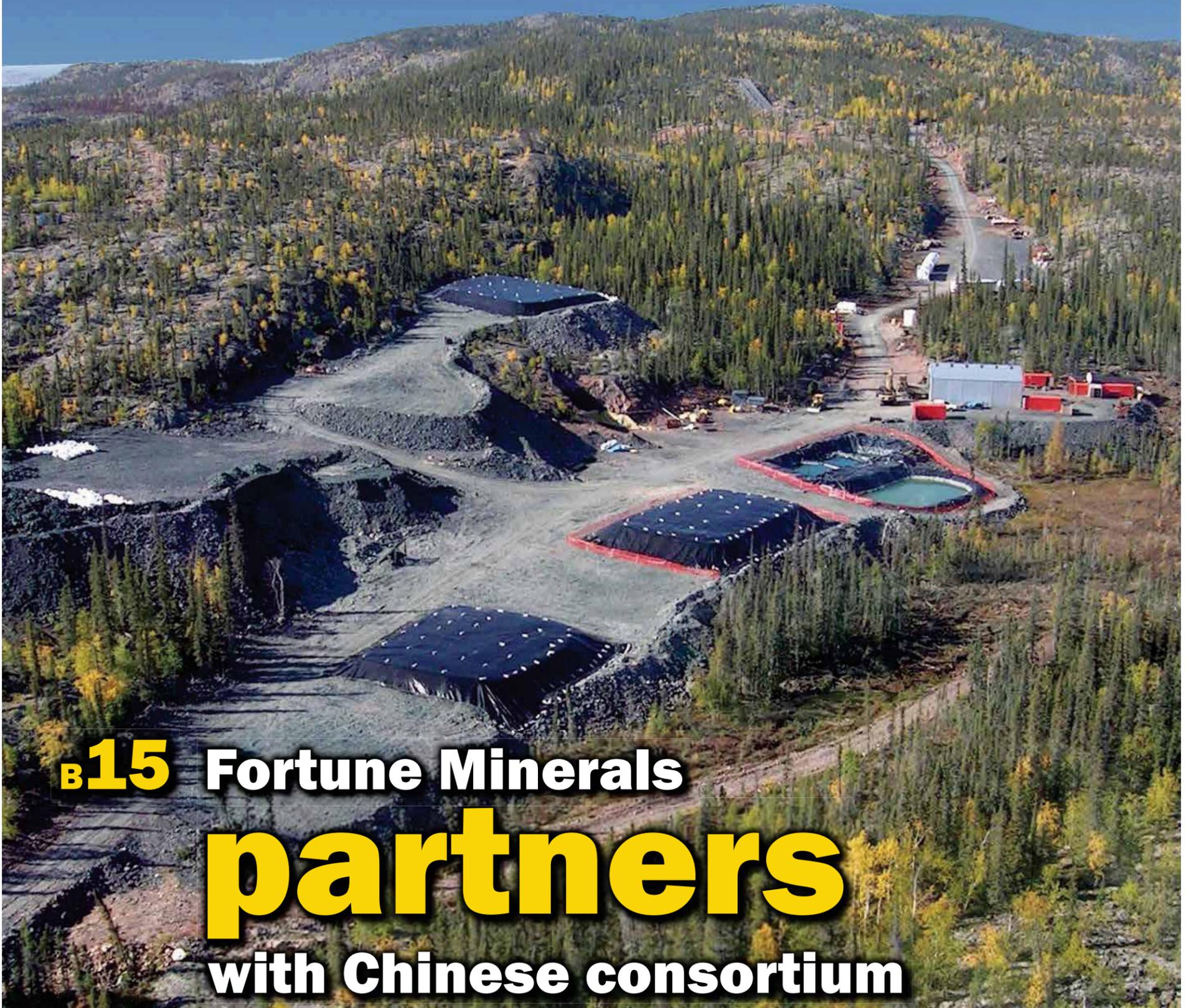


MINING

2013



B15 Fortune Minerals
partners
 with Chinese consortium

B3 Bathurst Inlet port needs
 new location



B14 New name for KIA
 partner after merger



B17 Prairie Creek already
 a boost for Fort Simpson





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New location needed for Bathurst Inlet port

Updated project description by Glencore Xstrata and Sabina pending

by Lyndsay Herman
Northern News Services
Kitikmeot

An update on plans for the Bathurst Inlet Port and Road project is expected by the end of November.

Joint venture partners Glencore Xstrata and Sabina submitted an updated project description in April but their plan to submit a draft environmental impact statement this summer has a snag.

The discovery of unsuitable geology at the intended port location put the project team on a search for a new location.

"A geotechnical drilling program has been initiated in the port area in April 2013 to assess the substrate quality at the proposed dock location," stated a July 8 letter from the developers to the Nunavut Impact Review Board. "Preliminary results suggest that the foundation material is not adequate and that, in order to build required in-water infrastructure, significant dredging would be required. To reduce the significant costs related to dredging, the geotechnical drilling program will continue to help us identify a more suitable site for the dock in the immediate vicinity."

The Bathurst Inlet Port and Road project, if constructed, will consist of a 217-kilometre all-weather road connecting to the Tibbit-to-Contwoyto winter road system, a deep water port on Bathurst Inlet operational year-round, and a maintenance depot near Contwoyto Lake. It would connect up to Sabina's Back River Gold project and Glencore Xstrata's Hackett River project. Plans call for an operations camp housing a maintenance shop, accommodation for 200, water and sewage treatment plant, kitchen and administration facilities. The project was estimated to cost \$270 million by past owners Kitikmeot Corporation and Nuna Logistics in 2009.

Back River Gold project

One of the projects which could benefit from construction of the Bathurst Inlet Port and Road (BIPR) is Sabina Gold and Silver Corp.'s 100-per-cent-owned Back River Gold Project, located 75 kilometres southwest of Bathurst Inlet.

If the project doesn't go ahead the company has a back-up plan for Back River.

"The delay on the BIPR Draft EIS does not have an impact on our project schedule as it is right now," Nicole Hoeller, vice president invest-



Drilling at Xstrata Zinc Canada's Hackett River project.

photo courtesy of AANDC

or relations and corporate secretary for Sabina stated in a July e-mail. "All our work sees Back River as its own operation with its own infrastructure that consists mainly of ice roads and a modest

dock laydown area. Although, we would use BIPR if it goes ahead."

Sabina released a positive preliminary feasibility study in October. The study is based on a gold price of \$1,350 per

ounce and a diesel price of \$1.25 per litre. It also makes no allowances for infrastructure at Glencore Xstrata's nearby Hackett River Project or the Bathurst Inlet Port and Road project.

The study estimates the project will pay for itself within 3.3 years and have a mine life of more than 8.4 years.

A project description released in June 2012 estimates up to 900 people will be employed. Pre-production capital costs amount to \$605 million.

A Draft Environmental Impact Statement is on track for submission to the Nunavut Impact Review Board in the first quarter of 2014 and a feasibility study is expected by early 2015.

