

Chamber of Mines News Briefs – to June 22, 2015

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ARCTIC & NORTHERN NEWS

Northern premiers announce funding

Shane Magee, Northern News Services, June 22, 2015

Funding from the federal government to improve health care in the North can be used to finance on-the-land addictions and mental health treatment the premier said last week.

"We're very pleased that the pan-territorial funding under the Territorial Health Investment Fund can be used to support this initiative," Bob McLeod said.

In 2014 the federal government created the fund, worth \$70 million over three years, to increase health services in the territories and reduce the reliance on outside health-care systems and medical travel.

McLeod's comments came June 16 at the end of a meeting with Nunavut Premier Peter Taptuna and Yukon Premier Darrell Pasloski. The three met in Taptuna's home community of Kugluktuk last week for the Northern Premiers' Forum. They held a conference call with media about the meeting that began late and only took a limited number of questions.

McLeod also highlighted the newly introduced Mental Health Act, which will completely replace the existing NWT legislation.

Under study by a committee through the summer, the proposed law makes it easier to admit someone to a treatment centre for mental health care, establishes a review board that examines whether someone is mentally competent and whether care can be provided without permission, and allows for community-based treatment.

The government hopes to pass the legislation in the fall sitting prior to the election.

Taptuna said mental health is one of the key items on the agenda of the Arctic Council.

"It's a significant social issue that we're facing and we'll continue to work with our colleagues on how to best address that," Taptuna said.

Pasloski said with the mental health funding the territories are all testing pilot projects to see what works to best to address mental health issues and treatment in remote communities.

"We're certainly excited about the partnership with the Salvation Army to not only provide a new facility for emergency shelter beds but also for the creation of transitional housing, which would be a first in the Yukon," he said.

The meeting comes ahead of a meeting of provincial premiers in St. John's, N.L. Yukon will host the Northern Premiers' Forum next year.

Polar bears not endangered: MP

Aglukkaq campaigns to shoot down possible third attempt to halt trade of Arctic carnivore

Stewart Burnett, Northern News Services, Monday, June 22, 2015

Environment Minister Leona Aglukkaq is campaigning proactively against any further attempts to classify polar bears as an endangered species in league with jaguars and rhinos.

"The United States has tried in the past to up-list the polar bears so that we could not export or trade the polar bear," said Aglukkaq. "We did not want a third attempt of the U.S. to be done."

She held a forum in West Virginia earlier this month to bring together U.S. government scientists, non-governmental organizations and representatives from Canada to explain Canada's polar bear management system.

"It is important to note that Inuit have been for thousands of years living off of the land alongside the polar bear and all the wildlife in the Arctic," said Aglukkaq. "Inuit have for thousands of years depended on the wildlife for survival. To manage it carefully is an integral part of our culture and our survival."

She said Canada uses a robust management system that involves traditional knowledge and scientific research. She said polar bear numbers have been stable in recent years.

"We also were very clear that this is not about science or traditional knowledge — this is about using the best scientific knowledge plus traditional knowledge together to make sure that we had a very strong management program in place," said Aglukkaq.

She doesn't want Inuit to have to go to South Africa in 2016 for the next Convention on International Trade in Endangered Species, where there could be an attempt to up-list polar bears.

"We don't want to go through this process for a third time," said Aglukkaq, who wants to get out ahead of the conference.

"Hopefully, the international community agrees with Canada's position."

Over the past five years, governments and other organizations in the country have invested more than \$9 million in polar bear monitoring.

The latest traditional knowledge and scientific research place most Canadian polar bear sub-populations, of which there are 13, at likely stable, stable or increasing.

NWT NEWS

Husky withdraws from Whitebeach Point

Exploration plans halted after board requires environmental assessment NWT & Nunavut Chamber of Mines executive director calls board's decision 'ludicrous'

Karen K. Ho, Northern News Services, June 22, 2015

Husky Oil has cancelled exploration plans to drill for fracking sand at Whitebeach Point about 50 km west of Yellowknife, states a June 16 e-mail from Husky Oil spokesperson Mel Duvall.

