

Northern Mining News

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From the Executive Director ...

What a hugely fulsome newsletter this has turned out this month! Reason is an influx of information from NRCan on mineral production and exploration spending, along with two surveys from the Fraser Institute. To balance some of that news is news of Gahcho Kué declaring commercial production, Hope Bay getting close with a gold pour, and Agnico Eagle announcing that both Amaruq and Meliadine mining would move ahead.

My apologies for any bad news, but we have much work ahead of us to get governments to help us turn their ship around. Some good signs though are emerging in the NWT where Aboriginal governments are signalling support for mining. We see this too, of course, in Nunavut.

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 Mineral Production takes a dive, Nunavut rises nicely

Over the last two years, the value of mining production has decreased significantly in the Northwest Territories and increased in Nunavut according to Federal government statistics just released. Mining production has also decreased in Canada over the same period.

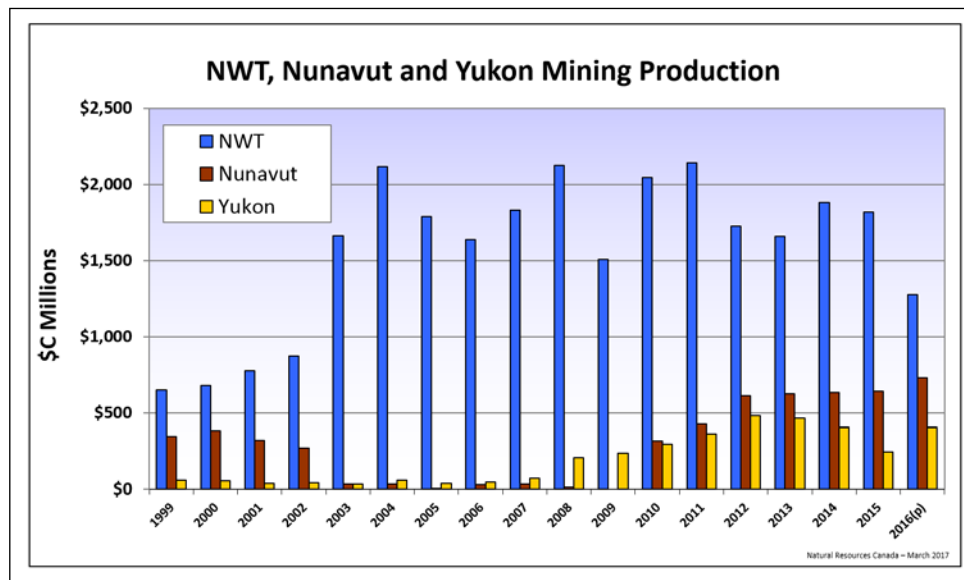
Preliminary estimates for 2016 mineral production posted by Natural Resources Canada show that the total value of NWT mining production is \$1.276 billion, down \$541 million (30%) from \$1.817 billion in 2015. Of this:

- Diamond production value is \$1.265 billion, down \$480 million (28%) from \$1.745 billion; and
- There was no tungsten or copper production for a reduction of \$62.339 million and \$1.549 respectively from 2015.

In Nunavut, the total value of mining production for 2016 is estimated at \$733 million, up \$89 million (14%) from \$644 million in 2015. Of this:

- Gold production value is \$490 million, down \$82 million (14%) from \$571 million in 2015;
- Silver production value is \$5.0 million, up \$0.6 million (13%) from \$4.4 million last year; and
- Iron ore is estimated at \$238 million, up \$170 million (249%) from \$68 million last year.

In Canada, preliminary estimates for 2016 production are \$40.757 billion, a drop of \$2.013 billion (5%) from \$42.771 billion in 2015.



“Mineral production in the Northwest Territories took a significant hit in 2016 as the result of two mines ceasing operations, Snap Lake and Cantung. Nunavut on the other hand, has seen a significant increase in production from their new iron mine,” said Chamber of Mines President Gary Vivian. “The NWT’s new Gahcho Kué diamond mine, and Nunavut’s Hope Bay gold mine are bright spots that will bring new revenue this coming year, the results of decades of persistent exploration. The significant drop in diamond revenues with the closure of Snap Lake

provides a small taste of what's to come when Diavik closes in seven short years. That's why we continue to urge our leaders – federal, territorial and Aboriginal – to make the improvements we need to the territories' investment climates. We all need to work at attracting and maintaining healthy exploration investment to increase the odds of making new mine discoveries, and preventing downturns to our northern economies.”

See Chamber news release [here](#) with chart and table, and visit NRCan's site [here](#) to examine detailed source statistics.

NRCan Projects less Mineral Exploration Spending in NU and NWT in 2017

Federal government projections for 2017 mineral exploration and deposit appraisal spending are projected to decrease in Nunavut and NWT, and increase slightly in Yukon. Natural Resources Canada's (NRCan) latest report *Exploration and Deposit Appraisal Expenditures, by Province and Territory* provides the following spending intentions for 2017:

- \$64.4 million in the NWT, down \$2.1 million (3%) from 2016 expenditures of \$66.5 million;
- \$163.6 million in Nunavut, a decrease of \$41.5 million (20%) from \$205.1 million in 2016;
- \$94.1 million in Yukon, an increase of \$9.6 million (7%) from \$87.9 million in 2016; and
- \$1,844.5 million in Canada, an increase of \$286 million (18%) from \$1,559 million for 2016.

“Exploration investment is slowly returning to Canada. Yukon and several provinces are poised to benefit. However, both the NWT and Nunavut are projected to see decreases”, said Gary Vivian, President of the NWT & Nunavut Chamber of Mines. “This tells us that, despite the tremendously strong mineral potential, the tide of investment leaving Nunavut and NWT has yet to turn. Governments must do all they can to regain investor confidence.”

Two Fraser Institute mining reports were released this week. [Permit Times for Mining Exploration in 2016](#) finds that “B.C. and the Territories are laggards in Canada”, and “Northwest Territories and Nunavut showed considerable room for improvement.” Feedback in their [Annual Survey of Mining Companies 2016](#) states, for the NWT:

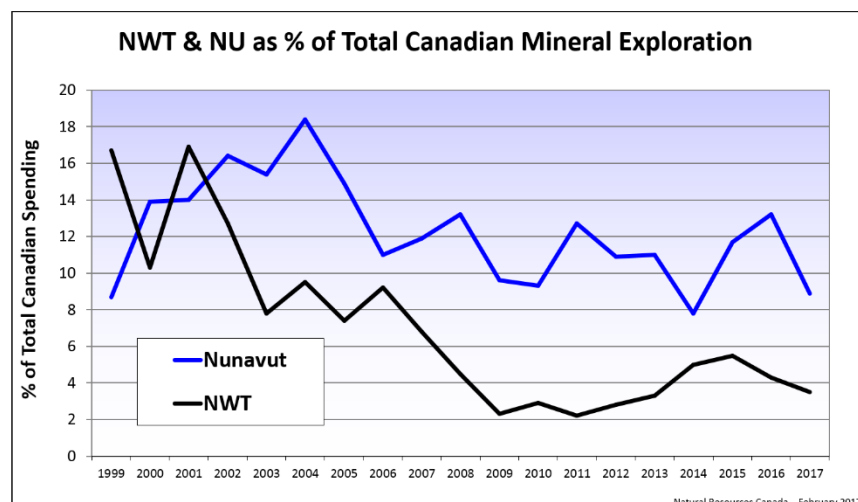
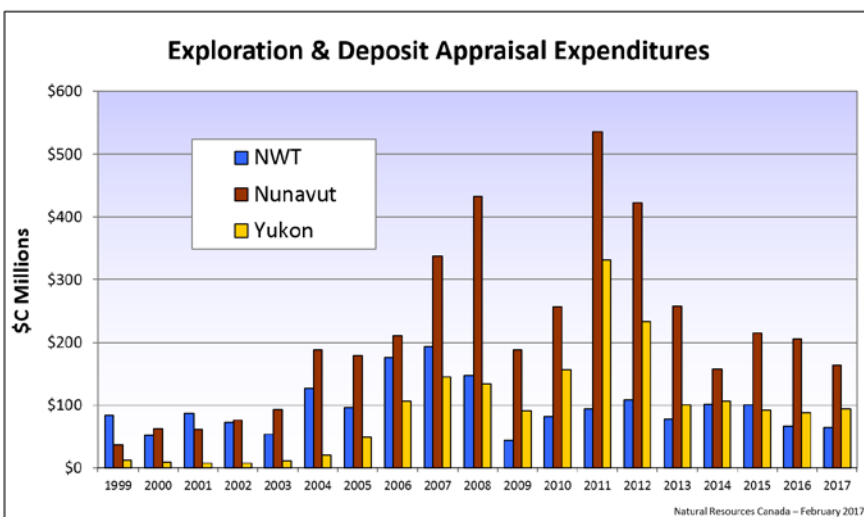
- *Overlapping and conflicting regulatory groups/levels of government; internal conflict between government departments; delays of years and years to close out land use or water permits; large delays in granting of permits and conflicting requirements; lack of transparency in permitting and enforcement all act as deterrents to investment in the Northwest Territories.*
- *The inability of the government of Northwest Territories to adopt/agree on major infrastructure such as connecting to the southern power grid or building a road into the Slave Geological Region, either of which would greatly reduce the costs of exploration, deters investment in the territory. Power would also reduce the cost of living and attract employees.*

For Nunavut, the report states:

- *Multiple permitting requirements; large delays in being granted access/water permits; granting of permits that contain conditions which essentially nullify the permit (e.g., ice drilling in the spring that is then blocked by caribou constraints); currently delays of 5 years or more to close out land use permits (both Aboriginal Affairs and Northern Development Canada and Regional Inuit Association) where the appropriate and complete paperwork has been fully filed are all issues deterring investment in Nunavut.*

“As we told the NWT Cabinet in January, some progress towards new road infrastructure and exploration incentives are positive, but unsettled land claims, regulatory costs and proposed new taxes still need to be addressed to add confidence and certainty to the NWT’s investment attractiveness,” said Vivian. “And Nunavut is suffering from a land use planning process that threatens mineral investment, both on Crown and Inuit owned land. Adding to concerns is the spectre of a carbon tax when we have few alternatives to diesel, and new conservation initiatives in both territories.”

Charts for northern Canada’s historical and projected performance are below. NRCan’s source data is available [here](#).



NWT and NU Government Leaders Express Support for Mining at Conference

The Chamber of Mines was pleased to meet with the NWT Premier and Cabinet delegation and with the Nunavut Premier and staff, who attended the Exploration Roundup conference in Vancouver late January. Their attendance provide good opportunity to learn more about the minerals industry and strengthen investment in their territories.