Hackett River

The neighbouring Hackett River project is owned by the port and road project's main proponent, Glencore Xstrata.

Glencore Xstrata released an updated resource estimate for Hackett River, located 45 kilometres west of Back River, in December 2012.

The new estimate puts measured and indicated resources at 25 million tonnes grading 4.2 per cent zinc and 130 grams of silver per tonne, and an inferred resource of 57 million tonnes grading three per cent zinc and 100 grams of silver per tonne.

Xstrata Zinc Canada,

which was purchased by Glencore in May, bought the Hackett River project from Sabina in 2011 for \$50 million in cash as well as a royalty of 22.5 per cent on Hackett's first 190 million ounces of silver and 12.5 per cent on silver subsequently produced.

In an Oct. 17 letter from Hackett River project manager Denis Hamel informed the Nunavut Impact Review Board that Glencore plans to complete a pre-feasibility study on the Hackett River project before filing a Draft Environmental Impact Statement, which is the next step for the project's environmental assessment.

Hamel committed to updating the review board on the project's progress by April 15, 2014.

According to Sabina's website, Glencore committed to spending \$50 million on exploration at the site over four years as well as completing a bankable feasibility study on the project.

The company estimates a mine life of 15 years for Hackett River and employment of 800 people during construction and 500 people during operations.



A helicopter drops supplies at Sabina Gold and Silver Inc.'s Back River Project.

photo courtesy of Sabina Gold and Silver Inc.



The wind farm has produced an average of seven per cent of Diavik's power needs since Sept. 28, 2012.

photos courtesy of Diavik Diamond Mines Inc.

Turning wind into power

Diavik looks back on the challenging but positive first year of its wind farm

by Lyndsay Herman
Northern News Services
Diavik/Lac de Gras

The Diavik wind farm has celebrated its first anniversary.

September 2013 was also the wind farm's best month to date, offsetting 400,000 litres of fuel and providing an average of 12 per cent of Diavik's power for the month.

The farm's four wind turbines have offset an estimated 3.5 million litres of fuel in their 12 months of operation, an impressive figure during the coldest months of a frigid winter.

"December and January were very challenging months for the wind farm and we were not able to get a lot of power out of the turbines, simply because they were not operating very much," said Doug Ashbury, spokesperson for Diavik. "We were able to work those (issues) out and we're very pleased with the way it's been operating."

The farm is creeping toward Diavik's goal of having wind supply 10 per cent of the mine's power needs. The wind farm has produced an average of seven per cent of the mine's power since it first started to supply power to the mine's grid, eight per cent since Jan. 1, 2013.

At its peak, the wind farm produced 58 per cent of the mine's power needs, enough to power Diavik's underground operations.

The \$31-million project was constructed \$2 million under budget and is on track to pay for itself in approximately eight years.



A crane was brought to site along the Tibbitt-to-Contwoyto winter road during the construction of the wind farm. Although it was only needed for one month, Diavik had to rent the crane until it could be transported back along the winter road the following year.



Ken Quackenbush monitors output from the base of a turbine.



Ken Quackenbush, superintendent of projects, monitors output from the base of a turbine.



One of four wind turbines on the farm is assembled.



Photo courtesy of De Beers Canada Inc.

Gachcho Kue, pictured here in 2006, would be De Beers' second diamond mine in the NWT.

Gachcho Kue approved by feds

Estimated workforce of 690 during construction and 327 during operations

by Lyndsay Herman
Northern News Services
Kennady Lake

fact file

Gachcho Kue highlights

Commodity: Diamonds
Owner: 51 per cent De Beers, 49 per cent Mountain Province Diamonds
Location: 280 kilometres northeast of Yellowknife
Estimated employment: 690 during construction and 372 during mine operation
Mine Life: 11 years
Status: Approved and securing permitting and a water licence.

Source: Mackenzie Valley Environmental Impact Review Board

Over the last-minute objections of Northern aboriginal groups, the federal government finally approved the Gachcho Kue diamond mine on Oct. 22.

The project, located 2890 kilometres northeast of Yellowknife is 51-per-cent owned by De Beers Canada and 49-per-cent owned by Mountain Province Diamonds.

De Beers estimates Gachcho Kue would contribute \$39 billion to Canada's gross domestic product during construction and operation, with 80 per cent of that going to the NWT. The two-year construction phase will require 690 workers and operations 372 workers.

The estimated mine life is 11 years, producing an average of 4.5 million carats of diamonds annually.

De Beers, as Gachcho Kue's operator, signed a socio-economic agreement with the GNWT in June. The agreement includes provisions for NWT priority hiring, northern contracts, at least 30 spots in a training sponsorship program for NWT residents, transparent and collaborative reporting measures, among others.

Exactly when shovels will break ground at Gachcho Kue has yet to be determined. Results from an optimization study is expected to be

released in early 2014.

Four aboriginal groups including the Lutsel K'e Dene First Nation, Deninu Kue First Nation, Tlicho Government, and the Yellowknives Dene First Nation had asked Aboriginal Affairs and Northern Development Canada Minister Bernard Valcourt to refer outstanding issues back to the Mackenzie Valley Environmental Impact Review Board for further review.

The North Slave Metis Alliance was the only group to specifically support the recommendations in the board's report and is the only aboriginal group to have successfully signed an Impact Benefit Agreement.

Groups urging the minister to send the project back to the review board for further consideration argued the measures outlined in the board's final report are not specific enough to adequately protect the environment and people of the region.

In a letter responding to the concerns, Glen Koropchuk, chief operating officer of De Beers Canada insists the review board report includes 19 pages of commitments made by De Beers which cover these aspects of the project.

The federal government ultimately agreed and supported the review boards' take on Gachcho Kue in its decision.

"The Responsible Ministers have given full and fair consideration to the views expressed by the aboriginal parties during the Environmental Impact Review and in recent letters," states AANDC Minister Bernard Valcourt a letter announcing the decision. "We have concluded that all points raised relating to asserted or established aboriginal or Treaty rights have been or will be fully addressed through the implementation of measures, developer commitments, and follow-up programs."



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Global outlook for Northern projects

Diamond production amounted to \$1.6 billion in the NWT and \$3.7 million in Nunavut in 2012.

photo courtesy of Diavik Diamond Mine Inc.

by **Lyndsay Herman**
Northern News Services
NWT/Nunavut

Pressures of the global economic climate, particularly the economic growth of China, can be felt here in the North due to the impact on the price of minerals, metals, and gems.

The higher the price, the easier it is for companies to get a project off the ground, to justify expansion, or keep a mine open longer.

Here is a snapshot of some of the forces at play with metals and minerals the NWT and Nunavut have to offer.

Outlook: Zinc is used in construction, vehicle assembly, electrical appliances, and galvanizing steel, among others. As a result, demand on the metal is closely tied to the economies of expanding nations, such as China.

Quarterly Metals Report on Zinc released by Sudeen Financial in August predicts supply and demand will continue to balance over the remainder of the year. Last summer the price of zinc fell to \$1,700 but has maintained at least a price of \$1,800 this year and Sudeen predicts an average of \$1,900 for 2013.

