

Northern Mining News

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From the Executive Director ...

A long lineup of stories in this issue. Top of the list is the recommendation by the Review Board for the Minister to approve the Jay project. That's good news. Also Hope Bay and Gahcho Kue are progressing well to production later this year. Some great updates on Chidliak, Gahcho Kué, and Diavik.

Some very supportive statements for mining from the NWT Premier, and a positive report from the National Aboriginal Economic Development Board in support of infrastructure for resource development.

Happy reading! ... Editor

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

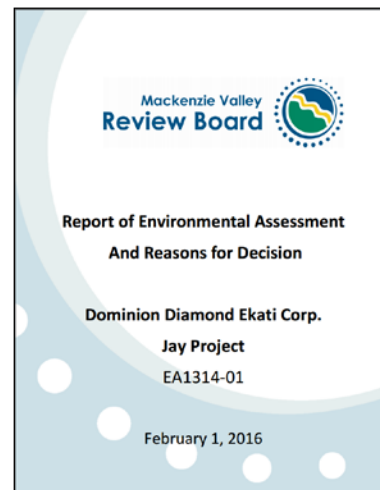
NWT Review Board recommends approval of Ekati's Jay Pipe Project

The Mackenzie Valley Environmental Impact Review Board (Review Board) is pleased to submit the attached Report of Environmental Assessment and Reasons for Decision (Report) for the Jay Project.

The Review Board recommends, pursuant to sub-paragraph 128(1)(b)(ii) of the Mackenzie Valley Resource Management Act, that the approval of the Jay Project be made subject to implementation of the measures described in this Report, which are necessary to prevent significant adverse impacts on the environment and mitigate the causes of public concern. This recommendation is contingent on the developer implementing its commitments to mitigate impacts to the environment, including people, as described in the Report.

The measures recommended by the Review Board require that the Jay Project:

- be designed and operated in a manner that reduces impacts to caribou, particularly from roads and dust
- manage surface waters so the area is useful for Aboriginal traditional uses after the Jay Project closes
- better manage social impacts, with more community engagement
- offset remaining impacts to caribou from the Jay Project on other areas of the Ekati Mine site
- fund an Elders group to advise on constructing, operating and monitoring the Jay road
- ensure clean surface waters on the Jay and Misery pits after closure
- create an independent dike review panel to help design and operate the dike safely
- prevent impacts to the Narrows
- improve the strategy to employ women
- use Traditional Knowledge appropriately to design and operate the Jay Project
- create a cultural camp
- follow up monitoring and reporting on implementing these measures and their effectiveness



The environmental assessment for the Jay Project was completed using nine months of Review Board time since the coming into force of timeline amendments to the Mackenzie Valley Resource Management Act on April 1, 2015. This is within the legislated timeline of 16 months for an environmental assessment with a hearing. Total Review Board time for the assessment of EA1314-01, including time prior to April 1, 2015, is 12 months.

Download the full report [here](#).

Dear NWT Government: No time to let off the gas!

Guest Editorial by Gary Vivian, President, NWT & Nunavut Chamber of Mines originally printed in News/North, January 11, 2016

It's relieving to have the election behind us and see our NWT government come together under the solid leadership of Premier Bob McLeod and his new Cabinet. They have their work cut out for them with our economy in stress and falling revenues and rising costs.

Rather than simply wishing them luck, let's actually have a closer look at where they are headed.

Because I think it's worrisome.

Before Christmas, our MLAs tabled their "Priorities of the 18th Legislative Assembly". The short, 2-page document lists 25 priorities including governance, cost-of-living, education, community wellness and the economy.

Some pretty good stuff but ...

... nowhere in the priorities is the word "mining" or "oil & gas", or "non-renewable resources"!

This is very troublesome. How could a government facing significant economic problems ignore the largest private sector contributor to our economy?

How could they miss it with the recent closure of two mines and the lost jobs, business and tax revenues staring them in the face? With the \$1 billion in exploration opportunity that we let slip through our fingers over the past 7 years?

Perhaps they ignored it?

Perhaps in their rush to diversify the economy, our MLAs simply overlooked what they thought would always be there, mining.

However, it's hard to fathom when you read the words of warning provided to them by the 17th Assembly in its "Passing the Mace" advice: *The 18th Legislative Assembly must come to terms with the expected wind-down of existing diamond mines in the NWT. As goes the mining sector, so go the next largest sectors of our economy, being construction and transportation. As jobs disappear, our population will decline further and faster, resulting in less revenue for programs and services, fewer opportunities for our youth and a higher cost of living.*

Ominous words indeed, and certainly worthy of action and priority.

The 17th Assembly even provided a recommendation: *We encourage the 18th Legislative Assembly to invest in the infrastructure needed to open our territory to exploration and transport our vast resources to market.*

Sounds like mining and non-renewable resources to me.

Incidentally, the 17th Assembly got it. Their Priorities included "*developing a socially responsible and environmentally sustainable economic development and mining strategy*", which they delivered.

It is very troubling that 19 representatives – many from communities that directly rely on mining and other non-renewable resources – didn't identify a healthy resource industry as a priority.

This 18th Assembly is our first government after devolution, the one that is building our path towards more self-reliance, as we cut Ottawa's apron strings and stand on our own. Missing non-renewable resources – our key economic strength – in their priorities is mind-boggling.

Should we be concerned that our newly elected 18th Assembly is on the wrong track?

Yes! But there is still hope.

The Premier and Cabinet now have the job to turn the Priorities into the government's more detailed action plan, the Mandate. This is their chance to prioritize mining and non-renewable resource development in the government's Mandate.

For all of our sakes, we need them to do this, and we need the 18th Assembly to approve it. Northerners and investors are watching for it.

Call your MLA. Tell them it's not time to take their foot off the mining gas pedal. Save our economy and help chart a positive future for our children and grandchildren. Put mining back into the priorities.

NWT Premier signals positive support for mining to conference attendees

Premier Bob McLeod: Mineral Exploration Roundup Remarks *(Check against delivery)*

Thank you for that introduction, Deb, and good evening everyone.

I would like to begin tonight by acknowledging that this conference is taking place on the traditional lands of the Squamish, Musqueam and Tseil-Waututh First Nations.

The mining industry has played a significant role in the economic prosperity of the Northwest Territories and there are a number of individuals present this evening that have contributed greatly the industry's success in our territory and deserve recognition tonight.

The NWT and Nunavut Chamber of Mines - with whom we are co-hosting tonight's event - is a longstanding partner and resource in our work to realize the full extent of our territory's mineral potential. I would like to thank President Gary Vivian and Tom Hoefler for continuing to work with the Government of the Northwest Territories as advocates for the mining industry.

I would also like to recognize the many community leaders from across the Northwest Territories who have taken the time to attend this evening. I have been pleased to see representatives from the Inuvialuit Settlement Region, Yellowknives Dene First Nation and Denendeh Investment Corporation, as well as a substantial delegation from the Sahtu here at Roundup. Their presence here highlights the important role that Aboriginal governments and people play in the territorial economy and society. Engaging them respectfully as partners and ensuring they have meaningful opportunities to participate in and benefit from resource development is crucial to the success of any project in our territory. Our government's partnership approach to working with Aboriginal governments is an approach that has created success in the Northwest Territories that could be a model for other parts of Canada.

I would also like to acknowledge the Government of the Northwest Territories' Minister of Lands - and newly designated Minister of Finance Robert C. McLeod (the other Minister McLeod). Minister McLeod was instrumental in leading the establishment of our Department of Lands - formed as a result of 2014's landmark Devolution agreement that brought control of our lands and resources home to the Northwest Territories.

Our colleague the Honourable Glen Abernethy is also in attendance.

The leadership of our NWT mining sector is well represented tonight - Gren Thomas, Glen Koropchuk, Brendan Bell, Jim Gowans. Thank you for being here tonight and for your commitment and ongoing partnership in our northern mining sector.

Congratulations to Eira Thomas who tomorrow will be receiving the AMEBC Hugo Dummett Diamond Award for Excellence for her significant contributions to diamond exploration, discovery and mine development in Canada. It seems like almost every year someone who has been involved in mineral exploration in the Northwest Territories is receiving an award acknowledging their achievements.

I would also like to congratulate a dedicated, highly-respected community leader whose footprints are already deep and enduring in our Territory.

He was chosen, this year, to receive the prestigious Skookum Jim Award which he will be awarded at PDAC this March. His innovation, hard work and dedication to the mineral industry in his community have improved the lives of many. I am talking, of course about Mr. Darrell Beaulieu.

Darrell's leadership of Det'on Cho Corporation, Denendeh Investment Corporation, and DEMCO — along with his countless board memberships — has succeeded in bringing Dene participation in our mineral industry to the fore.

Ladies and Gentlemen, it is an honour to join you - the leaders of Canada's ever-important mining industry - and to speak tonight about the huge economic opportunities awaiting exploration companies in the Northwest Territories.

There are few other places in the world — let alone Canada — where mineral potential, industry talent, and government comes together like today's Northwest Territories.

