

Northern Mining News

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From the Executive Director ...

This month brings the annual cycle of NRCan’s exploration statistics, and the Fraser Institute’s annual jurisdictional review. Both ain’t great, I must confess, but check it out for yourselves.

But there are always optimistic stories, and I refer you to the bulk of them in this issue. They all contain positive gems (pun intended with at least one story). An interesting economic analysis was released by the Aboriginal business corporation, Denendeh Development Corporation, which speaks to the need for Aboriginal communities to focus attention on growing the future economy. Well done! And the Premier of Nunavut has spoken out to clarify his government’s position on caribou and development.

A nice recognition of Val Jackson, long time northern geologist. Congratulations Val!

Happy reading! ... Editor

Our Mission: *To be the leading advocate for responsible and sustainable mineral exploration and development in the NWT and Nunavut.*

2016 Mineral exploration spending intentions down in all 3 northern territories

Mineral exploration and deposit appraisal spending projections are ‘down’ in all three Canadian territories. Natural Resources Canada’s (NRCan) latest semi-annual report *Exploration and Deposit Appraisal Expenditures, by Province and Territory* provides the following spending intentions for 2016:

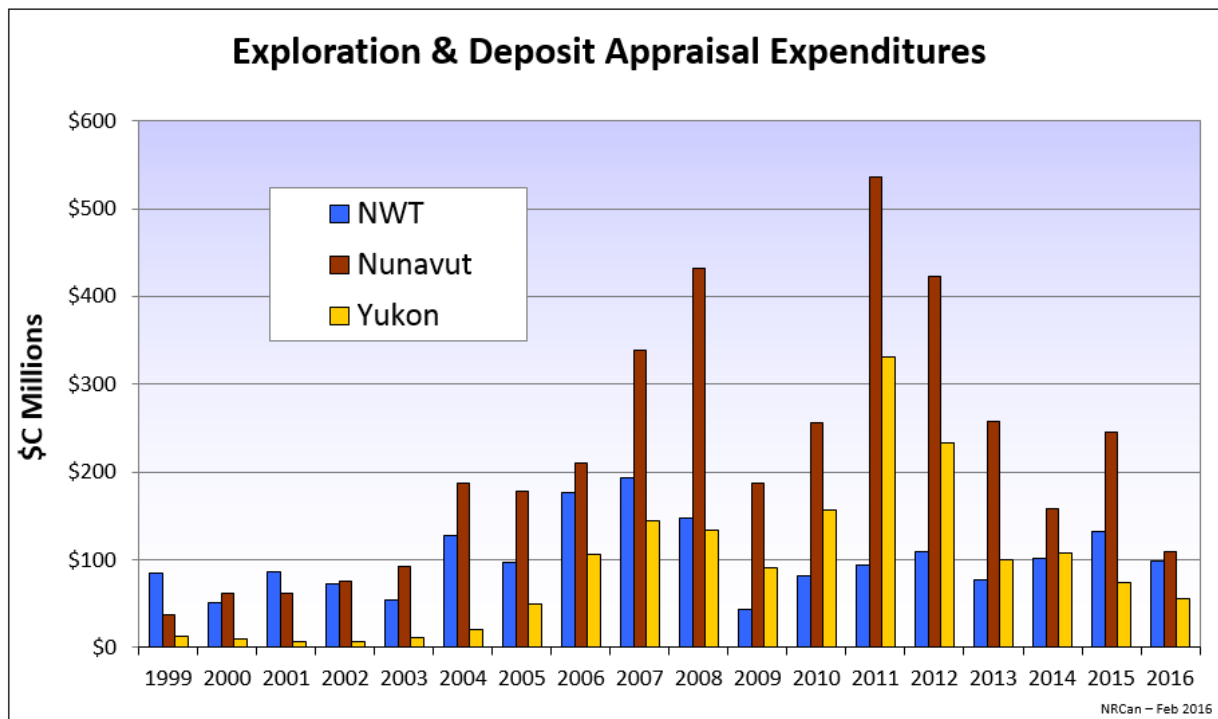
- \$99.3 million in the NWT, down \$0.9 million (0.9%) from 2015 expenditures of \$100.2 million;
- \$109.9 million in Nunavut, a decrease of \$105.2 million (49%) from \$215.1 million in 2015; and
- \$56.4 million in Yukon, a decrease of \$16.9 million (23%) from \$73.3 million in 2015.

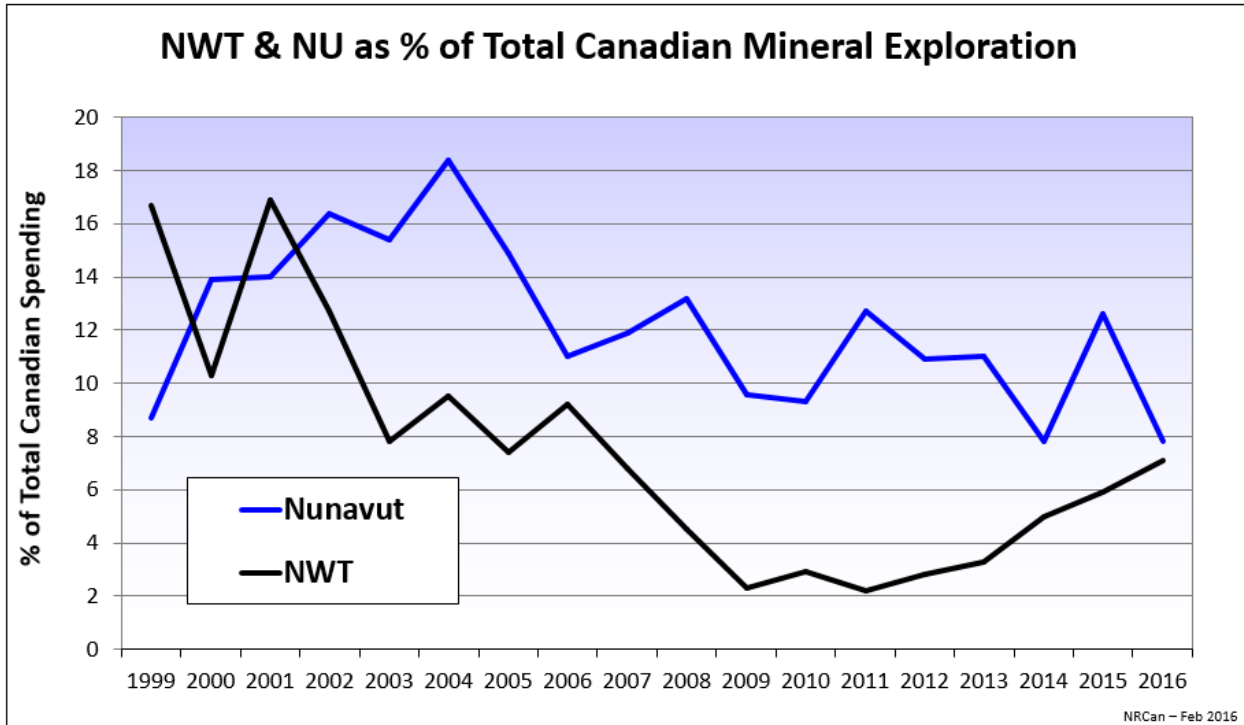
The majority of spending in the NWT in 2016 is expected to be for diamonds and in Nunavut, precious metals. Senior companies in the NWT and Nunavut are projected to dominate exploration spending with 67% and 75% of the 2016 totals respectively. The majority of 2016 spending is projected to be on deposit appraisal (67% in NWT and 57% in Nunavut), with the remainder on grassroots exploration.

NRCan has also updated reported 2015 expenditures which were:

- \$100.2 million in the NWT;
- \$215.1 million in Nunavut; and
- \$73.3 million in Yukon.

As a share of projected Canadian investment in 2015, Nunavut remained in fifth place, and the Yukon and NWT switched places, with NWT now in sixth position and Yukon in seventh.





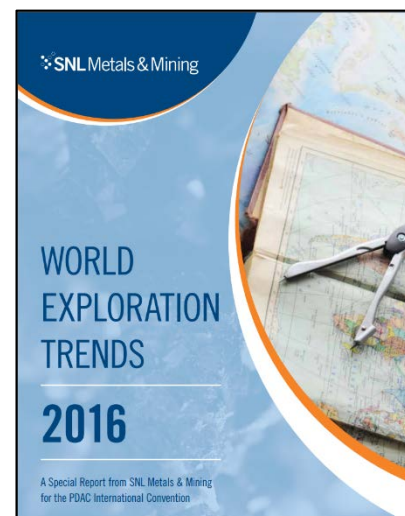
NRCan reported that total Canadian exploration and deposit appraisal expenditures for 2015 were \$1,709.2 million, a decrease of 15% from \$2,017.4 million in 2014. Under the current projections, spending intentions for 2016 would see a further decrease of 18% or \$308 million.

Charts for northern Canada’s historical and projected mineral exploration and deposit appraisal performance are attached. NRCan’s data can be downloaded by clicking [here](#).

World Exploration Trends – 2016

Throughout 2015, deepening concern over the global economy hammered the resources sector. January 2016 started just as badly when more than US\$2,300 billion was wiped off global stocks in the first full week. Despite a robust jobs report in the U.S., investors were spooked by China’s slowing economy, depreciation of the renminbi and the collapsing oil price, lowering the mining industry’s aggregate market capitalization to levels not seen since early 2009.