Diamonds

Producing mines and advancing projects: Diavik, Ekati, Snap Lake, Gahcho Kue, Chidliak, Jericho

Iron

Producing mines and advancing projects: Mary River, Roche Bay

Outlook: Diamond prices are expected to stay level through to 2017 but rise sharply as of 2018, according to an annual report on the diamond industry released by consulting firm Bain & Company in partnership with the Antwerp World Diamond Centre.

The predicted rise is based on the fact that prominent diamond projects world-wide are reaching the end of their mine life and few projects are expected to take over at the same level of production.

While diamond prices suffered a significant drop last fall, early 2013 data indicates a recovering market, due mainly to increased demand in the U.S. and Japan.

Gold

Producing mines and advancing projects: Meadowbank, Meliadine, Courageous Lake, Hope Bay, Ulu, Lupin, NICO, Back River, Committee Bay Greenstone Belt, Yellowknife Gold

Outlook: The price of gold per ounce has steadily fallen over the past 12 months to US\$1273.5 per ounce as of Oct. 16, 2013, from more than US\$1,700 in October 2012. The price of gold reached the lowest price so far this year – US\$1192 per ounce - near the end of June 2013. The present price of gold is on par with 2010 and over double 2005 prices.

Zinc

Producing mines and advancing projects: Prairie Creek, Hackett River, Izok Corridor, Pine Point

Outlook: Iron ore is used in the production of steel. Arcelor Mittal, one of the largest iron ore producers in the world and 50 per cent owner of Nunavut's Mary River Project, stated 72 per cent of its market consists of what it calls "growth" countries such as China, India, the Middle East, Russia, and South America. The strength of the iron market remains closely tied to the economies of those countries and regions.

The price of iron reached a record peak in February 2011, netting more than \$185 per tonne. The price stayed steadily above \$160 per tonne until September 2011, when the price of iron dropped to \$139 in two months. A year later, the price of iron was the lowest it had been since 2009, \$97 per tonne. Late 2012 and early 2013 showed promise, with prices rising to a high of \$154.6 in February. The price fell to \$118 per tonne in June 2013 but had returned to \$139 per tonne by September 2013.

Tungsten

Producing mines and advancing projects: CanTung

Outlook: The price of tungsten has stabilized but has not fully recovered from the price drop which took place at the end of 2012. Prices fell to \$295 per tonne in December 2012 as compared to \$450 per tonne the same month the year before, and for most of 2012. The price plummet was credited to slowing economies in the world's largest tungsten consuming countries, such as

Please see Uranium, page B9

Preliminary mineral production in 2012

Mineral	NWT	NWT (\$'000)	Nunavut	Nunavut (\$'000)
Diamonds	9,670 ('000 carats)	\$1,614,897.00	60 ('000 carats)	\$3,670.00
Gold			11,157 (kilograms)	\$598,125.00
Tungsten1	2,505 (tonnes)	\$94,733.00		
Copper	579 (tonnes)	\$4,605.00		
Silver			3 (tonnes)	\$2,869.00
Sand and gravel	575 (kilotonnes)	\$4,414.00		
Stone	304 (kilotonnes)	\$3,166.00		

Source: Natural Resources Canada

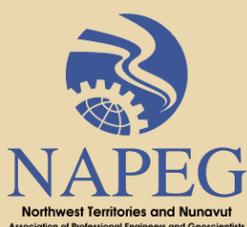
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A finger points to a fleck of gold on a core sample from the proposed Meliadine gold mine in Nunavut.

Uranium prices suffer after reactor meltdown at Fukushima plant

Global, from B8

China and India, according to CanTung owner North American Tungsten. Tungsten is used in tools, heavy machinery, jet turbine engines, golf clubs, darts, and light bulb filaments. As of June 30, 2013 the price of tungsten was back up to \$417.5 per tonne.

Uranium

Producing mines and advancing projects: Kiggavik, Angilak

Outlook: The price of uranium took a beating in 2011 after a reactor meltdown at Fukushima I Nuclear Power Plant in Japan, was caused by earthquake and tsunami damage.

Now the industry is trying to make its best guess as to when and if the price of uranium is likely to spike, as more nuclear power plants come on line in Japan, China, and India. Unfortunately for the industry, at the same time reactors are being decommissioned in countries such as Germany and the U.S.

World demand for uranium will amount to 64,978 tonnes in 2013, according to data the World Nuclear Asso-

ciation released Oct. 1. A 2011 market report released by the association predicts 156 reactors closing and 298 coming on line by 2030 and expects the market for nuclear power plant components to grow by approximately three per cent per year.