“We are pleased that NWT Cabinet Ministers also attended this important conference to learn first-hand from investors what they can do to strengthen the NWT economy”, said Gary Vivian, President of the NWT & Nunavut Chamber of Mines. “The conference concluded this week on an upbeat tone, with optimism that the Canadian investment climate may finally be turning positive. That being the case, it’s critical that government be prepared to take advantage of the opportunity.”

The Chamber of Mines had the opportunity to meet with the NWT Cabinet and, as government’s partner in the [NWT Mineral Development Strategy](#), the Chamber provided its observations on government actions that can help improve the NWT’s investment climate to attract much needed investment. Federal statistics reveal that the NWT has lost its competitive position over the past 8 years, and missed out on over a billion dollars of investment. The actions identified by the Chamber of Mines would do much to sustain and grow northern jobs, business opportunities and government revenues, which will result in stronger, healthier northern communities.

Actions needed	Actions needed taken	Department
Infrastructure Investment	Complete Tlicho Road funding & construction	DOT
	Slave Province road concept – start with all-weather portages	DOT
Reduce cost pressures	Say NO! to regulatory cost recovery	ENR
	Exempt small projects from EA	ENR, DAAIR
	Don't increase quarry rents	Lands
	Reduce costs of New NWT Air Quality Reg's	ENR
	Alternative to northern Carbon Tax	ENR
	Exempt miners from Yellowknife Airport Improvement tax	DOT
Maximize Access to Land	Settle Aboriginal Land Claims – remove interim withdrawals	DAAIR
	Advance land use planning – maximize land access	Lands
	Limit protections under NWT Conservation Network Planning	ENR
	Address Ottawa demand to protect at least 17%	Exec
	Release the mineral potential land around Thaidene Nene park	ENR
Support Explorers	Double MIP (Mining Incentive Program)	ITI
	Extend the 150% assessment credit	ITI
Increase Public Awareness, Support for mining	ECE incorporate Mining Matters into Curriculum	ECE
	Launch Public Awareness Program	ITI, ECE, ENR
	Support Chamber Public Awareness Project	ITI
	Regional (Aboriginal) Mineral Development Strategies	ITI
	Prospector & mine training funding	ITI, ECE
Market NWT to investors	“Unlocking Our Potential” messaging	ITI
	Aboriginal participation at conferences	ITI, DAAIR
Market NWT to Northerners	Be vocal in your support for mining	All

Legend: Red is bad for investment. Green is good and can even be enhanced. Yellow is somewhere between, eg, a commitment or a work in progress for which we don't know the progress, or it's partially done but not concluded, or we need GNWT to help advance with Canada. 8

Actions that contribute to NWT Investment competitiveness, as presented to NWT Cabinet, January 24, 2017

Industry representatives were pleased with Premier McLeod's comments that: "We are taking a whole-of-government approach to supporting the mining industry. We're also here today to send an important message back home. To remind the people of the Northwest Territories that we are reliant on mining to drive our economy, in order to deliver on the programs and services that they need and deserve."

Members of the Chamber of Mines Board also met with the Honourable Peter Taptuna, Premier of Nunavut and discussed a number of issues of mutual interest including carbon tax, land use planning, and devolution.

The minerals industry is the largest private sector contributor to both the NWT and Nunavut economies, providing thousands of jobs, hundreds of millions of dollars of business spending and significant federal, territorial and Indigenous government revenues annually. Attendance of the Premiers and the NWT Cabinet delegation sent an important message to potential investors that the NWT and Nunavut are serious about attracting new investment to the territory.

Click [here](#) or on the slide below to review the Chamber of Mines' presentation to the NWT Cabinet.

NWT Minerals Industry not Supportive of new Yellowknife Airport Tax

(Chamber News Release – February 16, 2017) The northern minerals industry – the largest private sector contributor to the NWT economy – recommends that the NWT government not impose a new Yellowknife airport tax. It will not raise net government revenues, make the NWT more attractive for investment, or support a healthier northern minerals industry. It will add to our cost of living and doing business in the north.

The new Yellowknife Airport fee proposed by the NWT Government would amount to a tax on the NWT minerals industry. It would increase costs to fly workers and freight to and from the northern mines and exploration projects. Its potential effects on industry are not insignificant and, if approved by the Legislative Assembly, could cost a mine as much as \$500,000 a year. It will not help an industry already beleaguered by fragile commodity prices, high costs and investment challenges; nor will it help raise NWT exploration investment from its historical slump.

"This is a dangerous and slippery slope," said Gary Vivian, President of the NWT & Nunavut Chamber of Mines. "The airport tax is counter-productive to the efforts of the NWT Mineral Development Strategy, which was created to rejuvenate NWT investment. Rather than taxing as a method to increase revenues, this government should be attracting new exploration and mining investment."

As a "price taker", the mining industry must accept the global market price set for its products and cannot pass increased costs on to its customers. The proposed tax will reduce mines' profits, and thus reduce government's royalties, including those shared with Aboriginal governments as established under land claims and the 2014 devolution agreement. Exploration companies don't earn profits, and the tax would cut into their exploration programs. Other unintended consequences could arise if mines seek to use alternate airports to reduce those costs. Adding new taxes further erodes the NWT's investment competitiveness, which has

fallen as a Canadian mineral investment destination. The airport tax will even affect those who live and work in Nunavut and rely on Yellowknife as the mining and exploration hub of the North. The tax will not help the City of Yellowknife and many of its businesses in maintaining the City's well-earned reputation as a bedroom community and business hub.

"As we highlighted in our presentation to Cabinet members last month, we need their help with the many northern challenges we face," said Vivian. "We've lost \$1 billion in exploration investment alone over the past 8 years because of northern challenges. Adding to our concern are many other proposed costs for operating in the North from new air regulations to carbon tax to quarry rents. This airport tax just adds to that, and the minerals industry should be exempt from it. Each additional proposed cost signals a 'we feel you should be able to manage this cost' attitude. You can only milk a cow so hard before she falters."

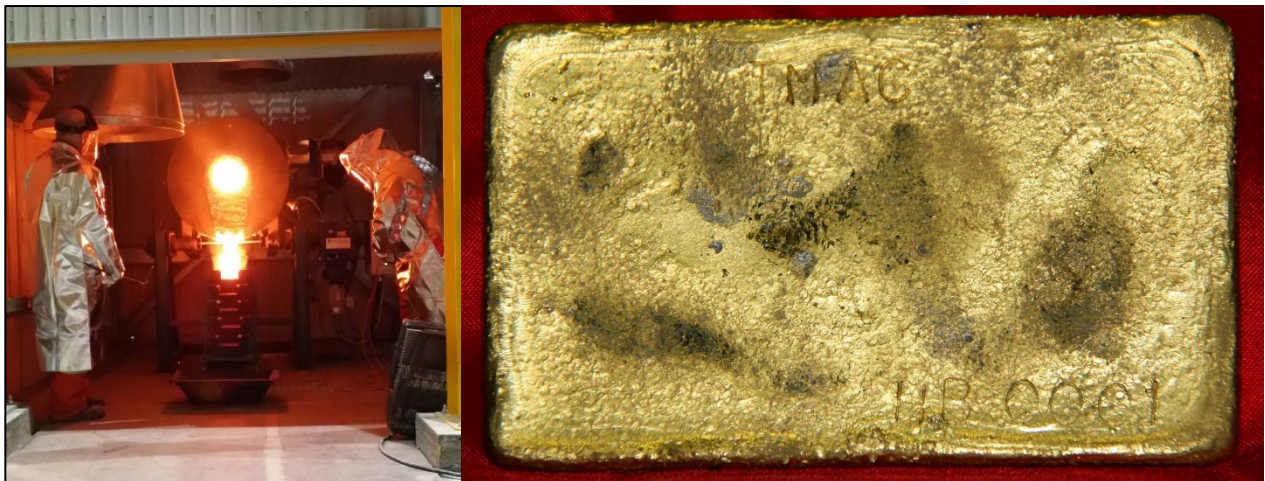
Congratulations! TMAC Resources Pours First Gold at Hope Bay

TMAC Resources Inc. reported on February 9, that it has completed its first gold pour at its Hope Bay property located in Nunavut, and remains on track to achieve commercial production this quarter.

In addition, the Company's processing plant, located adjacent to the Doris North Mine is in the final stages of commissioning and is transitioning to steady state production as planned.

TMAC would like to thank all the Kitikmeot communities, Inuit representatives, community members and workers who have supported us in achieving this milestone.

In the months to come TMAC will be working hard to achieve steady state commercial production, so that they can deliver the economic benefits from Doris Mine to all of their stakeholders including investors, governments, Inuit organizations and employees.



In a [news release](#) February 23, Dr. Catharine Farrow, Chief Executive Officer of TMAC, stated, "We are thrilled with our progress in bringing the Doris mine and mill complex into production. At year-end, our high-grade ore stockpile totalled 121,600 tonnes grading 14.5 grams per tonne gold and containing 56,500 ounces of gold. On the processing side, we poured our first gold February 9th and recently completed plant commissioning. The ore stockpile will be used to augment our mill throughput to 1,000 tonnes per day during 2017 as we ramp-up mining to

1,000 tpd and our planned expansion to 2,000 tonnes per day starting in early 2018. All of this has been achieved essentially on time and on budget.”

She added, “We are now focused on process optimization, on-site operator training and ramp up to steady state production in order to attain commercial production this quarter. TMAC’s schedule and budgetary successes on its Path to Production are the result of the tremendous work and dedication by our employees, Gekko, other contractors and consultants. We would also like to acknowledge the great support of the communities of the Kitikmeot Region and our Inuit landowners. We look forward to continuing to deliver on our vision to build the Hope Bay belt into a multi-generational mining camp.”



CEO, Dr. Catharine Farrow proudly holds first TMAC gold brick.



Gahcho Kué Mine declares commercial production, also finds 67.87 carat gem

World’s largest new diamond mine achieves operational milestone

On March 2, 2017 Gahcho Kué, the world's largest new diamond mine in the last 13 years, officially began commercial production. Commercial production is deemed to be achieved once

an asset is capable of operating in the manner intended by management, following any ramp-up or commissioning activity.

The mine, a joint venture with The De Beers Group of Companies (51 per cent) and Mountain Province Diamonds (49 per cent), is expected to produce approximately 54 million carats of rough diamonds over its life time.

Production ramp up began on 1 August 2016 and the Official Opening Ceremony took place on 20 September 2016, with 200 guests in attendance from across Canada and around the world.

Bruce Cleaver, CEO, De Beers Group, said: “Today marks a significant landmark for De Beers in Canada as Gahcho Kué becomes an important contributor to the Group’s global production. That the mine has reached this landmark, on budget and ahead of schedule, is testament to the partnerships that have worked together since construction began. It’s a result of these partnerships that the mine is set to deliver socio-economic benefits of more than C\$5 billion to the economy of the Northwest Territories over its lifetime.”