"We have decided we will not be advancing further exploration work at this time," she said, adding that the company has withdrawn its land-use application to the Wek'eezhii Land and Water Board.

This followed the board's decision to require an environmental assessment - a move that Tom Hoefer, executive director of the NWT & Nunavut Chamber of Mines, calls "ludicrous" and says would have created unnecessary work for Husky.

In its decision, the board cited public concern about the proposed development that it decided needed to be addressed.

"The public concern is widespread, having been voiced by the Tlicho government, the Yellowknives Dene First Nation, the North Slave Metis Alliance, as well as non-governmental organizations and individuals from the general public," the board stated in its justification for an environmental assessment.

In its published decision, the board also emphasized "substantial concern" about the potential for impacts on "the cultural, traditional, spiritual, and recreational value of the Whitebeach Point area in and of itself."

About five per cent of applications end up requiring an environmental assessment, the purpose of which is to assess the environmental effects - positive and negative - a given project may have.

But Hoefer said the project was at a "very early stage" and in a category that was considered harmless.

"They have a very tiny footprint and there's no environmental significance," he said. "I'm tremendously disappointed."

Hoefer cited a previous gold exploration project on Great Slave Lake that was also bumped to environmental assessment.

"When that happened, they left," he said, adding that for many companies, having an exploration project pushed to require an environmental assessment results in a bigger cost and bigger complexity of review.

While the NWT has many different kinds of natural resources, Hoefer said the NWT is languishing behind Nunavut and the Yukon for new investment. He said the problem lies in legislation, public concern and inconsistent policies across the territory.

"If you go to the Sahtu region, you could build 19 km of all-weather road, and frack two wells with no environmental assessment," he said, comparing the situation to Whitebeach Point, which he called "a bunch of little wee shallow holes" and a "miniscule sand sample."

According to Hoefer, that kind of difference in policies makes investors nervous about putting their funds into exploration projects located in the territory.

"When there's inconsistency, money runs away," he said.

Population in 'downward spiral'

Number of people living in the NWT dropped by almost 500 in the last year

Shane Magee, Northern News Services, June 22, 2015

More people are leaving the territory than are being born or moving here, according to population estimates released last week by Statistics Canada.

From April 2014 to April this year, the population dropped by 494, or 1.1 per cent, to 43,234. The territorial government's plan to increase the population by 2,000 people by 2019 requires annual growth of 0.9 per cent.

The population drop has a tangible impact on the finances of the territory, as the GNWT gets a transfer payment from the federal government of \$35,000 per person based on population. The loss of 491 people translates to \$17.2 million less funding on hand for programs.

Mike Bradshaw, executive director of the NWT Chamber of Commerce, said this is bad news for the territorial economy.

"I think it's safe to assume we're in a downward spiral here and we have been for several years," he said.

The chamber, which represents business interests across the territory, has advocated for the government to get the cost of living under control in order to help retain and grow the population.

He told News/North it appears the government listened in the latest budget by not increasing taxes and re-purposing spending. Finance Minister Michael Miltenberger was not available last week for an interview but in the legislative assembly May 28, he said his government has taken steps to reverse the trend.

"We will continue to pursue our population growth strategy to increase the NWT population and work with the mining industry and other business sectors to encourage rotational non-resident workers to reside in the NWT," Miltenberger said.

The strategy lists three priorities: creating an environment for private and public sectors to keep employees by providing quality government programs and services; influencing private sector recruitment through the marketing of the NWT as a great place to live and work; and improving actions to both recruit and retain employees in the GNWT workforce.

Range Lake MLA Daryl Dolynny has suggested if the territory wants to attract more people, it should strongly lobby the federal government to increase the Northern residents deduction, a tax benefit for those who live in the North. It has not changed since 2008 when it went up "a paltry" 10 per cent, Dolynny said in the legislative assembly June 3.

"Our government seems pretty shy about taking the case to the federal government but this is an election year, a time for opportunity, for persuading our federal politicians to do the right thing and I hope the (finance) minister is listening," he said.

A research document for the territory's population growth plan says the need to address people leaving is greater than attracting new people. That's because one person leaving a job in the NWT for a job elsewhere often leaves with an entire family whereas people coming here tend to be younger and not yet starting a family.