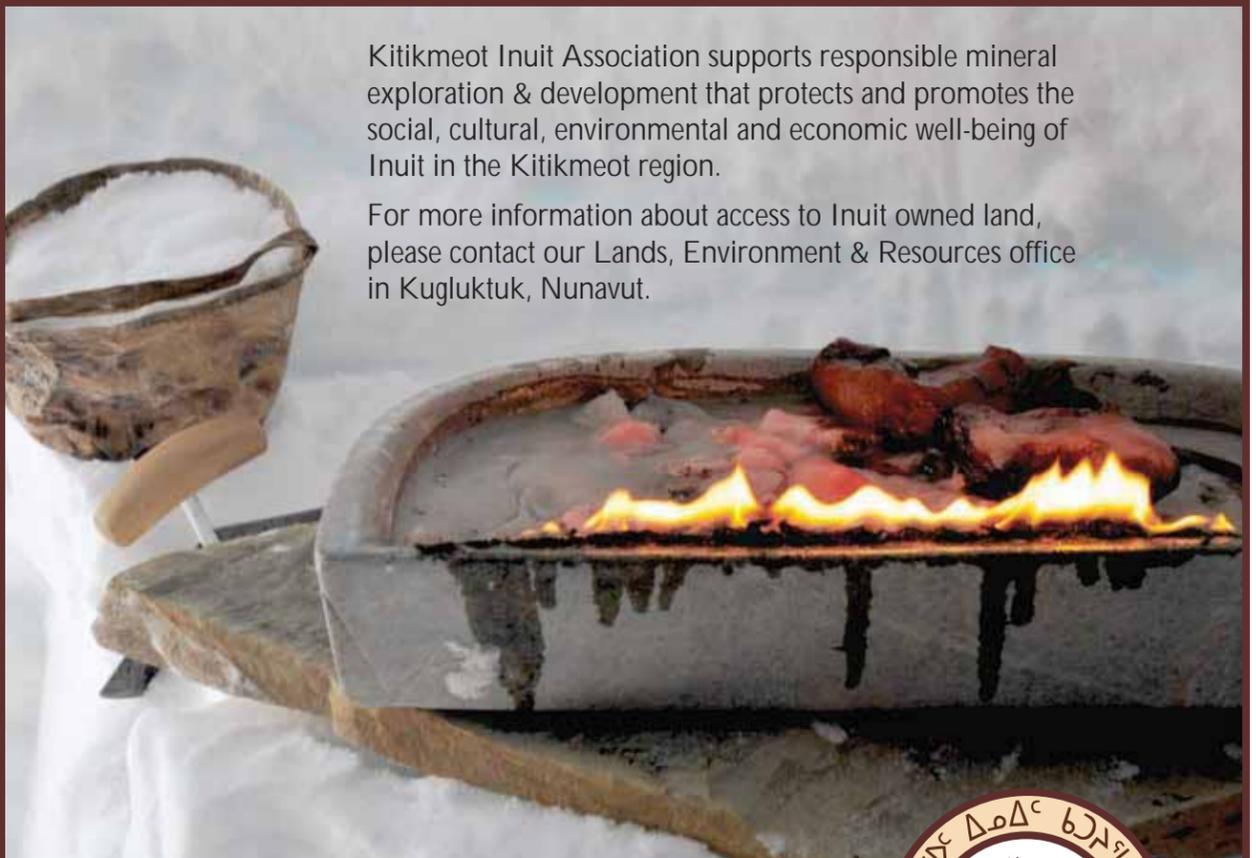
Silver

Producing mines and advancing projects: Prairie Creek, Hackett River, Izok Corridor

Outlook: Commodity consulting firm CPM Group predicts a shaky decade for silver, after the commodity hit record high prices in the first half of 2011, according to the firm's Silver Long-Term Outlook Report released in January.

The report states investment or demand is the greatest driver of the price of silver, but untapped silver mine production capacity and a waning interest in silver by the technological sector could also negatively affect the precious metal's price. The price of silver reached a record high in April 2011 of more than \$40 per ounce. The price has gradually dropped over the past two years and was at \$21.3 per ounce as of Oct. 16.

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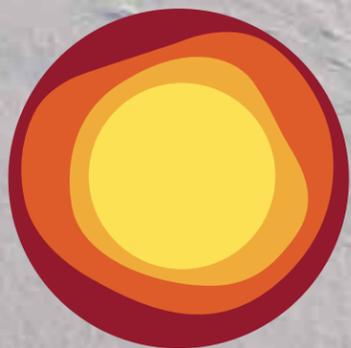
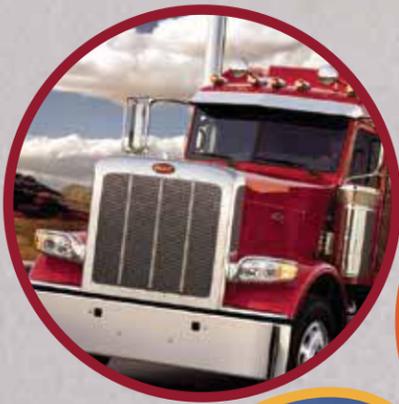




photo courtesy of MMG Ltd.

MMG Ltd. is expected to file a project description for the Izok Corridor project in December.

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December target for Izok project description

*MMG sets date
after putting the project
on hold in April*

by Lyndsay Herman
Northern News Services
Kugluktuk/Coppermine

An updated project description for the Izok Corridor project in the Kitikmeot is expected this December.

Last April, project owner MMG Ltd. requested the Nunavut Impact Review Board put the environmental assessment of Izok on hold in order to explore new project design options the company hopes will make the Izok project more profitable.

The possible changes included adding a new property, a new mine schedule, and new production rates.

"MMG is currently initiating a process to further develop and evaluate these options so that they can be considered for and incorporated in the feasibility design," stated Sabha Safavi, MMG's Canada project manager in an April 15 letter to the review board.

"We would like to emphasize that the key project components identified in the project proposal will remain and that any changes to the project footprint associated with the revised project execution plan will be located in close proximity to the current mine plan."

MMG invested \$36.6 million in the project in 2012 and began work on a \$50-million feasibility study to determine the costs, value, and best course of development.

Changes notwithstanding, the Izok Corridor project includes a proposed Izok mine 260 kilometres south of Kugluktuk and a proposed

High Lake mine 187 kilometres east of Kugluktuk. The two mines would be 300 kilometres apart.

Copper, lead, zinc

The project also includes a port at Grays Bay, 179 kilometres east of Kugluktuk, and a 350-kilometre all-season access road linking the two mine sites and the port facility.

The project proposal, filed in August 2012, estimates an average production rate of approximately two million tonnes of ore, primarily zinc, per year. The mine will also produce copper and lead concentrates.

MMG intends to hold consultations with affected communities and groups to discuss the possible changes as well as complete its own feasibility analysis of the possible additions. The company intends to finalize the revised project description once these steps are complete, according to a letter from MMG to the review board in May.

The Australia-based company is a wholly owned subsidiary of Minmetals Resources Ltd. with the majority of shareholders located in Beijing, China.

MMG is listed on the Hong Kong Stock Exchange.

Once MMG submits the project description, the Nunavut Impact Review Board and federal government will review the changes. If project scope is not substantially changed, the project will begin the public scoping process.

fact file

Izok Corridor highlights

Commodity: Zinc and copper

Owner: MMG Ltd.

Location: 187 kilometres southeast of Kugluktuk

Estimated employment: 1,100 employees during construction and 700 during operations

Mine Life: 12 years

Status: Advanced exploration and beginning review process

Source: MMG Ltd.

Fosheim coal project met with resistance

Petrified forests, fossils, wildlife on list of concerns

by Lyndsay Herman
Northern News Services
Fosheim Peninsula

Grise Fiord, university professors, and the Government of Nunavut have spoken out against Canada Coal's proposal to mine coal on the Fosheim Peninsula.

Canada Coal submitted its project proposal to the Nunavut Impact Review Board in January. Once comments were solicited from interested parties, a flurry of submissions expressed concern with the project's potential environmental and cultural impacts.

"The community of Grise Fiord is not against economic development and growth, but the negative impacts to the environment in this area far outweigh the benefits," stated a letter sent Feb. 14 and signed by hamlet mayor Liza Ningluk; chairperson of the Iviq Hunters and Trappers Organization Jaypetee Akeagok; and chairperson of the Community Lands and Resource Committee Larry Audlaluk.

The letter detailed seven aspects of the project the signatories took issue with, most referencing the historical, cultural and environmental importance of Ellesmere Island and Axel Heiberg. Adequate protection of wildlife and endangered caribou

herds were also listed.

Canada Coal owns 75 exploration licences on Ellesmere and Axel Heiberg.

The petrified forests found on Axel Heiberg and Ellesmere Island are internationally renowned and representatives of academia from around Canada and the United States were among those who advocated protection of the sites, as well as protection of fossils found at other locations on the proposed development site.

Not all comments opposed the development and some academics saw the potential for a partnership between industry and science.

"Open cut mining may obliterate sites, but it also exposes rocks and creates opportunity for scientific investigation," James Basinger, associate vice-president research for the University of Saskatchewan, stated in his submission. "It is my recommendation that Canada Coal fully engage the scientific community throughout both exploration and operational phases."

Canada Coal asserts it retains the mineral rights to Axel Heiberg as a means to protecting the area and preventing other developers from taking them over, as per a commitment made to Grise Fiord.

