

Northern Mining News

Volume 9, No. 12

December 2016



In this issue:

NWT and Nunavut Premiers react to federal Arctic oil & gas moratorium.....	2
Why a Carbon Tax worries the mining industry	3
Extended Care and Maintenance to Proceed at Snap Lake Mine	4
Dominion Diamond Corporation Reports Fiscal 2017 Third Quarter Results.....	5
Kennady Diamonds Announces Maiden Indicated Mineral Resource	6
Kennady Wins Exploration Company of the Year Award at Mines & Money.....	6
TMAC Resources Makes US\$20 Million Draw – Shares Added to Dow Jones	7
Baffinland Railway Proposal to go to NU Planning Commission for conformity	7
Diamond Sales by De Beers	8
Annual Diamond Report from Antwerp World Diamond Centre & Bain & Co.....	9
Commodity Outlook – some observations and musings	11
Exploration & Development News Briefs	13
PDAC 2017 Award Winners include 2 northern operations	14
Dominion Diamond’s Winter Newsletter	16
New Report: Nunavut Summary of Activities.....	17
Protected areas – your chance to get involved	17
Protecting Land – a Nova Scotia Perspective.....	18
Scotiabank Commodity Price Index – A Happy Holiday For Commodity Producers!	19
Welcome New Members!.....	21
Member News Releases this past month	21
Annual Readership Update	22
Calendar of Events	22
Mines & Promising Northwest Territories Mine Projects.....	23
Mines & Promising Nunavut Mine Projects.....	26
Project Maps.....	29

From the Executive Director ...

Just before Christmas, in an unprecedented move, Prime Minister Trudeau announced a 5 year moratorium on oil and gas development in the offshore Arctic. This move was made without consultation with northern leaders, and they have expressed their dissatisfaction with a news release we have reprinted here. It’s important that the territorial governments speak up for their other key non-renewable resource industry – mining – to ensure Ottawa’s support for our industry. Similarly, the invoking of a carbon tax has implications on the north, and we have outlined industry’s concerns.

With 2016 firmly behind us, and hopefully the bottom of this past commodity cycle, let’s look forward to an exciting 2017!

Best of the season and Happy New Year to all!

Happy reading! ... Editor

Our Mission: To provide leadership on, and advocate for, responsible and sustainable mineral exploration and development in the NWT and Nunavut.

NWT and Nunavut Premiers react to federal Arctic oil & gas moratorium

We print this [news release](#) from the Premiers of Nunavut and NWT because of the unprecedented move by the Federal Government to trump potential resource opportunity without consultation with the Premiers. Miners beware!

IQALUIT (December 22, 2016) – The Premiers of Nunavut and the Northwest Territories are expressing concern over this week’s announcement of an indefinite moratorium on offshore oil and gas development by the Government of Canada.

The economies of the two territories are small and depend heavily on resource development as the major contributor to GDP and source of jobs and income for their residents at the present time. Ensuring there are options for Northerners and economic development alternatives for the territories must be part of the decision making process, particularly when the decision is to close off a significant avenue for potential economic development for the foreseeable future.

“Northerners need options now,” said Premier of the Northwest Territories Bob McLeod. “People need to know that they will have choices and a realistic opportunity to support themselves and their families. They aren’t seeing a lot of opportunities in the current environment, and this decision will not do much to give them confidence in a viable future for themselves and their children.”

Premiers also expressed their disappointment at the federal government’s lack of consultation with their governments in coming to a decision that has the potential to significantly affect the future development of the two territories and the lives of its residents.

“The ban on arctic drilling licences announced this week by the Government of Canada, while an important step in environmental protection, did not invite participation from the Government of Nunavut (GN). These actions are very concerning to the GN. It is essential that Nunavummiut are engaged in and are part of the discussions to determine our territory’s environmental and economic future. Northern consultation is critical,” said Premier of Nunavut Peter Taptuna.

While Premiers welcome the commitment to co-develop a new Arctic Policy Framework, Nunavut and the NWT are facing immediate sustainability and economic development challenges that cannot wait to be addressed.

The Premiers are calling on the Prime Minister to join them in developing a vision for territorial growth and sustainability, led by the territories in consultation with the Government of Canada, to provide made-in-the-North solutions for promoting the sustainability of northern communities, protecting the environment and promoting economic growth and diversification.

All Canadians deserve to share in the opportunities and benefits of living in a sustainable and prosperous Canada, say the Premiers. Northerners need the reassurance that the federal government is equally prepared to address their needs and committed to a course of action that will lead to the development of sustainable jobs and opportunities comparable to those currently available to them, at the same time as it is taking steps to protect the Arctic environment and pursue national objectives. Premiers look forward to discussing these issues with the Prime Minister when they meet early in 2017.

Why a Carbon Tax worries the mining industry

The Federal Government has invoked a carbon tax that would see carbon emissions from transportation, heating and power generation taxed, beginning at \$10 per tonne and increasing to \$50 per tonne within 5 years. These numbers may seem insignificant to the lay person but these are extremely significant numbers.

The northern mining industry is concerned over this for several reasons:

First, our mines will be affected. Our remote mines are reliant on transportation at the mines and to fly our workers to and from the job site. We must generate our own power with diesel generators since there are no public electrical utility grids to service us, and we must heat our buildings with diesel boilers to stay warm. Preliminary assessments indicate that the proposed carbon tax would add a cost of between \$1 million to \$20 million per annum to a northern mining project depending on the operation and schedule for implementation.

Second, our mines have virtually no carbon energy alternatives. The purpose in taxing carbon is to alter people's behaviour, so that they use less carbon fuel. In other words, government expects that if your cost of transportation, heating or power goes up from using carbon based energy (gasoline, diesel, kerosene, propane, etc.) then you will find alternative, non-carbon based ways to reduce your costs. So you'll buy a wind generator, or some solar cells, or maybe a pellet stove. Or you won't drive as much, and you'll turn off lights and turn down your furnace. Our mines are already conscious of energy usage because the mines are remote and it costs a lot to get fuel to their sites. Energy conservation is promoted; in fact, we recycle waste heat from our generators to heat our mine buildings. One of our mines has already installed wind generators to help offset diesel usage, but not all mines have that option. Solar is not sufficient to offset diesel generators. Even using a lower carbon fuel like Liquefied Natural Gas is not possible. We have only seasonal road access and LNG has a shelf life, requiring year round road access. Geothermal in a permafrost environment is not practical, and replacing diesel heat with wood pellets would be a transportation and storage challenge.

Third, our mines are price takers. When government increases our costs of doing business with a new tax, mines are not able to pass that cost onto its customers like an automobile manufacturer or widget maker. Mines are "victims of the marketplace" because they have to sell their minerals and commodities at whatever the market pays them. If costs go up, then our mining companies have to eat that increased cost and their profitability is at risk. To help shield themselves from increased costs, mining companies typically reduce labour and production costs by laying off workers or replacing them with more cost efficient technology, or finding less expensive ways to do their work. A carbon tax is a new cost, and will have to be compensated for, somehow.

So, what can be done?

First, northerners can ask the Federal Government to consider us special because we don't have the alternatives that southern Canadians have. Don't invoke a carbon tax until we have the potential for alternatives.

Then, we need to ask the Federal Government to invest in improving infrastructure like all-weather roads, and public energy services and utilities – the services that southern Canadians are used to having. Even before the carbon tax proposal, our mining industry was flagging the need for government support to reduce the unusually high cost of northern business. Our report “Levelling the Playing Field”, showed that the capital cost of a mine could be 2.5 times more expensive to construct and operate in the North.

A carbon tax can be an effective policy tool to change Canadian behaviours and wean us off of carbon based fuels. But this will only work if there are practical alternatives to carbon. In the south, there are many. But northern Canada suffers under an infrastructure deficit that reduces these practical alternatives. We need help addressing those before government invokes another tax that could do more harm than good.

Extended Care and Maintenance to Proceed at Snap Lake Mine

Flooding of underground to begin January 2017

De Beers Canada announced on December 16 that it will begin safely flooding the underground workings of Snap Lake Mine in early January 2017, per the approved regulatory authorizations it received earlier this year. This extended care and maintenance programme will preserve the long-term viability of the ore body and reduce costs while mitigating environmental risks associated with maintaining dormant operations.

The flooding project will take approximately six to eight weeks to complete, after which Snap Lake Mine will enter a long-term phase of care and maintenance primarily focused on environmental monitoring activities. De Beers will run a winter road program in Q1 2017 to remove some inventory and equipment offsite and bring in fuel supplies to the site.

Before ultimately determining that putting Snap Lake Mine on extended care and maintenance was the most responsible and viable route forward, De Beers engaged with external parties interested in potentially acquiring the mine. However, no agreement could be reached.

Extended care and maintenance will preserve the significant diamond mineral resource in the ground in the Northwest Territories until market conditions and improved technical methods make the kimberlite more economic to operate.



Snap Lake Mine currently employs 55 people. The workforce required once the flooding project is complete will be approximately 35 people. Employees who are displaced will receive consideration for alternate placement at other De Beers facilities where skill sets and vacancies match. Where job opportunities are not immediately available, employees will receive as much notice as possible and a fair and respectful severance package that exceeds regulatory requirements.

Since December 2015, more than 100 former Snap Lake Mine employees have been placed at the new Gahcho Kué Mine in the Northwest Territories, which is operated by De Beers.

Gahcho Kué is continuing to ramp up to full production in Q1 2017 as scheduled.

Dominion Diamond Corporation Reports Fiscal 2017 Third Quarter Results

On December 8, Dominion Diamond Corporation reported its third quarter fiscal 2017 (August 1, 2016 through October 31, 2016) financial results. Unless otherwise indicated, all financial information is presented in U.S. dollars.