I am equally honoured to be here this year, not only as Premier of the Northwest Territories, but as its Minister of Industry, Tourism and Investment.

It is a portfolio I have chosen to take on because of the critical role that our economy must play in addressing the challenges that we face. The resource industry, in particular, offers a very real means for raising the revenues necessary to bring the citizens of the Northwest Territories the changes they want from the newly elected 18th Legislative Assembly.

The mining industry plays a significant role in the economic success of the Northwest Territories. It accounts for nearly 40% of the territory's GDP, and am committed to supporting its continued strength and vitality.

As our government prepares to sit in our first legislative session, we understand that sustaining and growing our mining sector will help us on many fronts; from infrastructure growth, to training and education, to employment, to revenue generation.

There are a number of challenges to tackle and we aware that industry as a whole is facing some of the same challenges.

But we also understand that we are dealing with an industry - North and South - comprised of the brightest, most innovative business minds that have yet to be kept down by downswings in commodity markets.

We have some of the largest proven mineral reserves in Canada; a virtually untapped, rich geological potential capable of supporting a healthy minerals industry for generations to come.

Gahcho Kué — the world's largest new diamond mine — is set to begin production later this year.

There are huge opportunities to extend diamond production in the Kennady Lake region, with Kennady Diamonds yielding positive results in 2015.

Gold in the Northwest Territories is poised to make a comeback with TerraX's Yellowknife City Gold project and Nighthawk's Indian Lake project showing positive results in the last year.

And, there is no question about the quality of the minerals that exist in our Territory. Our diamonds rank among the highest quality in the world by carat composition. Our friends at Diavik received an exciting reminder of this last July with their discovery of the now world-famous Foxtire diamond.

What we are missing in the Northwest Territories today is exploration. I assure you today that the Government of the Northwest Territories is working to bring certainty, investments and access to the table in order to address this challenge.

Let's begin with Certainty. It has been a challenge in our Territory. The regulatory regime we operate under remains in control of the Federal Government. Gaining that control to allow our government to create a made-in-the-north system, that takes into consideration Aboriginal rights and provides the mining industry with more clarity and certainty. We need the levers of control in the Northwest Territories, and that is why we need the legislation turned over to us in less than the five-year time frame proposed by the previous government. We cannot afford to have projects that are critical to the economy and wellbeing of the Northwest Territories stall because of continued inefficiencies in the regulatory system.

When I met with Indigenous and Northern Affairs Minister Carolyn Bennett earlier this month, she was open to hearing more about how our government would like to proceed. We want certainty for our territory, economy and our people.

Remember this. The single most important piece in realizing greater certainty for our territory and its investors is one that has now been set. Devolution has brought control of our lands and resources from the federal government home to the territories. The impact of this cannot be overstated. Devolution allows our territory to provide responsive policy solutions for land and resource issues.

We recognize that making land available in an orderly and responsible manner by finalizing land claims and land use plans will help support responsible resource development consistent with the values and priorities of our residents.

I have committed to finding the common ground that will allow us to settle our Territory's outstanding land claims in the next four years. As a matter of fact I committed to having new offers on the table within 90 days of taking office. I am very aware that the clock is ticking and rest assured my officials are too. I have also committed to leading a government that speaks with a common voice and takes a balanced approach to land use planning.

The Government of the Northwest Territories is committed to making progress on land claims and implementing a predictable, northern-designed regulatory process. We have already raised these issues with Canada and said very clearly that the Federal government needs to be a willing partner, one who will take a flexible approach so we can break the log-jam and get the outstanding claims settled. We continue to engage Aboriginal governments in the Northwest Territories in the spirit of respect, recognition and responsibility, fostering an environment of partnership and cooperation that provides the foundation for development in NWT communities and regions.

The Government of the Northwest Territories is reliant on the guidance and support of our communities and regions to keep our economy moving. We are the only Government in Canada committed to ensuring Aboriginal governments share in the benefits of economic development both by sharing in resource revenues and through direct employment and contracting.

In other areas, we have taken steps to double-down on our support for those of you already prospecting and exploring in our region. Our Assessment Work Incentive — implemented last year — provides an extra 50% credit for exploration work a company files in our Territory. Under our Mining Incentive Program, we have provided a direct investment of \$800,000 to prospectors and junior exploration companies over the last two years and this has contributed to many programs successes.

It is tough to get new projects off the ground; and we are working to provide the investment necessary to assist the growth of the grassroots. We all know that in order to find something, you need to look in the right place.

We are currently investing \$4 million in a state-of-the-art Geological Materials Collection facility in Yellowknife that will provide major equipment savings for those considering or expanding mineral exploration projects in the NWT.

In the long term, we continue to support the mining industry with investments in infrastructure that will facilitate access to the NWT's rich mineral reserves and improve the economics of northern projects – and I do mean northern projects here. We continue to study the potential of a road through the Slave Geological Province, linking up with a road in Nunavut that will provide unprecedented access to previously remote deposits in both our territories

We are also working towards our vision of improving access to resource-producing regions - paving the way for greater prosperity through greater access. Our 25 year transportation infrastructure plan will see nearly 1000km of new all-season road built across some of our areas

of highest geological potential - in time drastically reducing access barriers for the resource industry.

Benefits from NWT projects are enjoyed nationally. In this area, we continue to see a role for the federal government; in supporting economic development with promised federal infrastructure funding.

Since the 1930's, minerals have been instrumental in bringing the jobs, revenues, and opportunities necessary to make the Northwest Territories a good place to live for its citizens. As we navigate our way through this tough economy, we recognize the importance of ensuring our mineral industry remains front of mind as we prepare for the up-cycle.

What I will leave you with is this.

In the Northwest Territories today, we have a government with a renewed mandate; with control of resources – with the proven ability to nurture and support major projects and committed to taking proactive actions in time for when commodities rise.

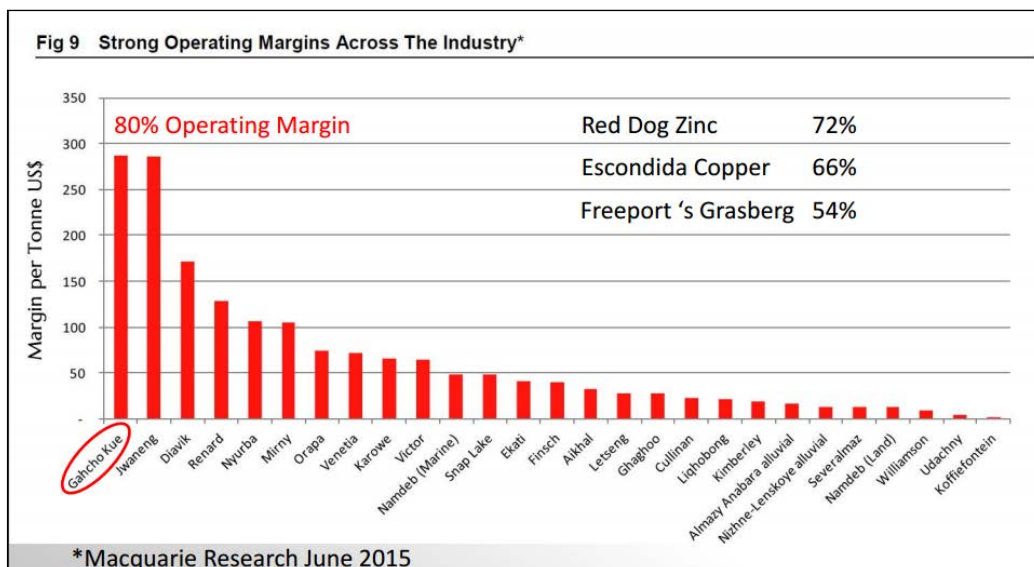
As I said at the beginning, there are few other places in the world — let alone Canada — where mineral potential, industry talent, and government come together like today's Northwest Territories. That is our challenge and our opportunity. There is nothing like a shared struggle to bring northerners together. We share those characteristics with you in the mining industry. We do not back down from a fight, we are resilient and together we will prosper.

Thank you.

Click [here](#) for source document.

Gahcho Kué, world's largest and richest new diamond mine 85% complete

Construction of the NWT's newest diamond mine, Gahcho Kué, the world's largest and richest new diamond mine is 85% complete. In Mountain Province's latest corporate presentation, the company considers the mine is "best in class", the highest margin diamond mine in production as demonstrated in the figure below.



The current projected life of mine is 12 years, but Mountain Province’s Vision of the project is a Tier 1 asset, with potential for a 20+ year mine life, with \$20 billion *in situ* value.

To learn more, download the January 2016 corporate presentation [here](#), and the latest Fact Sheet [here](#).

Aboriginal Ec Dev Board Recommends Infrastructure Investment in North

On January 20, the National Aboriginal Economic Development Board (NAEDB) released their report: [Recommendations on Northern Infrastructure to Support Economic Development](#). The recommendations address the significant infrastructure deficit in Canada’s North which acts as the predominant barrier to economic and business development in the region and the improvement of the quality of life in northern Indigenous communities.