"We have taken over the licences (at Axel Heiberg) in order to keep them out of reach of others, as we have promised your community both in meetings and in writing," stated Canada Coal executive chairman R. Bruce Duncan in an April response to the letter submitted by the community of Grise Fiord. "We have done this purely as effective protective measures at a cost of approximately \$60,000 to Canada Coal. If you wish us to discontinue this voluntary, protective defence we will cancel our current licences in that area and discontinue our proposed scientific research grant designed to further the knowledge base on this important area."

Coal fired plants rejected

The Government of Nunavut requested the project be sent back to the proponent for complete revision quoting the Nunavut Land Claims Act, "The potential adverse impacts of the proposal are so unacceptable that it should be modified or abandoned."

The territorial government expressed concerns about the affects on the environment, culture, historically significant sites and wildlife, particularly muskox, caribou and polar bears.

Canada Coal has been



photo courtesy of Canada Coal Inc.

Field work, including geological mapping and sampling was conducted during Canada Coal Inc.'s 2012 exploration program at its Fosheim Peninsula coal licence.

advocating coal as a potential alternative to diesel generated power in Nunavut communities.

The GN responded to this suggestion in the report expressing a total disinterest in the idea.

"Notably, coal fired power plants are currently the largest source of CO2 emissions and most jurisdictions are looking to replace coal with cleaner sources of energy,"

stated the report. "The vulnerability of the Arctic ecosystem to climate change is well documented, and coal mine development undermines national and international initiatives to reduce greenhouse gases. The contradiction is further exaggerated by the intention to develop an open pit mine in one of the most biologically rich ecosystems in the High Arctic, which includes habitat

for five (Species at Risk Act) listed species."

Canada Coal was supposed to respond to the submitted comments by May 31 but requested two extensions, one of 60 days and another of 90 days in order to meet with the community of Grise Fiord, the Qikiqtani Inuit Association, and other commenters.

Canada Coal is now expected to submit a response by Nov. 12.



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photo courtesy of Fortune Minerals Ltd.

Environmental field assistant Janet Rabesca collects ground water samples from a drill hole at Fortune Minerals Ltd.'s NICO gold-cobalt-bismuth-copper project. Fortune is currently raising funds for the project, with the goal of starting construction in 2014.

NWT's advancing projects

Northern News Services
NWT

Project: Courageous Lake
Owned by: Seabridge Gold Inc.
Resource: Gold
Location: 240 kilometres northeast of Yellowknife
Estimated mine life: 15 years
Project status: Advanced exploration. An \$8.5 million exploration program was conducted in 2012 and a prefeasibility study was completed in July 2012.

Project: Nechalacho Rare Earth Elements Projects
Owned by: Avalon Rare Metals Inc.

Resource: Rare earth elements
Location: 100 kilometres southeast of Yellowknife
Estimated mine life: 20 years
Project Status: Project approved with conditions by the Mackenzie Valley Environmental Impact Review Board. Avalon is now waiting on approval from Aboriginal Affairs and Northern Development Canada and raising funds to pay for the project.

Project: Prairie Creek
Owned by: Canadian Zinc Corp.
Resource: Zinc, lead and silver
Location: 90 kilometres west of Nahanni Butte
Estimated mine life: 10 years

Project status: Prairie Creek has obtained all necessary permitting and licences required to start construction and production at the mine site.

Project: Pine Point
Owned by: Tamerlane Ventures Inc.
Resource: Zinc, lead
Location: 40 kilometres east of Hay River
Estimated mine life: Pine Point was a producing mine between 1964 and 1987.
Project status: Tamerlane received a land use permit and water licence for the Pine Point project in 2009. According to a technical report Tamerlane released in October, the project has a start up capital cost of \$118 million. Tamerlane sought protection from creditors under the Companies' Creditors' Arrangement Act effective Aug. 23 after Tamerlane missed a \$127,327.86 interest payment in July to Global Resources Fund and Global demanded Tamerlane repay \$12 million in loans by Aug. 6.

Project: NICO gold-cobalt-bismuth-copper
Owned by: Fortune Minerals Ltd.
Resource: gold, cobalt, bismuth, and copper
Location: 50 kilometres northeast of Whati
Estimated mine life: 18 years
Project status: NICO was granted approval from the Mackenzie Valley Environmental Impact Review Board and Aboriginal Affairs and Northern Development Canada this year. Fortune is now raising funds with the goal of starting construction in 2014.

Project: Gahcho Kue
Owned by: 51 per cent De Beers Canada, the project operator, and 49 per cent Mountain Province Diamonds Inc.
Resource: Diamonds
Location: 280 kilometres northeast of Yellowknife
Estimated mine life: 11
Project status: Approved by the Mackenzie Valley Environmental Impact Review Board and waiting on a response from Aboriginal Affairs and Northern Development Canada.

Project: Yellowknife Gold Project
Owned by: Tyhee Gold Corp.
Resource: Gold
Location: 50 kilometres from Yellowknife
Estimated mine life: 15 years
Project status: Tyhee completed a positive feasibility study on the project in August 2012 but the environmental assessment has been suspended indefinitely by the Mackenzie Valley Environmental Impact Review Board due to repeated delays.

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Nunavut's advancing projects

Northern News Services
Nunavut

Project: Hackett River
Owned by: Glencore Xstrata
Resource: Zinc, copper, lead, silver, gold
Location: 104 kilometres southwest of Bathurst Inlet
Estimated mine life: 15 years
Status: Xstrata bought Hackett River from Sabina Gold and Silver in 2011 and the company completed a merger with Glencore in May. The company is in the process of developing a draft environmental impact statement and a prefeasibility study on the project.

Project: Back River
Owned by: Sabina Gold and Silver Corp.
Resource: Gold
Location: 75 kilometres southwest from Bathurst Inlet
Estimated mine life: 8.4 years
Status: Sabina released a positive feasibility study in October. The company plans to have a draft environmental impact statement submitted to the Nunavut Impact Review Board in early 2014 and expects to complete field work required for a feasibility study in 2014.

Project: Izok Corridor
Owned by: MMG Resources Inc.
Resource: Zinc and copper
Location: Izok mine site is 260 kilometres southeast of Kugluktuk and the High Lake mine site is 187 kilometres southeast of Kugluktuk.
Estimated mine life: 12 years
Status: MMG commenced work on a \$50-million feasibility study in 2012 and expects to release it in 2014. The company plans to file an updated project description with the Nunavut Impact Review Board in December.

Project: Hope Bay
Owned by: TMAC Resources Inc.
Resource: Gold
Location: 75 kilometres northeast of Bay Chimo
Estimated mine life: 15 years
Status: TMAC is getting ready for production at the Doris North Mine site after renewing a commercial lease agreement with the Kitikmeot Inuit Association in October. A Type A water licence for Doris North was renewed in September and is valid for 10 years. A four-drill exploration program was conducted this season.