Highlights

(in millions of US dollars except earnings per share and where otherwise noted)

	Three months ended Oct 31, 2016	Three months ended Oct 31, 2015	Nine months ended Oct 31, 2016	Nine months ended Oct 31, 2015
Sales	102.7	145.0	441.0	542.4
Gross margin	22.2	18.5	4.3	65.3
Mine standby costs	22.4	-	44.5	-
Operating (loss) profit	(9.1)	9.5	(66.3)	32.4
Profit (loss) before income taxes	33.4	7.2	(40.7)	16.3
Adjusted EBITDA ⁽¹⁾	22.6	49.1	112.3	170.2
Free cash flow ⁽¹⁾	(35.4)	22.9	(146.2)	(70.7)
Earnings (loss) per share ("EPS")	0.34	0.08	(0.06)	0.01

¹These are non-IFRS measures. See "Non-IFRS Measures" below for additional information.

- Restart of Ekati process plant.** The Ekati process plant resumed operations at full capacity slightly ahead of schedule and on budget on September 21, 2016, with a blend of higher value Misery Main and Koala underground ore. Third fiscal quarter carat production and sales for Ekati were negatively impacted by the process plant shutdown following the fire that occurred on June 23, 2016.
- Sale of an exceptional diamond.** A 186 carat gem quality diamond was sold for \$2.8 million in September. The Company recovered the stone in early June during the processing of feed from the Pigeon kimberlite. The stone was the largest gem quality diamond ever recovered at the Ekati mine.
- Well positioned for organic growth.** The Company maintains a strong balance sheet with \$408 million of available liquidity to support the development of the Lynx, Sable, Jay, and A-21 projects, while continuing to return capital to shareholders.

- **Office building sale.** The sale of the Company's downtown Toronto office building for CDN \$84.8 million was completed September 8, 2016 resulting in a pre-tax gain on the sale of \$44.8 million (\$0.46 per share after tax.)
- **Dividend declared and Normal Course Issuer Bid "NCIB".** On September 8, 2016, an interim dividend of \$0.20 per share was declared by the Board of Directors. During the quarter approximately 1.7 million shares were purchased and cancelled under the Company's NCIB.
- **Updated technical report for Ekati.** On September 15, 2016, the Company filed an updated technical report under National Instrument 43-101 for the Ekati Diamond Mine which includes an updated mineral reserves and mineral resources statement with an effective date of July 31, 2016, incorporates the results of the Jay Feasibility Study, and extends the mine life to fiscal year 2034.

"We are pleased to have restarted the Ekati process plant slightly ahead of schedule and within budget, and to see the start of the positive impact of our mitigation strategy which is now helping to generate positive margin contribution from the first sale of commercial production from Misery Main," stated Brendan Bell, Chief Executive Officer. "Continued improvements in operational performance, combined with our strong balance sheet, will underpin our ability to deliver on our capital allocation strategy which balances investment in growth with a return of capital to shareholders."

Read the full release [here](#).

Kennady Diamonds Announces Maiden Indicated Mineral Resource

8.5 million tonnes at 1.6 carats per tonne and US\$63 per carat

On December 12, Kennady Diamonds Inc. announced the completion of a maiden Mineral Resource estimate for the Kelvin kimberlite, located at the Company's 100 percent owned Kennady North Project, NWT, Canada. An Indicated Mineral Resource of 13.62 million carats of diamonds is contained in 8.50 million tonnes of kimberlite, with an overall grade of 1.60 carats per tonne and an average value of US\$63 per carat. The resource has been calculated with a 1mm diamond bottom cutoff size, which is considered a reasonable cutoff for a commercial mining scenario. The resource was determined through the collective efforts of Aurora Geosciences Ltd., Mineral Services Canada Inc., SRK Consulting Inc., and JDS Energy & Mining Inc., who were engaged by the Company to participate in the exercise. Read the complete release [here](#).

Kennady Wins Exploration Company of the Year Award at Mines & Money

Kennady Diamonds Inc. announced in December that it has jointly won the prestigious Mines and Money Exploration Company of the Year award for 2016. The award was received at the Mining Journal Outstanding Achievement Awards Gala Dinner that wrapped up the Mines and Money Conference in London, England on December 1. Kennady was one of five companies shortlisted for the award, which recognizes outstanding achievement in the field of mineral exploration. Kennady shares the award with co-recipient NexGen Energy, who was recognized for its impressive uranium discoveries in the Athabasca Basin in northern Saskatchewan.

The President and CEO of Kennady Diamonds, Dr. Rory Moore, accepted the award on behalf of the entire team that contributed to the success of the Kennady North Project. He emphasized that the team is not restricted to technical people on the front line, but includes the finance, administrative and support staff as well as every member of the camp crew. He went on to recognize a few specific individuals; “Firstly, the former CEO of Kennady, Patrick Evans had the vision and courage to spin out Kennady from Mountain Province in 2012 and initiate an exploration program on the claims immediately north of the Gahcho Kué mine. This area had been previously explored and most diamond explorers were skeptical of his chances for success, but this did not deter Patrick who moved ahead boldly.”

Dr. Moore also paid tribute to the Yellowknife-based exploration group, Aurora Geosciences Ltd. (‘Aurora’), which has designed and implemented all of the exploration programs on the property since 2012. “Gary Vivian, the President of Aurora, and Chris Hrkac, Senior Project Manager for the Kennady North Project together with their team, deserve the lion’s share of credit for the successes that Kennady has enjoyed to date. Their innovative, systematic and dedicated approach to a technically challenging project has resulted in new and unique discoveries, and earned Aurora the respect of its peers in the industry.”

Dr. Moore further recognized the loyal investors of the company; “One will not go far in diamond exploration in the Arctic without strong financial backing and I want to thank all of our shareholders that have supported us along this exciting journey of discovery. In particular, the Company’s founding shareholder Mr. Dermot Desmond has backed Kennady in a very significant way since its inception, and this is very much appreciated.”

Dr. Moore concluded; “The fortunate combination of solid financing, creative exploration and visionary leadership has led to the great success of Kennady and its receipt of this award. We intend to honor this award by moving the company toward further discovery of kimberlites and their advancement into diamond resources at Kennady North.”

TMAC Resources Makes US\$20 Million Draw – Shares Added to Dow Jones

- ***Fourth and final draw made under us\$120 million debt facility***
- ***TMAC shares added to S&P/TSX global gold index and global mining index***

On December 12, TMAC Resources Inc. announced that it has made its fourth and final draw in the amount of US\$20 million under the US\$120 million senior secured term loan facility entered into with a syndicate of lenders including Sprott Resource Lending Partnership (as Agent) and Morgan Stanley Capital Group Inc. (the “Lenders”) in July 2015 (the “Debt Facility”). The first draw of US\$50 million was completed February 10, 2016, the second draw of US\$35 million was completed July 7, 2016 and the third draw of US\$15 million was completed September 26, 2016. Read the complete release [here](#).

Baffinland Railway Proposal to go to NU Planning Commission for conformity

The Nunavut Impact Review Board has communicated to Baffinland Iron Mines that after careful review of the company’s modified Phase 2 Project Update, the Board has concluded that the addition of the northern rail component and associated infrastructure constitutes a

significant modification. NIRB has advised Baffinland to submit notice of the significant modifications to the Phase 2 Project Proposal to the Nunavut Planning Commission as required under NuPPAA, s. 141. Once the land use planning provisions of the Nunavut Agreement and the NuPPAA have been satisfied for the modified proposal, the NIRB will be ready to initiate its impact assessment process for the modified Phase 2 Proposal accordingly.



The addition of a 110 km long railroad to Baffinland’s Phase 2 Project will require environmental assessment says the Nunavut Inmact Review Board.

As with the NIRB’s previous assessments in relation to the Mary River Project, the Board remains committed to fulfilling its mandate to conduct a thorough, efficient and timely assessment of proposed works, activities and undertakings as required under the Nunavut Agreement and the legislative requirements of the NuPPAA. To that end, the NIRB will work with the NPC, Baffinland, regulators and other interested parties to: co-ordinate the NIRB’s assessment requirements with other regulatory processes; ensure that information submitted previously is fully and properly considered; and build upon the previous assessments associated with the Mary River Project as appropriate.

A week earlier, the mayor of nearby Pond Inlet encouraged the NIRB to expedite the review process.

Diamond Sales by De Beers

On December 13, the De Beers Group of Companies announced the value of rough diamond sales (Global Sightholder Sales and Auction Sales) for the tenth sales cycle of 2016.

	Cycle 10 2016 (provisional)	Cycle 9 2016 (actual)	Cycle 10 2015 (actual)
Sales value ³ (\$m)	418	476	248

Bruce Cleaver, CEO, De Beers Group, said: “We continued to see good demand for De Beers rough diamonds in our latest sales cycle. While the trade in lower value rough diamonds is experiencing a temporary slowdown as a result of the demonetisation programme in India,

demand across the rest of the product mix continued to be healthy and overall sales remained in line with seasonal expectations. Pleasingly, sales were also significantly higher than those for the equivalent cycle in 2015.”

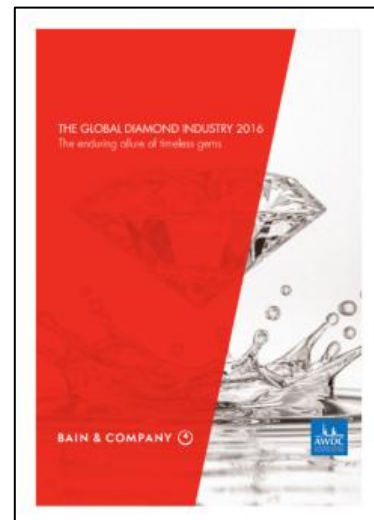
Annual Diamond Report from Antwerp World Diamond Centre & Bain & Co.