“Not only is more infrastructure funding needed. The North should have its own specific strategy based on the recommendations we have developed for the Government of Canada,” said Hilda Broomfield Letemplier, of NAEDB’s Northern sub-committee.

The Board has found that because of the unique challenges faced in Northern regions, large, nation-building infrastructure is required alongside increased investment in community level infrastructure to support Northern communities.

Enhancements to transportation infrastructure, improved connectivity and improvements to energy infrastructure are crucial for community and economic development in Northern communities.

The NAEDB is adding its voice to an increasing number of groups calling for new approaches and renewed investment in Canada’s infrastructure. Organizations such as the Canadian Centre for Policy Alternatives, the Canadian Chamber of Commerce, and the Federation of Canadian Municipalities, among others have all signaled a critical deficit in Canada’s infrastructure.

Despite the critical state of Northern infrastructure there is the potential to generate significant net economic and fiscal benefits, while developing sustainable economies.

World demand for resources has brought global attention to Canada’s North. In 2011, total mineral exploration expenditures in the three territories were approximately \$914 million, representing an 85 percent increase from the previous year.

The Board’s work on infrastructure in the North identified that each dollar spent on Northern economic infrastructure has the potential, if invested wisely, to generate \$22 in economic and fiscal benefits.

To fully realise the economic potential of the North, bold infrastructure investments must be made. A report by GE Canada discovered that Northern business and community leaders



consistently rank improving infrastructure as the “single most important” criteria for attracting investment and facilitating business development in remote communities.

The report builds on the Board’s research on infrastructure and economic development conducted throughout 2014-2015. Those findings were published in the two reports, [*Addressing the Infrastructure Needs of Northern Aboriginal Communities*](#) Report, and the [*Business Case for a Northern Economic Infrastructure System*](#). In addition, the Board has consulted with Northern leaders at a roundtable on infrastructure and economic development.

To support Northern infrastructure and economic development the Board recommends that the Government of Canada address three broad areas:

- Coordinate investments in economic development infrastructure
- Increase infrastructure funding and financing
- Support Northern community capacity by funding research and comprehensive community planning

Based on the findings contained in the report, the NAEDB has come forward with the following recommendations. Please refer to the report for full recommendations. It is recommended that the Government of Canada take these actions:

- fund a system to facilitate coordination in infrastructure development.
- work with the First Nations Fiscal Management Act institutions.
- commission a feasibility study on establishing a Northern Indigenous investment entity, examining the potential benefits of a pooled approach to create a pan-Northern development fund.
- designate additional funding to establish a new North-specific infrastructure investment fund, in order to invest in infrastructure to support economic development in the North.
- consider adopting tax structures that take into account the added cost of operating in the North and would act to level the playing field for industry choosing to operate in the North.
- fund a publicly accessible, independent Resource Center to coordinate research into, and share information on, best practices in economic development in the North.
- provide dedicated funding and support to Aboriginal governments and Northern communities in order to support comprehensive community planning and provide access to tools that allow proactive engagement in natural resource development.
- And, further work be undertaken by governments and key Northern leaders to examine alternate private investment models that apply to the North.

Northern infrastructure is inadequate to meet the needs of Northern Canadians, and it is limiting our ability to realise the great potential of the North. We are at a crossroads and action is needed now. ” – Hilda Broomfield Letemplier, Northern sub-committee.

Recommendations on Northern Infrastructure to Support Economic Development

The [Recommendations on Northern Infrastructure to Support Economic Development](#) build on past research into Northern infrastructure, including the [Study on Addressing the Infrastructure Needs of Northern Aboriginal Communities](#) that was conducted by the Conference Board of Canada's Centre for the North on behalf of the NAEDB. The Fiscal Realities Economists' 2015 study [The Business Case for a Northern Economic Infrastructure System](#) was also used extensively in the development of the recommendations. The ideas and strategies generated at the [Roundtable on Northern Infrastructure and Economic Development](#) hosted by the NAEDB in June 2015 were crucial in the preparation of the recommendations. The Board consulted extensively with Northern experts in the development of this report.

The NAEDB

Established in 1990, the NAEDB is a Governor in Council appointed board mandated to provide strategic policy and program advice to the federal government on Aboriginal economic development. Comprised of First Nations, Inuit and Métis community and business leaders from across Canada, the Board plays an important role in helping the federal government develop economic policies and programs that are coordinated, accessible and responsive to the unique needs and circumstances of Indigenous Canadians.

The Chamber of Mines also issued a news release in support of the report, available [here](#).

NWT Premier also supports Aboriginal Infrastructure Report

(News Release) NWT Premier Bob McLeod welcomed the findings of the National Aboriginal Economic Development Board's report highlighting the need for infrastructure investment that would contribute not only to resource development and economic growth, but support social development.

Released yesterday, [Recommendations on Northern Infrastructure to Support Economic Development](#) highlights the need for transportation infrastructure investment, increased connectivity, and investment in energy infrastructure as critical elements to the North's economic and social growth.

"The call by the board for bold investment in nation-building infrastructure projects alongside community-level investment would make the Northwest Territories more inviting to the resource development sector, improve the quality of life for all Northerners through job opportunities and strengthen and diversify local economies," said Premier McLeod. "The need for Federal investment in key infrastructure areas will improve Indigenous engagement in planning, decision-making and business development opportunities, making them true partners in our success as a territory now and into the future."

The report indicates the Northwest Territories faces significant challenges to community development, socio-economic growth and the development of sustainable economies due to the lack of adequate infrastructure (port facilities, runways, roads, bridges, housing, energy), and also states for every \$1 invested in the North there is a return of \$22 in economic benefit. The Government of the Northwest Territories (GNWT) will be working closely with Canada to

access funding promised during the 2015 federal election by Prime Minister Justin Trudeau for infrastructure, energy and housing.

“By securing federal funding in these key areas, the GNWT will be in a position to improve its economic situation moving forward,” said Premier McLeod. “While the need for small-scale, community-based economic development is an important part of the puzzle in diversifying our economy, the choice should be left to communities. Its contribution to our economic stability is important, but without infrastructure and a strong resource development sector small-scale economies become closed and stagnant.”

The report also states that settling outstanding land claims will create a stable investment climate and certainty about use and ownership over lands and resources for much of the North. Premier McLeod agrees with the report’s findings that this certainty in the investment climate is a valuable asset to Northern regions in terms of infrastructure investment as it is a critical prerequisite to private investment. Settled claims in several regions of the NWT already provide a strong foundation for Aboriginal and public governments to work together to promote economic and social development, and the Premier is committed to settling remaining claims.

“The GNWT doesn’t make assumptions about what Aboriginal people in the Northwest Territories and their governments want. We work directly with them to find solutions to the issues and challenges they face.

Peregrine Reports CH-7 Bulk Sample Diamond Grade of 0.88 Carats per Tonne

Peregrine Diamonds Ltd. ("Peregrine" or "the Company") (TSX:PGD) is pleased to report that a 814.0 dry tonne bulk sample from the CH-7 kimberlite pipe on Peregrine's 100 percent owned Chidliak Diamond Project ("Chidliak" or "the Project") in Nunavut, Canada, returned an overall diamond grade of 0.88 carats per tonne ("cpt"). A total of 717.65 carats of commercial-size (+1.18 mm) diamonds was recovered, including 53 diamonds one carat or larger and 183 diamonds over 0.50 carat in size. The largest gem quality diamond recovered was a 5.33 carat white/colourless octahedron with no inclusions. Significant diamond breakage was observed, as more fully described below, including a gem quality diamond that may have originally been larger than six carats. A substantial portion of the parcel is gem quality diamonds and a population of colored stones is present. Processing of the entire bulk sample was performed by the Saskatchewan Research Council ("the SRC"). An independent diamond valuation of the 717.65 carat parcel will be completed this quarter in Antwerp, Belgium by WWW International Diamond Consultants Ltd ("WWW").

Diamonds of special note described by the SRC include the following:

- A 5.33 carat white-colourless transparent octahedron with no inclusions
- A 5.02 carat off-white transparent octahedron with minor inclusions
- A 4.40 carat off-white transparent macle with minor inclusions
- A 2.01 ct white-colourless, transparent octahedron with no inclusions
- Two yellow transparent octahedra, one at 0.52 carat, the other at 0.5 carat



A selection of diamonds from the CH-7 bulk sample, unit KIM-4. The largest stone is 5.33 cts.

More photos of representative diamonds from the bulk sample are available at http://www.pdiam.com/s/PG_2015-CH-7-bulk.asp.

NWT Transportation helps with permits for increased weight on road to mines

Some good news for industry as the NWT Department of Transportation (DOT) announced it is extending a pilot project for permits on 8 and 9 axle commercial vehicles. These permits allow commercial carriers to ship more weight per truck when travelling between Hay River and the mine sites north of Yellowknife.

The initial pilot project was a success, and the Department of Transportation is looking forward to continuing this partnership with the Tibbit to Contwoyto Winter Road Joint Venture.