Project: Ulu and Lupin
Owned by: Elgin Mining Inc.
Resource: Gold
Location: Ulu is 530 kilometres north of Yellowknife, Lupin is 400 kilometres north of

Yellowknife
Estimated mine life: To be determined
Status: Both projects have been put on hold while Elgin focuses on its flagship Bjorkdal Gold Mine in Sweden.

Project: Meliadine
Owned by: Agnico Eagle Mining Ltd.

Resource: Gold
Location: 24 kilometres north of Rankin Inlet
Estimated mine life: 13 years
Status: Agnico Eagle expects to release an updated technical study in the second quarter of 2014 and filed a draft environmental impact statement in April. Work continues to keep the project moving, but exploration plans have been scaled back in 2014.

Project: Committee Bay Greenstone Belt
Owned by: North Country Gold Corp.
Resource: Gold
Location: 300 kilometres north of Baker Lake
Estimated mine life: To be determined
Status: Advanced exploration work is focused on the Three Bluffs deposit.

Project: Roche Bay
Owned by: Advanced Exploration Inc.
Resource: Iron
Location: 60 kilometres southwest of Hall Beach
Estimated mine life: 15 years
Status: A feasibility study was completed in August 2012. Advanced Exploration Inc. is raising funds and continuing exploration on the site.

Project: Kiggavik
Owned by: AREVA
Resource: Uranium
Location: 80 kilometres west of Baker Lake

Estimated mine life: 14 years
Status: The Nunavut Impact Review Board is currently screening the project and AREVA continues exploration work on the site. In ideal conditions, construction could start as early as 2017, according to AREVA.

Project: Angilak
Owned by: Kivalliq Energy Corp.
Resource: Uranium
Location: 325 kilometres west of Rankin Inlet
Estimated mine life: Not that determined
Status: Advanced exploration work continues at the site. Kivalliq Energy Corp. also acquired the Baker Basin Property, located 60 kilometres south of Baker Lake, in October.

Project: Mary River
Owned by: Baffinland Iron Mines Inc. is 50 per cent owned by Arcelor Mittal, the project operator, and 50 per cent owned by Nunavut Iron Ore
Resource: Iron
Location: 160 kilometres south of Pond Inlet
Estimated mine life: 21 years
Status: Baffinland officially made a decision to move ahead with construction on the project in September. The company transported 32,700 tonnes of cargo, 33 million litres of arctic diesel, and 2.1 million litres of Jet A fuel during this year's sealift season in preparation. Mary River is expected to reach production by 2015.

Project: Chidliak
Owned by: Peregrine Diamonds Ltd.
Resource: Diamonds
Location: 120 kilometres northeast of Iqaluit
Estimated mine life: To be determined
Status: Advanced



photo courtesy of North Country Gold Corp.

Geologists explore the Committee Bay Greenstone Belt where North Country Gold Corp. is advancing its Three Bluffs gold project.



NNSL photo

Avalon Rare Metals camp assistant Roland Conrad moves core boxes at the junior exploration company's Nechalacho rare earths exploration site.

exploration continues at the site. De Beers decided not to enter into an earn-in joint venture

agreement with Peregrine on the Chidliak project in October. Peregrine still expects to release results

from this summer's bulk sample collected at the CH-6 kimberlite in the first quarter of 2014.



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New name for KIA partner after merger

Nunavut Resources Corporation seeks to raise at least \$18 million to invest in exploration of Article 41 lands



photo courtesy of HTX Minerals Corp.
Scott McLean, left, then-president and CEO of HTX Minerals Corp., shakes hands with Charlie Evalik, chairman of the Nunavut Resources Corp., after signing a strategic alliance agreement for mineral project generation and exploration in the Kitikmeot Region last year.

by **Lyndsay Herman**
 Northern News Services
 Kitikmeot

Nunavut Resources Corp. management likes the merger.

"I expect that the combination of these two businesses will have a very positive effect on the mineral exploration initiatives that the NRC-HTX Strategic Alliance has been advancing since March 2012," stated Nunavut Resources Corporation chairman Charlie Evalik in an April news release.

"I believe that the new Transition Metals, a publicly-traded company managed by personnel with proven financial and marketing expertise, will be further well-positioned to attract the necessary investment to help advance its projects, even in this challenging market for exploration finance."

Last year NRC partnered up with HTX, a junior exploration company from Sudbury, Ont. with expertise in mineral exploration. KIA put up a million dollars to kick start exploration work last fall and NRC hopes to raise a further \$17 million over the next four years to expand exploration on KIA-owned lands, also known as Article 41 lands.

An exploration program was conducted this year but results have not been released.

Earlier this year, HTX merged with Transitions Metals Corp., also based in Sudbury, Ont. and will operate under the Transition Metals company name.

NRC, HTX, nor Transition responded to requests for comment.

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Fortune Minerals partners with Chinese consortium

Construction could start as early as 2014 if financing secured

by Lyndsay Herman
Northern News Services
Whati/Lac La Marte

With the approval in July of Fortune Mineral's NICO Mine by the federal and Tlicho governments, the mine's next hurdle is securing funds for the project.

So far, Fortune has raised \$11.7 million for its flagship NWT project through Procon, a Canadian company now majority-owned by China CAMC Engineering Co. Ltd.

"We are working with that group to secure project financing to fully finance the NICO project," said Fortune's president and chief executive officer Robin Goad. "The mine and concentrator, the portion that is in the Northwest Territories, requires an investment of approximately \$300 million."

Goad said approval for the project was an important first step toward securing financing. He added finalizing plans for the NICO Project Access Road will be equally critical.

The Tlicho government granted a Land Access Agreement for the project in July.

"There are several moving parts to the road," Goad said. "The Tlicho Government and the (GNWT) have been working together for quite some time on a realigned all-land route and that would be a precursor to an all-weather road. We are now sort of in the mix. We are looking at a staged all-weather road solution to the Tlicho aboriginal communities which would then also be extended to our site. All part of the same deal."

The project will require \$441 million in capital for the first two years, and payback is expected within 6.3 years. Operating costs are expected to average at \$61.97 per tonne of ore processed over the life of the mine.

Base case economics outlined in the project's final technical report assume, rounded to the nearest dollar, US\$1450 per troy ounce of gold, US\$44,092 per tonne of cobalt, US\$24,251 per tonne of bismuth, US\$7,716 per tonne of copper, and an exchange rate of US\$0.95 per C\$1.00.

Fortune hopes to begin construction on the project in the summer of 2014 and start producing ore in late 2015 or early 2016.

fact file

NICO highlights

Commodity: Gold, cobalt, bismuth, copper

Location: 50 kilometres northeast of Whati

Estimated employment: 300 during construction, 269 for the first two years of operation, 188 for subsequent years of operation

Mine Life: 19.8 years

Current stage: Granted regulatory approval and currently raising funds. Facilities in Saskatchewan pending regulatory approval in that province.

Source: Fortune Minerals Inc., Mackenzie Valley Environmental Impact Review Board

Goad said equipment and materials will be shipped to the site during this year's winter road season, as long as finances for the project are secured by the company's goal of the end of the year.