Kim Truter, CEO, De Beers Canada, said: “With Gahcho Kué achieving commercial production, it successfully builds on the transformation of De Beers in Canada. General Manager Allan Rodel and his entire team are to be congratulated for completing this milestone safely and ahead of schedule during the extreme winter conditions that have taken place over the past few months.”

Patrick Evans, President and CEO of Mountain Province Diamonds, added: “The dedicated support of our shareholders, business partners and employees has made today’s important achievement possible. Gahcho Kué is a rich diamond deposit that secures Canada’s position as one of the world’s leading diamond producers. Our thanks and appreciation goes to our Operating partner, De Beers Canada, for delivering the Gahcho Kué mine safely and ahead of schedule.”

The fly-in/fly-out remote mine site is situated approximately 280km northeast of Yellowknife in the Northwest Territories (NWT) of Canada. Comprising three open pits, the mine will employ 530 people full-time, with the majority working a two-week in/two-week out rotation.

In addition to a C\$440 million boost to the NWT economy through 2015, the Gahcho Kué mine will provide a further C\$5.3 billion in Gross Value Added (GVA) to the NWT now that it has reached commercial production, according to a socio-economic impact report by EY.

Gahcho Kué reveals big gem diamond too

In early February, Mountain Province Diamonds announced the recovery of a 67.87 carat gem quality octahedron diamond during production ramp-up at the Gahcho Kué diamond mine. This



Nice rock to find! A 67.87 carat rough diamond from early days at Gahcho Kue (courtesy Mountain Province Diamonds)

is the largest gem quality diamond recovered to date at Gahcho Kué and can be viewed at the Company's website www.mountainprovince.com.

"The presence of large gem quality diamonds at Gahcho Kué was established during the bulk sampling when a 25.13 carat octahedron was recovered", noted Patrick Evans, Mountain Province President and CEO. "The recovery of a 67.87 carat gem quality diamond during production ramp-up is very encouraging."

Mountain Province also announced that the Company's second sale of diamonds from ramp-up production will take place in Antwerp, Belgium, from February 20 to March 1, 2017.

New Guide to Mineral Deposits of the NWT

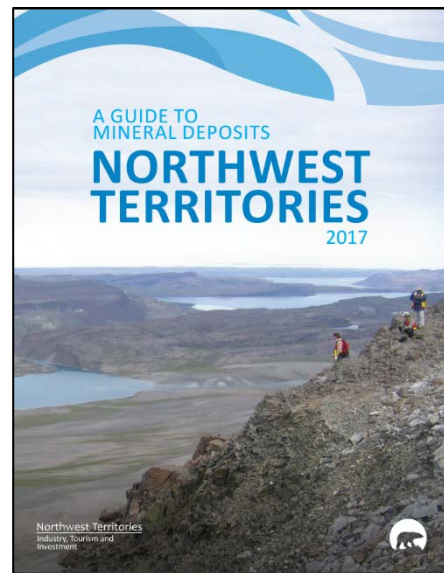
A modern-day treasure map is now available in the form of geoscience information in *A Guide to Mineral Deposits in the Northwest Territories* (NWT). Rather than 'X' marking the spot for buried treasure, the guide examines 75 noteworthy deposits with significant mineral potential.

[A Guide to Mineral Deposits](#) was developed by the Department of Industry, Tourism and Investment (ITI), in part, to highlight the NWT's incredible mineral wealth and potential. The deposits listed offer an impressive inventory of mineral potential such as gold, diamonds, lithium, tungsten and rare earth elements. Each is described by its location, geology, current ownership, a brief history of the deposit and a documentation of exploration or production details.

The guide came off the press just in time to be distributed at the Round Up Conference late January in Vancouver.

Pam Strand, Director of ITI's Mineral Resources Division says the guide provides important information for everyone. "It will benefit those interested in geoscience, academics and especially prospectors and junior mining companies who are foundational to the future of our mining sector and the economy. Mines don't happen overnight. We can't take our mineral potential for granted. Diamond mining activity and employment may have already peaked and are expected to decline. We need to replace that economic activity with new projects that have a similar potential for creating jobs and contributing to a strong NWT economy."

Download the document [here](#).



Great News! Amaruq and Meliadine approved for development

In its [Fourth Quarter and Full Year 2016 Results](#) reported on February 15, Agnico Eagle Mines announced that, given favourable project economics and the expected potential for extensions to the currently forecasted mine plans, the Amaruq satellite deposit at Meadowbank and the Meliadine project have been approved by the Company's Board of Directors. Both operations are expected to start production in third quarter of 2019. As such, production at Meliadine is now forecast to begin approximately one year earlier than previously anticipated.



Meliadine project, left and Amaruq, right will go into production in 2019.

"Continued strong operating results in the fourth quarter of 2016 allowed us to exceed our production forecast and beat our cost guidance for the fifth consecutive year and positions us to complete the development of our growth projects over the next two years", said Sean Boyd, Agnico Eagle's Chief Executive Officer. "Our primary focus will be on developing and expanding our business in Nunavut as we complete the construction of a new mine at Meliadine and develop the Amaruq satellite deposit at Meadowbank. These new operations, along with optimizations at existing mines, are expected to result in production growth from current levels to approximately 2.0 million ounces in 2020, along with a decline in unit costs", added Mr. Boyd.

Read the full release [here](#).

Two new Fraser Institute Reports: Permitting Times and Annual Survey

The Fraser Institute has released two new reports. **Fraser Institute Annual Survey of Mining Companies, 2016**, rates 104 jurisdictions around the world based on a combination of their geologic attractiveness for minerals and metals and their policy attractiveness. This year, Saskatchewan ranks as the top jurisdiction in the world, followed by Manitoba.

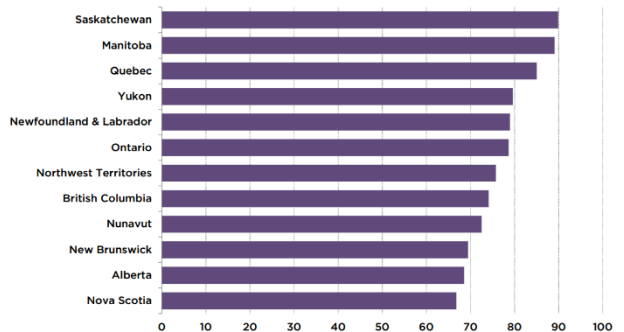
This year, two Canadian territories—Northwest Territories and Yukon—saw both their scores and ranks improve significantly. The Northwest Territories experienced the largest improvement in its Policy Potential Index (PPI) score of any of Canada’s provinces or territories. The almost 8.5-point improvement helped the Northwest Territories move up from 58th in 2015 to 48th in 2016. Yukon also experienced an improvement of over eight points in its PPI score, which put it into the 25th spot in this year’s survey. Issues surrounding uncertainty from land claims and infrastructure continue to be the chief deterrents to investment in both territories according to miners.

Specific comments captured by the Fraser Institute are:

For the Northwest Territories:

- *Overlapping and conflicting regulatory groups/levels of government; internal conflict between government departments; delays of years and years to close out land use or water permits; large delays in granting of permits and conflicting requirements; lack of transparency in permitting and enforcement all act as deterrents to investment in the Northwest Territories. —An exploration company, Vice-president*
- *The inability of the government of Northwest Territories to adopt/agree on major infrastructure such as connecting to the southern power grid or building a road into the Slave Geological Region, either of which would greatly reduce the costs of exploration, deters investment in the territory. Power would also reduce the cost of living and attract employees. — An exploration company, Vice-president*

Figure 6: Investment Attractiveness Index—Canada



For Nunavut:

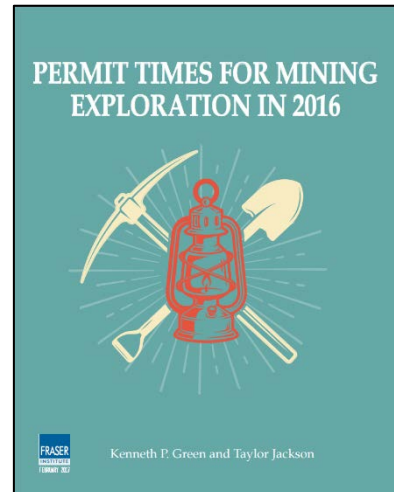
- *Multiple permitting requirements; large delays in being granted access/water permits; granting of permits that contain conditions which essentially nullify the permit (e.g., ice drilling in the spring that is then blocked by caribou constraints); currently delays of 5 years or more to close out land use permits (both Aboriginal Affairs and Northern Development Canada and Regional Inuit Association) where the appropriate and complete paperwork has been fully filed are all issues deterring investment in Nunavut. — An exploration company, Vice-president*



The Fraser Institute Annual Survey of Mining Companies was sent to approximately 2,700 exploration, development, and other mining-related companies around the world. The survey was conducted from August 30th to November 18th, 2016. The companies that participated in the survey reported exploration spending of US\$2.7 billion in 2016 and US\$3.2 billion in 2015.

Download the report [here](#).

The Fraser Institute's second report, [Permit Times for Mining Exploration in 2016](#) finds that "B.C. and the Territories are laggards in Canada", and "Northwest Territories and Nunavut showed considerable room for improvement."



Financial Advisers Appointed to Arrange Financing for Prairie Creek Mine

Canadian Zinc Corporation announced February 7, that it has appointed HCF International Advisers Limited as its adviser in securing debt financing for the construction of its Prairie Creek Zn-Pb-Ag Mine in the Northwest Territories, Canada.

HCF is a leading independent corporate finance advisory boutique based in London, UK and focused on the global natural resources and infrastructure sectors. HCF provides strategic and financial advice to companies and financial institutions across the complete life cycle of a project, including structuring of debt finance.

HCF has prepared a three-staged approach to source and negotiate debt financing for the Prairie Creek Mine. The preliminary stage, which is now under way, includes development of a funding strategy, appointment of an independent technical engineer, preparation of a new financial model and conducting preliminary market soundings of potential lenders. This will be followed by formal engagement with potentially interested parties and thereafter negotiation and finalization of financing documentation.

The estimated capex as reported in the Prairie Creek 2016 Preliminary Feasibility Study ("PFS") was \$250 million and it is anticipated that debt financing could range up to 70% of this figure.

John F. Kearney, Chairman and CEO of Canadian Zinc, stated, "The Prairie Creek Project is on the cusp of development with a definitive feasibility study underway to support the project debt financing. We believe the appointment of an experienced, financial adviser like HCF is timely and will help guide the debt financing process to a successful conclusion."

