine at $61.97/tonne of ore processed. The Tlicho and federal governments have given the go ahead for the NICO mine and mill with permitting and financing requiring completion prior to the commencement of mine construction. The proposed mine site boasts reserves of 33 million tonnes containing gold, cobalt, bismuth and copper with a projected mine life of 20 years. Fortune Minerals has begun site preparations for construction at NICO that is targeted to begin in 2014.

Canadian Zinc Corporation’s Prairie Creek Project comprises a partially developed underground mine and plant that was constructed in the early 1980’s. The plant was three month away from operations but was never put into use. The existing mining related equipment includes a 1,000 tonne-per-day mill. The company has proposed an underground mine operation with the capacity to mine 1,300 tonnes per day of zinc, lead and silver. In June of 2012, Canadian Zinc Corporation released a pre-feasibility study projecting an 11-year mine life based on a measured and indicated mineral reserve estimate of 5.43 million tonnes of zinc, lead and silver with a mill rate of 1,000 tonnes per day. Inferred resources encompass another 6.2 million tonnes of the three metals, which has the potential to double the life of the mine. On September 18th, 2013 the Federal Minister responsible for northern mining approved the project. Near term, Canadian Zinc intends to focus on pre-construction optimization activities with site construction potentially beginning in 2014. The company is currently seeking funding to bring the mine into production with the potential for first shipment of concentrate south in 2016.

The Yellowknife Gold Project, Tyhee Gold Corporations’s flag ship property, is located 90 km north of Yellowknife and covers 12,635 ha over five zones of gold mineralization. A Feasibility Study released in August 2012 estimated pre-production capital costs of $193 million with an estimated mine life of approximately 15 years based on a production rate of 4,000 tonnes per day at an average grade of 2.03 g/t gold. Proven and probable reserves are estimated at just over 1.3 million ounces of gold. The project owners are working to raise financing to advance the project through the approvals process.

Tamerlane Ventures Inc’s Pine Point Project builds on a historical base metal mining area on the south side of Great Slave Lake, where the original Pine Point mine produced zinc and lead for 25 years. Tamerlane has received approval to mine the R190 zinc-lead deposit utilizing an innovative combination of basic and technical mining methods. It would be simplified by the large amount of existing infrastructure including: existing hydro power, paved road access to southern Canada, and a rail head at the community of Hay River, only 42km away. Developing the R190 deposit first could pave the way for full-scale mining of the other known base metal deposits in close proximity to the R190 deposit on the 175 sq km property.

Taking Action to Strengthen and Enhance Investment
A variety of initiatives are underway to strengthen and enhance certainty for investors and subsequently benefit the territory and its residents.

Dedicated NWT Mineral Development Strategy
The NWT government is completing the territory’s first ever strategy dedicated to mineral development. The Strategy will attract new investment through actions that include improved regulatory clarity and process certainty, enhanced geoscience, Aboriginal engagement and participation, the development of northern workforce and business capacity, and increased public awareness and support for the NWT’s top industry.

On the regulatory improvement side, the federal government passed the NWT Surface Rights Board Act in early 2013 that marked the first phase of its Northern Regulatory Improvement Initiative in the NWT. The Northwest Territories Surface Rights Board Act creates a quasi-judicial tribunal or a court of last resort that helps deal with land access issues and completes a long-standing government commitment with respect to Aboriginal land claims.

To further solidify and streamline regulatory processes, the Government of Canada is also amending and modernizing the major environmental statute for the NWT, the Mackenzie Valley Resource Management Act. The MVRMA is undergoing a makeover that will help make processes more efficient and simpler. Some of the highlights in terms of anticipated improvements include legislated regulatory timelines, life of mine water licenses and increased efficiency and capacity of regulatory boards.

The Government of Canada is also working with Aboriginal groups to negotiate remaining land claims, which will further increase investment certainty.
As a jurisdiction that sees mining as its economic strength, the Strategy will tell investors the north is an attractive investment destination, and will help ensure NWT residents understand and participate in the benefits of its number one industry.

**Devolution promises a new, local and responsive landlord**

The Government of Canada is transferring jurisdiction and responsibility for the mining industry directly to the NWT Government. Through this process of devolution, the GNWT will become the new “landlord” for the minerals industry.