Fortune has planned for NICO to be both an open pit and underground mine.

Proven and probable reserves total 33 million tonnes including 1.09 million ounces of gold, 82 million pounds of cobalt, 102 million pounds of bismuth, and 27 million pounds of copper.

The company has planned for the NICO mill to process

ore at a rate of 4,650 tonnes per day, giving the mine a life of 19.8 years.

The project requires a hydro-metallurgical plant, which Fortune has planned to build in Saskatchewan.

The plant is still waiting on approval but is not far behind the NICO project.

"It's moving at about the same rate as NICO," said Fortune's director of regulatory and environmental affairs Richard Schryer. "There's no point in moving it along faster than NICO because there's not going to be any ore to ship down."



photo courtesy of Fortune Minerals Inc.

Fortune hopes to start construction on the NICO mine in 2014 by securing \$300 million in capital by the end of 2013.



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Don Bubar, president of Avalon Rare Metals, visits the site of Avalon's Nechalacho rare earth deposit, located 100 km southeast of Yellowknife. A feasibility study of the project released in April estimates a capital cost of almost \$1.6 billion.

Finding funds for Nechalacho

High Northern energy costs has Avalon looking south for a hydrometallurgical plant location

by **Lyndsay Herman**
Northern News Services
Hay River

The Nechalacho Rare Earth Elements project has some hurdles to jump before shovels break ground in the NWT.

The greatest challenge is raising almost \$1.6 billion to build the project.

Avalon Rare Metals Inc., Nechalacho's operator and owner, released a positive feasibility study in April.

Construction costs were pegged at \$1.575 billion. The lionshare – \$1.152 billion – is expected to stay in the NWT with the remaining \$423 million spent on a refinery in Louisiana.

The study estimated operating costs to average \$264.5 million per year.

Avalon spent \$90 million in the NWT as of June 3 and had approximately \$9 million in cash resources as of Sept. 12.

If Nechalacho goes ahead, the project would be comprised of an underground mine, concentrator, hydrometallurgical plant, and a rare earth refinery. The mine and concentrator would be constructed at Thor Lake, approximately 100 kilometres southeast of Yellowknife.

The hydrometallurgical plant is currently planned to take shape at Pine Point, 85 kilometres east of Hay River, but may be built farther south in a location with access to cheaper power and infrastructure.

as is the plan for Fortune Mineral's NICO project.

An optimization study of Nechalacho identified ways to improve the efficiency of processes used at the hydrometallurgical plant. These changes would require more power and, with Northern power already at a premium, Avalon stated it may require the plant to be moved.

Most comments from community members or affected First Nations have expressed understanding with Avalon's cost cutting, but are disappointed that a large portion of jobs will move with the plant.

In a letter submitted to the board Aug. 23, the Deninu Kue First Nation expressed concern about such a substantial change not being considered by the review board.

"(Deninu Kue First Nation) does not take issue with attaining optimization goals or lowering capital and operating costs, however ... we believe that all substantive changes should be reviewed by the (Mackenzie Valley Environmental Impact Review Board)," stated Chief Louis Balsille.

Cost effective process

"The process does appear to be more cost-effective and to some extent more environmentally sound. But that needs to be reviewed and the data is not before the (review board) yet."

Avalon had discussed constructing the plant somewhere other than Pine Point with *News/North* in 2010, when Bubar expressed concerns about the cost of transporting large amounts of reagents and other products to the site.

The Nechalacho project was granted approval by the Mackenzie Valley Environmental Impact Review Board in July and is currently waiting on a federal response to the review board's report.

Refinery may go south

The refinery will be located in Geismar, Louisiana, in response to industry demand for a refinery located outside China.

China is currently the only country home to rare earth refineries and the source of 95 per cent of the world's supply of heavy rare earths.

"While the feasibility study produced a positive result, raising development capital for a complex project like Nechalacho remains a significant challenge. Moving the project ahead into construction, even with all regulatory approvals in place, is by no means a certainty, a fact that the general public sometimes forgets," stated Don Bubar, Avalon's president and chief executive officer, in a September letter to the Northern Project Management Office. The letter was written by the Yellowknives Dene First Nation to express concerns about potential changes to the project's development plan, use of traditional knowledge, and environmental protection.

Eyebrows raised around the South Slave when Avalon announced in August it was considering moving the project's hydrometallurgical plant farther south, possibly placing it in Northern Saskatchewan,

What are rare earth elements?

Avalon boasts Nechalacho has a high enrichment of heavy rare earth elements (HREE), is the second largest tantalum deposit in the world, and the third largest niobium deposit in the world.

Heavy rare earths	Common uses
Yttrium	Energy-efficient lighting, medical equipment and treatment
Europium	Energy-efficient lighting, colour screens
Gadolinium	Enhancing MRI imaging
Terbium	Large and small electric motors, wind turbines, energy-efficient lighting, colour screens
Dysprosium	Large and small electric motors, wind turbines, light vehicles
Holmium	Red and yellow colourizer in glass, magnets, laser technology
Erbium	Ceramics, special glasses, dermatological and dental services
Thulium	Opti-electronics, nuclear medicine
Ytterbium	Steel, solar cells
Lutetium	Petroleum cracking, medical PET scanning, electronics
Light rare earths	
Lanthanum	Petroleum refining, electric and hybrid vehicles, rechargeable batteries, energy-efficient lighting
Cerium	UV filters in glass, energy-efficient lighting, medical services
Praseodymium	Permanent magnets, optical glasses, high-strength aerospace materials
Neodymium	Large and small electric motors, wind turbines, reducing fuel consumption, electric and hybrid vehicles, hardware components, medical services such as laser eye surgery
Promethium	Was proven to exist in 1944 but is not known to exist in mineral deposits in any abundance
Samarium	Electric and hybrid vehicles
Rare metals	
Lithium	Ceramics, glass, aluminium refining, batteries
Rubidium	Ceramics, glass, aerospace alloys, biochemistry
Cesium	Biomedical devices, magnetometers
Beryllium	Gemstones emerald and aquamarine, copper alloys, electronics, computer components
Zirconium	Nuclear components, jewellery, dentistry
Hafnium	Nuclear power plant components, electronics, plasma cutting electrodes, control rods in nuclear reactors
Niobium	Steel, electronics, super magnets, was used as filament in light bulbs before it was replaced by tungsten
Tantalum	Capacitors, high-speed machine tools, glass, surgical appliances
Gallium	LED technology, solders, semi conductors, CIGS photovoltaic technology, medical preparations
Indium	Lead-free solders, CIGS photovoltaic cells, bearing coatings, control rods in nuclear reactors
Germanium	Rewritable DVDs, semiconductors, solar cells, chemotherapy, magnetic refrigeration
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Source: Avalon Rare Metals Inc.

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Nechalacho highlights

Commodity: Rare earths

Location: Underground mine and concentrator located 100 kilometres southeast of Yellowknife, hydrometallurgical plant 85 kilometres east of Hay River, and a refinery in Louisiana.