Mark Sumner, Managing Director of HCF, stated, "We are pleased to be working with Canadian Zinc, sourcing and negotiating debt financing for the Prairie Creek Project. Our proven track record of structuring and executing debt financing transactions for a variety of projects in the natural resources sector will guide our financing work for the Prairie Creek Mine."

In this improving metal prices market, Canadian Zinc is advancing the development of the Prairie Creek Project by undertaking a Definitive Feasibility Study ("DFS"), which is expected to be completed in mid-2017

DDC Q4 and Year-End Sales, Ekati Mine Production & Fox Deep Drilling Update

On February 22, Dominion Diamond Corporation (TSX: DDC, NYSE: DDC) (the “Company” or “Dominion”) reported Ekati Diamond Mine and Diavik Diamond Mine fourth fiscal quarter 2017 (November through January) sales and Ekati Diamond Mine production results. Unless otherwise specified, all financial information is presented in U.S. dollars.

Highlights

Sales:

- Fourth fiscal quarter diamond sales¹ were \$129.9 million from the sale of 1.4 million carats (Q4 fiscal 2016² - \$178.1 million from the sale of 1.1 million carats).
- Ekati Production (on a 100% basis):
- During the fourth fiscal quarter 2017, the Ekati Diamond Mine recovered a record 2.3 million carats from 1.0 million tonnes processed (Q4 fiscal 2016 - 1.2 million carats from 0.9 million tonnes processed).
- Carat production increased by 93% compared to the same period in the prior year due to the positive impact of processing of a large proportion of high grade Misery ore.

Ekati Fiscal 2018 Mine Plan

- During fiscal 2018, the Company plans to produce 6.3 to 7.0 million carats from the processing of 3.7 to 4.0 million tonnes (fiscal 2017: 5.2 million carats from the processing of 2.9 million tonnes).
- The Company expects to process primarily high value ore from the Koala underground and Misery Main pipes during the first quarter fiscal 2018, with an increased proportion of ore from the Pigeon and Lynx pipes during the remainder of the fiscal year.
- The fines dense media separation (Fines DMS) plant, which increases the recovery of diamonds smaller than 1.2 millimetres, continues to ramp up through the first fiscal quarter, and is expected to be fully operational during the second fiscal quarter.

Fox Deep Drilling Program

- Based on encouraging results from a reverse circulation drilling campaign this winter, including an average bulk sample grade of 0.38 carats/tonne, a prefeasibility study on Fox Deep is now underway, and is expected to be completed in late fiscal 2018.

Ekati and Diavik Rough Diamond Sales

The Company recorded total fourth quarter fiscal 2017 sales of \$129.9 million from the sale of 1.4 million carats. Total rough diamond sales decreased 27% in the fourth fiscal quarter compared to the same period in the prior year. This was due primarily to a reduction in the goods available for sale following the process plant fire at the Ekati Diamond Mine. Sales in the quarter were also negatively affected by the disruption in normal trading activity following the demonetization of the Indian rupee in November 2016. Total carats sold in the fourth fiscal quarter increased by 24% from the same period in the prior year, due primarily to the availability for sale of rough diamonds from high grade Misery Main ore. Total carats sold in the fourth fiscal quarter of the prior year were negatively impacted by the decision to hold back lower-than-average priced inventory due to a weakened diamond market. Three rough

diamond sales were held during the quarter. The Company plans to hold two rough diamond sales in the first quarter of fiscal 2018.

The Diamond Market

The market ended the year on a positive note despite the divergence between the resilient market for larger better goods and the more challenging situation for the smaller cheaper goods. The Christmas season in the U.S. failed to meet market expectations, but this was balanced out by renewed retail activity over the Chinese New Year, resulting in an anticipated rise in polished demand from China in the first quarter of 2017.

The Indian retail market has started to recover from the jewelers' strike in the middle of the year and the impact of demonetization of the Indian rupee towards year-end. The latter is expected to continue to have a dampening effect on the Indian retail jewelry market in the short-term, with demand expected to return to normal in this sector by the fall of 2017. Much of the manufacturing sector that focuses on lower price rough diamonds was brought to a standstill by the demonetization. However, the segment of the manufacturing sector that focuses on higher priced rough diamonds, and produces primarily for the export market, has been less disrupted.

Read the full release [here](#).

Sabina Gold & Silver Announces 2017 Activities and start of NIRB Review

Sabina Gold & Silver [announced February 7](#) a base budget of approximately \$8.5 million for 2017. The budget will be funded from treasury of approximately \$40 million as at December 31, 2016. The 2017 base budget delivers:

- completion of the environmental assessment process;
- advancement of IIBA negotiations with the Kitikmeot Inuit Association ("KIA");
- completion of basic engineering and a project execution plan; and
- completion of a mapping, rock and till sampling and geophysical exploration field program.

"The 2017 base budget focuses on maintaining optionality to advance the Back River Project towards production while preserving as much of our current treasury as possible while we continue through the environmental assessment process" said Bruce McLeod, President & CEO. "In addition, we have developed discretionary activities that are based on certain milestones achieved during the process. These expenditures will be assessed, confirmed or revised, at certain decision dates. All activities and expenditures focus on targeting first gold production at Back River in Q1, 2021."

On February 14, Sabina [announced](#) closure of a bought deal private placement flow-through financing to raise about \$5.5 million.

And on February 27, Sabina [announced](#) that the Company's Addendum to the Final Environmental Impact Statement for the Back River Gold Project, submitted to the Nunavut Impact Review Board on the 16th of February, 2017, has been formally accepted by NIRB and the technical review has begun.

A link to a copy of the Minister's letter as well as the recently received February 23rd NIRB letter can be found here: <http://www.sabinagoldsilver.com/assets/docs/media/Minister-Ltr-to-NIRB-Re-Final-Hearing-Report.pdf>. And here:

<http://www.sabinagoldsilver.com/assets/docs/letter-from-nirb-providing-timelines.pdf>.

The NIRB has provided guidance for timelines for review of the FEIS Addendum, which can be found in the [release](#).

NWT Aboriginal Governments Increasing Interest in Mining Investment

The NWT Government helped support the attendance at Roundup 2017 Conference of representatives from four Aboriginal governments from the NWT: Inuvialuit, Sahtu, Dehcho, and Tlicho Government.

At the conclusion of the event, the groups provided feedback to the NWT Government, which was tabled in the Legislative Assembly. We know the Tlicho Government is now working on its own regional Mineral Development Strategy to assist with investment. The Dehcho have held a workshop to discuss creating one there, and the Sahtu are readying themselves for a workshop.

Adding to this, the Inuvialuit have taken a very pro-active approach, and some excerpts from their letter are most enlightening and encouraging:

IRC would like to offer our support as your government attempts to recapture lost mineral investment in the NWT. We feel there are obvious advantages for the minerals industry to invest in the ISR compared to other regions. Industry and government can take comfort that IRC is a well-respected and reasonable aboriginal government that has developed significant relevant capacity through its interactions with the oil and gas industry's largest companies. While extensive petroleum exploration has occurred in the Mackenzie Delta and Beaufort Sea, the region remains relatively unexplored from a minerals perspective. Through ITI funded research IRC has learned there is real mineral potential in the ISR be it for diamonds on Banks Island, base metals on Victoria Island or unknown possibilities surrounding the unique Darnley Bay anomaly. And this is just what is identified based on a relatively small exploration sample size. The ISR land mass makes up ~25% of the NWT and we are certain there are economically viable mineral deposits within the region. As sea ice is predicted to cover less of the western arctic the resulting easier access to exciting targets and others currently unidentified will make the region that much more attractive. For these reasons, and a host of others, the ISR can be an attractive area for responsible mineral development in the NWT.

IRC's aim is to foster an environment within which mineral exploration and development can be successful in the ISR, regardless if carried out on Inuvialuit or Territorial lands. This requires ensuring the two main stakeholders - Inuvialuit and industry - feel comfortable pursuing mineral exploration in the region. IRC is taking a cautious but proactive approach to generate this comfort level. Soon, we hope to adopt an Inuvialuit Mineral Development Policy which will clearly state the conditions under which Inuvialuit will be supportive of the exploration for, and development of, regional mineral resources. Building on the policy we will implement a regional Inuvialuit Mineral Development Strategy which will describe how development should proceed to ensure Inuvialuit receive benefits, and risks to the local environment and people are

minimized. IRC believes that these efforts can ensure consistency in community expectations of government or industry, and establish confidence in the regulatory framework which governs the JSR as described in the Inuvialuit Final Agreement and Territorial legislation. We believe that, ultimately, a successful investment environment is one where relationships are strong and surprises are few.

The NWT is starting to move on a new path, as Aboriginal Governments take on more responsibilities for encouraging mineral investment and mining in their regions.

Dominion Diamond submits Alternative Energy Concept Study









During Dominion Diamond (Ekati) Corp's (DDEC) Jay Environmental Assessment, DDEC committed to:

...conducting a concept study of additional potential investments in alternative energy including areas such as wind and solar energy. This study will be led by Dominion Diamond staff drawing on appropriate external expertise, with a summary of results to be made publicly available within one year of the Mackenzie Valley Environmental Impact Review Board's Report of Environmental Assessment.

DDEC has submitted that report to the Board, and it is now public. DDEC recognizes that reliance on a single energy source such as diesel increases environmental, social and business risks. DDEC is particularly aware of these risks given recent announcements on carbon pricing and the corresponding need to reduce emissions, now and into the future. This study was led by DDEC staff and DDEC commissioned SysEne Consulting Inc. for external expertise in Alternative Energy systems approach evaluation. This concept level study assumes that the Jay Project is advanced extending the Ekati mine's current Life of Mine plan past 2023.

The table below graphically shows the results of their study. Read the finer details here in their [Alternative Energy Concept Study Jay Project](#). The Summary beginning on page 41 is helpful.

Wind and off-grid solar are promising, and biodiesel is worth considering in future

Wind  Advance to more detailed studies	Small scale solar for off-grid applications  Advance to more detailed studies	Biodiesel  Future considerations	Wood Pellets Boilers  Limited Use Potential
Solar PV grid connected 100 kW  Too expensive for life of mine	LNG  Infrastructure too expensive without all weather road	Hydroelectric  No hydro resources nearby and life of mine mismatch	Geothermal  No geothermal resources nearby

LNG Energy Opportunity – Cdn Zinc Signs MOU with NWT Power Corporation

Use of LNG as Alternative Energy Source for the Prairie Creek Mine

On Valentine's Day, Canadian Zinc Corporation [announced](#) the signing of a Memorandum of Understanding (MOU) with the Northwest Territories Power Corporation (NTPC) to examine the supply of electrical power for the development and operation of the Prairie Creek Mine in the NWT.

In the MOU, NTPC has agreed to work with Canadian Zinc to assess:

- a) how NTPC could supply the primary electrical energy source to the mine and
- b) how NTPC could install generating and connection facilities or other infrastructure assets to provide such electricity supply.