Creating a new NWT Mineral Development Strategy demonstrates the GNWT’s intent to be accountable and supportive of both northerners’ and industry’s needs. The handover is close to becoming a reality, and when completed in 2014 will see the GNWT receive a portion of the royalties that industry currently pays to the federal government. These will be shared with NWT Aboriginal groups.

It is worth noting that when devolution was implemented in the neighbouring Yukon territory ten years ago, investment in the Yukon quickly increased thereafter.

**Aboriginal support for mining**

Ongoing settlement of land claims, sharing of resource management responsibilities, and the benefit of significant socio-economic benefits from mining is adding to certainty in the NWT, even as some jurisdictions in southern Canada are experiencing investment uncertainty around resource development and Aboriginal rights.

**Increasing certainty through Aboriginal land claims**

With half of the NWT’s population Aboriginal, it is no coincidence that the territory has been a leader in the settlement of comprehensive Aboriginal land claims. “Comprehensive” land claims are defined by the Government of Canada as: “modern-day treaties between Aboriginal claimant groups, the Federal and Territorial governments [that] … usually include such things as land ownership, money, wildlife harvesting rights, participation in land, resource, water, wildlife and environmental management as well as measures to promote economic development and protect Aboriginal culture.”

The first comprehensive NWT land claim was negotiated in 1984 and the fourth and latest was negotiated in 2003. The Government of Canada is actively negotiating another four claims.

While at first blush, land claims could add a new layer of complexity, the reality is that the settlement of Aboriginal claims can add clarity and certainty to the investment climate. Aboriginal groups are seeking opportunities to improve the socio-economic state of their communities and settled land claims help clarify the rules. Modern mines with their environmental responsibility and inclusive hiring approach are an obvious development choice for Aboriginal communities, particularly in remote and geographically challenging regions like the NWT, with its attractive non-renewable resource potential.

*Training is a key factor behind increased Aboriginal participation in the NWT minerals industry. Here diamond driller trainees at the Prairie Creek project.*
In addition, settled land claims result in land-use plans which add certainty by identifying which lands are open to staking, exploration, and development. In 2013, land-use plans were completed for the Sahtu land claim region and the Tlicho region.

Land claim agreements also provide for resource revenue sharing with Aboriginal groups and to date, the Federal Government has shared over $34 million in diamond royalties with settled Aboriginal land claimant groups in the NWT.

**Aboriginal mining participation is ground-breaking**

Significant changes in the NWT brought about by the relatively new diamond mining industry have made Aboriginal groups major beneficiaries and participants in the mining industry.

From 1996 to 2011 the diamond mines created nearly 19,000 person years of employment for NWT residents, and exactly half of those jobs are filled now by Aboriginal workers, matching the territory’s demographics.

Training programs are at the root of the success in increasing Aboriginal employment at the mines. Over the past 10 years, nearly 900 graduates have found jobs in the industry. On the business side, the diamond mines have been equally successful.

Mining is a costly business and to date the NWT’s diamond mines have spent over $13 billion on mine construction and operations. Over 70 per cent of this has been spent with northern based businesses. (No small wonder that mining is the largest private sector contributor to the economy, directly contributing over one-quarter of the Gross Domestic Product.)

As part of the significant northern spending, the diamond mines have spent over $4 billion with a host of Aboriginal businesses that have sprung up since diamonds were discovered. As recently as 1998 there were just a handful of Aboriginal businesses in place that could service the mining industry. Since the creation of the diamond mining industry, that picture has changed dramatically with scores of Aboriginal businesses now providing services in a myriad of areas.

The Tli Cho Investment Corporation is one such standout enterprise built on mining and has become a role model for growth demonstrating that parties with a common vested interest can accomplish great things with foresight, planning and inclusion. The company employs 450 workers in high quality jobs spread among 23 member companies under the Investment Corporation’s umbrella. The types of businesses include logistics; air and land transport, cement and explosives just to name a few. With such diversity, annual revenue for this company has already reached as high as $180 million.

Perhaps the icing on the cake is the recognition that member company Tli Cho Logistics received when it was awarded the Skookum Jim Medal for Aboriginal business success, from the Prospectors and Developers Association of Canada. Tli Cho Logistics was just the second Aboriginal business in Canada to ever receive the award.