Welcome to the sixth annual report on the global diamond jewelry prepared by the Antwerp World Diamond Centre (AWDC) and Bain & Company. This year’s edition covers industry developments in 2015 and early 2016 and takes a close look at the millennial generation (roughly speaking, people born between 1980 and the early 2000s) as a new category of diamond buyers. We begin with key developments along the value chain. In subsequent sections, we review factors that influenced rough-diamond production and sales, midstream performance and global diamond jewelry demand in major markets.

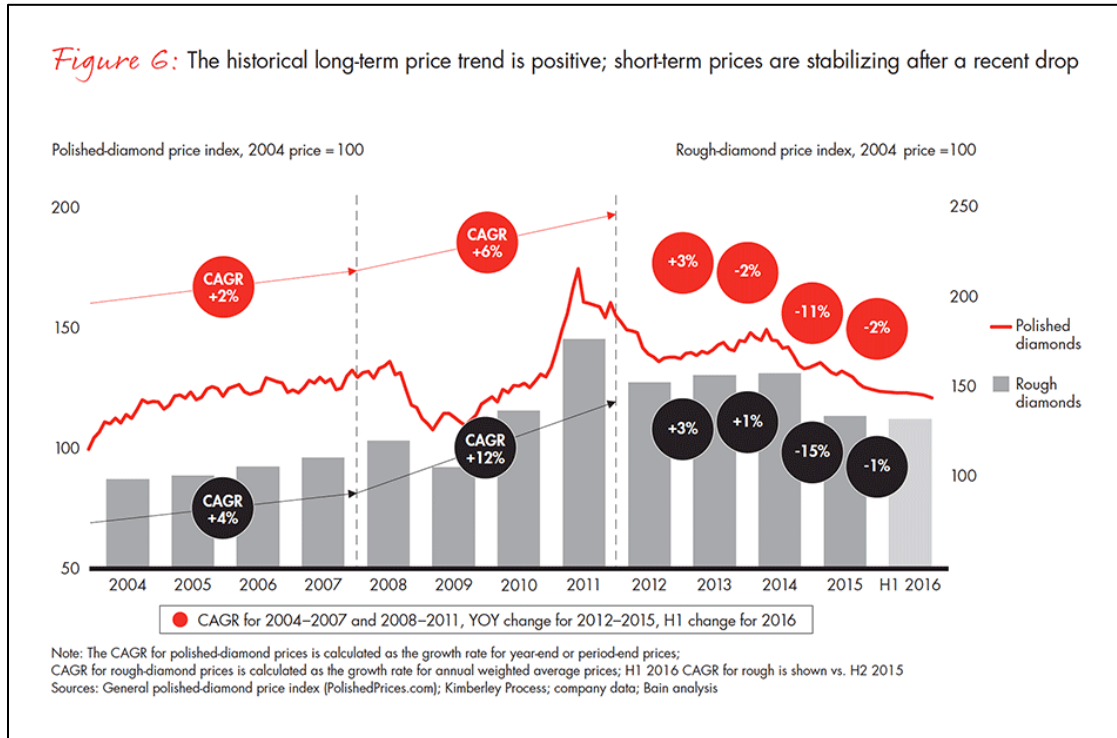
We then share diamond jewelry consumer insights from our proprietary research across China, India and the US, highlighting the attitudes and behaviors of millennials. We also provide an update on the long-term outlook for the diamond industry through 2030. The 2030 supply-demand forecast considers recent changes in mining operations and expected global macroeconomic effects.

Readers looking for a brief overview of the key takeaways from this report can find them below:

- Following a period of growth from 2012 through 2014, diamond jewelry consumption has entered a moderation phase. In 2015, retail sales of diamond jewelry grew 3% at constant exchange rates but declined about 2% in US dollar terms. The US remained the sales growth engine of the global diamond jewelry market, as the same-store revenues of mainstream US jewelry retailers improved, reflecting strong middle-class consumption. Greater China is still rebalancing as slowing tourist flows to Hong Kong and Macao offset otherwise positive dynamics in mainland China. Europe and Japan in 2015 benefited from the shift of spending by Chinese consumers from Hong Kong and Macao. This shift was reflected in positive consumption growth in euro and yen terms. Strong macro-demographic trends powered positive consumption dynamics in India. The strong US dollar nonetheless pushed growth in those markets into negative territory in dollar terms.
- Midstream US dollar revenues tracked the retail sector’s performance in 2015, declining 2%. Slowing demand and a drop in polished prices resulted in some of the lowest profit margins in years, as well as high inventory levels, accumulated since 2013. As the year came to a close, cutters and polishers significantly reduced rough-diamond purchases and off-loaded about \$5 billion of inventories to improve cash flows.



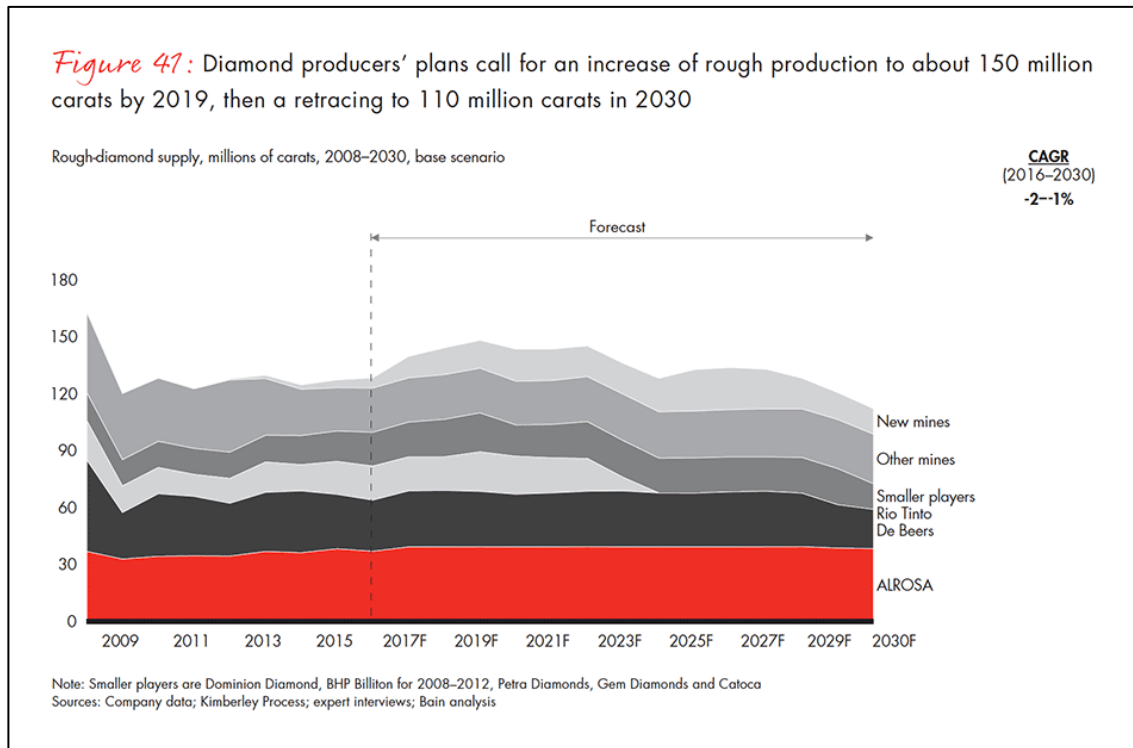
- Major rough-diamond producers in 2015 reacted to the challenging circumstances of their customers by reducing output, increasing their own inventory levels and providing more flexible purchasing terms while cutting rough-diamond prices. As a result, rough-diamond sales fell 24% in 2015.



- The industry is rebounding in 2016. Restocking by midstream players, following their inventory sell-off in late 2015, produced growth of around 20% in rough-diamond sales during the first half of 2016. However, strong rough-diamond sales in 2016 may again lead to swollen midstream inventories if retail demand does not strengthen proportionately. Declining sales at major jewelry retailers in the first half of 2016 indicate a possible demand slowdown in the US and China. The final growth trajectory for 2016 and the strength of midstream and rough-diamond sales in the beginning of 2017 will be determined by the performance of the diamond jewelry retail segment during the year-end holiday season.
- A new generation of consumers — the millennials — represents a compelling opportunity for the diamond industry. The population of millennials in China, India and the US totaled roughly 900 million in 2015, and their combined gross income amounted to approximately \$8 trillion. Millennials appear to resemble other age groups in their preferences for diamond jewelry but not in their shopping behaviors. To fully capture millennials' demand over the longer term, industry players need to invest in both category marketing and brand-building efforts and redefine the customer experience in the retail environment.
- The key challenges facing the diamond industry remain the same as in previous years. The midstream sector still needs to secure access to financing and continue to improve its business model to sustain profitability amid potential price volatility. Over the longer

term, consumption may continue to slow in China, and there is a risk of a cyclical recession in the US. Synthetic diamonds as an emerging competing category to diamonds remain a risk, but diamond industry participants are determined to reduce the threat from synthetics by marketing the emotional attributes of natural stones. The recently formed Diamond Producers Association (DPA) is reviving industry-wide generic marketing efforts.