Results from SNL Metals & Mining’s 26th edition of the Corporate Exploration Strategies reports clearly show that the global exploration sector has fared no better, with the mining industry’s total budget for nonferrous exploration falling 19% to \$9.2 billion in 2015. With depressed metals prices and weakening Chinese demand, combined with strong metal production and high levels of political turmoil, investors are shunning the mining industry, leaving most explorers with little option but to further curtail spending.



At the end of January, the World Bank published its latest Commodity Markets Outlook, in which it predicts a further 10% decline in metals prices this year due to “stubbornly elevated” metals supplies.

The World Bank expects iron ore to suffer the most. Prices are slated to fall another 25% in 2016, and to sink further if China’s economy slows more than anticipated and/or production is higher than expected.

The steep plunge in exploration budgets over the past few years reflects increasing investor wariness of the entire mining sector, which has made it difficult for most junior companies to raise funds, and for producing companies to justify intensive capital and exploration spending plans. Throughout 2015, negative price outlooks further forced producing companies’ hands, leading many to sell off assets, shutter operations and focus on companywide cost savings.

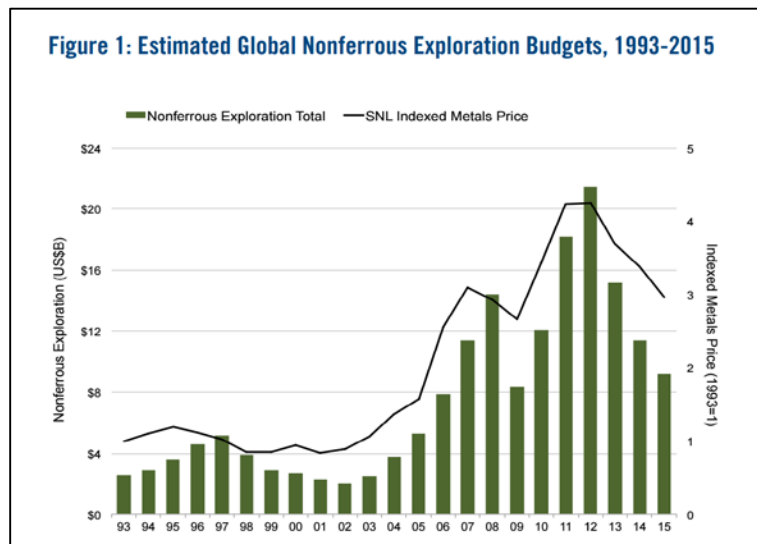
Beginning in April of that year [2012], investors became increasingly wary of the junior sector, causing many companies to struggle to raise funds for their ongoing programs and forcing them to cut actual spending below their budgets for the year.

Unfortunately, 2015 did not see the start of the meaningful recovery that many had been hoping for. Despite five interest-rate cuts since late 2014, and additional measures designed to stabilize domestic markets or stimulate growth, China’s economic slowdown has continued, dragging many resource-based economies down with it. Given the uncertain demand, virtually all metals prices were in full retreat throughout 2015, ensuring that the downturn in exploration continued. In 2015, companies lowered their budgets by another 18% to US\$8.77 billion, marking the first time aggregate budgets had fallen below US\$10 billion since the 2008-09 crash.

Looking Forward

A third consecutive year of industry doldrums has come to a close, and early indications suggest that 2016 is unlikely to reveal the light at the end of the tunnel. With depressed metals prices, production exceeding demand for most metals, high levels of international political turmoil and a slowing Chinese economy, investors are understandably wary of the mining industry, and indeed of markets in general. As a result, SNL maintains a moderately negative outlook for investment in exploration, and does not expect exploration budgets to begin rebounding before 2017.

Download the report [here](#).



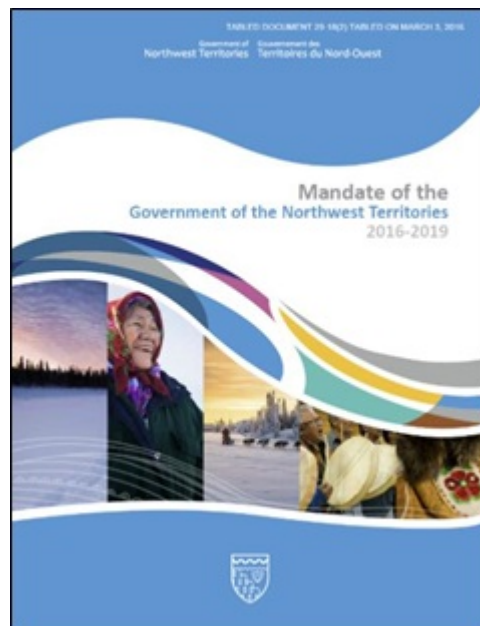
2015 saw a 19% decline in worldwide non-ferrous metals exploration budgets.

NWT Government tables its Mandate, with support for mining

The NWT Government has tabled its Mandate, its plan for action over the next 4 years. From this, the Premier of the NWT, the Honourable Bob McLeod has issued Mandate Letters to each of his Ministers.

Encouragingly, the Mandate has many actions supportive of growth in the minerals industry, including:

- We will support mineral exploration and the mining sector, by implementing the Mineral Development Strategy, capturing opportunities to build transportation infrastructure that enables resources to get to market, closing the skills gap in the mining sector, implementing the Mining Incentive Program, developing and proposing a *Mineral Resources Act*, and supporting Aboriginal governments to build capacity in dealing with mining-related activities.
- Complete land-use plans for all areas, including regions without land and resources agreements, in collaboration with Aboriginal governments
- Developing and proposing a *Mineral Resources Act* and Making amendments to the *NWT Mining Regulations*
- We will continue to explore the potential for the development of hydroelectric power and transmission lines, as well as the development of wind and solar energies to displace diesel generation while diversifying the NWT economy.
- We will capture opportunities for investment in transportation infrastructure by working to secure funding to advance the Mackenzie Valley Highway, make an all-weather road from Highway 3 to Whati, and improve access into the Slave Geologic Province.
- We will work to resolve outstanding land, resource and self-government agreements with the Akaitcho, Dehcho, NWT Metis Nation, Acho Dene Koe and the Government of Canada during the term of our government ...



Download the Mandate [here](#) and Mandate letters [here](#).

Federal Transportation Act report recommends roads for mining in North

A report on the Review of the Canada Transportation Act was tabled in the House of Commons in late February. It looks forward 20 to 30 years to identify priorities and potential actions in transportation that will support Canada's long-term economic well-being.

Chapter 4, The North, includes recommendations for two major NWT and Nunavut road projects:

- *Mackenzie Valley Corridor, which follows the Mackenzie River from Tuktoyaktuk to Yellowknife and Hay River. The Mackenzie Valley Corridor is favoured due to the levels of infrastructure already in place, as well as the anticipated very high rate of return on investment.*
- *Coronation Yellowknife, which stretches northeast from Yellowknife, through Slave Geological Province to Grays Bay in Nunavut. Development of the Coronation Yellowknife Corridor is recommended, as it would tie together a number of mining projects and provide a deep-water port in the central Arctic.*

The report also observes that while the costs of planning and constructing such large-scale infrastructure are significant, the time is right as the current relatively low interest and lending rates are incentives to undertake this work as expeditiously as possible.

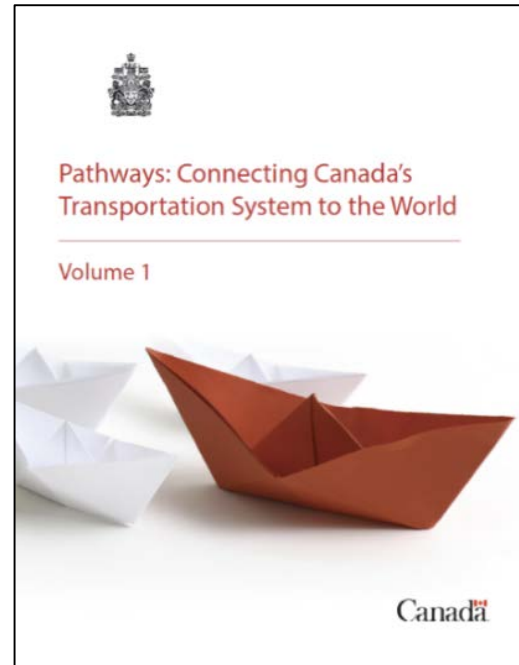
Speaking to the report in the Senate, NU Senator Dennis Patterson said: “This nation-building project is close to shovel ready and would require a total commitment of \$34 million from Canada over the next four years in order to complete the permitting and engineering process. Best of all, the Inuit-owned Nunavut Resources Corp., partnered with the Government of Nunavut, would build and own the road and port, which could also serve the Royal Canadian Navy as a refueling location, as well as a safe landing area for storage and resupply needs in the region while collecting long-term lease payments from the mining company.”

And from an NWT perspective, the Senator went on: “This project complements stated NWT priorities to ‘improve access to the Slave Geological Province that abuts this region in Nunavut, which is why Premier Bob Mcleod has publicly stated his support for Nunavut Premier Peter Taptuna and this project.”

Click here for [Volume 1](#) (pdf) and here for [Volume 2](#) (pdf).

The Government is currently reviewing the Report and is looking forward to hearing from Canadians on the findings of the Review. Collaboration with key partners will be essential to ensure that Canada’s transportation system is well positioned to capitalize on global opportunities, contribute to a high-performing economy and meet the evolving needs of Canadians.

Please click [here](#) to stay abreast of the latest developments on the Government of Canada’s forward approach to the CTA Review Report. Comments and questions may be forwarded to Transport Canada at: TC.CTAReport-RapportLTC.TC@tc.gc.ca.