Bradshaw pointed to the recently announced incentive for students as a small step that could help. Education, Culture and Employment Minister Jackson Lafferty announced earlier this month the GNWT is creating a \$2,000 "Northern bonus" for NWT and southern students who live in the NWT to be applied to their student loan debt. As well, it is increasing the loan remission rates so that students have their debt forgiven faster while residing in the territory.

However, Bradshaw said more still needs to be done.

"A one time \$2,000 credit isn't going to cut it, we need to be more aggressive," he said.

The Canadian population was estimated to be 35.7 million as of April this year. Growth in the first four months of the year was above the national average in Western Canada, Yukon and Nunavut.

The next population estimate is expected to be released in September.

The cost of mining

Yellowknifer - June 19, 2015

The six-member NWT Mining Industry Advisory Board held its first meeting recently with Industry, Tourism and Investment Minister David Ramsay. He said the board would be important for the "frank advice" it could offer on encouraging mining and mineral investment in the NWT.

The board is entirely composed of mineral industry players. There can be little doubt this board has the depth of knowledge to offer sound advice, and there may be no better time for that advice than now.

Yellowknifers recently saw Tyhee Gold pull up stakes on its Yellowknife Gold project north of the city, essentially closing the book on one of the GNWT's much-touted near term mining projects.

At the same time, TerraX Minerals Inc. has been valiantly raising exploration capital for its gold project, also north of the city, and last week announced a further \$4.5 million in funding to keep the wheels turning.

Some projects perish while other projects flourish, at least as well as can be expected in today's difficult commodity market. Spokespersons for both companies cite difficulties in raising cash as the main barrier to moving forward faster, if at all.

So what is the advisory board going to advise on when it comes to attracting investment to the NWT?

On the face of it, it's very simple: when commodity prices are high enough to justify the extra cost of exploration and development in the North, then investors will put money into those exploration companies working in the North.

If the board has advice on how to make working in the North less expensive so investment is feasible even when commodity prices are down, let's hear it.

But if the board is going to hold up the bugbear of the GNWT's regulatory environment as a hindrance to investment, it should explain exactly what it means by that.

The North has seen too many examples of what goes wrong when the regulatory environment is lax. The Giant Mine cleanup -- now to cost taxpayers upwards of \$1.5 billion -- is only the most blatant example of how terribly wrong things can go.

On a smaller scale, we can turn to the abandoned Snowfield property approximately 50 kilometres southeast of Yellowknife on Drybones Bay. NWT taxpayers are on the hook for more than \$200,000 in clean-up costs at the site thanks to the exploration company's inability to finance site restoration.

The territory needs a strong regulatory environment that will prevent abuses such as this, not a more slack set of regulations to encourage investment while damning the environment.

The North does not need investment that cannot finance its own clean-up. Minister Ramsay, take that proposal to the board for frank advice.

If this board intends to raise concerns about the NWT's regulatory environment in relation to investment, be specific about those concerns. If they bear out public scrutiny, the public may well be the first to support a regulatory adjustment.

But a vague complaint about regulations hindering investment is neither welcome nor useful.

Hay River charged 30 per cent above cost to provide power

Miltenberger denies additional surcharge to Northland Utilities; contract for power corp. may lead to lower power rates but higher taxes with franchise fee cut: mayor

Sarah Ladik, Northern News Services, June 22, 2015

NWT Power Corporation is charging Northland Utilities 30 per cent more than what it costs to provide power in Hay River, according to documents obtained by News/North.

Doug Tenney, vice-president of Northland, made the claim last week, something Michael Miltenberger, the minister responsible for the Northwest Territories Power Corporation (NTPC), categorically denies. But figures in power corp.'s cost summary for its 2006/07 and 2007/08 Phase II general rate application show the corporation is charging Northland 130.2 per cent of its costs to produce power for Hay River.

The cost overage for Northland-NWT - the company arm responsible for distributing power in Hay River, Hay River Reserve, Enterprise and several other smaller communities - is the highest on the list. Yellowknife is charged 102.6 per cent while Fort Smith is listed at 103.2 per cent. The lowest is Fort Resolution, which is required to only pay 51.7 per cent of the cost of power in the community.