Figure 47: Diamond producers' plans call for an increase of rough production to about 150 million carats by 2019, then a retracing to 110 million carats in 2030



- The long-term outlook for the diamond market remains positive. For the next three years, the supply of rough diamonds is expected to maintain a tight balance with demand. We expect demand for rough diamonds to recover from the recent downturn and return to a long-term growth trajectory of about 2% to 5% per year on average, relying on strong fundamentals in the US and the continued growth of the middle class in China and India. The supply of rough diamonds is expected to decline annually by 1% to 2% in value terms through 2030.

Download the full report [here](#).

Commodity Outlook – some observations and musings

So what does the future look like? A crystal ball would be nice, but in its absence, a few thoughts from those who do it for a living, and on a few commodities that provide us great opportunities.

Zinc – looks promising with forecasts for strong year ahead

This past year has seen a steady increase in the price of zinc as the shutdown of major global zinc mines is felt, and speculators weigh in. Learn more from [this story](#) which projects a strong

year ahead for zinc. This could bode well for projects like Prairie Creek and Pine Point. Keep your fingers crossed!

Uranium – not so good

A great line in [this story](#) says it all: “Without a doubt, 2016 was an ugly year for the uranium industry as its price dropped to 12-year lows ...” So, what’s the forecast? Cameco, one of the world’s largest uranium producers says that the long-term outlook for the uranium industry remains strong, despite current market uncertainty. And [this story](#) projects that uranium prices are set to double by 2018

Both NWT and Nunavut have great uranium potential, and one that could help the world address climate change most quickly with nuclear energy to augment renewables. And the [Canadian nuclear battery](#) could help the north, could help our great Canadian uranium mining industry, and reinforce the great position Canada once held as an innovative nuclear nation.

Diamonds

The [recent Bain report](#) says the long-term outlook for the diamond market remains positive. For the next three years, the supply of rough diamonds is expected to maintain a tight balance with demand. We expect demand for rough diamonds to recover from the recent downturn and return to a long-term growth trajectory of about 2% to 5% per year on average, relying on strong fundamentals in the US and the continued growth of the middle class in China and India. The supply of rough diamonds is expected to decline annually by 1% to 2% in value terms through 2030.

Gold

A bell-weather of global politics, gold has been a bit of a roller coaster this past year with such influencers as BREXIT, Trump, Eurozone concerns, China, and the US dollar.

What’s next? Good question. ☺ But trust that it will influence gold exploration and mining.



Cobalt

Cobalt has seen a steady increase in price through 2016, and this is because of increasing demand in lithium based batteries, and due to shortfalls in supply from Africa. Why do we care? Because it will help advance the NWT’s NICO project. One firm’s consultant reports that “the refined cobalt market will fall into a 3,000 tonne deficit this year following seven years of overcapacity and oversupply. CRU anticipates prices to increase onward into 2017 as global demand for refined cobalt exceeds the 100 kt mark and mine and refined supply tightens.” Read it [here](#).

Iron

Iron was in free fall over the past couple years, but then began rebounding in the second half of 2016 as Chinese steel prices strengthened and Donald Trump was elected. And why do we care? The Mary River iron mine has been working hard to gain solid footing in this volatile market place. A continuing positive price trend should definitely help.

So there you have my musings on some of the commodities of interest to our northern minerals industry. As price takers in a global marketplace, we are at the whim of global politics and economics, and those realities should influence the steps our governments take to do what they can in influencing our own domestic situation, what they are in control of. ... Editor

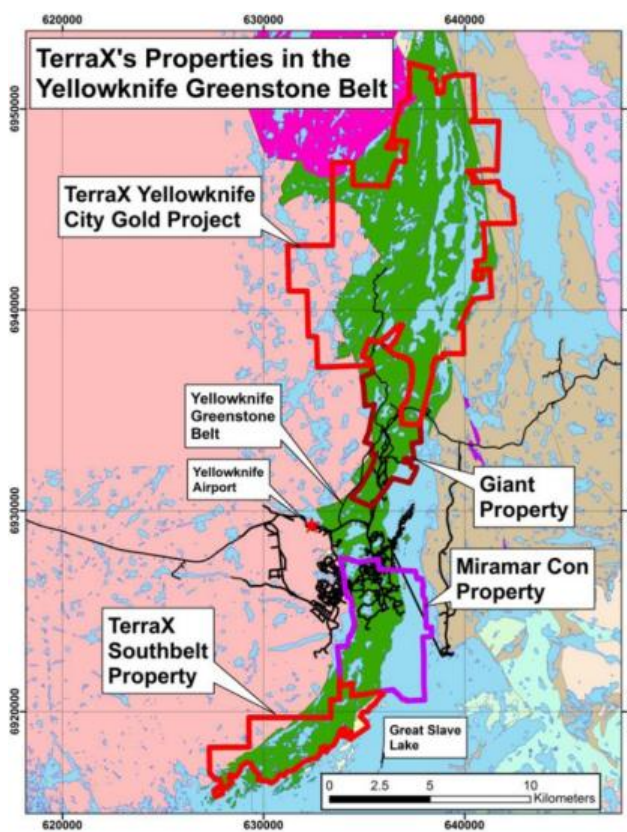
Exploration & Development News Briefs

TerraX samples up to 33.6 g/t Au in surface sampling at Southbelt property. On December 21, TerraX announced results from surface mapping and prospecting on the Southbelt Property of the Yellowknife City Gold Project. The Southbelt property immediately adjoins the mine leases for the past producing Con Mine, where over 6.0M oz of gold were mined at an average grade of 16.1 g/t Au over a 60 year mine life, and covers the extensions of several mineralized trends previously mined at the Con, including the namesake "Con Shear", which appears to continue on to our property for up to 5 km. Other structures have been identified on surface that strike south from the Con property for distances of greater than 1 km onto our claims and contain values up to 94.9 g/t Au (news release September 23, 2015), with values in the 2016 exploration work up to 33.6 g/t Au and 16.4 g/t Au in grab samples. A map of the sampling at Southbelt is available on our web site under "2016 Field Exploration" under the "Southbelt" project section. Read full release [here](#).

TerraX samples up to 72.6 g/t Au in grab samples at Sam Otto, Yellowknife City Gold project. On December 14, TerraX Minerals Inc. announced grab samples up to 72.6 g/t Au from the balance of surface sampling results from the Main and Hanging Wall mineralized structures on the Sam Otto target area. These two sub-parallel north-south striking zones are immediately to the east of the previously reported Dave's Pond structure which contained samples as high as 66.7 g/t Au (news release December 1, 2016). These three structures form part of one large and highly prospective gold bearing system in the Sam Otto area, with multiple shear hosted mineralized zones extending 1-2 kilometers in strike length and 500 meters across strike. Read the full release [here](#).

See the latest TerraX corporate presentation [here](#).

Darnley Bay Resources announced on December 21 that it has closed purchase of the Pine Point Zinc Project and completed the \$7.65 million first tranche of private placement. At the



same time, it announced the appointment of John L. Key as Chief Operating Officer of the Company. Mr. Key is a mining engineer with significant experience in general management of both underground and open pit base metals mines in Canada and the United States, including two in far-north operating conditions – the Polaris and Red Dog mines. His 40 years of industry experience in senior management includes 28 years at Cominco Ltd. and its successor Teck Cominco, where he was general manager of three major mining operations. “This hiring is the first step in building an experienced production team to take the Pine Point project through feasibility, and if warranted, into production,” said Jamie Levy, President and CEO. “John’s extensive experience mining both open pit and underground zinc mines in the far north is invaluable.”

TMAC Resources announced on December 22 the results of regional till sampling program at Hope Bay. The results indicate multiple gold in till anomalies that are not well explained by the currently identified deposits. The till sampling results have yielded the following significant dispersal trains: 1) A prominent gold dispersal train approximately 4.5 kilometre long by one kilometre wide north-northwest of (or down-ice) from Naartok (which is located at the north end of the Madrid Trend) that may be representative of both Naartok gold mineralization and potential new gold target zones along the length of the dispersal train (the Akunniq exploration target area). 2) Other gold dispersal areas south and southwest of the Madrid Trend (the Qamaniq exploration target area), and to the west and northwest of the Doris Mine (known as Qaiqtuq). Read more [here](#).

PDAC 2017 Award Winners include 2 northern operations

The recipients of the PDAC Annual Awards have been announced and they include two northern projects: Agnico Eagle’s Amaruq project in Nunavut, and the Gahcho Kue diamond mine in the NWT. The recipients will be honored at the 2017 PDAC Awards Evening on March 7, 2017, at the Fairmont Royal York Hotel, Toronto, during the PDAC’s annual convention.

Awards recipients are selected by the association’s Board of Directors, based on the recommendations of the PDAC Awards Committee.

Bill Dennis Award

This award, named for a former president of the association, honours individuals who have accomplished one or both of the following: made a significant mineral discovery; made an important contribution to the prospecting and/or exploration industry.

- **Val d’Or Exploration Team, Agnico Eagle Mines Limited:** *For discovery of the Amaruq gold deposits in the Amer Lake Basin in Nunavut, Canada.*

The high-grade Amaruq deposits represent a significant gold discovery in Nunavut and one of the few recent large gold discoveries in Canada. The robust Whale Tail mineralized system lies nearby the initial discovery, the IVR deposit. Agnico Eagle Mines Limited’s (Agnico) Val d’Or Exploration Team made the discoveries between 2013 and 2016 while prospecting a virtually unexplored part of the Woodburn Lake Belt, 350 kilometres west of Hudson Bay. The team recognized that the type of mineralization at Amaruq was different from many typical gold occurrences.