CZN and NTPC have also agreed to evaluate the integration of other energy alternatives, and specifically Liquefied Natural Gas (LNG), as part of the energy supply for the mine.

Emanuel DaRosa, President and CEO of NTPC stated, "NTPC is pleased to be working with Canadian Zinc to investigate how we can provide energy for the Prairie Creek Mine. A successful partnership would benefit all Power Corporation customers and contribute to economic development in the Northwest Territories."

NTPC is currently investigating the potential to supply LNG for the generation of electricity in local communities to reduce dependency on diesel fuel, including Fort Simpson, where the LNG would be delivered along the same existing highway network that would be used to supply the Prairie Creek Mine.

Alan Taylor, Chief Operating Officer for Canadian Zinc stated, "The Prairie Creek Mine would gain environmental and economic benefits from use of LNG as an alternative source of energy. This would reduce the dependency on diesel fuel by replacing it with LNG, which is a lower cost and much more environmentally friendly source of fuel for power generation."

LNG has been a dependable fuel for decades and continues to demonstrate a strong track record of safe usage, transportation and storage, which are important considerations for the Prairie Creek Mine.

"The development of LNG production facilities in northern BC and the recent discovery of natural gas in the Liard/Horn River Basins of the NWT, which are located adjacent to the existing highway haulage route, has made the potential use of LNG to be delivered to the Mine by the proposed all season road, currently in the advanced phase of the Environmental Assessment permitting process, a viable alternative energy source for the Prairie Creek Mine", added Alan Taylor.

Use of LNG for power generation has significant benefits for the environment as typical emissions are much lower than diesel fuel sources, with greenhouse gas reduction of between 11% and 20%, NOx emissions reduced by 80% and particulate emissions reduced by 75%. Furthermore, in the unlikely event of any spill, LNG would evaporate immediately and dissipate quickly into the atmosphere without causing any environmental impact to soil, groundwater or surface waters.

Tibbitt to Contwoyto Winter Road Open, freight moving to the mines

The Winter Road opened to 28" load charts on February 1st, 2017 at 8:00 a.m. and incurred its first weight increase on February 2nd, 2017 to 30" load charts. By February 24, they were reporting full ice thickness of 39 inches, allowing carriers to move "*Heavy Loads*" to some of the mine sites. This will now continue throughout the remainder of the project.

The overall condition of the road is very good and crews in all three camps have moved into the maintenance phase of the project. The primary focus will be to identify areas of the road with thinner ice and direct resources to those areas to encourage ice growth and load chart increases.

One might presume that the nice mix of really cold, and moderately cold weather, with some intermittent snow dumps – and good ice engineering – is going to give us a successful season.

Exploration & Development News Briefs

Auryn Resources Inc. (TSX: AUG, OTCQX: GGTCF) is announced February 15 the acquisition of 19 prospecting permits along the Gibsons MacQuoid greenstone belt located in Nunavut. These permits are located between the Meliadine deposit and Meadowbank mine) and encompass approximately 120 km of strike length of the prospective greenstone belt and total 329,000 hectares collectively. Acquisition of the permits cost approximately CAD\$100,000 and provides Auryn exploration rights over the area for a total of three years with the exclusive right to stake minerals claims within the area. The Gibsons MacQuoid greenstone belt lies approximately 125 km from Baker Lake and 136 km from Rankin Inlet. Auryn plans to undertake an extensive till program over the newly acquired ground this summer in an effort to identify key areas of gold mineralization. President and CEO Shawn Wallace commented, "With the acquisition of 120 km of strike length located within the highly prospective Gibsons MacQuoid greenstone belt, Auryn has created another substantial gold exploration opportunity within the eastern Arctic. The opportunity to explore two highly prospective greenstone belts concurrently in Nunavut is consistent with Auryn's ambitious strategy and increases the odds of successfully discovering high quality gold deposits."

Crystal Exploration reported sample results on February 22 from Crystal's 100% owned Muskox and Hood Project areas. All the existing archived drill core has now been logged and sampled in a series of 7 composite samples from the Muskox Kimberlite. The results are summarized below in Table 1. The

samples were processed using the Saskatchewan Research Councils ("SRC's") Dense Media Separation ("DMS") plant to recover commercial sized (approximately +0.85 mm), macro-diamonds. The combined grade from the DMS processing for the magmatic kimberlite samples is 0.45 carats per tonne ("cpt") and the combined grade from the DMS processing for the pyroclastic kimberlite samples is 0.19 cpt. The largest diamonds recovered include 0.49 carats, 0.40 carats and 0.30 carats (see diamond pictures below). The diamonds are described as off-white, transparent to translucent with minor inclusions. Read the full release [here](#).

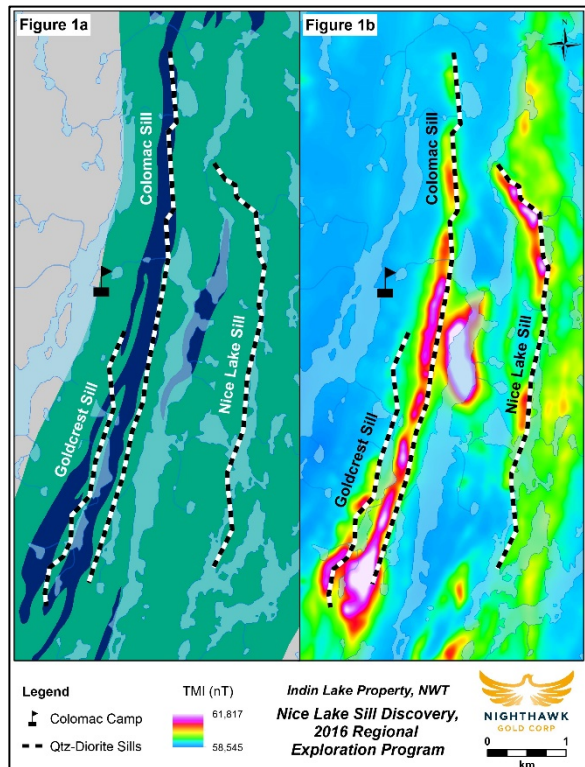
Crystal Exploration reported on March 1 exploration plans for Crystal's 100% owned diamond bearing Muskox, Contwoyto and Hood Projects located in Nunavut, Canada. A three-phase exploration plan is in progress that includes drilling of 6 'bulls eye' ground magnetic targets and completing geophysics over 12 high priority lake and/or Electromagnetic based targets to generate additional new high priority targets. Diamond drilling and exploration work permits are granted across all Crystal project areas. During 2016, 146 till samples were processed of which 117 samples contain possible 'picked' kimberlite indicator minerals (KIM's) across Crystal's project areas. The samples cumulatively contain 7,386 possible KIM's that await microprobe analysis. Crystal's projects and newly developed targets are located in the northcentral portion of the Slave craton of the northwestern Canadian shield which hosts world-class diamond mines and deposits, yet remains vastly under-explored. Testament to this is Canada's and/or the Slave Cratons newest producer,

the Gahcho Kue Diamond Mine which recently reported a 67.87 carat gemstone from production. Read more about their New Target Drilling Program in the full release [here](#).

Kennady Provided Update on the Faraday Bulk Sampling Program: 100 tonnes of kimberlite sampled from Faraday 2 to date; Second Large Diameter RC Drill Rig to be Mobilized. On February 8, Kennady Diamonds [announced](#) that the bulk sampling of the Faraday 2 kimberlite is progressing well with 12 drill holes completed and 100 tonnes of kimberlite collected since the program began on January 20. Kennady Diamonds President and CEO, Dr. Rory Moore stated: "We are delighted with the very productive early start to the 2017 winter program, which was facilitated by having stored an RC drill rig on site after completion of the 2016 program. Moreover, we have decided to mobilize a second RC rig up the winter road this week in order to take further advantage of optimal drilling conditions." The Company plans to recover a total of approximately 570 tonnes of kimberlite from the Faraday kimberlites during the 2017 winter program, including 260 tonnes from Faraday 2, 300 tonnes from the Faraday 3 and approximately 10 tonnes from Faraday 1. The objective of the program is to advance the Faraday 2 and 3 kimberlites to an inferred resource status and advance the Faraday 1 kimberlite to a Target for Further Exploration (TFFE). It is anticipated that diamonds weighing more than 1,000 carats will be recovered from the bulk samples and the diamond parcel will be used for revenue modeling of the Faraday 2 and 3 kimberlites. Diamonds recovered from the Faraday 1 mini-bulk sample will be used to correlate diamond grade and quality potential with the nearby Faraday 3 kimberlite. The bulk sampling program is expected to be completed in early Q2 of 2017.

Nighthawk Discovers New Gold-Bearing Sill East of Colomac. On Feb. 7, Nighthawk Gold Corp. announced the discovery of a new mineralized quartz diorite intrusion similar to the Colomac and Goldcrest sills. Exploration activities focused on prospecting geophysical targets outlined from recent airborne and ground magnetic surveys, and culminated in the discovery of the Nice Lake sill (Figure below) located just 1.5 kilometers ("km") east of Colomac. "The discovery of the Nice Lake sill is a pivotal event for Nighthawk," said Dr. Michael Byron, President and CEO. "It not only presents a highly prospective target, and potential resource expansion opportunity, but also demonstrates the

striking lack of exploration within the general Colomac area, effectively opening up vast stretches of under-explored land east of Colomac. Although early yet, this new intrusion appears geologically similar to the Colomac differentiated sill," notes Dr. Byron. "It's a minimum of 4.0 kilometres long with anomalous gold mineralization over much of its length, lies parallel to the 2 sills, and shares the same magnetic intensity and anomaly shape. To date, the Colomac and Goldcrest sills are the most important hosts of gold mineralization in the camp, so a discovery of this nature and magnitude close to our current resource is both encouraging and incredibly exciting. We look forward to following up on this work in 2017, while aggressively advancing our many other regional prospects." Read the full release [here](#).



Nighthawk Gold Corp. followed up with two more releases, first on February 7, announcing a \$10 million bought deal private placement, and then upping it to \$20 million the next day. It has entered into and agreed with the syndicate of underwriters, led by PI Financial Corp. and including Canaccord Genuity Corp., to increase the size of the bought deal private placement basis previously announced on February 7, 2017. The Offering will now be for 10,752,689 flow-through units, which underlying common shares will qualify as "flow-through shares" within the meaning of the Income Tax Act (Canada),

at a price of \$0.93 per FT Unit and 14,285,715 units ("Units") at a price of \$0.70 per Unit, for aggregate gross proceeds of \$20 million. The gross proceeds from the sale of the FT Units will be used for general exploration expenditures on Nighthawk's Indin Lake Gold Property located in the NWT. The net proceeds from the sale of the Units will be used for general working capital purposes. Read the full release [here](#).