“Improving our transportation network by building on partnerships with industry stakeholders is a priority for the Department,” said Minister of Transportation Wally Schumann. “There are numerous economic benefits associated with the project, including reduced commercial carrier traffic on these roads, improved fuel efficiency and a reduction in greenhouse gas emissions, and a more effective mine resupply period”.

“The GNWT axle permit pilot project has been an excellent example of government and industry working together to safely improve efficiencies while reducing cost to mining operations in the North, thereby making them more sustainable in the long term,” said Ron Near, Director of Winter Road Operations with Diavik Diamond Mines Inc.

Strengthening connections is one of the three strategic priorities identified in the Department of Transportation's 25-year Transportation Strategy. The Department will continue to look for ways to build on partnerships with industry and other stakeholders to increase reliability, enhance the level of service and improve transportation safety for residents and businesses across the Northwest Territories.

Encouraging Early Signs for Diamonds but 2016 Likely to be Volatile

Addressing a Sightholder reception during the first De Beers Sight of 2016, Philippe Mellier, Chief Executive, De Beers Group, today said that there were some encouraging signs in the diamond industry at the start of 2016. Mr Mellier cautioned, however, that the recovery in the diamond sector remained delicate and that there was likely to be some volatility in 2016.

Highlighting some of the positive developments, Mr Mellier stated: "We have seen polished diamond prices start to stabilise and even increase in certain areas, we have seen some encouraging early indications from holiday season sales in the US consumer market and we have seen greater trading activity than at the end of 2015". However, he also stated that: "There continues to be uncertainty regarding the macroeconomic outlook, currency pressures have the potential to weigh on downstream demand in a number of locations and we will need to see how retail restocking appetites develop".

Recognising the crucial role played by a number of midstream diamond businesses in addressing recent difficulties, Mr Mellier stated: "2015's challenges were very different from those presented by the demand crisis that followed the 2008 downturn, but that does not mean they were any less difficult to deal with... We all had to take difficult decisions, considering trade-offs between what was right for our businesses and what was right for the industry. We all had to absorb the impact of negative trading conditions in the short-term so as to protect the industry's long-term interests. And we all had to employ our hard-earned experience and expertise to navigate through some very difficult times."

Setting out De Beers' approach to supporting and accelerating improvements in the diamond industry, Mr Mellier stated that De Beers would focus on both supply and demand. Supply-side actions will include a reorganisation of the Global Sightholder Sales business unit, while on the demand side Mr Mellier stated that De Beers would continue to invest in non-proprietary marketing in 2016 so that it could: "ensure that consumers – young and old, eastern and western – continue to celebrate their own facet of forever with the magic of diamonds."

A full copy of the speech [is available here](#).

De Beers Production down, Q4 2015 UPDATE

Diamond production for the fourth quarter of 2015 decreased 16 per cent to 7.1 million carats, reflecting the decision to reduce production in response to trading conditions.

Quarterly production increased 17 per cent compared with the third quarter of 2015, due to improved grade at Orapa and as a result of an annual planned six day plant shutdown at Venetia in the third quarter.

Rough diamond sales volumes in the quarter were 3.6 million carats, compared with 3.0 million carats in the third quarter of 2015. This reflected the weaker trading conditions and higher pipeline stocks that impacted upon the midstream.

For the full year, volumes decreased by 39 per cent to 19.9 million carats (20.6 million carats on a 100 per cent basis including all sales by joint ventures).

The De Beers rough price index was on average eight per cent lower in 2015 than in 2014, with the index falling by 15 per cent over the course of the year. However, the average realised price at \$207 per carat was five per cent higher than in 2014 due to a higher quality average product mix.

Production in Canada decreased by eight per cent to 0.4 million carats, due to marginally reduced activity at Victor and lower grade at Snap Lake. In December 2015, De Beers announced Snap Lake would be placed on care and maintenance, and this was implemented that same month.

Cobalt Batteries good for NWT? NICO is poised ...

Cobalt is emerging as a highly sought after element in this new “green” world, and the NWT could just well be a major supplier of it from Fortune’s NICO deposit in Tlicho country.

Fortune Minerals Limited is developing the vertically integrated NICO cobalt-gold-bismuth-copper project in Canada. NICO is comprised of a proposed mine and mill in the Northwest Territories that will produce a bulk concentrate for shipment to a refinery that we plan to construct in Saskatchewan for processing to higher value metals and chemicals. The project is positioned to become an important North American source of battery grade cobalt chemicals that are increasingly in demand for the manufacture of lithium-ion rechargeable batteries used in portable electronic devices, electric vehicles and stationary storage cells. We are currently pursuing off-take agreements and project financing for NICO’s development.

The cobalt market in 2014 was about 100,000 tonnes and has had growth of approximately 6% CAGR over the past two decades. During this period, battery chemicals have grown from 1% to 46% of the cobalt market. The market has been in surplus over the past few years with 63% of mine production in the Democratic Republic of the Congo and 43% of refinery production in China. Most of the production is associated with copper or nickel mining – although artisanal production is also important. The market is transitioning to balance, but forecast to be in a production deficit by 2016 or 2017 that will extend into the foreseeable future.

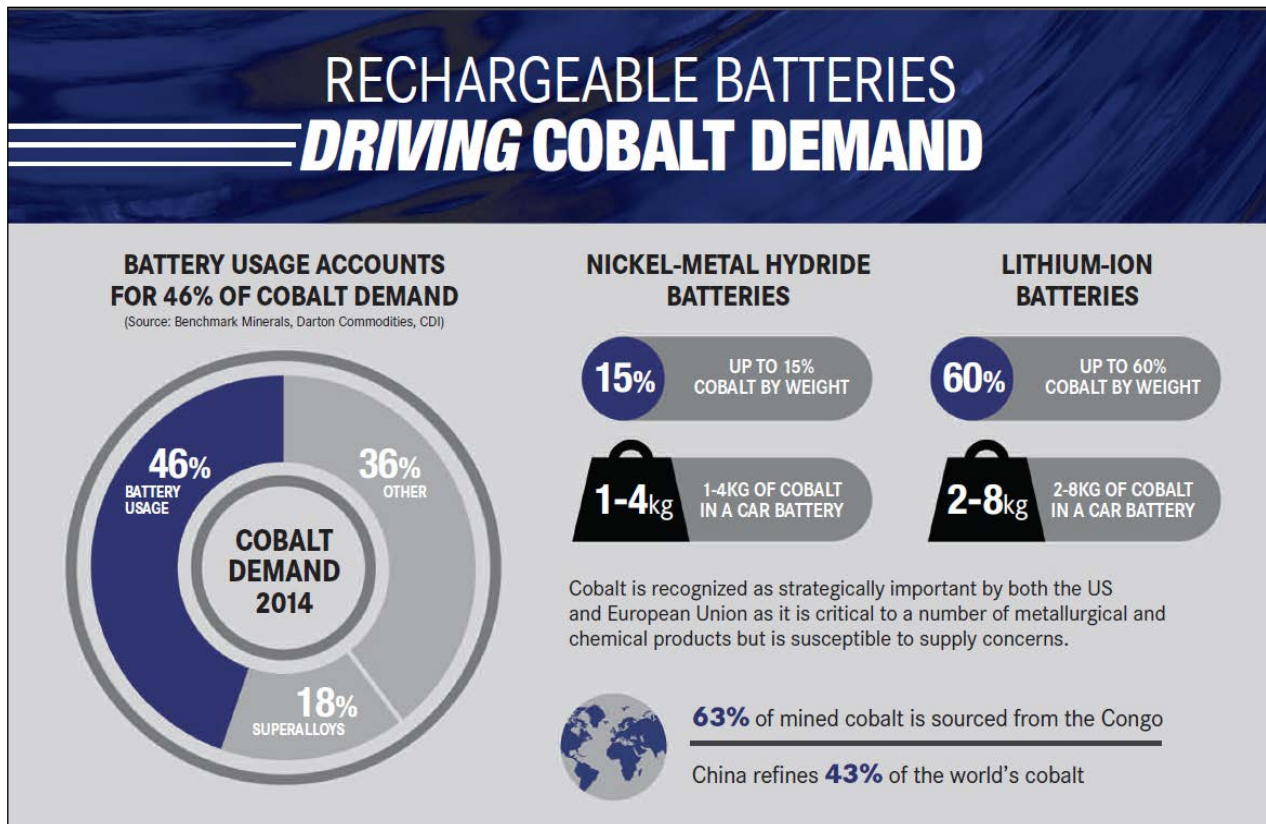
At the end of 2014 our outlook for cobalt was focused on the impact on the market from Tesla’s gigafactory now being constructed in Nevada, and the other electric vehicle battery plants under development or planned by Foxconn, LG Chem, Samsung, BASF and others. The Tesla gigafactory is a joint venture with Panasonic that has a projected capital cost of US\$5 billion and is estimated to require between 5,000 and 10,000 tonnes of cobalt per year to produce batteries for electric vehicles and stationary storage products. At full production our NICO asset would produce 1,615 tonnes of cobalt per year - in other words the first gigafactory will require cobalt from approximately 3 to 6 NICO-sized projects. Tesla’s Elon Musk has noted the need for 10-20 gigafactories and is in discussions with Germany for a plant there.