The 1,167-square-kilometre Amaruq property includes the major Whale Tail deposit and three parallel gold zones named I, V, and R (the IVR deposit), between 100 and 800 metres north of Whale Tail. Inferred resources are estimated at 19.4 million tonnes grading 5.97 g/t gold for a total of 3.7 million ounces of gold (as at June 30, 2016). Ore-grade drill results include hole AMQ16-570 drilled in 2016 that intersected 47.6 metres estimated true width grading 5.9 g/t gold at 288 metre depth in the Whale Tail deposit. This illustrates the potential for this to become a giant deposit. Drilling in 2016 indicated that the Whale Tail mineralization extends for at least 2.2 kilometres along strike from surface to locally as deep as 730 metres. The highlight of the project for 2016 was the discovery of additional lenses in the V Zone, which dips shallowly toward Whale Tail from surface to 540 metres locally, improving its potential as a second source of open pit ore.

The exploration program originally targeted the IVR gold showing, after reviewing public geological maps and assessment reports. An initial exploration program in 2013 consisted of prospecting, mapping, and a small ground geophysical survey (Mag-EM). A four-hole diamond-drill program targeted the best conductors and the fourth hole intersected gold mineralization. Additional budget was allocated to drill another 10 holes later that year that identified three mineralized zones – I, V and R. The project has grown quickly since then, with significant investment.

In addition to the IVR deposit and Whale Tail, the Val d’Or Exploration Team discovered two more zones of mineralization at nearby Mammoth Lake. Samples from a boulder field north of Mammoth Lake contained visible gold, adding to the resource potential of the area.

The potential and excitement of the discovery is heightened by the timing and location. Reserves at the Meadowbank Gold Mine—one of Agnico’s largest gold producers—are expected to be depleted during 2018. Furthermore, Meadowbank is conveniently located just 50 kilometres southeast of Amaruq, meaning much of the essential infrastructure for a producing mine is already in place. Construction of a 62 kilometre access road is underway to connect the mine to Amaruq.

Viola R. MacMillan Award

This award, which is named in honour of the PDAC’s longest serving president, is given to an individual or organization demonstrating leadership in management and financing for the exploration and development of mineral resources.

- **Gahcho Kué Diamond Mine, De Beers Group of Companies & Mountain Province Diamonds:** *For development of the world’s largest new diamond mine in the last 13 years, a complex project that is expected to produce approximately 4.5 million carats of rough diamonds per year for over its 12-year life-of-mine.*

Gahcho Kué Diamond Mine in Canada’s Northwest Territories (NWT) officially opened in September 2016. It is a joint venture between the De Beers Group of Companies, a privately-owned diamond exploration, mining, rough diamond sales and retail company (whose London-based parent is Anglo American plc) that owns 51% of the project; and Toronto-based Mountain Province Diamonds, that owns the remaining 49%. Mountain Province Diamonds discovered the first kimberlite at Gahcho Kue in 1995 and entered into a joint venture with De

Beers in 1997. Gahcho Kué is the world’s largest new diamond mine in 13 years and is expected to produce approximately 54 million carats of rough diamonds during its initial 12-year lifespan. It is comprised of three open pits and is on track to reach full commercial operation in the first quarter of 2017.

The US\$1 billion exploration, delineation and construction of Gahcho Kué was no small undertaking. Most of the supplies were brought in via an ice road from Yellowknife—approximately 280 kilometers away—and sometimes took more than 20 hours to transport. The ice road season typically lasts between just six and eight weeks, making the window of opportunity very short. Yet, despite these challenges, the project was completed ahead of time, and under budget. Most notably however, is that the project recorded no serious injuries and achieved a lost time injury rate of 0.15 and has not recorded a lost time injury in over 1 million work hours – an amazing achievement for a construction project anywhere on the planet.

The mine brings many benefits to the region and to all of Canada, by employing 530 full-time positions on a fly-in, fly-out rotation. Even during its construction, the mine provided outstanding economic benefits. Between 2006 and 2015, its development provided \$440 million to the NWT economy, and another \$350 million spent across Canada. Once the mine is fully operational, estimates are equivalent to \$5.7 billion in Gross Value Added to the NWT. Approximately 90% of that economic contribution is still to come. Including its supply chain impacts, the mine supported more than 2,700 jobs in 2015, with employment at the site representing more than 10 per cent in the NWT’s extractive industries. As of October 2016 while still ramping up to full production, the De Beers workforce at Gahcho Kué already had 46% representation of NWT-resident employees, 20% self-identified Indigenous employees and 14% female employees.

Gahcho Kué is De Beers largest ever mine outside of southern Africa. It will offset declining production at the company’s other two Canadian diamond operations. It is Mountain Province Diamonds’ first ever mine. Canada is the world’s third largest diamond producer, and Gahcho Kué is the sixth commercial diamond mine in the country. It will account for 3% of the world's changing diamond market.

Dominion Diamond’s Winter Newsletter

Featured in this newsletter:

- Message from the CEO
- Jay Project Update
- Fish Salvage at Sable Lake and Two Rock Lake
- On the Land Cultural Camp
- Behchoko Grand Opening & Hockey Game
- TK Elders Group Site Visit
- Boots on the Ground Caribou Monitoring Program
- Caribou Engagement Program
- YKDFN Chiefs’ Tour



- Northern Youth Leadership Program (drum-making workshop)
- Upcoming Activities and Events
- Employment Opportunities

This newsletter will also be available on the Dominion Diamond website at:

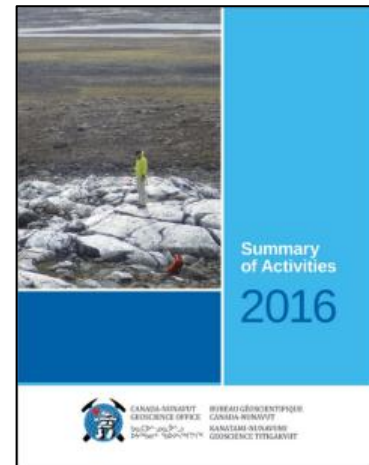
<http://www.ddcorp.ca/responsibility>.

New Report: Nunavut Summary of Activities

The Canada-Nunavut Geoscience Office (CNGO) is pleased to announce the release of their annual: CNGO Summary of Activities 2016.

There are 12 papers in this 2016 volume grouped under four topics—'Regional Geoscience', 'Geoscience for infrastructure', 'Carving Stone' and 'Outreach'—that all support the mandate of the office. All papers are available for download, free of charge, at www.cngo.ca. In 2013, the CNGO introduced a new publication series, the 'Geoscience Data Series', that disseminates digital data such as analytical datasets, point data, polygon and metadata files. Data that support the research work and papers in this volume continue to be released through this additional avenue.

Collectively, this high-quality research increases the level of geological knowledge in Nunavut and ensures that the new geoscience information is accessible for making land-use decisions in the future. Additionally, this information allows evaluations of resource potential for a variety of commodities, including diamonds and other gemstones, base and precious metals, industrial minerals, carving stone and aggregates. These activities also aim to assist northerners by providing geoscience training to college and university students.



The (English only) file is available as a free download from cngo.ca. It's 35Mb and can be downloaded [here](#). A Plain Language Summary is also available [here](#).

Hardcopies of the Summary of Activities volume will be available starting January 23, 2017 at the Mineral Exploration Roundup in Vancouver.

Protected areas – your chance to get involved

A **National Advisory Panel** is being formed to provide advice and recommendations to governments on the best way to achieve **Canada's commitment to protect at least 17 per cent of terrestrial areas** and inland water through networks of protected areas,



Pathway to Canada Target 1
En route vers l'objectif 1 du Canada

Indigenous conservation areas, and other measures **by 2020**. To help meet that commitment (known as Canada Biodiversity Target 1) federal, provincial and territorial governments, along with Indigenous groups, have partnered to launch the [Pathway to Canada Target 1](#) initiative.

The National Advisory Panel would benefit from having a broad spectrum of perspectives – **including your perspective!** Please take a few minutes to visit the Pathway to [Canada's Target 1 website](#) to learn more about the initiative and consider applying to become a member of the **National Advisory Panel** which commits to review discussion papers, attend six face-to-face meetings and participate in multiple teleconferences.

Applications close January 10, 2017. <http://www.conservation2020canada.ca/>
<http://www.conservation2020canada.ca/application>.

We invite you to share this message with your colleagues. Stay tuned for updates on progress made in our Pathway to Canada's Target 1! For more details on this call for nomination: <http://www.conservation2020canada.ca/>. Follow us on Twitter at #conservation2020ca. Email questions to info@conservation2020canada.com

Protecting Land – a Nova Scotia Perspective

The North is undergoing strong pressures to protect land. In that light, the Mining Association of Nova Scotia has prepared a new report called "**A Better Balance: How we can protect jobs and land for Nova Scotians.**" The report is available at: <http://tmans.ca/images/A-Better-Balance.pdf>. Here are comments from the Mining Association of Nova Scotia:

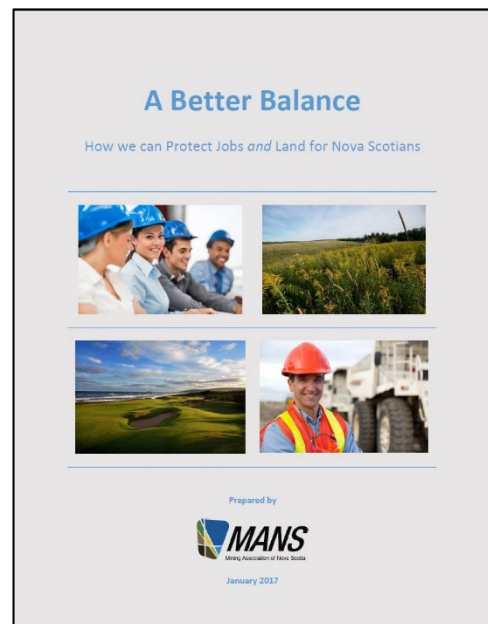
While Nova Scotia's mining and quarrying industry supports protecting natural lands for future generations, we also believe the provincial government's Parks and Protected Areas Plan needs to strike a better balance between protecting land and protecting jobs. Beautiful, natural lands are important, but so are job creation, economic opportunity and government revenues to pay for programs such as health and education.