Gordon Van Tighem, chair of Public Utilities Board, which regulates power rates in the Northwest Territories, confirmed the figure when contacted by e-mail last week. He did add, however, that the numbers were "somewhat outdated" and that power corp. is expected to file a new cost of service study for 2013/14 this month.

Van Tighem was asked why NWT communities are paying different cost recovery rates but he did not respond before press time.

Miltenberger insisted Northland was not being overcharged for Hay River when contacted earlier this month.

"There is no surcharge in place and the rate being charged NUL is in line with costs," he wrote in an e-mail to News/North. "The Public Utilities Board would not arbitrarily allow NTPC to overcharge NUL."

The utility has complained in recent weeks that the territorial government is trying to scapegoat Northland for skyrocketing power rates and intends to push it out of Hay River with the GNWT-owned power corp. now that the town has opened the power distribution contract to other bidders.

Northland did not respond to a request for clarification of its cost claims by press time.

In the same e-mail, Miltenberger laid out what he expects the power corp. to save money on if its bid is successful. He pointed out that NTPC already possesses accounting and billing systems, as well as technical and capital planning staff and senior management already working in Hay River.

He also said detailed savings plans would be presented through the request for proposals process to the municipality but that they would also be subject to review and approval by the utility board. The figure associated with those potential savings, he said, is \$3 million, but not in a single year.

"Detailed figures will be provided to the Town of Hay River through the RFP process," Miltenberger said. "As this process has been initiated, it would not be appropriate to get into a detailed discussion on numbers."

One potential area of savings could be the franchise fee currently charged by the town to NUL, about \$200,000 each year. Mayor Andrew Cassidy said there was a possibility of deviating from that system and looking for other solutions.

"We do get some revenue from that, and if the town were to forfeit that revenue, we would hope to see it reflected in power rates," he said.

Different models could include a tax on the land on which the infrastructure sits, something Northland does not currently pay. Of course, a reduction in revenue for the town - and thus possible reduction in power rates - would need to be dealt with as well. Cassidy said raising taxes was one option but budgeting and seeking funds elsewhere were equally possible.

"Maybe there are going to be some real innovative thinkers out there who can figure out how to save money for themselves and for the town too," he said.

The RFP process closes July 10 and Cassidy said it would take between two and three weeks for the town to make a decision based on those proposals.

Harper Government Invests in NWT Business Capacity and Readiness

Six initiatives help to diversify northern economy

YELLOWKNIFE, June 19, 2015 /CNW/ - Mr. Blaine Calkins, Member of Parliament for Wetaskiwin, on behalf of the Honourable Leona Aglukkaq, Minister of the Environment, Minister of the Canadian Northern Economic Development Agency and Minister for the Arctic Council and Minister Rickford, Minister of Natural Resources and Minister for the Federal Economic Development Initiative for Northern Ontario, today announced six initiatives to expand business capacity, create jobs and enable communities to seize economic opportunities.

CanNor investment in communities and organizations expands economic opportunities and leads to job creation, stronger communities and long-term prosperity for Northerners.

The projects cover a range of activities including the expansion of local information technology infrastructure, the development of a viable forestry-derived biomass renewable energy sector, the revitalization of downtown Yellowknife, the expansion of the Gaia Integrative Centre, and the attraction of investment and expansion of local entrepreneurship.

Quick Facts

- The Government of Canada is partnering with a number of organizations on these projects including: the Government of the Northwest Territories, the Yellowknives Dene First Nation, the Sambaa K'E Dene Band, the City of Yellowknife, the Conseil de développement économique des territoires du nord-ouest, and the Gaia Integrative Centre.
- The Government of Canada is investing \$4,654,000. The proponents and the Government of the Northwest Territories are investing \$3,891,750, bringing the total value of the projects to \$8,545,750.