In addition to the growing demand for cobalt, there have also been some recent mine closures. They include the suspension of mining at Katanga and Mopani in Africa by Glencore, which has reduced projected annual cobalt supply by approximately 3,000 tonnes.

With major economies continuing to diversify from carbon-based energy systems, the large-scale battery applications in electric vehicles and residential/commercial energy storage continue to move to the forefront of rechargeable battery commercialization. Lithium-ion batteries are the preferred technology in these applications, and major battery producers see the cobalt-based cathode chemistries in these lithium-ion batteries as the industry standard for the foreseeable future. The transition to electric mobility is rapidly expanding with virtually all traditional auto manufacturers either producing or developing electric vehicles to meet increasingly stringent environmental standards.

Technology companies including, Apple and Google have also announced significant investment in electric mobility. Notably, Apple intends invest a portion of its \$200 billion cash reserve to triple the 600 person team working on its Project Titan and produce an electric vehicle by 2019. Leading battery producer, Panasonic is forecasting a 16.9% CAGR for automotive lithium-ion batteries out to 2025.

The outlook for battery storage of power generated from renewable sources and from off-peak hour generation is also anticipated to have a significant impact on the battery market and cobalt demand. Notably, Tesla launched its storage systems this year and already has \$1 billion worth of orders for its grid battery. Other companies, the likes of Toshiba, Panasonic and Samsung are also all positioning to capitalize on this expected growth.



On the supply side, cobalt is recognized as strategically important by both the US and European Union due to the concentration of supply from the Congo and China. It is noteworthy that the China State Reserve Bureau has been stockpiling cobalt. The Congo is also entering an election cycle where the current president “Kabila” is seen to be attempting to extend his rule beyond the constitutional limit that could destabilize the country.

Due to the ongoing resource bear market, few companies have been able to raise funds for exploration or development of cobalt assets. However, Kazakhstan based ENRC anticipates a significant increase in the price will facilitate its planned \$2 billion tailings reclamation project in the Congo that is expected to produce ~14,000 tonnes of cobalt annually starting in 2017. Artisanal mining is expected to decline as readily accessible near-surface oxide deposits are depleted and purchases from unsafe sources that also have little regard for environmental protection is discouraged. Consequently, there is increasing pressure for the adoption of responsible sourcing strategies to eliminate this production and for the certification of ethically sourced cobalt.

Diavik A21 Pipe on Schedule

The first season of A21 rockfill dike construction is complete at Diavik. And it’s on schedule, on budget and a big success. One of the biggest construction aspects of the \$US350 million project is crushing rock. A21 will require three million tonnes of crushed rock and we are ahead of plan.

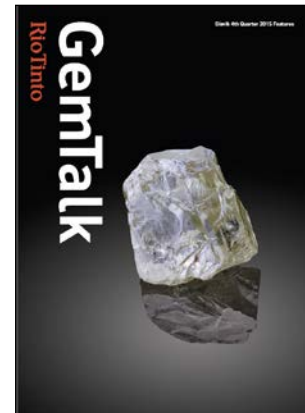
Other work done through September included building roads and laydown areas, dewatering/dredging pipeline construction, dredging, and north and south embankment construction. The latter being work planned for 2016.

Most importantly, the work has been completed safely. A big focus for the A21 team, and its contractors, is working on the water and vehicle interactions. “It’s been a very successful first year,” said A21 Project Director Denton Henkelman. “We’ve got an integrated project, one which has the A21 team working with many other departments, including fixed plant, and health, safety and environment,” he added.

Looking ahead, rock crushing will continue, with next summer seeing more dredging and dike construction. Project completion and first ore is scheduled for late 2018.

Excerpted from *Rio Tinto GemTalk, Diavik 4th Quarter 2015 Features*.

Read more on Diavik’s recent milestones by clicking [here](#).



Diavik completes processed kimberlite storage project

Among Diavik's key civil structures is its processed kimberlite containment facility, or PKC. A lined, engineered structure, and one which is encircled by a rockfill dam, it is the mine's permanent safe storage area for waste rock generated by processing kimberlite.

Located in a valley created by glaciation, it initially included two dams which have ultimately been connected forming a structure with a circumference of 5.6 kilometres.

In November 2015, the PKC construction team completed a multi-year, five metre dam raise. Known as phase 6, this included rock placement, embankment sloping, heat-welded liner installation, and bedding material placement.

For the construction work, Diavik focused on hiring northern workers. Overall, 84 northerners gained seasonal employment. Over the past three years, total hiring was 63 per cent northern of which 42% was northern Aboriginal.

As the mine continues to process ore from the A154 and A418 orebodies, and with A21 ore due in 2018, there is one more raise planned for the PKC. Throughout operations, geotechnical monitoring includes collecting data on water levels, seepage, and quality.

Once processing is complete, the PKC will be capped, closing a structure that has gained little limelight but one which is clearly a major part of the site; without it Diavik could not operate.



The PKC dam varies between 18m and 48m high and holds 25.7 million tonnes of processed kimberlite and will be modified to store a total of 45.2 million tonnes.

Instrumentation includes:

- Thermistors at 45 locations monitor ground temperature (design includes frozen foundation)
- Slope inclinometers at 4 locations monitor lateral deformation in the dam embankments
- Piezometers at 25 locations monitor upstream and embankment pressure
- Flow meters at 9 locations monitor seepage

Excerpted from *Rio Tinto GemTalk, Diavik 4th Quarter 2015 Features*. Read more on Diavik's recent milestones by clicking [here](#).

TMAC 2016 Outlook is exciting

TMAC has posted a new and excellent presentation on their website that provides an outlook for 2016, replete with many colour photos. Check it out [here](#) or click on the thumbnail below.



2016 Outlook – Hope Bay Project January 2016

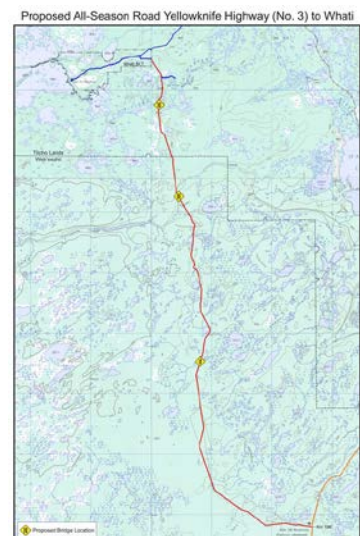
Tłjchq All-Weather Road in the planning stage

Working with the Tłjchq chiefs, the NWT Department of Transportation initiated research into options to improve road access, including the costs and benefits of realigning the Tłjchq winter road to an overland route.

The Department and the Tłjchq Government recently renewed a Memorandum of Understanding to move forward with work relating to Project Description Reports, such as an engineering and environmental analysis.

An all-weather road through this region would greatly improve access for community resupply and development projects.

For more information, click [here](#).

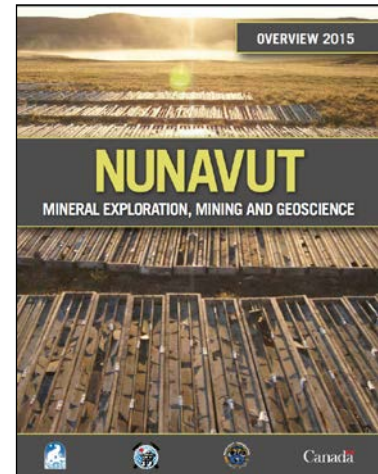


Release of the 2015 Nunavut Mineral Exploration Overview

Each year, the *Nunavut Mineral Exploration, Mining and Geoscience Overview* combines the efforts of four partners: Indigenous and Northern Affairs Canada (INAC), Government of Nunavut (GN), Nunavut Tunngavik Incorporated (NTI), and Canada-Nunavut Geoscience Office (CNGO). The intent of this annual publication is to capture information on exploration and mining activities in Nunavut and to make this information available to the public.

The 2015 Overview can be downloaded [here](#).

Prospectors and mining companies are welcome to submit information on their programs and photos for inclusion in next year's publication. For further information, please contact Indigenous and Northern Affairs Canada at: CommunicationsPublications@aadnc-aandc.gc.ca.



Mining's contributions to Canada strong despite downturn

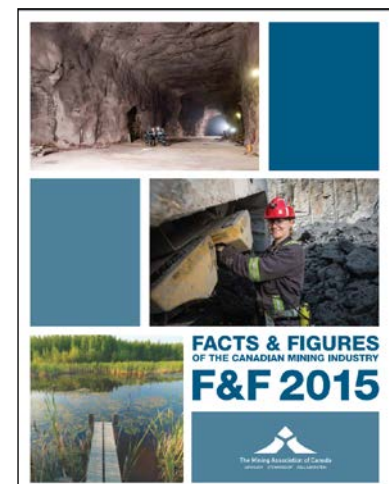
New report details industry's economic contributions, challenges and opportunities

Despite market volatility and downward pressure on commodity prices, the mining industry's economic contributions to Canada remain strong during the downturn, according to a new report from the Mining Association of Canada (MAC).