MANS has analyzed the province's Parks and Protected Areas Plan to help illustrate the economic impact of the Plan on the mining and quarrying industry. The analysis shows the Plan is potentially costing Nova Scotians approximately 291-356 jobs by preventing mineral exploration and development in protected areas. The Plan is also costing Nova Scotians \$16-\$19.6 million per year in lost wages.

The Plan is also potentially costing the province \$22-\$27 million in foregone economic activity each year by preventing mineral exploration and development.

These figures are the losses to the province's mining and quarrying industry only; they do not include the negative impact of the Plan on other industries that also require land to grow and create jobs for Nova Scotians.

The Plan disproportionately harms Nova Scotia's rural areas, where most mines, quarries and pits are located. Even among rural areas, the economic cost of the Parks and Protected Areas



Plan is not spread evenly across the province - some areas are carrying a disproportionate burden.

Everything Nova Scotians want – from excellent health and education systems to opportunities for our kids to stay home instead of moving out West – ultimately depends on creating jobs.

In the report, the Mining Association of Nova Scotia proposes three modest policy changes that would strike a better balance between protecting both natural lands and economic opportunity: establishing a land swap mechanism; placing a cap on the amount of land that will be protected; and increasing Crown lands.

While we all appreciate the importance and beauty of natural lands, and everyone wants to protect the environment, we also need to protect jobs and opportunity.

We need a better balance.

Scotiabank Commodity Price Index – A Happy Holiday For Commodity Producers!

Best and Worst Core Commodity Price Performances of 2016

Top 3 — Best Performers

1. Bulks (+127%)
2. Zinc (+71%)
3. Natural Gas (+48%)

Bottom 3 — Worst Performers

1. Gold (+9%)
2. Aluminium (+16%)
3. Copper (+22%)

- It's a reasonably happy holiday season for commodity producers after one of their toughest collective years on record. The Scotiabank Commodity Price Index is likely to finish the year up 25%, with all sub-indices showing positive performance. The Oil & Gas index rose 54% year-to-November after both oil and natural gas reached cycle-lows in the first quarter of the year and the Metals & Minerals index rallied convincingly, up 27% on coal and zinc strength. The Forest Products index is up a still-respectable 9%, while the Agriculture index managed to eke out a 2% gain despite being weighed down by plunging wheat prices. We expect oil, natural gas, zinc, nickel, and gold to gain ground in 2017, while copper, aluminium, coal, and iron ore prices are expected to slide back from currently-inflated levels.
- This issue of the *Scotiabank Commodity Price Index* will provide a look back on 2016's best and worst performing commodities, though it should be noted that virtually all industrial commodities gained ground in 2016. Our updated *Scotiabank Global Outlook* report, with fresh commodity forecasts, is scheduled to be released in mid-January.

Selected Highlights:

Top Performer #2. Zinc — *Acute Supply Reductions Have And Will Support Prices Higher Zinc prices began 2016 at \$0.70/lb and rose steadily through the year, reaching a year -to-date high of \$1.32/lb in early-December. Zinc's rise was a supply story through and through (Chart 4), in an industry that hasn't seemed able to reduce production despite a persistent low-price*

environment (see: nickel, aluminium). First came the natural declines, with the depletion-prompted closure of the Century (Australia) and Lisheen (Ireland) mines taking 500 kt of zinc concentrate — the raw resource that is later refined into metal — off the market. However, these mines had been winding down for a while, and zinc had still found itself dragged down with the rest of the base metals complex through to the beginning of 2016.

Glencore’s decision to economically idle another 500 kt of supply brought the market further into deficit, and, after breaking free of the base metal malaise, prices were able to rise from \$0.73/lb at the beginning of the year to \$1.32/lb by November (+81%). The decision to idle some of Glencore’s mine supply came before the zinc rally began in earnest, but it took time for the bearish base metals narrative to ease enough for the market to refocus on zinc’s acute supply challenges. The pace of these gains has been greater than anticipated, and the increasing net-length of speculative positioning leaves zinc particularly vulnerable to changes in sentiment. We expect the supply deficit to catch up with current bullish investor positioning, with prices forecast to average \$1.25/lb in 2017 before declining inventories prompt a second rally into the \$1.50-1.60/lb range in 2018.

Top Underperformer #1. Gold — Rates Trump Uncertainty by Year-End 2016 was supposed to be gold’s year. A string of referenda and election surprises, from the U.K.’s Brexit vote to the election of Donald Trump, ran counter to polling projections and consensus expectations. These sudden jolts could reasonably have been expected to inflame uncertainty, increase investor risk aversion, and send the prices of safe-haven assets like gold soaring. Indeed, many observers were calling for gold to reach \$1,500/oz should these binary events go against consensus. Instead, gold is sliding as inflation — and thus interest rate — expectations rise on the back of pledges by the Trump campaign to cut taxes and spend US\$1 trillion on American infrastructure.

Gold had performed well through the first half of the year and looked like a strong contender for 2016’s top-spot before the rally faltered in the third quarter, with the downtrend accelerating after the U.S. election result. The narrative about-face was easily visible in the first few hours of trading on the day after the U.S. election. Gold rose \$65/oz before collapsing to negative territory by the end of the day as commentary shifted from uncertainty to pro-growth policies and deficit-fueled stimulus. Gold has a strong negative relationship with interest rates (Chart 6) due to the fact that the opportunity cost of holding non-yielding gold assets rises as yields on safe government debt increase. However, we believe that the recent gold selloff is overdone. While the market is currently focused on Fed policy, 2017 is likely to bring political uncertainty back to the fore with a variety of European referenda and elections scheduled to take place over the coming 12 months.

Download the entire newsletter [here](#) or click on the report thumbnail.



Welcome New Members!

On behalf of our members, we would like to welcome the following new member to the Chamber of Mines. We encourage your support of their business. Please join us in a warm welcome to:

- **Explor** is a privately held Canadian company that acquires and owns the highest quality seismic data and licenses these data to energy companies. Explor has been actively acquiring high quality regional [seismic data](#) in Canada since 1981. Over these decades of activity, Explor has proven to be highly capable of acquiring great data in Canada's most challenging areas, including extensive operations throughout the NWT since 1994. Explor has earned a reputation as a capable, ethical seismic data provider. Our clients range from small independent energy companies to the world's largest multi-national firms. Explor secured a mining option agreement for the Chedabucto silica mining claims, NWT. Learn more at: www.explor.net.

Member News Releases this past month

Click on the news release headlines which are live links for news releases issued by our member companies this past month.

- 29 December 2016, [Mountain Province Corporate Presentation, Q4 2016](#)
- 29 December 2016, [Mountain Province Diamonds Announces NASDAQ Ticker Symbol Change](#)
- 29 December 2016, [TerraX Corporate Presentation, December 2016](#)
- 29 December 2016, [Canada Decision on the Back River Gold Project](#)
- 24 December 2016, [Avalon Completes Non-Brokered Private Placement for Gross Proceeds of \\$375,000 and Provides Update on Separation Rapids Lithium Project](#)
- 22 December 2016, [TMAC Resources Provides Results of Regional Till Sampling Program at Hope Bay](#)
- 22 December 2016, [Auryn Provides Exploration Update and Plans for 2017](#)
- 22 December 2016, [Stornoway Announces Commercial Production Achieved at Renard \(Quebec\)](#)
- 21 December 2016, [Kaizen: Aspen Grove Copper-Gold Project update](#)
- 21 December 2016, [TerraX samples up to 33.6 g/t Au in surface sampling at Southbelt property](#)
- 19 December 2016, [Agnico Eagle Announces Investment in Cartier Resources Inc.](#)
- 19 December 2016, [De Beers, Business Partners Contribute To Yellowknife Food Bank](#)
- 16 December 2016, [TMAC Resources - Amended Doris North Water Licence Approved](#)
- 16 December 2016, [Extended Care and Maintenance to Proceed at Snap Lake Mine](#)
- 15 December 2016, [Canadian Zinc Announces Closing of C\\$2 Million Non-Brokered Flow-Through Private Placement](#)
- 14 December 2016, [TerraX samples up to 72.6 g/t Au in grab samples at Sam Otto, Yellowknife City Gold project](#)
- 13 December 2016, [Kennady Diamonds Announces Maiden Indicated Mineral Resource of 13.62 Million Carats for the Kelvin kimberlite](#)
- 13 December 2016, [Silver Range Stakes New Targets In Nevada](#)

- 12 December 2016, [TMAC Resources Makes Us\\$20 Million Draw Under Senior Secured Term Facility and TMAC Shares Added to Two S&P Dow Jones Indices](#)
- 8 December 2016, [Dominion Diamond Corporation Reports Fiscal 2017 Third Quarter Results](#)
- 6 December 2016, [Agnico Eagle announces investment in G4G Capital Corp. \(proposed to be renamed White Gold Corp.\)](#)
- 5 December 2016, [Kennedy Wins Exploration Company of the Year Award at the Mines & Money Conference, London](#)

Annual Readership Update

The Chamber of Mines has been the voice of the Northern mining and exploration industry since 1967. As you know, the Chamber's mandate is to educate and advocate on behalf of our industry here in the North. A big part of that activity involves you, our readers! Did you know that we distributed over 120,000 campaign messages to our 1437 subscribers in 2016?