Quotes

"Our Government is proud to work alongside its partners to help create jobs, growth and long-term prosperity for Northerners. Investing in community and business development helps to build strong, prosperous communities, creates jobs and stimulates the local economy." Blaine Calkins, Member of Parliament for Wetaskiwin

"These varied investments made by the Canadian Northern Economic Development Agency will help to spur economic development in innovate ways across the entire territory. The Government of the Northwest Territories appreciates these significant investments and we want to thank the federal government for their continued support. Bob McLeod, Premier of the Northwest Territories
CanNor works to help develop a diversified, sustainable and dynamic economy across Canada's three territories, and delivers on its northern mandate through funding programs, the Northern Projects Management Office and by undertaking policy and research.

For more information about CanNor, visit cannor.gc.ca

For more information about Natural Resource Canada's Canadian Forest Service, visit nrcan.gc.ca/forests

For more information on Canada's Northern Strategy, visit: northernstrategy.ca

Ekati shines in mine rescue competition

Teams win rope rescue, underground written test and more

Evan Kiyoshi French, Northern News Services, June 19, 2015

The Ekati Diamond Mine rescue teams won the overall surface and overall underground trophies during the 58th Annual Mine Rescue Competition last weekend.

The competition was run by the Worker's Safety and Compensation Commission (WSCC) and took place in the parking lot near the Ruth Inch Memorial Pool on Saturday.

Dominion Diamond's acting CEO Brendan Bell congratulated the team members in an e-mail.

"The awards are a testament to our employees' dedication to emergency response practices and techniques," stated Bell.

"We are very proud of all our teams."

Teams from across the three territories, as well as a team from the New Afton Mine, near Kamloops B.C., took part in a number of competitions testing their ability to respond to mine emergencies.

Firefighting, rope rescue, ability to navigate obstacles and to extricate mine workers were among the skillsets being tested.

Peter Bengts, outgoing WSCC chief inspector of mines, attended the event and congratulated the teams in a news release.

"They know what to do in the event of an emergency," stated Bengts, who has now retired after an 18-year career.

Surface rescue team members for Ekati were Gordon Frowen, Darryl Klochko, Keith Winship, Don Hebden, Geoff Kinder, Tom Smith and David Squires while the underground team was comprised of Branden Wallis, Ryan Erickson, Gordon Zoyb, Ryan Devolder, Randy Zoebiak, David Heathfield and Peter Devolder.

NUNAVUT NEWS

Quasuittuq National Park established

Protected area to offer four full-time jobs and six seasonal positions

Stewart Burnett. Northern News Services, June 22, 2015

The federal government is establishing a new park in Nunavut, and with it are coming jobs.

The Qikiqtani Inuit Association (QIA) is celebrating the creation of Quasuittuq National Park, located north of Resolute Bay on Bathurst Island.

Paul Amagoalik, QIA community director of Resolute Bay, describes the area as beautiful.

"We live in the High Arctic, pretty much on top of the world," he said. "It's pristine, it's clean, lots of wildlife, the island itself has a lot of vegetation where animals can pasture. There are caribou, muskox, snowy owls."

He said the park area is like an Arctic desert with rolling hills, but with enough vegetation to support wildlife.

Establishing the park is hoped to bring economic and tourism benefits.

"So far we're thinking of at least four full-time positions and maybe six seasonal positions," said Amagoalik.

He hopes to hire beneficiaries of the Inuit Impact and Benefit Agreement if he can.

"If we can get as much hiring from Resolute as possible, we'll try that," he said. "We'll also have parks staff support here. Hopefully we get as many beneficiaries from Resolute jobs as much as possible."

Qausuittuq National Park will also restrict the area from resource development and industry use, he said.

"We want to make sure it's pristine and habitable for all the animals that live there," said Amagoalik.

"We are pleased. We look forward to working with Parks Canada to make it operational in the very near future."

Environment Minister Leona Aglukkaq said the process has taken a long time but she's glad to see it completed before the federal election.

"I wanted to make sure before the next federal election that I lived up to completing what I said I would complete and this is one of the commitments I made to my constituents," she said.

"The benefits of creating a park are we're creating a destination for Canadians or international communities to visit, and it's also a place to protect a key wildlife habitat."