"The findings of this report serve as a reminder that even during a downturn, the mining industry plays a vital economic role in Canada's rural and remote communities and in our largest cities," said Pierre Gratton, President and CEO, MAC.

MAC's latest annual Facts & Figures report revealed the industry directly employed more than 375,000 people in 2014. The mining industry also remains the largest private sector employer of Aboriginal peoples in Canada on a proportional basis, with employment levels poised to increase as the industry develops. The report also found the mining industry is deeply interconnected to other sectors of the Canadian economy, with more than 3,700 companies supplying goods and services to the Canadian mining industry. In 2014, Canada's mining sector contributed \$57 billion to the national GDP, up from \$54 billion in 2013, and mining industry exports continued to account for upwards of 20 percent of the Canadian total.

The report notes several policy areas that are essential to securing the estimated \$140 billion in potential new mining investments that could come to fruition over the next decade in Canada. "A downturn is not a time for governments to lose focus on mining," added Gratton. "There are actions that can be taken now so that Canada is well positioned to attract new investment and seize growth opportunities when the cycle improves, as it invariably will."



These policy areas include:

- Ensuring the regulatory process is robust and efficient, and includes meaningful consultation with Aboriginal communities;
- Addressing the costs of operating in remote and northern Canada where infrastructure is lacking. The introduction of new tax measures and/or a northern-specific fund within the proposed Canada Infrastructure Bank can help facilitate the building of critical infrastructure;
- Enhancing funding for Aboriginal skills training initiatives to enable Aboriginal peoples to access well-paying and highly-skilled jobs in mining; and
- Supporting the industry's innovation priorities to facilitate continuous improvement in the sector's environmental and health and safety performance.

To download a copy of *Facts & Figures 2015*, please visit <http://mining.ca/documents/facts-and-figures-2015>.

Stock Exchange taking action to help with investment

Junior exploration companies have been struggling over the past few years, and part of the issue is related to issues around creating access to capital.

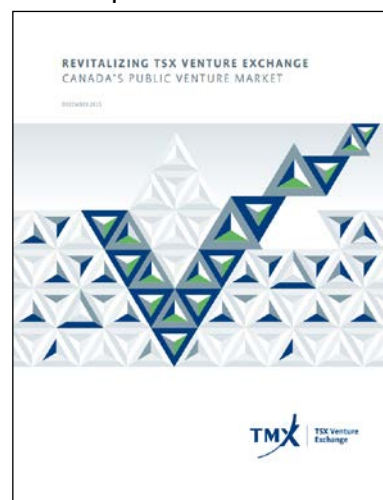
In December, the TMX Group announced that TSX Venture Exchange (TSXV) will introduce significant changes to help support, revitalize and grow its marketplace, which is a critically important part of TMX's equity markets continuum and the Canadian economy. The changes proposed by TSXV will better serve its clients and benefit the Canadian venture capital ecosystem more broadly, and are designed to accelerate growth in listing, financing and trading activity in sectors such as technology, clean technology and life sciences.

Over the past several months, TSXV has consulted a broad cross-section of clients and stakeholders in the Canadian capital markets community with the goal to identify the key issues of impact and begin to build workable, full-spectrum solutions.

With this input, TSXV has developed a set of targeted improvements for the public venture market, which has now been released in a whitepaper which will be addressed during a series of town hall meetings across Canada starting in January 2016.

The forthcoming whitepaper will outline tactics designed to:

1. Reduce the administrative burden to TSXV issuers without compromising investor confidence.
2. Expand the base of investors financing TSXV-listed companies and generally enhance liquidity.
3. Diversify and grow the stock list to increase the attractiveness of the marketplace to early-stage companies in Canada, in North America and around the world.



"TSXV is the world's leading public venture market for small and medium-sized enterprises and we intend to build on this strength," said Nick Thadaney, President and CEO, Global Equity Capital Markets, TMX Group, who joined the company in September 2015. "We are squarely focused on revitalizing the market to remain the preeminent financing option not only for early-stage resource companies, but also for growing businesses in the burgeoning technology and innovation sectors in Canada."

Since January 2000, more than 610 companies have graduated from TSXV to Toronto Stock Exchange (TSX) where they have raised \$100 billion in public equity capital. Based on listing data, TSX and TSXV are becoming a preferred destination for digital entrepreneurs. The technology and innovation sectors have been the fastest-growing sectors on the exchanges since the start of 2013.

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

Our own Aurora Geosciences is on YouTube!

Our very own northern company, with its roots in the Northwest Territories, is featured in a stunning and informative video on YouTube.

See President Gary Vivian and other Aurora geoscience experts in action in this great video. Hear too from the President of Mountain Province, Patrick Evans as he speaks to the importance of mining in all of our lives.

Check it out here: <https://www.youtube.com/watch?v=zlv5yYMO3Lc&app=desktop>



Scotiabank – Commodity Prices Rally in Mid-January

- Oil prices rally, as sanctions on Iran are lifted (the last major negative for oil prices).
- Gold — a Transition Year in 2016.
- Japan restarts its nuclear reactors, a positive development for uranium.

Some highlights:

Scotiabank’s Commodity Price Index ended 2015 on a weak note, dropping -4.9% m/m in December and -21.3% below the April 2009 bottom during the last recession. Prices moved still lower in the opening weeks of 2016 alongside a wave of negative investor sentiment. Skepticism over China’s ability to smoothly transition its economy from heavy industry & exports to a more service-oriented economy (G7-style growth) and implement needed financial market reforms triggered huge capital outflows by Chinese investors, yuan depreciation and another stock market correction in China, heightening concern over global economic growth. With G7 growth expected to remain lacklustre in 2016 (for the fifth consecutive year), investors fret that China will not be the support to commodity prices that it was coming out of the 2008-09 recession. China led the recovery in commodity prices in 2009. However, risk appetite returned and commodity prices rallied on January 21 & 22 (especially oil & copper), following remarks by the ECB President, suggesting a fresh round of monetary policy stimulus to bolster economic conditions and head off deflation.

Turning to Metals & Minerals, this sub-Index also lost ground in December (-1.9% m/m and -21.5% yr/yr), pulled lower by a wave of negative sentiment over China. Base metals were mixed, while gold, iron ore (US\$40 per tonne cfr northern China) and uranium edged down. LME copper prices dropped from US\$2.18 per pound in November to US\$2.10 in December and a low of only US\$1.96, before rebounding to US\$2.04 in late January. Current prices are still well above December 2008 recessionary lows (US\$1.26) and remain slightly above ‘average world breakeven costs, including depreciation’. However, profit margins are slim (better in Pacific Alliance countries — Mexico and Peru — where costs are low). LME zinc prices retreated into ‘over-sold’ territory in mid-January, even though concentrates and refined metal are in ‘deficit’ (that is, world demand exceeds supply). However, zinc has snapped back to US\$0.72 in recent days. We expect zinc prices to strengthen markedly in the second half of 2016.

Investment funds have ignored indicators pointing to continued base metal demand growth in China (preferring to focus on the ‘big-picture’ growth outlook) — metal-intensive motor vehicle sales soared in China in 2015:Q4 (+18.5% yr/yr) and orders for power transmission cable have strengthened. China achieved 6.8% GDP growth in 2015:Q4 (6.9% for 2015 as a whole — close to its 7% growth target), though growth will slow towards 6.4% in 2016. Despite concern, China is achieving a rapid shift towards the service sector. For the first time, consumer spending & services represented more than 50% of China’s GDP in 2015:Q4.

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

Welcome New Members!

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

- **Ricoh Northern Ltd.** works with northern mining companies directly and provides printing support to many more northern mining industry companies. Their parent company, Ricoh Company Ltd. is an international leader in the document management and image communication industry. For more information contact Kelsey Pike at Tel: 867-873-6064, email kelsey.pike@ricoh.ca, and visit: www.ricoh.ca.

Calendar of Events

- **PDAC International Convention, Trade Show & Investors Exchange**, March 6-9, 2016, Toronto, ON. For the world's leading Convention for people, companies and organizations in, or connected with, mineral exploration, visit [here](#).
- **Nunavut Mining Symposium, Balancing Our Investment**, April 4-7, 2016, Iqaluit, NU. To learn more, visit: <http://www.nunavutminingsymposium.ca/>.
- **Centrallia 2016** is the major global business forum organized by the World Trade Centre Winnipeg. It will take place next May 25-27, 2016 in Winnipeg will have a special focus on the high north and the Arctic. The conference will have a special focus on the high north and the Arctic. To learn more click [here](#).
- **Mining & Communities, Solutions 2016**, June 5-8, 2016, UBC Campus, Vancouver, BC. The conference will explore the relationships between mining operations and mining communities as well as the approaches that mining companies take to develop engagement with the communities and the host governments. To learn more click [here](#).