Following closely in those footsteps, the Yellowknife Dene First Nation’s Det’on Cho Corporation based out of Yellowknife is another growing success story with 16 member companies employing 300 individuals. Annual revenues now exceed $87 million, and the Det’on Cho Corporation was recently singled out by “Profit 500” with national recognition for being one of the top 500 fastest-growing companies in Canada. As a token of their thanks, Det’on Cho Corporation recently announced the creation of a new corporate award to thank its supporters, and two of the first four recipients were the Diavik and the Snap Lake diamond mines.
Facilitators of exploration and mining

Recognizing mining’s importance to the NWT, a number of groups are working with communities and industry to help advance development.

The Canadian Northern Economic Development Agency (CanNor) promotes responsible development that contributes to prosperity in Canada’s three territories. Just four years old, CanNor funds government geoscience programs, and works with communities to help them better participate in resource development.

CanNor also houses the Northern Project Management Office (NPMO), which provides issues management, path-finding and advice to industry and communities, coordinates the participation of federal departments in the regulatory review process, and publicly tracks the progress of projects to bring transparency and timeliness to the regulatory system. NPMO works with partners to advance community readiness, helping to maximize the positive socio-economic impacts of major projects in Northern communities.

The Aboriginal Tlicho Government created the Kwe Beh Working Group to work with mining and exploration companies investing in their Tlicho land claim region. “Kwe Beh” means stone knife and reflects the Tlicho people’s history of using mined materials. Kwe Beh oversees the implementation of mining impact and benefit agreements and actively manages mining files. They are also involved in the environmental regulatory process and other areas related to mining development as a representative of the local Tlicho Government.

In another mineral rich area of the NWT, the Akaitcho Dene First Nations have signed a Memorandum of Understanding with the NWT & Nunavut Chamber of Mines that will see an Akaitcho – Mineral Industry Support Office open. Its job is to help fulfill the MOU goal to “collaborate towards mutually beneficial mineral exploration and development in the Akaitcho territory”.

With business arms like Det’ on Cho Corporation becoming hugely successful from mining, the Akaitcho would like to ensure that their region continues to attract exploration and mining investment.

The Government of the Northwest Territories is also a strong proponent of mining and resource development. This is exemplified by the major political and jurisdictional change currently underway through the process of devolution. With the transfer of responsibility for non-renewable resources on April 1, 2014, the GNWT believes they will become a good landlord for industry since they are closer to the consequences of resource development. It cites the neighbouring Yukon territory where mining development has boomed since they acquired authority over their lands in 2003. Aboriginal groups too will benefit through devolution, as they will receive a significant portion of resource royalties.

The current role of Government of Canada offices, notably the land administration and Mining Recorder’s offices, are to transfer seamlessly to the GNWT on the effective devolution date, April 1, 2014.
The NWT and Nunavut Chamber of Mines is the industry’s champion for mining growth in the North, and publicly promotes the industry and its benefits while working with governments at all levels to create and maintain an attractive climate for mining investment. Virtually all the exploration and mining companies are supporting members as are many other businesses and residents that also want to see mining sustained in the North. The Chamber continues to support the North’s mining conferences and its website, www.miningnorth.com, is an excellent resource for up to date information for investors seeking detailed information about northern exploration and mining.

Significant Infrastructure investment to support mining
The Northwest Territories is planning for a prosperous future by enhancing economic development. Through several new strategies – mineral development, economic opportunities, and energy action – the GNWT is positioning itself as a strong supporter of development for the future prosperity of the Territories.

In the fall of 2013, the Premier of the Northwest Territories Bob McLeod announced planning was underway on a multi-million investment in hydropower that would provide energy to communities and mining projects. Details will be provided in the NWT Energy Action Plan.

In spring 2013, Minister Ramsay released Corridors for Canada III: Building for Prosperity, which proposes $600 million in strategic transportation infrastructure investments that will support communities and resource development across all regions of the NWT. According to Minister Ramsay, the NWT can’t go it alone and are seeking funding from the federal government for roads, airports, bridges and other infrastructure improvements that will “lay a foundation for the economic growth and prosperity of the NWT.”