Long-Term Socio-Ec outlook for Denendeh – new Aboriginal discussion paper

Denendeh Development Corporation (DDC) has released a report it commissioned titled, “Choosing a Path Forward – A Long-Term Outlook for Denendeh,” the Dene name for much of the Northwest Territories. The purpose of the report is to better understand the changing economic landscape across Denendeh, when and how these changes may take place, and what can be done to change any downward trends of our economy.

The report provides a snapshot of the state of the NWT economy right now, to stimulate discussion on where and how to maintain stability and encourage growth.

Denendeh has experienced exceptional economic growth and stability over the past 15 years. The growth has been transformative, having altered the social landscape, allowing many families to make improvements in their standard of living and quality of life that will be passed onto future generations. In many cases, it means families no longer live in poverty, children are the first in their families to graduate from high school and to attend university. There are many reasons to celebrate these changes.

But times are changing, and for too many, the economic growth that has been so important for so many may not last long enough to have the same transformative effect on their families.

The report concludes that the territory’s economic future presents obvious challenges, but it remains strong today and there is no denying the economic potential of the region.

“What we need are new ideas, new partnerships, and greater trust to ensure a healthy future for the NWT. Aboriginal Corporations such as DDC and Denendeh Investments Incorporated (DII) can provide real solutions to the challenges that lie ahead,” explained Darrell Beaulieu, CEO of Denendeh Group of Companies.

DDC, one of the oldest Aboriginal Corporations in Canada, was created in 1982 by the Dene National Assembly as a not-for-profit corporation with the goal of building a stronger Dene future and supporting economic, social and cultural development. The membership of DDC is 100% Dene of the Northwest Territories.

Along with the 27 NWT Dene First Nations, DDC holds units in Denendeh Investments Limited Partnership (DILP) whose General Partner is Denendeh Investments Incorporated (DII). DII is a recognized business leader in the Northwest Territories, providing economic growth and prosperity for First Nations, and making strategic investments in the areas of Oil and Gas, Mineral Exploration, Communications Infrastructure Logistics, Power Generation and Supply, Real Estate, and Remediation and Environmental Solutions.

The report was prepared by Graeme Clinton, Principal of Impact Economics, based in Yellowknife. Click [here](#) to download the paper.



NWT Government releases Communities & Diamonds report

The Communities and Diamonds Annual Report is produced partly in fulfillment of commitments made by the Government of the Northwest Territories (GNWT) in Socio-Economic Agreements (SEAs) with the mining companies operating in the Northwest Territories (NWT). There are currently two operating mines, one mine under construction, and one mine under care and maintenance. The operating mines are the Dominion Diamond Corporation Ekati Mine and the Diavik Diamond Mine. Gahcho Kué is currently under construction and the De Beers Snap Lake Mine went into care and maintenance in December 2015.

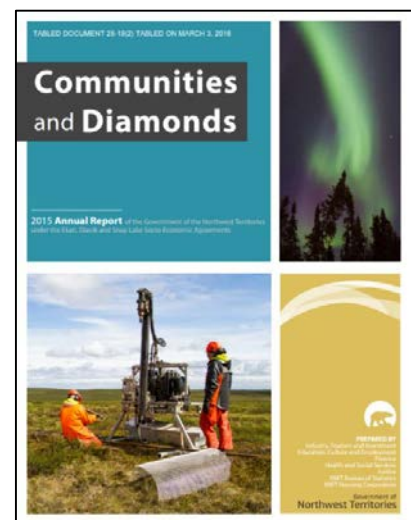
The purpose of the Communities and Diamonds Report is to determine if mine activity may be affecting residents of Yellowknife and seven Small Local Communities (SLCs) in the NWT by examining socio-economic indicators for changes since 1996, when the first mine, Ekati, began construction. The seven SLCs are Behchoko, Detah, Gamèti, Łutselk'e, Ndilo, Wekweèti, and Whati. The report examines the data based on the GNWT Sustainable Development Policy five-point framework:

1. community, family and individual well-being;
2. cultural well-being and traditional economy;
3. non-traditional economy;
4. net effect on government; and
5. sustainable development.

Overall, the 2015 Communities and Diamonds Report highlights that the mining industry has provided employment and economic opportunities for businesses and residents across the NWT. Since the start of construction of Ekati, employment has increased, residents have less reliance on income assistance, education levels are improving, and businesses are seeing significant benefits. While challenges still exist, the report provides an outline of areas where improvements can be made to benefit NWT communities.

The net effect on government has been an increase in demands for government programs and services. Examples of these include the addition and maintenance of infrastructure (e.g. roads), the need to address social stresses caused by development and income growth, the need to track environmental effects, and the need to invest in areas such as training to better equip Northerners to acquire jobs and fill business demand around them. To address these impacts, the GNWT makes strategic investments to realize the greatest benefit from development and mitigate adverse impacts. Resource development also brings money to the GNWT through property, fuel and corporate income taxes paid by the mines. In 2015, the GNWT shared 50 percent of resource royalties from the diamond mines with Aboriginal governments.

Download the report [here](#).



Agnico Eagle's Nunavut results continue to be strong

On February 10, Agnico Eagle Mines (AEM) reported its [Q4 and Full Year 2015 Results](#). The company reported strong operational performance, yielding record annual production.

AEM's Nunavut mine – Meadowbank

Production from Meadowbank was lower in 2015, but is related to a decision made to extend the Vault pit. While this results in decreased forecast production in 2016, it adds approximately another year of production and the mine is now expected to close in the third quarter of 2018, approximately a year longer than previously forecast by Agnico Eagle in February 2015.

Production levels are expected to gradually decline from 2016 to 2018 due to a decline in grade as the current mineral reserve base is depleted. This extension is important as it helps to partially bridge the production gap with the potential development of the Amaruq deposit, which the Company is actively exploring with the goal of potentially developing the deposit as a satellite operation to Meadowbank.

Amaruq on path to becoming satellite deposit

In 2015, a \$37.7 million exploration program (378 drill holes totalling approximately 108,000 metres) was carried out at the Amaruq project, which is located approximately 50 kilometres northwest of the Meadowbank mine. A large portion of last year's drill program was focused on the Whale Tail Zone, where drilling has outlined up to five mineralized lenses along a strike length of 2.3 kilometres and to a depth of up to 600 metres below surface. Mineralization at Whale Tail remains open in all directions. Significant mineralization has also been outlined in the IVR area.

As a result of the 2015 exploration program, the inferred mineral resource at Amaruq increased by approximately 67% compared to the inferred mineral resource of 2.0 million ounces of gold (see the Company's August 19, 2015 news release for comparison) to 3.3 million ounces of gold (16.9 million tonnes grading 6.05 g/t gold) at December 31, 2015.

The first phase of a planned 75,000 metre drill program (costing approximately \$19 million) began with two drills in early February 2016. The goals of this program are to infill and expand the known mineral resource areas and test other favourable targets. A mineral resource update is expected in the second half of 2016. The ultimate goal remains to potentially develop the Amaruq deposit as a satellite operation to Meadowbank. In late 2015, the Company received approvals for the construction of an all-weather access road linking the two. The Company expects to carry out additional engineering and begin road preparation from the Vault pit at Meadowbank in 2016.

Total capital expenditures made by the Company in Q4 2015 included \$22.2 million at Meliadine and \$18.0 million at Meadowbank, bringing total capital expenditures for the full year 2015 to \$66.7 million at Meliadine and \$65.2 million at Meadowbank.

Moderate 2016 capital spending preserves production optionality in Nunavut – Expenditures at Amaruq are designed to expand and upgrade the gold resources and outline a second source of open pit ore for the project. Planned spending levels at Meliadine for 2016 are expected to be sufficient to keep critical path elements moving forward. However, decreased spending as

compared with previous internal forecasts is expected to delay the potential project start-up by approximately one year to 2020.

The Company expects to ultimately develop Amaruq as a satellite operation to Meadowbank, with the potential to begin production in 2019. Given that the initial mineral resource grade at Amaruq is well in excess of the mineral reserve grade at Meadowbank, the Company believes that there is good potential for Amaruq to have similar annual output to Meadowbank in its peak production years.

Permitting activities and engineering studies for the construction of an initial open pit mine and an underground exploration ramp at Amaruq are ongoing.

Meliadine – Moderate 2016 Capital Expenditures Preserves Production Optionality

Located near Rankin Inlet, Nunavut, Canada, the Meliadine project was acquired in July 2010, and is one of Agnico Eagle's largest gold projects in terms of mineral resources. The Company owns 100% of the 111,757 hectare property.

The updated technical study for Meliadine released last year (see March 12, 2015 news release) forecast average annual production of approximately 350,000 ounces at a life-of-mine total cash costs per ounce on a by-product basis of approximately \$531 over a nine-year mine life. The study used a gold price of C\$1,495 per ounce (as compared to a current spot price of approximately C\$1,657 per ounce on February 8, 2016).

The technical study was based on extracting only the 3.3 million ounces of gold in proven and probable mineral reserves at December 31, 2014 (13.9 million tonnes of ore grading 7.44 g/t gold), which is all contained in the Tiriganiaq and Wesmeg deposits.

At December 31, 2015, the Meliadine property hosted 3.4 million ounces of 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 (20.8 million tonnes of ore grading 4.95 g/t gold), and 3.55 million ounces of inferred mineral resources (14.7 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.