On March 2, **Nighthawk** [announced](#) it had closed \$25.1 Million in Equity Financings, including the bought deal private placement announced on February 7 and February 8. The Company is also pleased to announce that it has completed a non-brokered private placement (the "Non-Brokered Offering"). "The successful closing of this financing ensures Nighthawk has the resources to continue advancing our flagship Colomac Gold Project, and positions us to deliver on the many priority targets within our regional Indin Lake Gold Property. We look forward to an aggressive 2017 exploration program; our busiest to-date," said Dr. Michael Byron, President and CEO. The gross proceeds from the sale of the FT Units will be used for general exploration expenditures on Nighthawk's Indin Lake Gold Property located in the Northwest Territories. The net proceeds from the sale of the Units under the Offering and the gross proceeds from the sale of the Units under the Non-Brokered Offering will be used for general working capital purposes.

North Arrow Minerals Reports Highly Anomalous Till Sample Result from the Mel Diamond Project. Mel is its 100% owned Nunavut project located within 18km of the Arctic Ocean, approximately 140km south of the community of Hall Beach and 210km north of North Arrow's Naujaat (Qilalugaq) Diamond Project near the community of Naujaat. Initial kimberlite indicator mineral (KIM) results have been received from 111 till samples collected from the Mel Project in August 2016. The 2016 sample program evaluated an area extending 2 km up ice from the interpreted head of at least two, and possibly three, KIM trains defined by previous sampling programs. For the most part, the 2016 samples are barren of KIMs, indicating the KIM trains are well cut off within the project area. Additionally, several samples collected near the head of the KIM trains have returned anomalous results, including one highly anomalous sample that has returned in excess of 1,200 KIMs per 20kg of till, an order of magnitude more KIMs than the most anomalous of previous samples collected from the project (please see North Arrow news release dated April 5, 2016

for details of previous sampling), suggesting very close proximity to a kimberlite bedrock source. The suite of indicator minerals recovered from the samples includes mantle-derived magnesian ilmenite, and sub-calcic pyrope and eclogitic garnets. Read the release [here](#), and a video presentation discussing results is available [here](#).

North Arrow [announced](#) February 15, it had closed the previously disclosed property purchase agreement with Stornoway Diamond Corporation (TSX-SWY) under which North Arrow has acquired Stornoway's remaining interests in the Qilalugaq and Pikoo Diamond Projects (please see North Arrow news release #17-01 dated January 17, 2017). North Arrow now holds 100% interests in both projects.

Sabina Gold & Silver Corp [announced](#) February 14, a bought deal private placement flow-through financing to raise ~\$5.5 Million. Drilling for high impact targets at Goose Property planned. It has entered into an agreement with a syndicate of underwriters led by, Canaccord Genuity and including, Paradigm Capital Inc., Cormark Securities Inc., Haywood Securities Inc. and Echelon Wealth Partners Inc. under which the Underwriters have agreed to place, on bought deal basis, 3,150,000 flow-through common shares at a price of \$1.75 to raise gross proceeds of approximately \$5,512,500 million. The gross proceeds from the sale of the Flow-Through Common Shares will be used to explore and advance the Company's Back River Gold Project ("Back River" or the "Project"). Key objectives for the 2017 program are focused on drill testing for new discoveries and demonstrating high value potential mine life additions at the Goose property through extensional and step-out drilling at what could be high impact targets at Umwelt, Llama, Echo, GNS and Kogoyok. This drilling, totaling approximately 6000 meters, is planned to be completed in two separate five-week campaigns during late spring and summer of this year. All of the targets have been assessed for their optionality to enhance project economics by adding or demonstrating additional mine life in the footprint of the proposed Goose Project. Read the full release [here](#).

Silver Range Resources Ltd. (TSX-V: SNG) provided an update on developments at its Up Town Gold Project on February 10. Rover Metals Corp. ("Rover Metals") has made a \$30,000 payment in accordance with a September 9, 2016 property agreement and has informed Silver Range that it intends to

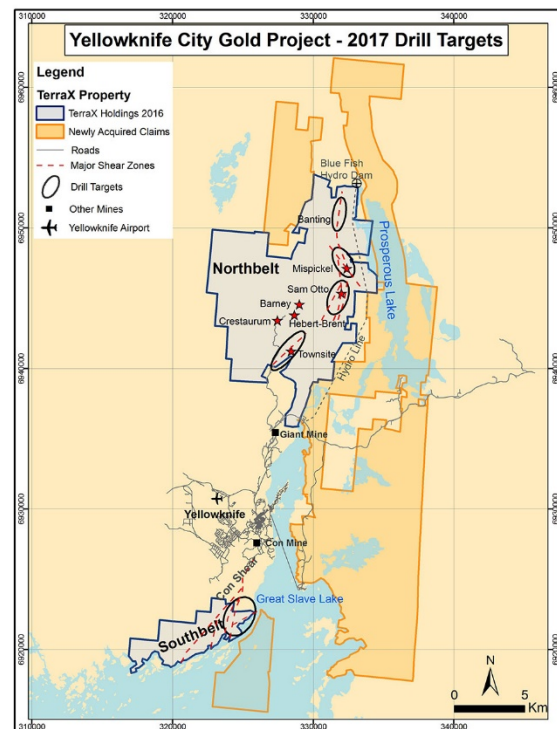
commence drilling this spring. Silver Range is completing community consultations with affected First Nations and intends to submit an application for a Land Use Permit at the beginning of March, contingent upon completion of consultations. The Up Town Gold Project is an Archean lode-gold prospect adjoining the 8.1 million ounce Giant Mine gold deposit in Yellowknife, Northwest Territories. The 3,227 hectare property hosts ten high-grade gold occurrences. Property-wide lithogeochemical surveys, prospecting, and geophysical surveys have defined two structural corridors containing vein-hosted mineralization and a third containing shear zone hosted gold mineralization (Fox South Shear Zone). The most advanced showing, the Rod Vein, was drilled to a shallow depth in the 1960's and mined on a small scale in 1979 by previous owners. Sampling in the open pit at the Rod Vein in 2015 by Panarc Resources returned grab samples assaying up to 318 g/t Au and channel sampling results up to 1.20 m @ 17.27 g/t Au. Manson Creek Resources Ltd. ("Manson Creek") drill tested the Rod Vein in 2013 north of the 1979 production pit with best results of 2.22 m @ 27.47 g/t Au. Read more [here](#).

On February 14th, **Silver Range Resources** [announced](#) a \$750,000 private placement, to consist of the sale of 4,687,500 units at a price of \$0.16 per unit, with each unit to consist of one common share and one non-transferable share purchase warrant, with each warrant to entitle the holder to purchase one additional common share at a price of \$0.25 for a period of two years from closing. The proceeds from this private placement, which is subject to regulatory acceptance, will be used for working capital purposes. On February 17, they [announced](#) it had closed the private placement. Silver Range is building and exploring a portfolio of high grade gold targets in Nunavut, the Northwest Territories and Nevada to fulfil an increasing demand for gold projects in politically stable jurisdictions. The company is actively seeking joint venture partners to explore the assets in its portfolio.

Silver Range Resources Ltd. announced Feb 17 that it has closed the \$750,000 private placement announced February 14, 2017. The placement consisted of the sale of 4,687,500 units at \$0.16 per unit. Each unit consists of one common share and one share purchase warrant, with each warrant entitling the holder to purchase one additional common share at a price of \$0.25 until February 17, 2019. All of the securities issued pursuant to this private placement are subject to a hold period until

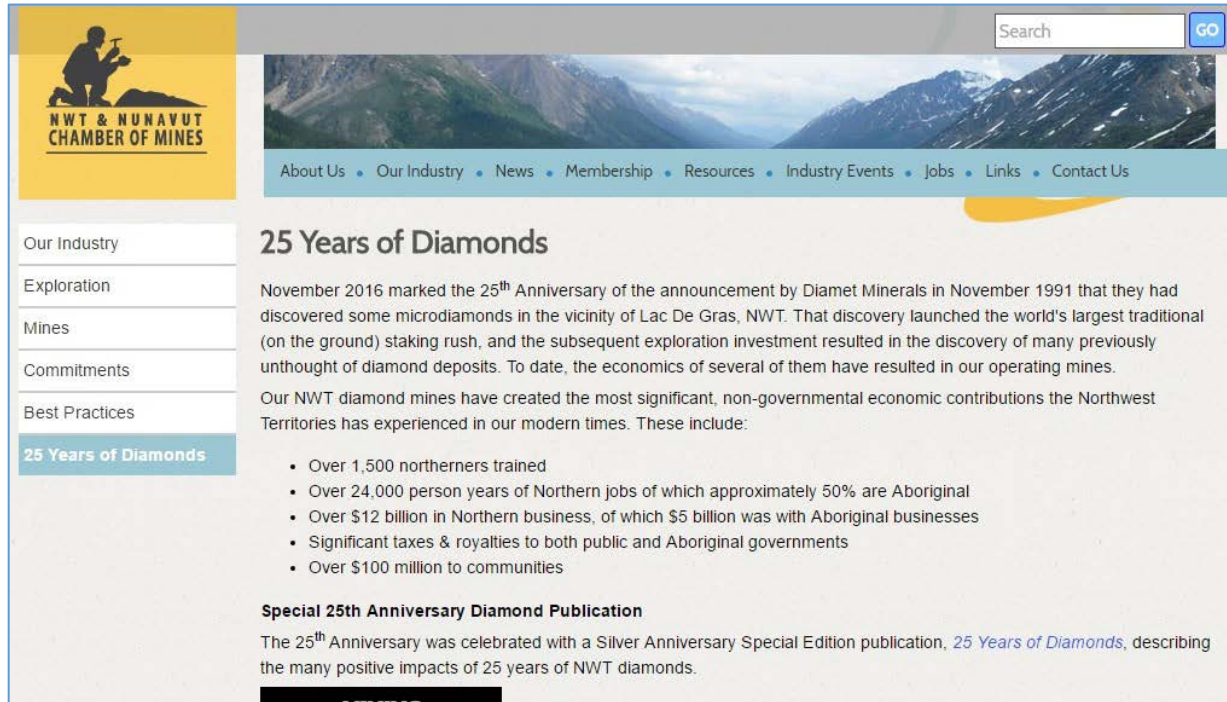
June 18, 2017. There were no finder's fees or commissions paid in respect of this private placement. Silver Range is building and exploring a portfolio of high grade gold targets in Nunavut, the Northwest Territories and Nevada to fulfil an increasing demand for gold projects in politically stable jurisdictions. The company is actively seeking joint venture partners to explore the assets in its portfolio.