Member News Releases this past month

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

- 2 February 2016, [TerraX commences drilling at Mispickel target, Yellowknife City Gold Project](#)
- 1 February 2016, [Airborne Gravity Survey Commences on Genesis Property, Saskatchewan](#)
- 1 February 2016, [Dominion Diamond Corporation Reports MVEIRB's Recommendation for Approval of Jay Project](#)
- 29 January 2016, [Mountain Province Diamonds Jan 2016 Corporate Presentation](#)
- 28 January 2016, [Avalon Rare Metals Company Update Available](#)
- 28 January 2016, [De Beers provides Q4 2015 UPDATE](#)
- 28 January 2016, [Peregrine Diamonds Announces Closing of Rights Offering](#)
- 25 January 2016, [NWT Premier promotes responsible development at BC mining event](#)
- 25 January 2016, [Canadian Zinc Update on Research Program to Investigate Central Milling Facility in Central Newfoundland](#)
- 25 January 2016, [North Arrow to Raise \\$800,000 Selling Redemption Royalty](#)

- 25 January 2016, [Kennady Diamonds Announces Exceptional Faraday 2 Sample Grade of 4.48 carats per tonne and Faraday 1 Sample Grade of 3 carats per tonne](#)
- 22 January 2016, [Peregrine Announces Termination of Chidliak Royalty](#)
- 21 January 2016, [Kivalliq Appoints Yeung as CFO and Dare as Corporate Secretary](#)
- 21 January 2016, [De Beers Completes Sale of Kimberley Mines](#)
- 20 January 2016, [TerraX to Acquire Additional Claims at Yellowknife City Gold Project](#)
- 20 January 2016, [TMAC Presentation: 2016 Outlook Hope Bay Project](#)
- 20 January 2016, [Sabina Gold & Silver Announces 2016 Budget and Work Plans](#)
- 20 January 2016, [De Beers Philippe Mellier: Encouraging Early Signs But 2016 Is Likely To Be Volatile](#)
- 19 January 2016, [Avalon sets Annual and Special Meeting of Shareholders for February 24, 2016](#)
- 18 January 2016, [Dominion Diamond Corporation reports Diavik Diamond Mine Fourth Calendar Quarter Production](#)
- 15 January 2016, [TMAC Provides Outlook for Hope Bay Project and Budget Guidance for 2016](#)
- 14 January 2016, [MMG commences trading on the ASX](#)
- 14 January 2016, [Kennady Diamonds Updates Kennady North Project](#)
- 13 January 2016, [Dominion Diamond Corporation Announces Appointment of New Directors and New Chairman Designate](#)
- 12 January 2016, [Element Six \(De Beers\) Begins Patent Infringement Litigation Against Ila Technologies](#)
- 12 January 2016, [Peregrine Reports CH-7 Bulk Sample Diamond Grade of 0.88 Carats Per Tonne](#)
- 11 January 2016, [Kennady Diamonds Appoints Claudia Tornquist to Board of Directors](#)
- 8 January 2016, [Kaizen Tanzilla Project update](#)
- 8 January 2016, [Kivalliq Energy CEO UPDATE JANUARY 2016](#)
- 8 January 2016, [Fortune Minerals produces premium battery-grade cobalt sulphate sample from NICO to support off-take discussions](#)
- 7 January 2016, [Agnico Eagle provides notice of release of fourth quarter and full-year 2015 results and conference call](#)

New Dominion Diamond Community Newsletter

The bimonthly, January 2016 newsletter is available, and provides stories on:

- Jay Project Update
- Environmental Update
- Christmas Hampers
- Community Engagement
- Employment Opportunities
- CKLB Sponsorship
- Dog Derby Sponsorship
- Safety Gold Award 4

Click [here](#) to download the newsletter.



Mines & Promising Northwest Territories Mine Projects

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

Project Name	Owner(s)	Commodity	Description	Status
Ekati Mine	Dominion Diamond Corporation , Chuck Fipke and Stu Blusson	Diamonds	Canada's first and largest diamond mine, 310 km. NE of Yellowknife. Open pit and underground. Mine life to 2020. Workforce in 2014 approximately 1,500.	News Release Jan 13: Dominion Diamond Corporation Announces Appointment of New Directors and New Chairman Designate. Dominion Diamond Corporation announces that Mr. Jim Gowans has been appointed to the Board of Directors of the Company. The Board intends to appoint Mr. Gowans as the non-executive Chairman of the Board no later than April 30, 2016.
Ekati Jay Project	Dominion Diamond Corporation ,	Diamonds	The Ekati Jay project is in Environmental Assessment. Ekati mine life currently ends in 2020, but if mining of the Jay pipe is approved, mining could be extended 10 yrs.	February 1, 2016: Mackenzie Valley Review Board recommended to the NWT Minister of Lands that the Jay Project be approved subject to implementation of the measures described in its Report, which are necessary to prevent significant adverse impacts on the environment and mitigate the causes of public concern.
Diavik Mine	Rio Tinto & Dominion Diamonds	Diamonds	Canada's largest producer of diamonds, 300 km NE of Yellowknife. Mine life through 2023. Became all underground mine in 2012. Work to develop new A21 open pit has begun and will cost US\$350m over 4 years. Workforce approximately 1,000. To Dec 31, 2013, the mine produced approximately 84 M carats of diamonds from the processing of approximately 22 M tonnes of kimberlite.	Jan 18 News Release: Dominion Diamond Corporation reports Diavik Diamond Mine Fourth Calendar Quarter Production. Diamonds recovered in calendar 2015 of 6.4 million carats were 9% lower than the original calendar 2015 plan of 7.0 million carats due to a combination of ore availability issues resulting from lower mining rates from A-154N and lower grades from A-418 earlier in the year, and availability of the process plant in the fourth calendar quarter. The development of the A-21 pipe continues to progress according to plan.
Snap Lake Mine (Closed, on care & maintenance)	De Beers	Diamonds	Canada's first all underground diamond mine. 220 kilometres NE of Yellowknife. Mine life to 2028. Workforce approximately 750.	Due to low diamond prices, De Beers put the Snap Lake mine on care and maintenance in December 2014.
Cantung Mine (Closed, on care & maintenance)	North American Tungsten	Tungsten, copper	Cantung is in the mountains of western NWT, ~300 km by road NE of Watson Lake, Yukon. North American Tungsten (NATC) filed for Court protection under the CCAA on June 9, 2015. In accordance with the Operating Plan, the mill at the Cantung mine site was shut down on October 26, 2015, and transition of the Cantung mine to care and maintenance is expected to be completed on or about November 18, 2015.	Nov 19 GNWT News Release: NWT Government purchases Mactung assets of Cantung to ensure Federal Government Nov 19 NATC news release: NATC Announces Extension of Stay of Proceedings under the Companies' Creditors Arrangement Act. On November 17, 2015, the Supreme Court of British Columbia made an order approving the sale of the Company's Mactung property to the Government of the Northwest Territories. The Government of Canada will fund the Company's environmental care and maintenance activities at the Cantung mine site.
Gahcho Kué	De Beers & Mountain Province	Diamonds	Proposed open-pit diamond mine approximately 180 km ENE of Yellowknife, NWT. Estimated mine jobs: 400. Mine life increased from 11-12 years in 2014 Feasibility Study. First production on schedule for Q3 2016. Peak construction workforce 700.	Dec 7 news release: Mountain Province Updates Gahcho Kué Diamond Mine Development <ul style="list-style-type: none"> • Overall project more than 80% complete • On plan and budget for first production in H2 2016 • Snap Lake Care and Maintenance Facilitates Operational Readiness
Kennady North	Kennady Diamonds Inc.	Diamonds	Kennady Diamonds controls 100% of Kennady North project comprising 13 leases and claims immediately to	Jan 11 News Release: Kennady Diamonds Appoints Claudia Tornquist to Board of Directors

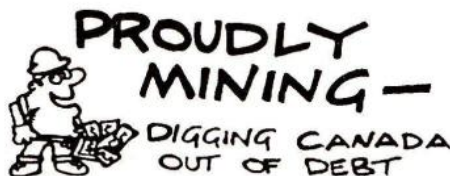
NWT & Nunavut Chamber of Mines – Northern Mining News