The capital budget for 2016 is \$96 million with activities focused on further underground development (approximately 3,000 metres), detailed engineering and procurement, construction of essential surface infrastructure and acquisition of a used 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.

Internal studies are ongoing to evaluate the potential to extract additional ounces of gold from the Tiriganiaq and Wesmeg/Normeg deposits that could potentially extend the mine life, increase annual production and improve the project economics and the after-tax internal rate of return. These studies are expected to be completed in the third quarter of 2016.

On October 5, 2015, the Nunavut Water Board issued the permit (License B) for Meliadine pre-development work. License A, which is required for production activities, is expected to be granted in the second quarter of 2016.

The timing of future capital expenditures on the Meliadine project beyond 2016 and the determination of whether to build a mine at Meliadine are subject to approval by Agnico Eagle's Board of Directors which will be based on prevailing market conditions and outcomes of the various potential scenarios being evaluated.

Read more from the Q4 release [here](#).

Canadian Zinc signs agreements with Korea Zinc and Boliden for Prairie Creek

Canadian Zinc Corporation has announced that it has signed agreements with Korea Zinc and Boliden for the sale of zinc and lead concentrates to be produced at Canadian Zinc's 100% owned Prairie Creek Mine.

The Company has entered into a Memorandum of Understanding with **Korea Zinc** for the sale of approximately 20,000 to 30,000 wet metric tonnes of zinc sulphide concentrates, approximately 15,000 to 20,000 wet metric tonnes of lead sulphide concentrates and approximately 5,000 tonnes of lead oxide concentrates, per year, for a minimum period of five years from the date of startup of the Prairie Creek Mine, with exact annual quantities to be mutually agreed.

The Company has also entered into a Memorandum of Understanding with **Boliden** for the sale of a minimum of 20,000 dry metric tonnes and up to 40,000 dry metric tonnes of zinc sulphide concentrates, per year, for a minimum of five years from the start of regular deliveries, with exact annual quantities to be mutually agreed.

"These offtake arrangements with two of the pre-eminent smelting companies in the world, confirming the marketability of Prairie Creek's zinc and lead concentrates, represent a major step forward in the development of the Prairie Creek Mine and move Canadian Zinc closer to production", stated John Kearney, Chairman and Chief Executive Officer of Canadian Zinc.

Read the full release [here](#).

De Beers considering flooding Snap Lake mine

In a presentation to the Snap Lake Environmental Monitoring Agency (SLEMA), De Beers has reported that ongoing government inspections under the water license reveal no concerns. Inspections will be increased in frequency to ensure conformance to De Beers' care and maintenance plan.

De Beers also indicated that in 2016 they intend to conduct additional technical and economic evaluations exploring a partially and fully flooded underground mine.

Bulk ammonium nitrate used to manufacture explosives, will be shipped off site.

View the presentation [here](#).



Diavik “Gem of the Month”

Diavik has tweeted that its “diamond of the month” is this stunning gem which weighs 55 carats!



Caribou habitat and development in Nunavut – the Premier speaks

On March 9, the Government of Nunavut issued the following statement on caribou habitat and development:

The Government of Nunavut (GN) supports the protection of caribou calving and post-calving grounds. The GN will review and provide advice on a case by case basis with respect to responsible development in key access corridors, but only if there is sound mitigation plans, with seasonal restrictions on all activities in calving and post-calving grounds, that are vetted and approved through the appropriate regulatory bodies.

In the House that same day, the Premier spoke to the issue with the following:

Mr. Speaker in 2014 as members of this assembly, we had our full-caucus retreat in Kugluktuk. By consensus, we agreed upon the vision for this government.

We agreed in Sivumut Abluqta that we would apply sound regulatory processes to development, and ensure that a sound wildlife management system is in place to benefit Nunavummiut. We want to safeguard harmony and balance in this vision.

Mr. Speaker, the Government of Nunavut does not and will not support projects that have a negative impact on our wildlife that cannot be mitigated.

We want to engage the regulatory process and ensure regulators are able to do the job they are tasked with under the Nunavut Land Claims Agreement. The regulatory process would include environmental, wildlife, and socio-economic assessments by Nunavut's regulatory agencies. It also includes the federal licensing process.

Mr. Speaker, the Hudson's Bay Roundtable has stated that they would like to move forward on feasibility studies for an electrical transmission line in the Kivalliq Region. If, for example, this project were to fall within calving or post calving grounds and corridors, we'd expect a full regulatory review of the project and sound decisions on restrictions in order to protect the natural habitat.

That process would include public consultations. There would be input from affected communities. If the concerns of the regulatory agencies are not met by the developer, then there would be no transmission line permit and the project as proposed would not be approved.

Prohibition on calving and post-calving grounds with seasonal restrictions would rule out any kind of review of a project. It means there may be no transmission line for the Kivillaq Region.

Mr. Speaker, restrictions ensures a full project review takes place. Prohibition means there would be no review and no potential for development.

I want to be clear Mr. Speaker, restrictions ensures a complete project review is conducted. Prohibition means there will be no review and we want to follow the intent of our regulatory agencies.

Mr. Speaker, no development is not the purpose of our land claim. The purpose is to have regulators involved.

Development projects can ultimately be rejected by the regulatory bodies and that is why it is important to allow for developers to engage in that process.

It is up to Inuit to decide what developments occur on our lands. It is up to us to put restrictions in place and ensure that any development follows our rules and regulatory process. That is why we have these regulatory boards within our land claim.

Mr. Speaker, wildlife protection is essential. We have one of the best polar bear management plans in the world. We imposed the first ever moratorium on caribou harvesting on Baffin Island and have since allowed for limited harvesting.

Simply put, we need to balance protection on a case-by-case basis with development through our regulatory system.

The Chamber of Mines takes a similar position. Industry is also concerned with the health of the caribou herds in Nunavut, and we believe that responsible, sustainable development can co-exist with caribou. Development and caribou are not an either/or issue, it's AND. We can have both.

Northwest Territories to develop homegrown mining regulations

The Government of the Northwest Territories (GNWT) announced March 10 they would proceed with major modernization initiatives for the mining and exploration sector.

The Department of Industry, Tourism and Investment (ITI) will begin the process of developing and proposing a new, leading edge Mineral Resources Act to address the NWT's unique regulatory needs while becoming more responsive to evolving industrial environments.

ITI is pursuing this process as part of the NWT's Mineral Development Strategy (MDS), which recommended the GNWT create homegrown legislation to increase competitiveness in the mining sector.

A long-term project, the process will include consultation with Aboriginal governments and community organizations, as well as industry stakeholders to ensure the final product is acceptable to all involved.

The process will lead to the sunset of the current NWT *Mining Regulations* — originally enacted upon Devolution as part of requirements for federal land and resources legislation administered by Indigenous and Northern Affairs Canada to be mirrored by the GNWT.

Next steps will include a jurisdictional review relating to mineral rights administration to inform development of the Mineral Resources Act.

Minister of Industry, Tourism and Investment, Bob McLeod said: "Mineral exploration and development are foundational to the economy of the NWT. With Devolution, our goal was always to 'Devolve and evolve.' Our move towards developing a leading-edge, homegrown Mineral Resources Act is demonstrative of our continued dedication to a stronger, more competitive economy for the NWT."

Quick Facts

- The NWT is one of only two jurisdictions in Canada without a standalone Mineral Resources Act; the other being Nunavut
- This has rendered the NWT outside the legislative norm and at a competitive disadvantage with other jurisdictions
- The NWT is the only jurisdiction in Canada with an Intergovernmental Council working with Aboriginal governments as equals in land and resource matters
- Diamond mining directly contributed \$574.6 million in territorial Gross Domestic Product in 2014

Annual Fraser survey rates investment attractiveness: NWT down, Nunavut up

The annual [Fraser Institute Survey of Mining Companies 2015](#) released March 1 pegs investment attractiveness as down significantly in the NWT and up slightly in Nunavut. The annual survey assesses how mineral endowments and public policy factors including taxation and regulations affect exploration investment in 109 jurisdictions throughout the world.

In overall *Investment Attractiveness*, Saskatchewan and Quebec were the only Canadian jurisdictions that placed in the top 10 most attractive places in the world for mining investment. Yukon dropped to 12th place from 9th last year, Nunavut rose slightly from 29th to 23rd and the Northwest Territories dropped significantly to 35th place from 15th place. In Canadian terms, Nunavut placed 7th and NWT placed 10th, next to New Brunswick and Nova Scotia. The NWT and Nunavut scored high in the “room for improvement” category. The top jurisdiction in the world for investment based on the *Investment Attractiveness Index* is Western Australia, which moved up to first from fourth.