Estimated employment: During operations there will be 216 employees at the mine site, 69 employees at the hydrometallurgical plant. An estimated 470 positions are expected to be created annually through direct and indirect employment and induced spending.

Mine Life: 20 years

Current stage: Waiting on federal approval

Source: Avalon Rare Metals Inc.

Prairie Creek already a boost for Fort Simpson

Canadian Zinc free to begin construction, operations at Prairie Creek

fact file

Prairie Creek highlights

Commodity: zinc, lead, silver

Location: 250 kilometres west of Fort Simpson, surrounded by the Nahanni National Park Reserve

Estimated employment: 120 during construction, between 110 and 220 during operations

Mine Life: 14 years

Current stage: Raising funds to start construction on the project

Source: Canadian Zinc Corp., Mackenzie Valley Environmental Impact Review Board

by Lyndsay Herman
Northern News Services
Lidlii Kue/Fort Simpson

The Village of Fort Simpson is already realizing economic opportunities from the developing Prairie Creek Mine, according to the Fort Simpson Chamber of Commerce.

Called "the most important economic initiative in the history of the Deh Cho" by the Fort Simpson Chamber of Commerce in July, anticipation is high for the 110 to 220 jobs the project is expected to create and the contracts to be awarded to regional businesses during the mine's estimated 14 years of life.

Many Fort Simpson residents who trained as camp cooks and for other mine-related positions through government-run courses have taken jobs at Prairie Creek, said chamber president Angela Fiebelkorn.

The employees represent a wide range in age, she said. "They are very happy because they're all making money."

With the mine having secured its final permitting requirements, the Fort Simpson business community is trying to promote the village as the best option for a logistical centre.

"The chamber has had the Prairie Creek mine people in a couple times for our meetings because we are trying to encourage them to buy locally," said Fiebelkorn. "We would like Fort Simpson to be the logistical centre... as opposed to Fort Nelson. We would prefer it to be here. I know we can't supply everything from here but the things we can we would like to have here."

Fiebelkorn said the cham-

ber has kept a list of businesses and the services they provide on the chamber website for about three years so outside companies, including Canadian Zinc, can easily search for what they need.

"We have a few grocery stores," she said, using an example. "As well as being grocery stores, they do bulk orders for camps. It's not just what you see but also the extra services the businesses can do for people."

Green light for construction

In mid-September, the federal government approved a Type A Water License issued by the Mackenzie Valley Impact Review Board on July 8 which is valid for seven years.

With this final piece of regulatory approval, Canadian Zinc is free to start construction, development and operation at the site.

"That's the big milestone event so far for us this year," said Steve Dawson, vice-president corporate development for Canadian Zinc. "We're also conducting a drilling program on Prairie Creek, testing a geophysical anomaly we outlined last year and we're hoping to get some holes completed before the winter comes and we have to shut down the program."

"The critical factor going forward now is getting financing for the project."

Prairie Creek Mine had much of its infrastructure built 30 years ago. Canadian Zinc expects to invest just under \$60 million in construction over two years.

Prairie Creek was approved by the federal government in January 2012 and has been working on secur-



Nahanni Butte band councillor Jayne Konisenta, left, and Chief Fred Tesou sign an impact benefits agreement with Canadian Zinc in January 2011.

ing the required permits since then.

Two land use permits required for other construction were issued for the project in June.

As of Sept. 5, the project had all the permits required to begin construction on the 184-kilometre access road, which would cut through

Nahanni National Park Reserve, and to construct the Tetcela truck transfer facility on the ice road, which would also be located in the park. Since some construction would take place on park land, Canadian Zinc had to work with Parks Canada to gain access.

Canadian Zinc began a

two-month drill program during the first week of September which was intended to build on promising results found during the 2012 drill season, according to a news release issued by the company Sept. 4.

Over the course of the mine's 14 years of life, Canadian Zinc expects to spend

upwards of \$1 billion on the project, according to the company's Developer Assessment report filed in 2010.

The company predicts the Deh Cho region will see an increase of 153 jobs as a result of the project and labour income for the region to rise by \$11 million.



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Yk Gold Project suspended by review board



photo courtesy of Tyhee Gold Corp.

An aerial view of Tyhee Gold Corp.'s Yellowknife Gold Project, located approximately 75 kilometres northeast of Yellowknife.

Tyhee says it needs time to make improvements to the project plan

by Lyndsay Herman
Northern News Services
Somba K'e/Yellowknife

The environmental assessment for Tyhee's Yellowknife Gold Project has been suspended indefinitely as of August 2013.

Tyhee requested a six-

month adjournment of the assessment process for the Yellowknife Gold Project, located 90 kilometres north of Yellowknife, on July 23. However, the Mackenzie Valley Environmental Impact Review Board denied the request.

The review board took issue with previous delays, outstanding information requests, and lack of an updated project description. The board requested both documents by Aug. 21, or the project would be suspended "until Tyhee can show cause why the proceeding should be re-initiated."

In a letter dated Aug. 19, Tyhee informed the review board that it would not be able to meet the deadline.

The delay was due, the company said, to the need to include relevant details from a feasibility study on the project completed in August 2012.

"These improvements included a longer project life, significantly better project economics, and mitigation of perceived environmental impacts," stated Hugh Wilson, vice president environment and community affairs for Tyhee. "Incorporating such significant changes into the Updated Project Description as well as providing the technical details to include in the various (responses to information requests) has been an enormous undertaking which remains ongoing."

The Yellowknife Gold Project is wholly owned by Tyhee and consists of 17 mining leases and 12 mineral claims on 27,675 acres of land.

Initial capital costs are estimated at \$193 million.

An estimated 220 people will be employed at the site during operations, which will use a combination of open pit and underground mining, and 75 jobs are projected during construction.

The feasibility study resource statement states the project has 1.72 million measured and indicated ounces of gold, at a grade of 1.97 grams per tonne, and 487,000 inferred ounces of gold, at a grade of 2.62 grams per tonne.



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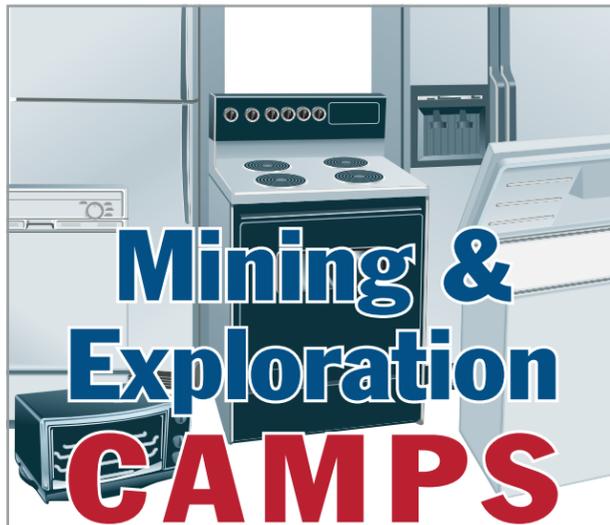
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