New Nunavut national park bill gets speedy passage

IIBA requires training of Inuit park manager, Inuit co-management, preferential Inuit hiring and contracting

NUNATSIAQ NEWS, June 22, 2015

With unanimous support from all parties, a bill to create a new 20,000 square-kilometre national park around Nunavut's Bathurst Island breezed through the House of Commons in minutes June 19, and is now set for first reading in the Senate.

If the bill gets speedy passage through the upper house and receives royal assent, Qausuittuq National Park of Canada would likely become legal Sept. 1, 2015, just a few weeks before the Oct. 19 federal election.

"As the bill makes its way to the Senate, I would like to encourage all senators to support the Qausuittuq National Park of Canada Act for our environment and for northerners," Environment Minister Leona Aglukkaq said June 19 in a statement, four days after tabling the bill June 15.

The World Wildlife Fund and the Qikiqtani Inuit Association each welcomed the creation of the new park.

"I'm excited for the potential cultural and socio-economic opportunities this will bring to Inuit and I look forward to going up to Resolute Bay to celebrate the event with the community," QIA president P.J. Akeegok said in a statement.

Through provisions contained in their Inuit impact and benefit agreement, the QIA will share management duties with Parks Canada.

And Inuit will continue to exercise their right to hunt, set up outpost camps and to remove carving stone within the park's boundaries.

Each party will name three people, one of whom must be a member of Resolute's Hunters and Trappers Organization, to serve on a six-person park management committee.

That committee will make decisions related to tourism, research, hiring and contracting.

Calling it a "unique and ecologically sensitive area," the WWF also welcomed the new park and urged Parliament to pass and implement the bill quickly.

"As part of the last ice area, this national park — Nunavut's fifth — would safeguard an area that will become increasingly important to northern wildlife and peoples as our climate continues to warm," Paul Crowley, WWF-Canada's Arctic vice-president, said in a statement.

The park, which will become Canada's ninth largest, takes up a large chunk of Bathurst Island north of the Polar Bear Pass National Wildlife Area and includes some islands to the west.

But it excludes Cameron Island, where small commercial quantities of crude oil were extracted in the 1980s and early 1990s.

Bill C-72 establishes the park's boundaries and adds it to a list attached to the National Parks Act.

But the national park's real blueprint is set out in the 64-page Inuit impact and benefit agreement between Ottawa and the QIA.

Though it's not clear if the deal's been signed, the IIBA says the deal took effect this past April 1.

In it, Parks Canada commits itself to spending \$21.9 million over seven years to develop and run the park, and to spend about \$2.6 million a year thereafter.

They also promise to hire and train an Inuk park manager within five years.

Under the IIBA, Parks Canada may hire a non-beneficiary parks manager, but only as a term position that would end when the beneficiary trainee is ready to take over.

To pay for the training of the park's Inuk trainee manager, the IIBA requires that Ottawa spend \$175,000 over five years, for on-the-job training and post-secondary education.

The park creates only four full-time jobs:

- the term job of park manager;
- an indeterminate job for the park manager trainee;
- an indeterminate job for a resource management and public safety specialist; and,
- an indeterminate job for an administrative assistant.

They'll be augmented by what appear to be six part-time or seasonal jobs: two patrollers, an interpretation officer, a maintenance worker, a public outreach and education officer and a half-time resource management and public safety specialist.

Staff will work out of a visitor and interpretation centre that Parks Canada will set up in Resolute. The IIBA also commits Parks Canada to supply necessary staff housing.

Businesses owned by Inuit or joint venture firms that include Inuit will get preferential treatment in the awarding of contracts.

Parks Canada will also give a \$3 million grant to QIA for the Qausuittuq National Park of Canada Inuit Initiatives Fund.

The QIA is supposed to use that money to help beneficiaries living in Resolute and elsewhere in the Qikiqtaaluk region take advantage of economic opportunities arising from the creation of the park.

The QIA also has the right to sit in on all processes related to the hiring of parks staff.