Comments that survey respondents provided specifically on the NWT and Nunavut were:

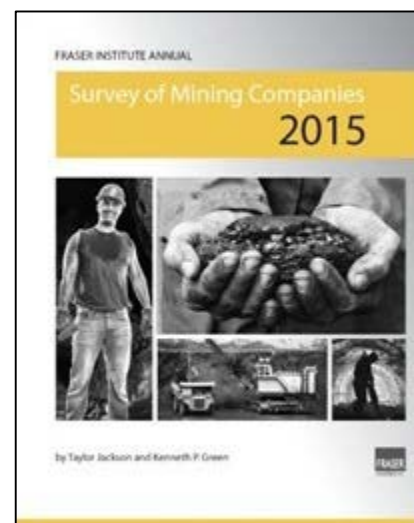
Northwest Territories

- *A recent first phase exploration program that included 5-10 exploration drill holes of shallow depth was pushed to environmental assessment after 12 months of consultation and negotiations with government and First Nations.*
- *Lack of comprehensive land claim settlement has seen regional groups/ communities attempting to force their own regulatory obligations on companies. These lead to uncertainty and delays and inconsistencies in applying/following regulatory compliance.*
- *Unresolved land claims, an ineffective regulatory system that still isn't sorted out after devolution, and the lack of a regional land use plan for the Upper Thelon region (promised in 2007) are all currently acting as deterrents to investment.*
- *The lack of settled land claims is the biggest deterrent to starting exploration programs.*

Nunavut

- *Recent events with Institutions of Public Government (specifically the Nunavut Planning Commission) have created a significant challenge to meeting timelines as this group has not followed its own procedures.*

These are disappointing results for the NWT and Nunavut, since responsible resource development is so important for the economic well-being of the two territories. The NWT & Nunavut Chamber of Mines will continue to work with and provide input to Indigenous, Territorial and Federal Governments and other stake-holders in the NWT and Nunavut in order to guide appropriate actions to improve the investment climate for exploration and mining.

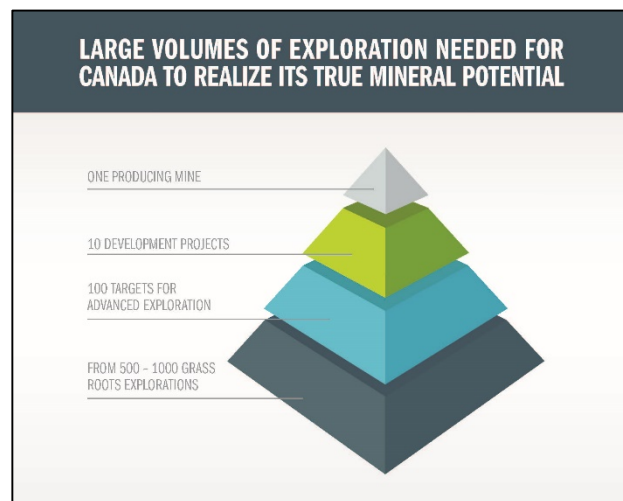


Fraser Institute also says Policy Improvements Needed in NWT & Nunavut

In an earlier survey, released just a week before, the Fraser Institute reported that mining company executives say the length of time it takes to get approval for mining exploration permits has grown longer and more onerous over time in Canada, particularly in the Northwest Territories. The separate survey results released on February 23, "[Permit Times for Exploration: How Long Are They?](#)" revealed that overall, Saskatchewan emerged at the top of the scale as the most attractive and competitive jurisdiction for receiving exploration permits. The NWT and Ontario were ranked last and second to last respectively. Nunavut was ranked fourth of the ten jurisdictions that were surveyed. The rankings are summarized in the attached charts.

Lengthy permit approvals can add costs and uncertainty to an already high risk endeavour. Three specific areas related to permit approvals were examined: time, transparency and certainty.

- **Time:** Explorers are waiting much longer than in the past for permits in all three Canadian territories. The NWT and Nunavut have the two lowest percentages of respondents who acquired permits in six months or less, comparing poorly to other provinces.
- **Transparency:** On the ability of explorers to understand the rules and how they are applied, the NWT emerged with the poorest rating. Nunavut fared slightly better, although a large number of respondents still found transparency there to be a deterrent to investment.
- **Certainty:** When asked of their certainty in receiving the permits necessary to explore, nearly one third of respondents reported low to no confidence in Ontario and the NWT.



The NWT & Nunavut Chamber of Mines and its members continue to seek government support for improvements to the regulatory system in the NWT and Nunavut. Permitting conditions are one factor that has contributed to a dramatic decrease in exploration investment in the NWT where exploration investment has fallen and flat-lined since 2007. Over the same period Nunavut, with similar mineral potential, has benefitted by attracting an extra \$1.7 billion in exploration investment.

These are very difficult times for the minerals industry, with low commodity prices and reduced investor confidence having major negative impacts. The Chamber of Mines urges federal, territorial and indigenous governments to reduce permitting timelines, provide clear rules on permitting processes, settle land claims and increase certainty around lands open to development with balanced land use plans and policies. To quote the authors of the Fraser

Institute report, “policy reform in this area may help Canada’s provinces and territories unlock their considerable mineral potential.”

Access the Executive Summary, the full report, and graphics [here](#).

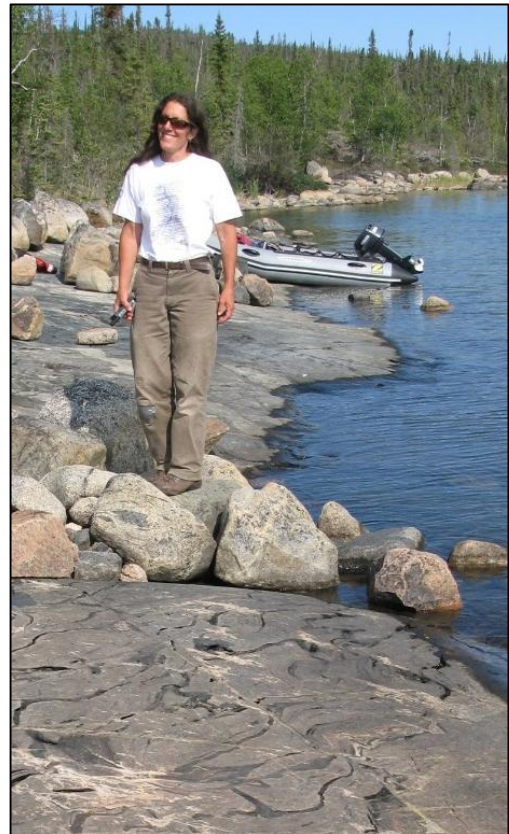
Valerie Jackson – recipient of 2016 Canadian Earth Sciences Award!

The Canadian Federation of Earth Sciences has announced that the winner of the 2016 Mentorship Medal is Valerie Jackson of the Northwest Territories Geological Survey, in recognition of her outstanding and continued mentorship of geoscience students and colleagues.

Ms. Jackson, a Project Geologist with Northwest Territories Geological Survey, epitomizes the criteria for the Canadian Federation of Earth Sciences Mentorship Medal, summarized as "excellence in mentoring over a sustained period of time." To her many colleagues and former students, she is an obvious choice for this national award and recognition. Valerie began bedrock mapping in the late 1970s in Ontario and Newfoundland, and by the early 1980s was running bedrock mapping projects in the Northwest Territories, which then included what is now Nunavut, for the Canadian Government. She has conducted remote northern mapping campaigns since that time and in the process has trained, mentored, and inspired well over 100 undergraduate and graduate students and colleagues who have served in her field crews. An exceptional geologist in her own right, she recognizes the exceptional opportunity that her project work provides for her field staff and has consistently sought to provide a unique and high-quality professional and personal experience.

As Valerie's numerous mentees attest, this decades-long exercise in experiential learning has positively shaped the way that the current generation of geoscientists in Canada and elsewhere conduct their profession. Geological mapping in remote northern field locations is a remarkably complex task that her students ultimately excelled at under her patient guidance and teaching. For many, it has been a life-changing experience. Valerie Jackson has an insatiable work ethic and a determined pursuit of excellence. Her lead-by-example approach is contagious and inspires others to learn and perform at a high level and to be excited about their work. At a difficult time for employment in the geosciences, the list of still-practicing professional geoscientists that Valerie has mentored attests to this. Perhaps most significantly, Valerie's mentoring style has inspired the next generation to mentor using a similar approach, ensuring a legacy of training and mentorship that will inspire future generations of geoscientists.

Read more [here](#).



Diamond mines ice road update

The 2016 Tibbitt to Contwoyto Winter Road season is well underway as all the crews are into the Maintenance cycle of the project. Maintenance crews continue to work along many portions of the main and express lanes throughout the week. Flooding operations are being conducting along lakes to assist in the ice growth. The current operational ice thickness capacity for the WR is set at 39”.

Total tonnage shipped to March 11 is 188,083.807 tonnes or 6,814 loads.

TMAC Resources welcomes Leona Aglukkaq to board of directors

In a February 26, 2016 news release, TMAC Resources announced the appointment of former federal Cabinet Minister Leona Aglukkaq to its board of directors. Mr. Terry MacGibbon, Executive Chairman stated, “TMAC’s Hope Bay Project is in Ms. Aglukkaq’s home region, and as a result, she has a keen understanding of the Hope Bay Project’s importance in the economic development of Canada’s north... In addition to her Federal government experience, Ms. Aglukkaq has broad public government exposure, including international diplomatic experience as a Minister of the Arctic Council... Ms. Aglukkaq has territorial government experience as both an elected official and a public official in the governments of Nunavut and the Northwest Territories, and in Institutions of Public Government as a member of NIRB”.



The company most assuredly will benefit from Ms. Aglukkaq’s knowledge of the Kitikmeot and Nunavut regulatory affairs in making Hope Bay a success.

Diamond Producers Association announces senior positions

Will help protect our northern diamond benefits from the threat of synthetic diamonds

The newly created Diamond Producers Association (DPA) has announced the appointments of Stephen Lussier as Chairman, Jim Pounds as Vice Chairman and Jean-Marc Lieberherr as Chief Executive Officer, all with immediate effect.

We know some of those names well, given their connection to marketing stones from our very own NWT diamond mines. Stephen is Executive Vice President of Marketing at The De Beers Group of Companies, as well as Chief Executive Officer of its Forevermark brand. Jim is Executive Vice President, Diamonds, at Dominion Diamond Corporation and Jean-Marc is the former Managing Director of Rio Tinto’s diamond business.