Keeping in touch with our members and others who are simply interested in the northern minerals industry remains a top priority as we move into 2017.

There are several ways to stay in touch:

- Internet: www.miningnorth.com
- Facebook at: <https://www.facebook.com/miningnorth/>
- Twitter at: <https://twitter.com/MiningNorth>

Or, give us a call anytime at: (NWT 867 873 5281 / Nunavut 867 979 5291).

We're always happy to hear from you. Happy New Year and all the best for 2017!

Calendar of Events

- **AMEBC Roundup Conference**, January 23 - 26, 2017, Vancouver, BC. Mineral Exploration Roundup 2017 is the place to learn and showcase new discoveries and emerging projects. Click [here](#) to go to the Roundup website.
- **PDAC 2017** International Convention, Trade Show & Investors Exchange, March 5-8, 2017, Toronto, Canada. This is the world's leading Convention for people, companies and organizations in, or connected with, mineral exploration. In addition to meeting over 900 exhibitors and 22,000 attendees from 125 countries, you can also attend technical sessions, short courses and networking events. To learn more and to register, click [here](#).
- **2017 Nunavut Mining Symposium** will be held in Iqaluit from April 3 - 6, 2017. And - this will be its 20th year! Be sure to look for some special feature for this occasion! Call for speakers and registration will be open soon. To learn more and to register, click [here](#).
- **Resources for Future Generations (RFG2018)**, June 16-21, 2018, Vancouver Convention Centre, BC, Canada. With themes covering all of the key geoscience sectors across all of professional practice – Minerals, Energy, Water and the Earth – this event will be of direct technical interest to P.Geo.'s coast to coast to coast. Organizers are Calling for Sessions and you can submit your session proposal at: www.RFG2018.org. Abstracts will be sought in June 2017.

Mines & Promising Northwest Territories Mine Projects

The following table describes a number of leading mineral development projects in the NWT.


Project Name	Owner(s)	Commodity	Description	Status
Ekati Mine	Dominion Diamond Corporation , and Dr. Stewart Blusson	Diamonds	Canada's first and largest diamond mine, 310 km. NE of Yellowknife. Open pit and underground. Mine life to 2020. Workforce in 2014 approximately 1,500. A fire in the process plant on June 23 and the subsequent processing shutdown significantly reduced throughput in Q2, and is expected to last approximately three months in total.	News Release, December 8: Dominion Diamond Corporation Reports Fiscal 2017 Third Quarter Results
Ekati Jay Project	Dominion Diamond Corporation , and Archon Minerals Ltd.	Diamonds	The Ekati Jay project is in Environmental Assessment. Ekati mine life currently ends in 2020, but if mining of the Jay pipe is approved, mining could be extended 10 yrs.	May 19 News Release: Dominion Diamond Corporation Reports Approval of Jay Project Environmental Assessment May 31, News Release: Dominion Diamond Corporation Provides Update on Jay Project Feasibility Study
Diavik Mine	Rio Tinto & Dominion Diamonds	Diamonds	Canada's largest producer of diamonds, 300 km NE of Yellowknife. Mine life through 2023. Became all underground mine in 2012. Workforce approximately 1,000. To Dec 31, 2013, the mine produced approximately 84 M carats of diamonds from the processing of approximately 22 M tonnes of kimberlite. Work to develop new A21 open pit has begun and will cost US\$350m over 4 years. A-21 is on track to commence ore production in the second half of 2018. The A-21 workforce will peak at approximately 200 people. Proven and probable reserves at Dec 31, 2014 were 18.7 million tonnes at 2.8 carats/tonne for total of 52.8 million carats.	News Release, October 19, 2016: Dominion Diamond Corporation Reports Diavik Diamond Mine Third Calendar Quarter Production On November 28, Diavik announced that 51 employees would be laid off.
Gahcho Kué Mine	De Beers & Mountain Province	Diamonds	Located approximately 280 km NE of Yellowknife, NWT. Mine life 12 years. First production ahead of schedule in Q2 2016. Mine is ramping up production and is on track to reach full commercial operation in the first quarter of 2017. Comprised of three open pits, the mine will employ 530 people full-time, with the majority working a two-week in/two-week out rotation.	News release, December 19, 2016: De Beers, Business Partners Contribute To Yellowknife Food Bank News Release, December 13: De Beers Rough Diamond Sales For Cycle 10, 2016
Snap Lake Mine (Suspended, on care & maintenance)	De Beers	Diamonds	Canada's first all underground diamond mine. 220 kilometres NE of Yellowknife. Mine life to 2028. Workforce approximately 750. Due to low diamond prices, De Beers put the Snap Lake mine on care and maintenance in December 2015.	News Release, December 16, 2016: Extended Care and Maintenance to Proceed at Snap Lake Mine

NWT & Nunavut Chamber of Mines – Northern Mining News

Cantung Mine (Closed, on care & maintenance)	North American Tungsten	Tungsten, copper	Cantung is in the mountains of western NWT, ~300 km by road NE of Watson Lake, Yukon. North American Tungsten (NATC) filed for Court protection under the CCAA on June 9, 2015. In accordance with the Operating Plan, the mill at the Cantung mine site was shut down on October 26, 2015, and transition of the Cantung mine to care and maintenance is expected to be completed on or about November 18, 2015.	Nov 19 GNWT News Release: NWT Government purchases Mactung assets of Cantung. Nov 19 NATC news release: NATC Announces Extension of Stay of Proceedings under the Companies' Creditors Arrangement Act. On November 17, 2015, the Supreme Court of British Columbia made an order approving the sale of the Company's Mactung property to the Government of the Northwest Territories. The Government of Canada will fund the Company's environmental care and maintenance activities at the Cantung mine site.
Prairie Creek	Canadian Zinc Corporation	Zinc-lead-silver	Proposed underground mine 120 km W of Ft. Simpson. Estimated mine jobs: 220 All permits now in place to construct and operate the mine. Preliminary Feasibility Study completed in early 2016 supports longer, 17-year mine life. The company's proposal to construct a new airstrip and all-weather road is undergoing environmental assessment.	News Release, December 15: Canadian Zinc Announces Closing of C\$2 Million Non-Brokered Flow-Through Private Placement News Release, December 2: Canadian Zinc Announces C\$2 Million Non-Brokered Flow-Through Private Placement
Kennady North	Kennady Diamonds Inc.	Diamonds	Kennady Diamonds controls 100% of Kennady North project comprising 13 leases and claims immediately to north and west of 4 leases controlled by the Gahcho Kué Joint Venture (see above). Kennady Diamonds aims to identify a resource along the Kelvin – Faraday kimberlite corridor of between a 12 and 15 million tonnes at a grade of between 2 and 2.5 carats per tonne and also to identify new kimberlites outside of the corridor. The Kelvin – Faraday corridor is a target for further exploration. The tonnage estimate is based on the drilling completed to date. The potential quantity is conceptual in nature as there has been insufficient drilling to define a mineral resource and it is uncertain if further exploration will result in the target being delineated as a mineral resource.	News Release, Dec 12: Kennady Diamonds Announces Maiden Indicated Mineral Resource of 13.62 Million Carats for the Kelvin kimberlite
NICO	Fortune Minerals Ltd.	Cobalt-gold-bismuth-copper	Proposed open pit and underground mine located 50 km NE of Wha Ti. Estimated mine jobs: 150. Requires access to highway to Wha Ti, still to be constructed.	News Release, Sept 6: Fortune Minerals announces the appointment of Dave Massola as Vice President Finance & Chief Financial Officer News Release, Sept 14: Fortune Minerals announces appointment of Glen Koropchuk to its Board Of Directors
Nechalacho	Avalon Advanced Materials Inc.	Rare earth metals	Proposed underground mine 100km SE of Yellowknife. Estimated mine jobs: 200. The Company remains optimistic that rare earth demand will recover sufficiently in 2015 to attract Project financing and allow construction work to begin by summer 2015.	News Release, November 7, 2016: Avalon Completes Non-Brokered Private Placement for Gross Proceeds of \$1 Million INDUSTRY BULLETIN, November 28: Avalon Receives Industry Award For Best use of Renewables for Mine Exploration News Release, November 30: Avalon Releases Annual Sustainability Report

NWT & Nunavut Chamber of Mines – Northern Mining News

Indin Lake	Nighthawk Gold	Gold	Nighthawk controls over 90% of the prospective Indin Lake Greenstone Belt in this historic gold camp with a total ground position now comprising 930 sqkm, approximately 220 km north of Yellowknife, NT. The Indin Lake Greenstone Belt is one of Canada's most underexplored gold camps. The property contains 14 known gold deposits and showings, 3 are historic mine (eg Colomac)	News Release November 1, 2016: Nighthawk Completes Strategic Investment by Kinross Gold and \$10.1 Million Non-Brokered Private Placement News Release, November 24: Nighthawk Continues to Expand Colomac Gold Zones - Drills New High-Grade Targets
Courageous Lake	Seabridge Resources	Gold	Proposed open pit mine 240 km NE of Yellowknife. 6.5 M oz proven and probable reserves. (Positive PFS July 2012). The FAT deposit is one of Canada's largest undeveloped gold projects. Gold resources of 8.0 million ounces in the measured and indicated categories plus an additional 3.4 million ounces in the inferred category.	Seabridge is currently focusing its work on their KSM mine development in British Columbia.
Selwyn (Howards's Pass Project)	Selwyn Chihong Mining Ltd.	Zinc, lead	Proposed base metal mine in Yukon on NWT border and access is through NWT. Agreements signed with NWT (Sahtu) Aboriginal land corporations. The project will process multiple open pit mines over an approximate 10+ year mine life and includes a mineral processing plant, tailing management facility and the required on-site infrastructure. The mine is being designed to process 38,500 tonnes per day (tpd) of ore which, after processing, is expected to result in 2,500 tpd of zinc and 600 tpd of lead concentrate, which would be trucked to the Port of Stewart for export. Selwyn Chihong estimates the proposed mine will create approximately 1500 jobs during construction and approximately 750 during operation.	Selwyn Chihong Mining's proposed upgrade of a road to its lead-zinc mining project in Yukon's Selwyn Mountains will undergo an environmental assessment. Parks Canada has referred the 79km Howard's Pass Access Road (HPAR) to Environmental Assessment under the MVEIRB, which accepted the referral in July 2015. The HPAR was developed in the 1970s, and runs from the Nahanni Range Road to the NWT-Yukon border. Passing through 2 national parks. Yukon media reported in Feb 2016 that Selwyn Chihong has decided to slow their project down due to the current low zinc prices, and will not to take the project to the permitting stage this year. According to External Affairs VP Maurice Albert, SC has opted for a traditional drilling program and hopefully add another 10 years to the mine life.