Click here to download: Bill C-72, Qausuittuq National Park of Canada

Energy challenges in Canada's territories: A hot topic, a cold reality

"The committee found electricity systems are aging, underperforming"

Special to Nunatsiaq News by Senators Richard Neufeld and Paul J. Massicotte

June 19, 2015

Two months ago, a diesel generation facility in the hamlet of Pangnirtung, Nunavut — a remote, northern community accessible by air only in the winter — caught fire, leaving its 1,500 residents in a state of emergency for nearly a month while authorities attempted to restore the community's power. This required the use of a cargo aircraft, one of the largest planes in the world, and a Sikorsky Skycrane helicopter which were sourced in Russia, costing the government an estimated \$3 million — a price tag that does not include the four generators.

It is strongly probable that this most regrettable situation could have been avoided if the electricity plant in Pangnirtung, which was constructed in 1971, and operating beyond its life expectancy, had been replaced or retrofitted.

This is one of five recommendations the Standing Senate Committee on Energy, the Environment and Natural Resources makes to the federal government to help improve energy supply in the territories in its most recently published report entitled "Powering Canada's Territories."

The committee found electricity systems are aging, underperforming and at capacity and calls upon the federal government to assist territories in the acquisition, upgrading and installation of more efficient diesel generating facilities in remote off-grid communities.

For more than 12 months, the committee heard from more than 40 witnesses, held 18 public hearings, received countless written submissions and travelled to all three territories as it undertook an in-depth study on non-renewable and renewable energy development, including energy storage, production, distribution, transmission and consumption.

The facts and figures north of the 60th parallel are striking. The territories represent 40 per cent of Canada's total landmass while only 116,700 residents call the territories home.

This accounts for roughly 0.3 per cent of Canada's total population and 0.5 per cent of our national GDP. There are 80 communities in the territories; many are small, isolated, and only accessible by air in the winter or water in the summer.

All territorial communities are not connected to North American electricity or natural gas grids which mean they must ship fuels across long distances and-or rely on local energy sources for heating and electricity.

For the most part, the territories' existing electricity facilities are a mixture of both diesel and hydro power. In total, 53 out of 80 communities rely exclusively on diesel generators.

While our committee heard witness testimony of the potential for renewable technologies such as solar and wind for electricity generation, the territories continue to be highly dependent on diesel, as it is often the only reliable option.

Wind and solar are certainly options in a limited number of communities, but could only complement the already existing facilities, not replace them.

This reality is likely not going to change in the foreseeable future — homes across the territories will continue to be heated by burning furnace oil. It is encouraging to note that biomass heating using wood-pellet furnaces is used in some communities in Yukon and the Northwest Territories and is rapidly emerging as a popular alternative to diesel.

However, moving forward, governments and utilities should also turn their attention to other options to tackle the territories energy supply challenges and its high cost.

Energy efficiency and conservation is one such way of accomplishing tangible results in saving energy and reducing cost. As such, our committee feels that the federal government should develop a strategic plan to actively improve energy efficiency and conservation.

Residents of the territories need access to more government funding and incentives to provide for newer energy efficient appliances and the installation of new technologies as a way forward.

We believe energy efficiency and conservation is the single most important method to reduce energy costs in the territories.

Our committee was also surprised to learn that, for instance, the residential electricity rate in Nunavut varies between 30.14 cents per kilowatt hour (kWh) to 114.16 cents per kWh compared to the national average of 12.13 cents per kWh.

While rates in Nunavut are highly subsidized, consumers are usually not aware of the actual cost of energy. In our view, greater education and awareness of the real cost of energy are other key factors that could help increase energy efficiency and conservation.

Furthermore, our committee has come to the conclusion that a lack of cohesion and communication exists between the many federal government departments and agencies that have specific responsibilities with respect to the territories energy challenges.

Considerable sums of federal resources are invested into 10 various government bodies, all trying to alleviate the financial burden related to these challenges. This can lead to the silo effect which, in most cases, does not deliver great results.

In an attempt to rectify this situation and increase the effectiveness and efficiency of these federal resources, our committee strongly supports and recommends that the federal government create a resource and knowledge hub to focus on territorial energy issues and conditions.

This new, single access, delivery point would help coordinate all territorial energy-related policies, programs, research and development, science and technology initiatives, and much more.

It has become clear that a one-size-fits-all approach to addressing energy matters in the territories does not work because each territory has distinctive challenges and opportunities.