Stephen, Jim and Jean-Marc will work closely with the other DPA members to develop the organisation’s strategic approach as it focuses on meeting its core objectives. These include maintaining and enhancing consumer demand for and confidence in diamonds, providing a

reliable source of industry information and communicating the role and contribution of diamond producers to the diamond sector and broader society.

Stephen said: “Diamonds are nature’s most precious treasures and it is a real privilege to have the opportunity to tell the world their story. I look forward to working together with Jim, Jean-Marc, Sally Morrison and all of the team to ensure that the diamond dream grows ever stronger”.

Jean-Marc said: “I am looking forward to working with diamond producers and all other industry stakeholders to build an even stronger, more resilient diamond sector. It is key to the prosperity and livelihood of millions of families the world over and as such it is an exciting and rewarding endeavour”.

Our industry will support such an initiative, given its job is to help protect the many benefits that our beautiful natural northern diamonds have created through jobs, business and public and Aboriginal government tax revenues.

Resource royalty sharing supported for Indigenous governments – old news in NWT

[Editor’s Note: In the NWT and Nunavut, resource royalty sharing has been in place through settled land claim agreements since 1993. Under those agreements, over \$39 million in diamond resource royalties have been shared with three settled NWT Aboriginal claimants to 2013. In 2015, under the NWT Devolution Act, the NWT Government shared \$6,296,280 with nine Indigenous Governments who are signatories to the Devolution Agreement.]

While resource royalty sharing may be “old news” in the NWT, such is not the case in much of the rest of Canada.

To this end, in February 2016 the Mining Association of Canada (MAC) and its member companies issued a position statement communicating its support for a principled, open and transparent approach to government resource revenue sharing between the Crown and Aboriginal communities that are primarily affected by a specific resource project.

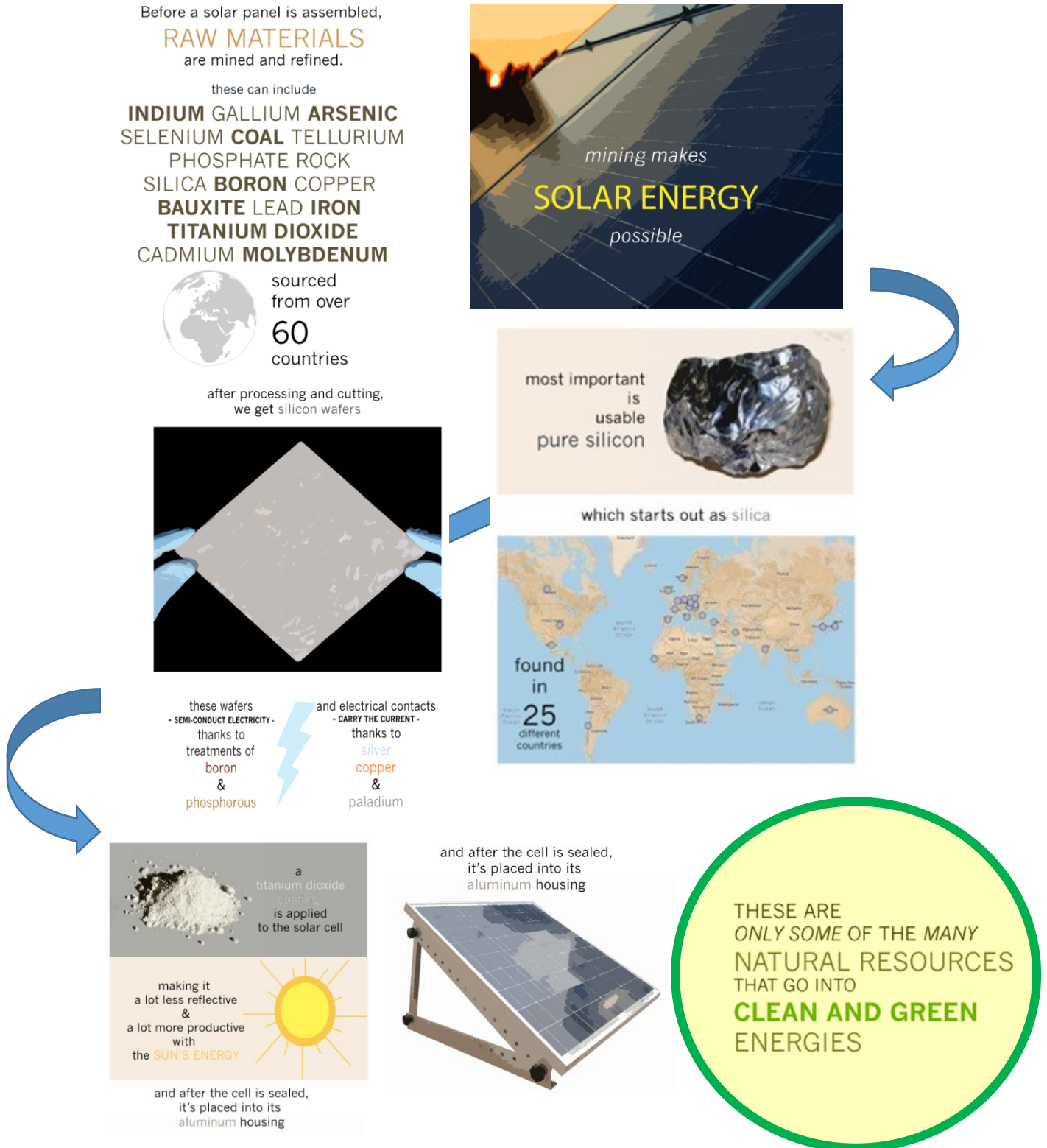
"With this statement, MAC's members, comprising some of the largest mining companies in Canada, are voicing their collective support for greater participation of Aboriginal people, communities, businesses and governments in the mining industry. We believe that government resource revenue sharing is one of many important ways that we can achieve that," stated Pierre Gratton, President and CEO, MAC.

Government resource revenue sharing is understood as a sharing of resource royalties paid by industry to governments with Aboriginal communities. It is not an additional tax or royalty imposed on the industry.

To read more, download the [MAC Position Statement on Government Resource Revenue Sharing between the Crown and Aboriginal Communities.](#)

Let's not forget: Mining makes green energy possible

Before a solar panel is assembled, Raw Materials are mined and refined. A new infographic from [ResourceWorks](#) illustrates how this all comes together. See ResourceWorks [here](#).

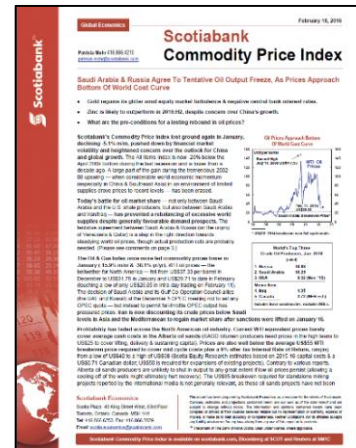


Scotiabank – Oil Output Freeze, as Prices Approach Bottom of World Cost Curve

- Gold regains its glitter amid equity market turbulence & negative central bank interest rates.
- Zinc is likely to outperform in 2016:H2, despite concern over China’s growth.
- What are the pre-conditions for a lasting rebound in oil prices?

Some highlights:

Scotiabank’s Commodity Price Index lost ground again in January, declining -5.1% m/m, pushed down by financial market volatility and heightened concern over the outlook for China and global growth. The All Items Index is now -26% below the April 2009 bottom during the last recession and is lower than a decade ago. A large part of the gain during the tremendous 2002-08 upswing — when considerable world economic momentum (especially in China & Southeast Asia) in an environment of limited supplies drove prices to record levels — has been erased.



Base metal prices were driven lower on negative sentiment over the outlook for China’s economy, a second correction in China’s equity markets and selling by Chinese hedge funds. However, in my view, a number of base metals were ‘over-sold’ in January, with actual supply & demand conditions better than feared. LME zinc prices fell as low as US\$0.66 per pound — just above average world breakeven costs including depreciation — but have snapped back to a profitable US\$0.75 on short covering.

Refined zinc is actually in a ‘deficit’, with world consumption exceeding smelter production. Global concentrate supplies are also in ‘deficit’, a fact which will become increasingly evident in 2016:H2, as concentrate supplies fall to minimum working levels, forcing smelter cuts in China. While global demand will increase by 3.5% in 2016, mine production will drop by 1% alongside Glencore cuts (500,000 tonnes), intended to shore up the market, and the impact of last year’s closure of Century in Australia and Lisheen in Ireland. Zinc prices are likely to shoot up to US\$1.25 by 2017. The outlook for mine expansion and concentrate supplies from 2018-20 is quite limited, with recent prices not justifying development. Vedanta’s Gamsberg project in South Africa and the Selwyn project in Canada will be delayed; only MMG’s Dugald River is scheduled to come on stream in 2018.

Gold has regained its lustre, climbing to a 12-month high of US\$1,241 per ounce on February 11. Equity market & currency turbulence have revived interest in gold as a ‘safe haven’. Negative interest rates — recently invoked by the ECB, the Bank of Japan and Sweden’s Riksbank — to bolster commercial bank lending in lacklustre economies have also buoyed gold. Financial market reaction to negative interest rates has been mixed, with some observers fearing that central bank power to support global growth may be fading.