The NWT Economic Opportunities Strategy was released in early fall 2013. Its vision is to help guide the development and realization of economic potential in all regions of the NWT – strengthening and diversifying the NWT’s economy – and resulting in an enhanced quality of life for all NWT residents.

Mining has the highest support
Support for northern mining comes right from the top and none other than the Canada’s Prime Minister has taken an active interest in the future of the industry.

In August 2014, during his eighth northern tour, Prime Minister Stephen Harper announced new Federal funding for training. The Prime Minister stressed that Northern mining has the potential to permanently change many lives for the better but in order for that to become a reality, Aboriginal peoples must have increased access to education and skills training.
This announcement was greeted with a great deal of enthusiasm by industry as a smart approach to addressing human resource challenges in the North. Bob Gannicott, CEO of Dominion Diamond Corporation noted, “It’s a much better proposition for the mining companies to use local residents because they are long-term employees. They’re not just coming in to work for a couple of years to put some money away then leave.”

Within a week of his announcement of training funding to support mining, the Prime Minister signalled additional support with a $100 million investment to extend the Geo-Mapping for Energy and Mineral Program to improve geoscience knowledge in the North.

“Our Government is working to ensure that Northerners and all Canadians benefit from the tremendous natural resources in the Territories. Our investment in resource exploration will continue to unlock the full economic, mineral and energy potential of the region, while generating new government revenues, private sector investment and jobs,” said Prime Minister Harper.

“The North’s time has come” …

Canada’s Prime Minister Stephen Harper

Opportunity is primed today in the North and Canada’s Prime Minister perhaps said it best during his 2012 tour of the North: “That great national dream — the development of northern resources — no longer sleeps. It is not down the road. It is happening now. The North’s time has come, my friends.”

With this kind of support, combined with the tremendous mineral endowment and support from its governments and residents, the NWT is well-positioned to make that prophecy come true.
The Tłı̨chǫ Government ratified a Land claim and Self Government Agreement in August 2005. With the Tłı̨chǫ Agreement, the Tłı̨chǫ Government was vested with title, and the surface/subsurface rights that come with it to approximately 39,000 square kilometers in size (Tłı̨chǫ Boundary). Within the Wek’èezhii Boundary the Tłı̨chǫ Government has co-management responsibilities.

Predictable and Clear Rules for Land Use

The Tłı̨chǫ Weneke’ (Land Use Plan) came into effect through Tłı̨chǫ law and the Government is implementing the Land Use Plan which was developed under the guidance and direction of Tłı̨chǫ Elders. The Land Use Plan guides sustainable development on Tłı̨chǫ lands, while still caring for the land, wildlife and people who depend on it.

Tłı̨chǫ Government Department of Culture and Lands Protection (DCLP) in Tłı̨chǫ Lands

Mining and exploration companies are encouraged to work directly with the Tłı̨chǫ Government Department of Culture and Lands Protection (DCLP) when working in Tłı̨chǫ Lands. The DCLP manages and administers Tłı̨chǫ Lands in accordance with the Tłı̨chǫ Weneke’ (Land Use Plan). The DCLP has administrative authority and policies to process applications for access to Tłı̨chǫ Lands and also engages in technical review of land issues that affect Mowhi Gogha Dè Ñį́ttlè̀. The Tłı̨chǫ Government, through the DCLP, is developing a Mineral Strategy to enable responsible and sustainable future growth on Tłı̨chǫ lands while maintaining and promoting Tłı̨chǫ language, culture and traditions that are the foundation of the Tłı̨chǫ people.

The Kwe Beh Working Group Manages Relationships With Industry

For projects off Tłı̨chǫ lands but in Mowhi Gogha Dè Ñį́ttlè̀, the Kwe Beh Working Group is mandated to help manage relations with mining and exploration companies by: managing information regarding current projects outside of Tłı̨chǫ lands; overseeing IBA implementation with the current diamond mines in operation; and providing guidance to Industry engaging with the Tłı̨chǫ Region on different issues.
MINING
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We help keep it that way by vigorously encouraging and promoting the minerals industry. Through the strength of our diverse membership and offices in Nunavut and the NWT, we are:

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