Only a strong commitment from our federal, territorial, municipal and aboriginal governments, along with dedicated financial and human resources will ensure Canada's three territories have access to affordable energy for heating and electricity.

However challenging this situation may be, Canada's territories offer great opportunities with its considerable mineral and petroleum resources, which are currently mostly undeveloped, but pivotal to making Canada's North, as a whole, prosper.

While complex and multi-faceted, the territories energy circumstances must be addressed in a concerted way to make energy resources, systems and assets more reliable, accessible and affordable.

Senators Richard Neufeld (Conservative — British Columbia) and Paul J. Massicotte (Liberal — Québec) are respectively chair and vice-chair of the Standing Senate Committee on Energy, the Environment and Natural Resources.

The Nunatsiaq News story on the Senate committee's report is available [here](#).

A copy of the report, *Powering Canada's Territories*, is available [here](#).

RESOURCE DEVELOPMENT AND ENERGY NEWS

Optimism near Meadowbank

Agnico Eagle reports positive drilling results with the possibility of further development

Karen K. Ho, Northern News Services, June 22, 2015

Agnico Eagle has released the latest results from the first phase of its drilling program near its Meadowbank project which may lead to additional development.

In a news release, the company said it had found "significant gold grades" in a deposit named Whale Tail, part of what it's calling the Armaruq project. Agnico Eagle said it is conducting ongoing studies to evaluate the potential to develop the Whale Tail deposit as a satellite operation.

The hamlet's economic development officer said the prospect of another gold mine 50 kilometres away from Meadowbank would be a great thing for residents.

"It would mean job security for a little while longer," Trevor Attungala told Nunavut News/North.

"Right now, this town only relies on the mining sector."

Amaruq is a project totalling 1,147 square kilometres of Inuit-owned and federal Crown land. In February, Agnico Eagle announced that mineral resources at the site might include 1.5 million ounces of gold (6.6 million tonnes at 7.07 gold grams per tonne) worth a little less than USD \$1.8 billion at press time.

With few other opportunities from the private or public sector available in the hamlet, 180 people from the 1,872 member community are already employed by Meadowbank.

"Everybody loves it," Attungala said. "It's really easy for them to walk into the Agnico Eagle office and inquire about positions."

Attungala also said the development has already led to spin-off businesses.

In addition to an increased number of trucks, ATVs, and snowmobiles in town, Attungala said two companies have expanded due to contracts with Agnico Eagle - trucking company Arctic Fuel Services and Peter's Expediting.

"Ten years ago they were just little small startups," he said, "Now they're full up with a lot of employees. It's a big difference."

At the moment, the company's drilling program at Armaruq appears to be progressing on schedule. In the company's latest news release, Agnico Eagle reported more than 102 holes, totalling 27,750 metres of digging as part of the first phase of its drill program May 31.

This brings the company more than halfway through the first phase of its anticipated drilling program. Agnico Eagle said the plan is to reach 50,000 metres in total by the end of June. There are currently seven drills in operation but another three are expected to be added by that time. Most of this drilling was to fill the former gap in the Whale Tail deposit (under Whale Lake), which is now successfully completed to a depth of 200 metres.

As for the future, the company's vice-president of exploration, Guy Gosselin, told Nunavut News/North that four drill rigs will move onto land from the ice this month to complete a conversion drill program - which means reducing the spacing between drill holes - in the western part of the Whale Tail site to a depth of 200 metres. "We are coming within that known area but reducing the spacing of drill holes from 80 metres spacing to 40 metres spacing," he said. "It increases our level of conferred information regarding our interpretation and our deposit and tonnage estimation."

Two other drill rigs will explore Whale Tail for depths below 200 metres. And finally, two more rigs will be added to resume investigation of other areas on the property. "We see from the geophysical survey that we have a lot of other targets that are untested," Gosselin said. "Anything with strong potential, we will start to conduct investigation of those targets."

Agnico Eagle is optimistic about the site and Gosselin emphasized the company plans on increasing its \$20 million drill program this year to double the budget. "I wouldn't be surprised if for 2015 we're investing \$40 to \$50 million into exploration," he said. "We continue to get exciting results."

Gosselin plans to visit Amaruq later this week.