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

Calendar of Events

- **Nunavut Mining Symposium, *Balancing Our Investment***, April 4-7, 2016, Iqaluit, NU. To learn more, visit: <http://www.nunavutminingsymposium.ca/>.
- **Centrallia 2016** is the major global business forum organized by the World Trade Centre Winnipeg. It will take place next May 25-27, 2016 in Winnipeg will have a special focus on the high north and the Arctic. The conference will have a special focus on the high north and the Arctic. To learn more click [here](#).
- **NAPEG's 2016 Professional Development Conference, "Concept to Reality and Beyond"** will address topics such as the Colville Lake Solar/Diesel Hybrid System, Wastewater Treatment and Disposal, Mackenzie Valley Fibre Link Project, Climate Change and Professional Practice, Inuvik Satellite Farm, Diavik Wind Farm, and much more. May 12-13, 2016, Explorer Hotel, Yellowknife, NT. Contact: mkennedy@napeg.nt.ca.
- **Mining & Communities, Solutions 2016**, June 5-8, 2016, UBC Campus, Vancouver, BC. The conference will explore the relationships between mining operations and mining communities as well as the approaches that mining companies take to develop engagement with the communities and the host governments. To learn more click [here](#).

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.

- 11 March 2016, [Avalon Completes Non-Brokered Private Placement for Gross Proceeds of \\$1,370,000](#)
- 11 March 2016, [North Arrow Minerals: PDAC 2016 Diamond Session Presentation](#)
- 11 March 2016, [TMAC Resources to Complete Private Placement of Flow-Through Shares](#)
- 10 March 2016, [Agnico Eagle announces additional investment in Belo Sun](#)
- 9 March 2016, [BNN News: Cobalt project \(NICO\) in limbo on financing crunch](#)
- 8 March 2016, [Peregrine Announces CH-7 Independent Diamond Valuation Results Average Base Model Price Is US\\$114 Per Carat](#)
- 8 March 2016, [Dominion Diamond Corporation Reports Updated Reserve and Resource Statement for the Diavik Diamond Mine](#)
- 7 March 2016, [Strongbow To Acquire Mactung And Cantung Royalties](#)
- 4 March 2016, [TerraX drills 4.05 m @ 3.49 g/t Au and 7.50 m @ 2.08 g/t Au at Mispickel Target, Yellowknife City Gold Project](#)
- 3 March 2016, [Canadian Zinc Signs Agreements with Korea Zinc and Boliden for Prairie Creek Mine Zinc and Lead Concentrate Production](#)
- 2 March 2016, [North Arrow Redemption, NWT - Project Update - Video Presentation](#)
- 2 March 2016, [NWT Premier McLeod issues ministerial mandate letters](#)
- 1 March 2016, [De Beers Rough Diamond Sales For Cycle 2, 2016](#)
- 1 March 2016, [Kennady Diamonds Appoints Tom McCandless to Board of Directors](#)
- 29 February 2016, [Corporate Presentation, March 2016: Platinum Group Metals](#)
- 26 February 2016, [Avalon Announces Voting Results of Annual and Special Meeting including Approval of Name Change](#)

- 26 February 2016, [TMAC Provides Highlights of Financial and Operating Results for the Fourth Quarter of 2015](#)
- 25 February 2016, [TMAC Provides Summary of Exploration and Drilling Results at Hope Bay Project for 2015](#)
- 25 February 2016, [Nighthawk Gold Corp. Announces Proposed Acquisition of Superior Copper Corporation](#)
- 24 February 2016, [Nighthawk Gold Corp. Investor Presentation January 2016](#)
- 24 February 2016, [Kennady Diamonds Updates Kennady North Project](#)
- 23 February 2016, [TerraX drills 7.30 m @ 23.60 g/t Au and 8.60 m @ 12.87 g/t Au in discovery holes at Mispickel Target, Yellowknife City Gold Project](#)
- 23 February 2016, [Dominion Diamond Corporation reports Fiscal 2016 Fourth Quarter and Year-End Sales; Ekati Diamond Mine Production Results, Ekati Fiscal 2017 Mine Plan and Jay Pipe Update](#)
- 22 February 2016, [Auryn Provides Corporate Update](#)
- 22 February 2016, [De Beers' International Institute of Diamond Grading & Research to Launch Grading Service in New Markets](#)
- 22 February 2016, [Dominion Diamond Corporation Announces Appointment of New Director](#)
- 22 February 2016, [Dominion Diamond Corporation Announces Sable Project Pre-Feasibility Study Results](#)
- 19 February 2016, [Denendeh Development Corporation Releases Economic Outlook Report "Choosing a Path Forward – A Long-Term Outlook for Denendeh"](#)
- 18 February 2016, [Kennady Diamonds Reports 4.65 carats per tonne Sample Grade at Faraday 1](#)
- 17 February 2016, [Newsletter: Sabina Gold & Silver's Winter 2016 Edition of Back River News](#)
- 17 February 2016, [Det'on Cho Logistics Expands Operations To Edmonton International Airport](#)
- 17 February 2016, [TerraX mobilizes a second drill to the Sam Otto target, Yellowknife City Gold Project](#)
- 16 February 2016, [Kivalliq Energy: New Target Zones Outlined on Genesis Property, Saskatchewan](#)
- 16 February 2016, [Kennady Diamonds Reports Faraday 2 Sample Grade of 3.04 carats per tonne and Intersects 60 meters of Kimberlite at Faraday 1](#)
- 15 February 2016, [Diamond Producers Association Announces Senior Positions](#)
- 12 February 2016, [Agnico Eagle Clarifies March 2016 Dividend Payment Date](#)
- 10 February 2016, [Avalon's Nechalacho Rare Earths Project to remain inactive in 2016, while the Company focuses on Lithium and Tin](#)
- 10 February 2016, [Kaizen Discovery receives C\\$1.0 million from majority shareholder HPX TechCo as a partial drawdown of loan facility](#)
- 10 February 2016, [TMAC Resources Makes First Draw Under US\\$120 Million Senior Secured Term Facility](#)
- 10 February 2016, [Agnico Eagle Reports Fourth Quarter and Full Year 2015 Results – Strong Operational Performance Yields Record Annual Production; Updated Amaruq Mineral Resources ...](#)
- 10 February 2016, [North Arrow Closes \\$800,000 Redemption Royalty Sale](#)
- 9 February 2016, [North Arrow Drilling Program Underway at Pikoo Diamond Project, Saskatchewan](#)
- 9 February 2016, [Platinum Group Metals - Corporate Presentation](#)
- 4 February 2016, [Mining's Contributions to Canada Strong Despite Downturn](#)
- 4 February 2016, [Stornoway Announces Advanced Renard Construction Schedule With Reduced Cost To Complete Forecast](#)

- 3 February 2016, [Kaizen Discovery featured in Mining Journal](#)
- 2 February 2016, [Dominion Diamond Community Newsletter, January 2016](#)
- 2 February 2016, [TerraX commences drilling at Mispickel target, Yellowknife City Gold Project](#)

Not everyone who works in mining wears a hard hat.



A career in Mining can mean a lot of different things, but they all have one thing in common. Joining our industry can give you the better quality of life you're seeking for you and your family.



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 , Chuck Fipke and Stu 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.	<p>News Release, February 22, 2016: Dominion Diamond Corporation Announces Sable Project Pre-Feasibility Study Results – 10.1 million carats in Probable Mineral Reserves; Post-tax IRR of 16.2%.</p> <p>News Release, February 22, 2016: Dominion Diamond Corporation Announces Appointment of New Director, David Smith.</p> <p>News Release, February 23: Dominion reports fiscal 2016 Q4 and Year-End Sales:</p> <ul style="list-style-type: none"> • Sales: <ul style="list-style-type: none"> ○ Fourth quarter diamond sales¹ were \$178.1 million (\$240.6 million in Q4 2015) ○ Full year diamond sales² were \$720.6 million (\$915.7 million in FY2015). • Ekati Production: <ul style="list-style-type: none"> ○ Excellent performance in the fourth quarter resulted in 42% higher carat production versus Q4 2015. ○ During the quarter, tonnage processed was on forecast and the recovered grade was on par with or above modelled grade for all ore sources, which reflects the positive impact of the additional recovery resulting from the diamond liberation initiative. • Development: <ul style="list-style-type: none"> ○ The first ore at the Misery Main pipe has now been mined. ○ The first ore at the Pigeon pipe was mined at the end of November. ○ The Lynx pre-stripping began on schedule in December. ○ Exploratory drilling beneath the bottom of the completed Fox open pit to better understand the Fox Deep resource has now commenced. • Ekati Fiscal 2017 Mine Plan <ul style="list-style-type: none"> ○ During fiscal 2017 the Company plans to produce 5.5 million carats from the processing of 3.9 million tonnes of ore (fiscal 2016: 3.7 million carats from the processing of 3.6 million tonnes). ○ The Company expects to process high value ore from the Koala Underground, Misery Main, and Pigeon pipes as well as material from the Misery satellite pipes. Given the available sources of ore feed, the Company does not anticipate processing any low value Coarse Ore Rejects ("COR") to fill the Ekati processing plant in fiscal 2017.
Ekati Jay Project	Dominion Diamond Corporation ,	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.	February 1, 2016: Mackenzie Valley Review Board recommended to the NWT Minister of Lands that the Jay Project be approved subject to implementation of the measures described in its Report, which are necessary to prevent significant adverse impacts on the environment and mitigate the causes of public concern.