Northern Mining News is written and published by the
NWT & Nunavut Chamber of Mines
for free distribution electronically to
those interested in the northern minerals industry.
Subscribe on our website.

For further information contact us at:
#103, 5102 50 Ave, Yellowknife, NT X1A 3S8
Email: info@miningnorth.com
Website: www.miningnorth.com

Mines & Promising Nunavut Mine Projects

The following table describes a number of leading mineral development projects in Nunavut.

Project	Owner(s)	Commodity	Description	Status
Meadowbank Gold Mine	Agnico Eagle Mines	Gold	In operation since 2010. Open pit mine located in the Kivalliq Region, 300 km west of Hudson Bay and 70 km N of Baker Lake. Mine jobs: 775 Exploring potential satellite deposit, Amaruq, 50km from mine site. Construction of the Amaruq Exploration Access Road commenced in the first quarter of 2016. Road construction is ongoing with nine kilometres completed to date of the expected total length of 62 kilometres. On April 19, the Nunavut Impact Review Board submitted its EIS report to the Minister of INAC concluding that the Vault Pit Expansion Project should proceed.	News Release, October 26, 2016: Agnico Eagle Reports Third Quarter 2016 Results: Strong Operational Performance Continues; Ongoing Exploration Yields Positive Results at Amaruq, Sisar Zone at Kittila, Olmeca Zone at El Barqueno and Barsele Project in Sweden
Mary River Iron Mine	Baffinland Iron Mines	Iron	In operation since September 2014; Open pit mine located 936 km N of Iqaluit. Mine jobs: 602 Production from Early Revenue Phase (ERP) began September 8, 2014. Company has proposed a Phase 2 project with increased production and shipping. AANDC Minister has approved application for exemption from NPC negative conformity determination, July 14, 2015.	Project is undergoing a new Environmental Assessment for the proposed expansion of mining and shipping to help offset downwards spiraling iron ore prices. Baffinland expect to submit the EIS (Environmental Impact Statement) for Phase 2 of the Project in September 2016. This submission is delayed from April 2016, to allow Baffinland to present a rail alternative with the road transport proposal and provide and assess the most effective means of transporting ore from Milne Port along the northern shipping route. The Qikiqtani Inuit Association (QIA) initiated arbitration proceedings with Baffinland Iron Mines Corporation (BIMC) on July 20, pursuant to the dispute resolution provisions of the Inuit Impact and Benefit Agreement alleging that Advance Payments of royalties owed to QIA are in arrears by \$6.25 million plus interest.
Hope Bay (Mine under construction)	TMAC Resources	Gold	Proposed gold mine 130 km S of Cambridge Bay; covers the majority of the Hope Bay Greenstone Belt. Estimated mine jobs: 485 Plans to commission their processing plant later in 2016 and then achieve steady state production in 2017.	News Release, December 12: TMAC Resources Makes US\$20 Million Draw Under Senior Secured Term Facility and TMAC Shares Added to Two S&P Dow Jones Indices News Release, December 16, 2016: TMAC Resources - Amended Doris North Water Licence Approved News Release, December 22, 2016: TMAC Resources Provides Results of Regional Till Sampling Program at Hope Bay
Meliadine	Agnico Eagle Mines	Gold	Proposed open pit and underground gold mine, 25 km NE of Rankin Inlet. Estimated construction jobs: 1,000 Estimated mine jobs: 700 IIBA signed June 2015. Initial capital cost is estimated to be \$911m; initial production life of 9 years. At December 31, 2015, the Meliadine property hosted 3.4 million ounces of	News Release, April 28, 2016: Meliadine Type A Water License Permit Expected by the End of the Second Quarter of 2016. The capital budget for 2016 is \$96 million, with activities focused on further underground development (approximately 3,700 metres), detailed engineering and procurement, construction of essential surface infrastructure and the acquisition of a used

NWT & Nunavut Chamber of Mines – Northern Mining News

			proven and probable mineral reserves (14.5 million tonnes of ore grading 7.32 g/t gold), 3.31 million ounces of measured and indicated mineral resources (20.78 million tonnes of ore grading 4.95 g/t gold), and 3.55 million ounces of inferred mineral resources (14.71 million tonnes of ore grading 7.51 g/t gold). In addition, there are numerous other known gold occurrences in the 80-kilometre-long greenstone belt that require further evaluation.	camp facility. The goal of the 2016 capital program is to ensure that the project remains on track for a potential 2020 production start-up, which is approximately a one year delay from previous expectations.
Kiggavik	AREVA Resources	Uranium	Proposed uranium mine 80 km W of Baker Lake. Estimated Construction jobs: 750 Estimated mine jobs: 600	July 25, 2016, Federal Minister of Indigenous and Northern Affairs Canada, on behalf of the Ministers of Fisheries, Oceans and the Canadian Coast Guard, Natural Resources, Transport as responsible ministers for this project with jurisdictional responsibility for authorizing whether the Kiggavik Project should or should not proceed, accept the Board's determination that the Project should not proceed at this time.
Back River	Sabina Gold & Silver Corp.	Gold	Approximately 60KM from Hackett River; adjacent to the Wishbone Greenstone belt. Consists of the George and Goose Lake deposits and holds significant gold resources. Estimated construction jobs: 1,600 Estimated mine jobs: 900 Sabina's Feasibility Study on its 100% owned Back River Gold Project presents a project that has been designed on a fit-for purpose basis, with the potential to produce ~200,000 ounces a year for ~11 years with a rapid payback of 2.9 years. At a US\$1,150 gold price and a 0.80 exchange rate. The Study delivers a potential after tax internal rate of return of approximately 24.2% with an initial CAPEX of \$415 million.	News Release, December 29: Canada Decision on the Back River Gold Project
Izok Corridor Project (with High Lake & Hood River deposits)	MMG Resources Inc.	Copper, Zinc, Gold, Silver	High Lake is 1710 hectare, copper-zinc-silver-gold property, 190 km ESE of Kugluktuk. Izok is high-grade zinc-copper-lead-silver deposit, 255 km SW of Kugluktuk. Estimated construction jobs: 1,140 Estimated mine jobs: 710	MMG examining alternative designs to reduce costs, add value, and improve economic viability of the project. Company stated publicly that project needs infrastructure assistance to become a mine. News Release, September 27, 2016: MMG plans CEO succession
Chidliak	Peregrine Diamonds Ltd.	Diamonds	Located 120 kilometres NE of Iqaluit, the capital of Nunavut, and 180 km S of Pangnirtung. 74 kimberlites have been discovered to date with 8 being potentially economic.	News Release, August 19, 2016, Peregrine Files Updated Technical Report for Chidliak Project
Angilak	Kivalliq Energy Corp.	Uranium	340,268 acre property located SW of Baker Lake; Hosts the high-grade Lac 50 Trend deposit	News Release, November 8, 2016 Kivalliq Announces Results from 2016 Exploration at Angilak; Yat Channel Samples Return High-Grade Precious Metal and Uranium Values
Qilalugak	North Arrow Minerals /	Diamonds	7 km from tidewater; 9 km from Repulse Bay, Melville Peninsula; 7,143	News release June 9: North Arrow Reports Diamond Valuation Results From The

NWT & Nunavut Chamber of Mines – Northern Mining News

	Stornoway Diamonds		hectares of contiguous mineral claims. Largest kimberlite in Nunavut.	Qilalugaq Project. The parcel of 383.55 carats of diamonds greater than +1DTC (~1 mm) was valued at \$13,795 or \$36 per carat and a modelled range of possible values was also produced with a “possible low” model price of \$43 per carat and a “possible high” model price of \$92 per carat.
Committee Bay Gold Project	Auryn Resources (purchased North Country Gold Corp.)	Gold	Committee Gold Bay Project Highlights: <ul style="list-style-type: none"> • High grade gold endowment • Existing exploration infrastructure • 217,600 hectares with district scale discovery opportunities 	News Release, November 25: Auryn reports remaining RAB drill results from 2016 program and Identifies two new high-grade boulder trains at Anuri and Ridge Prospects News Release, November 28: Auryn Identifies 17 High Priority Gold in Till Anomalies across the Committee Bay Belt News Release, November 30: Auryn Appoints Premier Mining Financier, Michael Kosowan to its Board of Directors
Hackett River	Glencore	Zinc, Silver, Copper, Lead	Proposed open pit mine. One of largest undeveloped VMS massive sulphide deposits in the world. 104 km SSW of Bathurst Inlet. Estimated construction jobs: 800 Estimated mine jobs: 500	PFS initiated in September, 2012. No activity reported in 2015.

Project Maps