			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.	Jan 14 News Release: Kennady Diamonds Updates Kennady North Project <ul style="list-style-type: none"> • Permit amendments approved • Kelvin Camp opened for 2016 Season • Ice infrastructure completed • Core drilling set to commence • Kelvin resource statement imminent Jan 25 News Release, Kennady Diamonds Announces Exceptional Faraday 2 Sample Grade of 4.48 carats per tonne and Faraday 1 Sample Grade of 3 carats per tonne
Nechalacho	Avalon Rare Metals	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 Dec 21, 2015: OTC Markets Group Inc. (OTCQX: OTCM), operator of Open, Transparent and Connected financial markets, announces Avalon Rare Metals Inc. (TSX: AVL; OTCQX: AVLNF), a Canadian mineral development company, has qualified to trade on the OTCQX® Best Market. Avalon previously traded on the NYSE MKT. Avalon began trading on December 18, 2015 on OTCQX under the symbol "AVLNF." U.S. investors can find current financial disclosure and Real-Time Level 2 quotes for the company on www.otcm Markets.com .
NICO	Fortune Minerals Ltd.	Cobalt-gold-bismuth-copper	Proposed open pit and underground mine located 50 km NE of Wha Ti. Estimated mine jobs: 150. Requires access to highway to Wha Ti, still to be constructed.	Jan 8, 2016 News Release: Fortune Minerals produces premium battery-grade cobalt sulphate sample from NICO to support off-take discussions
Prairie Creek	Canadian Zinc Corporation	Zinc-lead-silver	Proposed underground mine 120 km W of Ft. Simpson. Estimated mine jobs: 220 All permits now in place to construct and operate the mine. Preliminary Feasibility Study scheduled to be completed later in 2015. The company has submitted proposal to construct a new airstrip and all-weather road for environmental approval.	News Release Nov 13: Canadian Zinc Reports Results For Third Quarter 2015 <ul style="list-style-type: none"> • Successful drill program at Prairie Creek leads to a new resource estimate with a 32% increase in measured and indicated resource tonnage
Yellowknife Gold	Tyhee Corp	Gold	Proposed open pit and underground mine of 2 deposits (Ormsby and Nicholas Lake) about 90 km NE of Yellowknife. Estimated 4,000 tpd. Est. mine jobs: 238 Tyhee has informed the Mackenzie Valley Land & Water Board that they have closed their camp, awaiting an opportunity to raise more money and a bit of a turnaround in the market	News Release Dec 11: Tyhee Gold: RMB Further Extends Loan Maturity Date to January 29, 2016. Capital Raising Efforts Ongoing
Pine Point	Tamerlane Ventures	Lead-zinc	Company proposes underground mine E of Hay River, NWT using freeze technology for water management. Est mine jobs: 225	News release March 28, 2014: Tamerlane receives positive NI 43-101 updated summary technical report for Pine Point. Company is in receivership.
Courageous Lake	Seabridge	Gold	Proposed open pit mine 240 km NE of	Seabridge is currently focusing its work on

	Resources		<p>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.</p>	<p>their KSM mine development in British Columbia.</p>
Selwyn	Selwyn Chihong Mining Ltd.	Zinc, lead	<p>Proposed underground mine in Yukon on NWT border and access is through NWT. Agreements signed with NWT (Sahtu) Aboriginal land corporations. The proposed Selwyn Project is an open pit zinc-lead mine with a projected mine life of more than 10 years. The mine is being designed to process 35,000 tonnes per day (tpd) of ore which, after processing, is expected to result in 2,500 tpd of zinc and 600 tpd of lead concentrate. Once processed, the concentrate would be trucked to the Port of Stewart for export. Selwyn Chihong estimates the proposed mine will create approximately 1500 jobs during construction and approximately 750 during operation.</p>	<p>Selwyn Chihong Mining's proposed upgrade of a road to its lead-zinc mining project in Yukon's Selwyn Mountains will undergo an environmental assessment. The Howard's Pass Access Road was first developed in the 1970s, and runs 79 km's in the NWT from the Nahanni Range Road to the N.W.T.-Yukon border. It goes through two national parks, the Dehcho region's Nahanni National Park Reserve and the Sahtu region's Naats'ihch'oh National Park Reserve. Parks Canada has referred the 79km Howard's Pass Access Road (HPAR) to Environmental Assessment under the MVEIRB, which accepted the referral in July 2015.</p>



Kennedy Diamonds' Bob Camp in winter.



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, 30km from mine site.	News Release, Nov. 12: Agnico Eagle Reports Record Third Quarter 2015 Gold Production; Strong Operating Performance Leads to Increased Production Guidance and Reduced Costs for 2015 <ul style="list-style-type: none"> Amaruq drilling expands scope of known mineralization - Drilling indicates that the Whale Tail and Mammoth zones form a single mineralized system at least 2.3 kilometres long. In addition, the V zone (part of the IVR area) has been identified as a substantial mineralized structure, locally with abundant visible gold
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.	<ul style="list-style-type: none"> Project is undergoing a new Environmental Assessment for the proposed expansion of mining and shipping to help offset downwards spiraling iron ore prices. Across the board wage cutbacks of 10% were announced in September as a result of iron prices which are approaching all-time lows. Staff layoffs in head office in November.
Doris North/ Hope Bay	TMAC Resources	Gold	Proposed gold mines 130 km S of Cambridge Bay; covers the majority of the Hope Bay Greenstone Belt. Estimated mine jobs: 485 Plans to begin production late 2016.	News Release: January 15: TMAC Provides Outlook for Hope Bay Project and Budget Guidance for 2016
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.	On October 5, 2015, the Nunavut Water Board issued the permit (License B) for Meliadine pre-development work. License A, which is required for production activities, is expected to be granted in the second quarter of 2016.
Kiggavik	AREVA Resources	Uranium	Proposed uranium mine 80 km W of Baker Lake. Estimated Construction jobs: 750 Estimated mine jobs: 600	May 8, 2015: NIRB recommends project not proceed because company did not provide project start date; awaiting Ministerial response.
Back River	Sabina Gold & Silver Corp.	Gold	Approximately 60KM from Hackett River; adjacent to the Wishbone Greenstone belt. Consists of the George and Goose Lake deposits and holds significant gold resources. Estimated construction jobs: 1,600 Estimated mine jobs: 900	January 20 News Release: Sabina Gold & Silver Announces 2016 Budget and Work Plans. The budget for 2016 is variable and projected to range between a base budget of \$7 million with additional discretionary spending of up to \$4 million which will be fully funded from the existing treasury. The base budget focuses on the essential activities to progress the Back River Project through completion of the environmental assessment phase as well as utilizing ~\$2.2 million of flow-through raised in 2015 to test high value near surface targets with spring and summer drilling and field programs.
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.	PFS initiated in September, 2012. No activity reported in 2015.

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			Estimated construction jobs: 800 Estimated mine jobs: 500	
Izok Corridor Project (with High Lake & Hood River deposits)	MMG Resources Inc.	Copper, Zinc, Gold, Silver	High Lake is 1710 hectare, copper-zinc-silver-gold property, 190 km ESE of Kugluktuk. Izok is high-grade zinc-copper-lead-silver deposit, 255 km SW of Kugluktuk. Estimated construction jobs: 1,140 Estimated mine jobs: 710	MMG examining alternative designs to reduce costs, add value, and improve economic viability of the project. Company stated publicly that project needs infrastructure assistance to become a mine.
Chidliak	Peregrine Diamonds Ltd.	Diamonds	Located 120 kilometres NE of Iqaluit, the capital of Nunavut, and 180 km S of Pangnirtung. 71 kimberlites have been discovered to date with 8 being potentially economic. In 2015, company announced a 8.57 million carat Inferred Resource for the CH-6 kimberlite and completion of the bulk sampling component of its ongoing Resource Development Program. Approximately 1,200 m of new core to be drilled at CH-6 and CH-7 in summer, 2015. PEA expected Q2, 2016.	News Release, January 28, 2016, Peregrine Diamonds Announces Closing of Rights Offering News Release, January 22, 2016, Peregrine Announces Termination of Chidliak Royalty News Release, Jan. 12: Peregrine Reports CH-7 Bulk Sample Diamond Grade of 0.88 Carats per Tonne (see story in January newsletter)
Angilik	Kivalliq Energy Corp.	Uranium	340,268 acre property located SW of Baker Lake; Hosts the high-grade Lac 50 Trend deposit	News Release, January 21, 2016, Kivalliq Appoints Yeung as CFO and Dare as Corporate Secretary
Qilalugak	North Arrow Minerals / 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 June 9: North Arrow Reports Diamond Valuation Results From The Qilalugak Project. The parcel of 383.55 carats of diamonds greater than +1DTC (~1 mm) was valued at \$13,795 or \$36 per carat and a modelled range of possible values was also produced with a “possible low” model price of \$43 per carat and a “possible high” model price of \$92 per carat.
Committee Bay Gold Project	Auryn Resources (purchased North Country Gold Corp.)	Gold	Committee Gold Bay Project Highlights: <ul style="list-style-type: none"> • High grade gold endowment • Existing exploration infrastructure • 217,600 hectares with district scale discovery opportunities 	October 26 News Release: Auryn Identifies +20km Long Corridor of Gold in Till Anomalies in SW Committee Bay
Coppermine	Kaizen Discovery / Tundra Copper	Copper	Early stage, district-scale exploration play located 24 km SW of Kugluktuk; Total holdings approximately 3,500 km ²	NIRB screening decision issued July 7, 2015; Proposal may proceed without a Part 5/6 NLCA review.



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For further information contact us at:
PO Box 2818, Yellowknife, NT X1A 2R1
Email: info@miningnorth.com
Website: www.miningnorth.com

Project Maps