TerraX Minerals Inc. announced February 8 that it has commenced a 17,000 meter drill program at its Yellowknife City Gold project adjacent to the City of Yellowknife in the Northwest Territories. This program will incorporate up to four drill rigs that will be primarily testing a number of new drill targets identified during 2016 field exploration. A map showing the location of the initial drill targets is available on our web site under "2017 Winter Drilling" (see figure below). Joe Campbell, CEO of TerraX, states "Our 2017 winter drill programs will focus on four of our high priority gold targets with a goal of significant new discoveries and the expansion of known zones of gold mineralization. The next six months will be exciting for shareholders as there should be a steady flow of exploration drilling news that will highlight the growing potential of this exciting district." Read more on the target they will drilling [here](#).



New Website Page – Celebrating 25 Years of NWT Diamonds!

The Chamber of Mines has added a new page to its website: [25 Years of Diamonds](#). Which contains photos of award recipients, links to two celebratory videos, and a link to our special Silver Anniversary Special Edition publication: *25 Years of Diamonds*. There are also links to the excellent speeches from the Premier and Minister acknowledging the tremendous importance of the award recipients' work.



Unlocking our Potential – Latest GNWT Newsletter

The NWT government has released their latest marketing and information newsletter, *Unlocking Our Potential*.

Topics in this issue include:

- The NWT says Thanks (for 25 Years of Diamonds)
- Q+A: Yellowknife Core Sample Facility
- The Tesla Connection
- Select Mineral Deposits
- New Frontiers for exploration
- Visible Gold Find Piques Interest In Yellowknife

Download it [here](#).



A return to optimism in mining puts Canada at a crossroads

But MAC says Action needed for Canada to capitalize on potential rebound

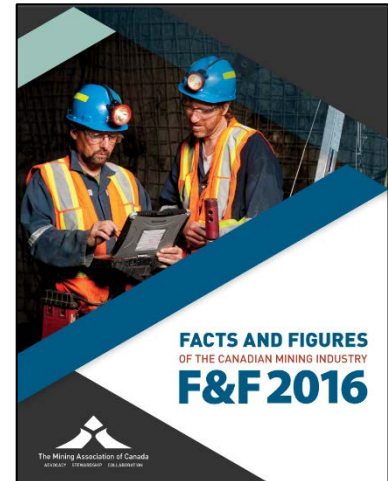
OTTAWA, February 16, 2017 – Cautious optimism is returning to the global mining industry, which could spur mining companies to make new and significant investments. However, a new report from the Mining Association of Canada (MAC) shows evidence of declining Canadian competitiveness and the prospect for major exploration and mining investments to flow offshore.

“Very simply, Canada is not as attractive as it used to be for mineral investment, and competition for those dollars is growing globally. The recent elimination of federal mining tax incentives, regulatory delays and uncertainty, combined with major infrastructure deficits in northern Canada are all contributing factors that can explain Canada's declining attractiveness. The time is now to put the right policy pieces in place to better compete for those investments and regain our leadership in mining,” stated Pierre Gratton, President and CEO, MAC.

MAC's Facts & Figures 2016 report notes several indicators that reveal that Canada is not as competitive as it once was. Foreign direct investment into Canada's mining sector dropped by more than 50 percent year-over-year in 2015. This is disproportionate to Canadian mining direct investment abroad, which only experienced a 6 percent decline. This imbalance indicates that companies are investing in project development, but may be less interested in doing so in Canada. Canada also no longer attracts the single-largest share of total global mineral exploration spending, having conceded first place to Australia in 2015. Further, no new mining projects entered the federal environmental assessment stage in 2016. If these trends continue, there will be fewer discoveries made and fewer projects that become operational mines in Canada.

“The policy landscape in Canada is full of uncertainty as we await the outcomes of major government decisions. The federal government is reviewing federal environmental legislation, is implementing a pan-Canadian climate change policy, and is working to address long-standing transportation and infrastructure issues. These are all necessary and positive steps, but they must result in boosting Canada's attractiveness as a place to do business. At risk is a key sector of our economy, and one that leads the world in sustainable mining practices,” stated Gratton.

MAC's report also revealed the mining industry remained a strong contributor to the Canadian economy despite the downturn in 2015. The industry directly employed more than 370,000 people across Canada and remained the largest private sector employer of Aboriginal people on a proportional basis. An additional 190,000 worked indirectly in mining, with more than 3,700 companies supplying goods and services to the Canadian mining industry. In 2015, the mining industry accounted for \$56 billion of



Research indicates that approximately 12,700 Aboriginal people were working in the mining industry in 2015, and that mining surpasses all other industries in the engagement of Aboriginal workers in occupations that tend to be specific to mine sites.

Canada's GDP and minerals and metals accounted for 19% of Canadian goods exports.

Policies that improve Canada's mining competitiveness:

1. **Improve the federal project review process** - the process should be effective and timely, from pre-environmental assessment (EA) to post-EA permitting, with meaningful consultation with Aboriginal communities.
2. **Invest in critical infrastructure in remote and northern regions** - introduce strategic tax measures and ensure the new Canada Infrastructure Bank has a strong economic development focus for northern Canada.
3. **Improve access to trade** – ensure trade policies provide access to new and important markets, including China, and improve Canada's transportation network to more efficiently move mineral and metal products to market.
4. **Address climate change while protecting Canadian businesses** – adopt policies that lead to meaningful greenhouse gas emissions while protecting emissions intensive and trade-exposed industries (EITI), like the mining industry. Failing to protect EITI sectors will result in “carbon leakage”—the shifting of production and the associated economic benefits from countries that are taking action on climate to those that are not.
5. **Help expedite industry innovation** - The Canada Mining Innovation Council is seeking a \$50 million investment for the Towards Zero Waste Mining innovation strategy from the Government of Canada to accelerate the adoption of disruptive technologies that will support the transition to a lower carbon future.

To download a copy of *Facts & Figures 2016*, please visit www.mining.ca/facts-and-figures-2016.

De Beers Inspired Ice - NWT Ice Carving Championship

De Beers has announced that it will once again sponsor the 2017 De Beers Inspired Ice - NWT Carving Championship with \$25,000. The event takes place March 24-26 during the Long John Jamboree in Yellowknife.

Three teams from the United States are among the ten teams confirmed to date, including inaugural De Beers Inspired Ice winner Stephan Koch of Indiana in 2012. There are also three teams representing the Northwest Territories.



Yellowknife Mayor Mark Heyck said “It’s great to see De Beers making a substantial contribution to the Long John Jamboree, Yellowknife’s signature winter event.”

Read the full release [here](#).

Apply Now! NWT Mining Incentive Program

Applications are now being taken for the NWT's exploration incentive program which makes funding available to eligible prospectors and exploration companies. Full details can be found on their website [here](#). **The 2017-2018 application deadline for both programs is April 15, 2017.**



**Northwest Territories
Mining Incentive Program**

The Government of the Northwest Territories is accepting applications for the Mining Incentive Program (MIP)

The NWT Mining Incentive Program provides funding to prospectors and exploration companies who propose new exploration projects or are already conducting mineral exploration activities in the Northwest Territories.

Prospectors and mineral exploration companies licensed to operate in the NWT are encouraged to apply.

Application deadline is April 15, 2017

For more information about funding or the application process, please contact:

Northwest Territories Geological Survey
Email: NTGS@gov.nt.ca
Phone: 867-767-9211 X63649
Fax: 867-873-2652
www.nwtgeoscience.ca/mining-incentive-program

Government of
Northwest Territories

Botswana adopts Canada's Towards Sustainable Mining initiative

On February 14, the Botswana Chamber of Mines (BCM) announced that it will adopt the Towards Sustainable Mining® (TSM) initiative, a corporate social responsibility program developed by the Mining Association of Canada (MAC) to improve environmental and social practices in the mining industry.

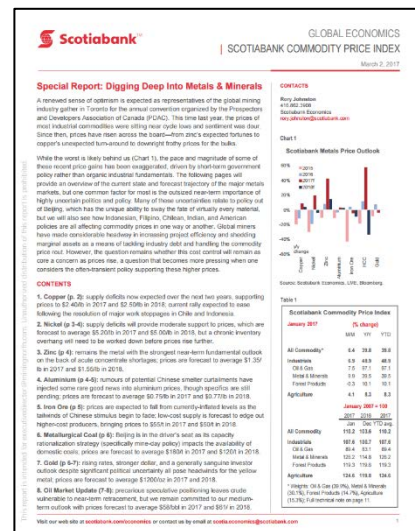
This is first time that TSM has been adopted by a mining association in Africa, and the third to do so outside of Canada. FinnMin, the Finnish Mining Association, adopted TSM in November 2015 and the Cámara Argentina de Empresarios Mineros (CAEM), the Argentinean Chamber of Mining Entrepreneurs, adopted the initiative in October 2016.

TSM requires mining companies to annually assess their facilities' performance across six important areas, including tailings management, community outreach, safety and health, biodiversity conservation, crisis management, and energy use and greenhouse gas emissions management. The results are freely available to the public and are externally-verified every three years to ensure what has been reported is accurate. While BCM will tailor its performance areas so that they reflect the unique aspects of its domestic mining sector, they will be at a similar level to those of Canada's.

To ensure TSM reflects the expectations of civil society and industry stakeholders, it was designed and continues to be shaped by an independent, multi-interest advisory panel. As part of its implementation, BCM will implement a similar advisory body to provide this valuable oversight function.

Scotiabank Special Report: Digging Deep Into Metals & Minerals

- A renewed sense of optimism is expected as representatives of the global mining industry gather in Toronto for the annual convention organized by the Prospectors and Developers Association of Canada (PDAC). This time last year, the prices of most industrial commodities were sitting near cycle lows and sentiment was sour. Since then, prices have risen across the board—from zinc's expected fortunes to copper's unexpected turn-around to downright frothy prices for the bulks.
- While the worst is likely behind us, the pace and magnitude of some of these recent price gains has been exaggerated, driven by short-term government policy rather than organic industrial fundamentals. The following pages will provide an overview of the current state and forecast trajectory of the major metals markets, but one common factor for most is the outsized near-term importance of highly uncertain politics and policy. Global miners have made considerable headway in increasing project efficiency and shedding marginal assets as a means of tackling industry debt and handling the commodity price rout. However, the question remains whether this cost control will remain as core a concern as prices rise, a question that becomes more pressing when one considers the often-transient policy supporting these higher prices.