NWT & Nunavut Chamber of Mines – Northern Mining News

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. Work to develop new A21 open pit has begun and will cost US\$350m over 4 years. 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.	DDI News Release, March 8, 2016: Dominion Diamond Corporation Reports Updated Reserve and Resource Statement for the Diavik Diamond Mine. A-21 is in development as an open pit and is on track to commence ore production in the second half of 2018. 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. The A-21 workforce will peak at approximately 200 people. February 23 news release: Jay Pipe Update: The Company expects to complete the Jay Feasibility Study by May 2016, one month later than previously expected. Once the Study is complete, the Company will provide updated Mineral Resource and Mineral Reserve estimates for the Jay kimberlite deposit.
Snap Lake Mine (Closed, 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 2014.
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 to ensure Federal Government 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.
Gahcho Kué	De Beers & Mountain Province	Diamonds	Proposed open-pit diamond mine approximately 180 km ENE of Yellowknife, NWT. Estimated mine jobs: 400. Mine life increased from 11-12 years in 2014 Feasibility Study. First production on schedule for Q3 2016. Peak construction workforce 700.	Dec 7 news release: Mountain Province Updates Gahcho Kué Diamond Mine Development <ul style="list-style-type: none"> • Overall project more than 80% complete • On plan and budget for first production in H2 2016 • Snap Lake Care and Maintenance Facilitates Operational Readiness
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	Feb 16 News Release: Kennady Diamonds Reports Faraday 2 Sample Grade of 3.04 carats per tonne and Intersects 60 meters of Kimberlite at Faraday 1

NWT & Nunavut Chamber of Mines – Northern Mining News

			further exploration will result in the target being delineated as a mineral resource.	
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, February 26, 2016: Avalon Announces Voting Results of Annual and Special Meeting including Approval of Name Change to Avalon Advanced Materials Inc. News Release February 10, 2016: Avalon's Nechalacho Rare Earths Project to remain inactive in 2016, while the Company focuses on Lithium and Tin in southern Canada. Avalon Rare Metals Project work in calendar 2015 consisted mainly of concluding the ongoing metallurgical research, disposal of process waste materials and storage of bulk samples for future use.
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.	Jan 8, 2016 News Release: Fortune Minerals produces premium battery-grade cobalt sulphate sample from NICO to support off-take discussions
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 scheduled to be completed later in 2015. The company has submitted proposal to construct a new airstrip and all-weather road for environmental approval.	News Release Mar 3, 2016: Canadian Zinc Signs Agreements with Korea Zinc and Boliden for Prairie Creek Mine Zinc and Lead Concentrate Production
Yellowknife Gold	Tyhee Corp	Gold	Proposed open pit and underground mine of 2 deposits (Ormsby and Nicholas Lake) about 90 km NE of Yellowknife. Estimated 4,000 tpd. Est. mine jobs: 238 Tyhee has informed the Mackenzie Valley Land & Water Board that they have closed their camp, awaiting an opportunity to raise more money and a bit of a turnaround in the market	News Release Dec 11: Tyhee Gold: RMB Further Extends Loan Maturity Date to January 29, 2016. Capital Raising Efforts Ongoing
Pine Point	Tamerlane Ventures	Lead-zinc	Company proposes underground mine E of Hay River, NWT using freeze technology for water management. Est mine jobs: 225	News release March 28, 2014: Tamerlane receives positive NI 43-101 updated summary technical report for Pine Point. Company is in receivership.
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 February 25, 2016: Nighthawk Gold Corp. Announces Proposed Acquisition of Superior Copper Corporation Feb 25: New corporate presentation posted.
Courageous Lake	Seabridge Resources	Gold	Proposed open pit mine 240 km NE of Yellowknife. 6.5 Moz 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	Seabridge is currently focusing its work on their KSM mine development in British Columbia.

			categories plus an additional 3.4 million ounces in the inferred category.	
Selwyn	Selwyn Chihong Mining Ltd.	Zinc, lead	Proposed underground mine in Yukon on NWT border and access is through NWT. Agreements signed with NWT (Sahtu) Aboriginal land corporations. The proposed Selwyn Project is an open pit zinc-lead mine with a projected mine life of more than 10 years. The mine is being designed to process 35,000 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. Once processed, the concentrate 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. The Howard's Pass Access Road was first developed in the 1970s, and runs 79 km's in the NWT from the Nahanni Range Road to the N.W.T.-Yukon border. It goes through two national parks, the Dehcho region's Nahanni National Park Reserve and the Sahtu region's Naats'ihch'oh National Park Reserve. 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.



Diamond drill on Kivalliq Energy's Angilak property, Nunavut. (Courtesy Kivalliq Energy)

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.	News Release, Feb. 10: Agnico Eagle Reports Fourth Quarter and Full Year 2015 Results – Strong Operational Performance Yields Record Annual Production; Updated Amaruq Mineral Resources • Gold resources increased by 67% at Amaruq - Inferred mineral resources at Amaruq now total 3.3 million ounces (16.9 million tonnes grading 6.05 grams per tonne (“g/t”) gold). The 2016 Phase 1 drill program (approximately 75,000 metres) is now underway with a focus on expanding and upgrading mineral resources and outlining a second open pit deposit
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.
Doris North/ Hope Bay	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 begin production by the end of 2016.	News Release: February 26, 2016: TMAC Provides Highlights of Financial and Operating Results for the Fourth Quarter of 2015 News Release: February 25, 2016: TMAC Provides Summary of Exploration and Drilling Results at Hope Bay Project for 2015 News Release: February 10, 2016: TMAC Resources announces that it has made its first draw in the amount of US\$50 million under the credit agreement (the "Credit Agreement") entered into with a syndicate of lenders including Sprott Resource Lending Partnership (as Agent) and Morgan Stanley Capital Group Inc., in July 2015 with respect to the US\$120 million senior secured term loan facility (the "Debt Facility").
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 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	News Release, Feb. 10: Agnico Eagle Reports Fourth Quarter and Full Year 2015 Results. In 2015, capital expenditures at Meliadine were approximately \$67 million with a focus on additional ramp development, permitting, camp operation and completion of an updated NI 43-101 technical study. In 2015, approximately 2,084 metres of underground development were completed, with the ramp now extending to a vertical depth of approximately 300 metres below the surface. The timing of future capital expenditures on the Meliadine project beyond 2016 and the determination of whether to build a mine at


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			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.	Meliadine are subject to approval by Agnico Eagle's Board of Directors which will be based on prevailing market conditions and outcomes of the various potential scenarios being evaluated.
Kiggavik	AREVA Resources	Uranium	Proposed uranium mine 80 km W of Baker Lake. Estimated Construction jobs: 750 Estimated mine jobs: 600	May 8, 2015: NIRB recommends project not proceed because company did not provide project start date; awaiting Ministerial response.
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	March 11, 2016 News Release: TMAC Resources to Complete Private Placement of Flow-Through Shares. TMAC is completing a private placement of up to 827,206 flow-through common shares at a price of \$10.88 per Flow-Through Common Share for gross proceeds of up to \$9,000,000 .
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.
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.
Chidliak	Peregrine Diamonds Ltd.	Diamonds	Located 120 kilometres NE of Iqaluit, the capital of Nunavut, and 180 km S of Pangnirtung. 71 kimberlites have been discovered to date with 8 being potentially economic. In 2015, company announced a 8.57 million carat Inferred Resource for the CH-6 kimberlite and completion of the bulk sampling component of its ongoing Resource Development Program. Approximately 1,200 m of new core to be drilled at CH-6 and CH-7 in summer, 2015. PEA expected Q2, 2016.	News Release, March 8, 2016: Peregrine Announces CH-7 Independent Diamond Valuation Results Average Base Model Price Is US\$114 Per Carat. 5.33 Carat Diamond Valued at US\$3,106 per Carat Peregrine Diamonds Ltd. (TSX:PGD) is pleased to announce the results of an independent diamond valuation for an aggregate 735.75 carat parcel of commercial-size (+1.18 mm square mesh) diamonds recovered from five geological units of the CH-7 kimberlite pipe at the Company's 100 percent owned Chidliak Diamond Project, Nunavut, Canada. The current average price was US\$100 per carat, and ranged from US\$73 to US\$154 per carat across parcels from the five geological units represented. The modelled average price ranged from a low of US\$94 per carat to a high of US\$155 per carat, with a base modelled price of US\$114 per carat. The eight highest value diamonds ranged in size from 1.35 carats to 5.33 carats, weighed 21.58 carats in total, and had a current average price valuation of US\$1,619 per carat.
Angilik	Kivalliq Energy Corp.	Uranium	340,268 acre property located SW of Baker Lake; Hosts the high-grade Lac 50 Trend deposit	News Release, January 21, 2016, Kivalliq Appoints Yeung as CFO and Dare as Corporate Secretary
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 Qilalugaq Project. The parcel of 383.55

	Stornoway Diamonds		hectares of contiguous mineral claims. Largest kimberlite in Nunavut.	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 	February 22 News Release: Auryn provides corporate update. Auryn’s ongoing analysis of both the 2015 summer work program and comprehensive review of historical data has led to the identification of a number of large scale multi-kilometer long targets at Committee Bay that will provide the focus of the upcoming 2016 work program.
Coppermine	Kaizen Discovery / Tundra Copper	Copper	Early stage, district-scale exploration play located 24 km SW of Kugluktuk; Total holdings approximately 3,500 km ²	NIRB screening decision issued July 7, 2015; Proposal may proceed without a Part 5/6 NLCA review.



Kennady Diamonds' Bob Camp in winter, NWT (Courtesy Aurora Geosciences)



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Project Maps