REPORT CONTENTS

1. Copper (p. 2): supply deficits now expected over the next two years, supporting prices to \$2.40/lb in 2017 and \$2.50/lb in 2018; current rally expected to ease following the resolution of major work stoppages in Chile and Indonesia.
2. Nickel (p. 3-4): supply deficits will provide moderate support to prices, which are forecast to average \$5.20/lb in 2017 and \$5.00/lb in 2018, but a chronic inventory overhang will need to be worked down before prices rise further.
3. Zinc (p. 4): remains the metal with the strongest near-term fundamental outlook on the back of acute concentrate shortages; prices are forecast to average \$1.35/lb in 2017 and \$1.55/lb in 2018.
4. Aluminium (p. 4-5): rumours of potential Chinese smelter curtailments have injected some rare good news into aluminium prices, though specifics are still pending; prices are forecast to average \$0.75/lb in 2017 and \$0.77/lb in 2018.

5. Iron Ore (p 5): prices are expected to fall from currently-inflated levels as the tailwinds of Chinese stimulus begin to fade; low-cost supply is forecast to edge out higher-cost producers, bringing prices to \$55/t in 2017 and \$50/t in 2018.
6. Metallurgical Coal (p 6): Beijing is in the driver's seat as its capacity rationalization strategy (specifically mine-day policy) impacts the availability of domestic coals; prices are forecast to average \$180/t in 2017 and \$120/t in 2018.
7. Gold (p 6-7): rising rates, stronger dollar, and a generally sanguine investor outlook despite significant political uncertainty all pose headwinds for the yellow metal; prices are forecast to average \$1200/oz in 2017 and 2018.

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

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.

- 2 March 2017, [Nighthawk Closes \\$25.1 Million in Equity Financings](#)
- 2 March 2017, [Gahcho Kué in Commercial Production: World's Largest New Diamond Mine Achieves Operational Milestone](#)
- 1 March 2017, [Crystal Exploration - New Target Drilling Program](#)
- 28 February 2017, [Sabina Closes \\$6 Million Bought Deal Flow Through Financing](#)
- 27 February 2017, [TMAC Presentation to BMO Capital Markets 26th Global Metals & Mining Conference](#)
- 27 February 2017, [Sabina Gold & Silver Announces Back River Environmental Impact Statement Addendum Filed and Accepted By NIRB](#)
- 27 February 2017, [2016 In Numbers ... But Not The Ones You Think \[De Beers\]](#)
- 24 February 2017, [Avalon Announces the Results of its 2017 Annual and Special Meeting of Shareholders](#)
- 24 February 2017, [TMAC Nearing Commercial Production at Hope Bay](#)
- 23 February 2017, [Stornoway Announces 2016 Financial Results \[Renard Mine, Quebec\]](#)
- 23 February 2017, [Dominion Diamond Corporation reports Fiscal 2017 Fourth Quarter and Year-End Sales, Ekati Diamond Mine Production Results and Fox Deep Drilling Update](#)
- 23 February 2017, [Crystal Exploration sample results](#)
- 21 February 2017, [Silver Range Stakes Two Properties In Nevada](#)
- 17 February 2017, [Silver Range Resources Ltd. Closes Private Placement](#)
- 16 February 2017, [A return to optimism in mining puts Canada at a crossroads \[says MAC's latest Facts & Figures Report\]](#)
- 15 February 2017, [North Arrow Closes Acquisition of Remaining Interests in Qilalugaq \(Nunavut\) and Pikoo \(Saskatchewan\) Diamond Projects](#)
- 15 February 2017, [Fortune Minerals Limited Announces an Increased Size of the Previously Announced Bought Deal Financing](#)
- 15 February 2017, [Auryn acquires second Greenstone belt with excellent gold exploration potential in Nunavut, Canada](#)
- 14 February 2017, [Canadian Zinc Signs Memorandum of Understanding with Northwest Territories Power Corporation](#)

- 14 February 2017, [De Beers Inspired Ice - NWT Ice Carving Championship](#)
- 14 February 2017, [Silver Range Resources Ltd. Announces Private Placement](#)
- 14 February 2017, [Seabridge Gold to Acquire Snowstorm Project, NV](#)
- 14 February 2017, [Sabina Gold & Silver Announces Bought Deal Private Placement Flow-Through Financing to Raise ~\\$5.5 Million](#)
- 10 February 2017, [Silver Range Provides an Update on Up Town Gold](#)
- 9 February 2017, [TMAC Resources Pours First Gold at Hope Bay](#)
- 8 February 2017, [Nighthawk Increases Bought Deal Private Placement to \\$20 Million](#)
- 8 February 2017, [Kennady Provides Update on the Faraday Bulk Sampling Program](#)
- 8 February 2017, [North Arrow Reports Highly Anomalous Till Sample Result from the Mel Diamond Project](#)
- 8 February 2017, [TerraX begins 17,000 meter winter drill program at Yellowknife City Gold](#)
- 7 February 2017, [Nighthawk Announces \\$10 Million Bought Deal Private Placement](#)
- [« More Recent News Items | Previous News Items »](#)
- 7 February 2017, [Nighthawk Discovers New Gold-Bearing Sill East of Colomac](#)
- 7 February 2017, [Sabina Gold & Silver Announces 2017 Budget and Activities](#)
- 7 February 2017, [Canadian Zinc Appoints HCF as Financial Advisers to Arrange Debt Financing for Prairie Creek Mine](#)
- 6 February 2017, [Stornoway Announces 2016 Production Results and 2017 Guidance \[for Quebec Renard mine\]](#)
- 6 February 2017, [Mountain Province Diamonds Announces Recovery of 67.87 carat Gem Quality Diamond at Gahcho Kué Mine](#)
- 3 February 2017, [Mountain Province Diamonds Announces Appointment of Chief Financial Officer](#)
- 3 February 2017, [Latest Nighthawk Corporate Presentation, January 2017](#)

Calendar of Events

- **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](#).
- CIM Convention in Montreal – “New State of Mine” is the theme that will drive topics of discussion at the upcoming CIM 2017 Convention taking place in Montreal from April 30 to May 3, 2017. To learn more, click [here](#).
- **Resources for Future Generations (RFG2018)**, June 16-21, 2018, Vancouver Convention Centre, BC. With themes covering all of the key geoscience sectors across all of professional practice – Minerals, Energy, Water and the Earth. 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 2015 approximately 1,800. The Ekati mine consists of two joint ventures, the Core Zone Joint Venture and the Buffer Zone Joint Venture, in which the Company has an interest of 88.9% and 72.0%, respectively. All of the production in fiscal year 2017 was sourced from the Core Zone.	News Release, February 23, 2017: Dominion Diamond Corporation reports Fiscal 2017 Fourth Quarter and Year-End Sales, Ekati Diamond Mine Production Results and Fox Deep Drilling Update
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, January 16, 2017: Dominion Diamond Corporation Reports Diavik Diamond Mine Fourth Calendar Quarter Production
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.	De Beers News Release, March 2, 2017: Gahcho Kué in Commercial Production: World's Largest New Diamond Mine Achieves Operational Milestone Mtn Province News release, February 6, 2017: Mountain Province Diamonds Announces Recovery of 67.87 carat Gem Quality Diamond at Gahcho Kué Mine Mtn Province News release, February 3, 2017: Mountain Province Diamonds Announces Appointment of Chief Financial Officer De Beers News Release, February 13: De Beers Inspired Ice - NWT Ice Carving Championship
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	News Release, December 16, 2016: Extended Care and Maintenance to Proceed at Snap Lake Mine

			Snap Lake mine on care and maintenance in December 2015.	
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.
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, February 7: Canadian Zinc Appoints HCF as Financial Advisers to Arrange Debt Financing for Prairie Creek Mine News Release, February 14: Canadian Zinc Signs Memorandum of Understanding with Northwest Territories Power Corporation
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, Feb 15, 2017: Fortune Minerals Limited Announces an Increased Size of the Previously Announced Bought Deal Financing
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, February 8: Kennady Provides Update on the Faraday Bulk Sampling Program <ul style="list-style-type: none"> • 100 tonnes of kimberlite sampled from Faraday 2 to date • Second Large Diameter RC Drill Rig to be Mobilized
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 23, 2017: Avalon Announces the Results of its 2017 Annual and Special Meeting of Shareholders

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 7: Nighthawk Discovers New Gold-Bearing Sill East of Colomac News Release, February 7: Nighthawk Announces \$10 Million Bought Deal Private Placement News Release, March 2: Nighthawk Closes \$25.1 Million in Equity Financings
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.



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, February 15, 2017: Agnico Eagle Reports Fourth Quarter and Full Year 2016 Results – Meliadine and Amaruq Projects Approved for Development; Annual Gold Production Expected to Grow to 2.0 Million Ounces in 2020
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 nearing commercial production)	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 Mine nearing commercial production in February 2017.	News Release, February 9, 2017: TMAC Resources Pours First Gold at Hope Bay News Release, February 23, 2017: TMAC Nearing Commercial Production 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 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	News Release, February 15, 2017: Agnico Eagle Reports Fourth Quarter and Full Year 2016 Results – Meliadine and Amaruq Projects Approved for Development; Annual Gold Production Expected to Grow to 2.0 Million Ounces in 2020

			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.	
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). Initial CAPEX of \$415 million.	<p>News Release, February 7, 2017: Sabina Gold & Silver Announces 2017 Budget and Activities</p> <p>News Release, February 14: Sabina Gold & Silver Announces Bought Deal Private Placement Flow-Through Financing to Raise ~\$5.5 Million: Drilling for high impact targets at Goose Property planned</p> <p>News Release, February 27, 2017: Sabina Gold & Silver Announces Back River Environmental Impact Statement Addendum Filed and Accepted By NIRB</p> <p>News Release, February 28: Sabina Closes \$6 Million Bought Deal Flow Through Financing</p>
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.
Izok Corridor Project (with High Lake & Hood River deposits)	MMG Resources Inc.	Copper, Zinc, Gold, Silver	High Lake is 1,710 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, January 4, 2017, Peregrine Provides Board and Management Update
Angilak	Kivalliq Energy Corp.	Uranium	340,268 acre property located SW of Baker Lake; Hosts the high-grade Lac 50 Trend deposit	News Release, January 16, 2017: Kivalliq Energy Announces \$3 Million Financing Package; Sandstorm Makes Equity Investment And Payment For Royalty Portfolio
Qilalugak	North Arrow Minerals / Stornoway Diamonds	Diamonds	7 km from tidewater; 9 km from Repulse Bay, Melville Peninsula; 7,143 hectares of contiguous mineral claims. Largest kimberlite in Nunavut.	News release January 17, 2017: North Arrow Acquires Remaining Interests in Qilalugaq (Nunavut) and Pikoo (Saskatchewan) Diamond Projects from Stornoway. A diamond drill has been mobilized to the community of Naujaat, just 9 km from Q1-4, where a drilling and sampling program is planned for this spring and summer.

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, Feb 15: Auryn acquires second Greenstone belt with excellent gold exploration potential in Nunavut, Canada
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.



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Project Maps

