

# **Northern Mining News**

<u>July 2014</u>

Volume 7, No. 7



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#### From the Executive Director ...

Great news this month as the NWT Government awards its first ever exploration incentives. This is one of the first action items we are seeing from the brand new NWT Mineral Development Strategy, intended to rejuvenate exploration and mining. Why that's important is revealed by the annual global diamond production statistics that show the NWT is still holding on as 3<sup>rd</sup> most valuable producer. The benefits the mining industry provides is very important to the NWT, and of course to Nunavut.

Keeping mining healthy is demonstrated too at Ekati mine where they announced some recovery improvements. Several mining projects on the drawing board continue to advance, and are also hard at work trying to find the investments they need.

This was a month for two important Supreme Court decisions in Aboriginal law, and Tsilhqot'in and Grassy Narrows decisions have big implications. Both remind us that working with Aboriginal communities is very important in Canada, both for industry and communities success.

Happy reading. ... TWH

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

# NWT Government awards first ever exploration incentives

The Chamber of Mines congratulates the NWT Government (GNWT) for the successful launch of their first ever <u>Mining Incentive Program</u> (MIP), which provides funding to prospectors and exploration companies who propose new exploration projects or are already carrying out NWT mineral exploration work.

Created under the new <u>NWT Mineral Development Strategy</u>, the MIP is intended to "stimulate and sustain mineral exploration activities throughout the territory and reduce the risk associated with grass roots mineral exploration - exploration that is vital to a healthy, sustained, and productive mining industry."

"This inaugural mining incentive program will be an important tool in helping rejuvenate exploration investment in the NWT," said Brooke Clements, President of the NWT & Nunavut Chamber of Mines. "It's a very symbolic first step under the new NWT Mineral Development Strategy, which we were pleased to help develop with the GNWT. Recent regulatory reforms by the Federal Government, the devolution of responsibilities for mining to the NWT Government, and the new NWT Mineral Development Strategy will help the NWT attract more exploration investment. A healthy exploration sector is critical to sustain and grow the tremendous benefits mining has created for northern residents and businesses."

The NWT Government launched the MIP on June 9 and applications were accepted up to and including July 14. The program was oversubscribed, with strong interest shown by companies and prospectors in the NWT and across Canada. Three prospectors and 11 companies made up the 14 applications that requested a total of over \$1.02 million of funding support. The budget for the program is \$400,000.

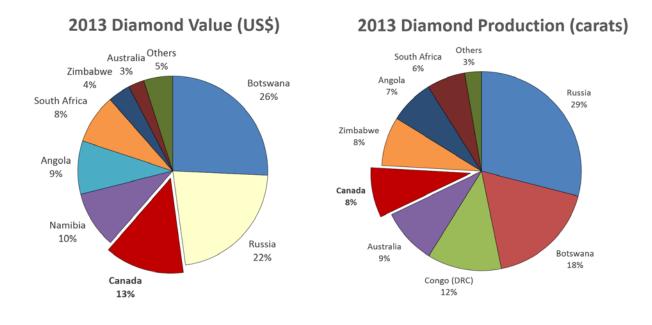
Successful NWT Mining Incentive Applicants:							
Applicant	Project Name	Target Commodity	Region	Funding Awarded			
Corporate:							
Proxima Diamonds	Northern Gem	Diamonds	Tlicho	\$80,000			
Songful Resources	Hudex Property	Gold	Sahtu	\$65,000			
DEMCo	Camsell River Exploration	Multiple metals	Sahtu	\$65,000			
Panarc Resources	Indian Mountain Lake	Base metals, gold	Akaitcho	\$64,544			
TerraX Minerals	Yellowknife City Gold	Gold	Akaitcho	\$50,000			
North Arrow Minerals	Redemption	Diamonds	Tlicho	\$50,000			
Prospector:							
Lane Dewar	Sito Lake Gold	Gold	Akaitcho	\$12,000			
Dave Nickerson Handle		Gold	Akaitcho	\$9,500			
		То	tal Awarded:	\$396,044			

# Global diamond statistics released – NWT still #3 in world value!

The Kimberly Process has released global diamond production statistics for 2013.

Canada remains the third most valuable diamond producer globally, and when Ontario production is removed, the NWT production alone would be the 3<sup>rd</sup> largest in the world.

From a production perspective, Canada is in 5<sup>th</sup> place, edging out Zimbabwe. When Ontario production is not included, the NWT would be the 6<sup>th</sup> largest global diamond producer by carats.



For a copy of the complete statistics, click <u>here</u> or on the charts below.

# Gahcho Kué Joint Venture and Lutsel K'e Dene First Nation sign IBA

De Beers Canada Inc. (De Beers), Mountain Province Diamonds (TSX: MPV; NYSE MKT: MDM) and Lutsel K'e Dene First Nation are pleased to announce that an Impact Benefit Agreement (IBA) has been entered into with the Lutsel K'e Dene First Nation for the proposed Gahcho Kué diamond mine, a joint venture of De Beers (51%) and Mountain Province Diamonds (49%). De Beers is the Operator of the Gahcho Kué Project.

The IBA puts in place a framework for De Beers, as Operator, and the Lutsel K'e Dene First Nation to work together over the life of the mine, with a particular focus on participation by the Lutsel K'e Dene First Nation in the opportunities that the construction and operation of the mine will provide.

"If we work together with the other First Nations, then we will be powerful," said Chief Felix Lockhart. "This agreement ensures that we have our families out on the land, using our land. We are shaping resource development the way we want it, according to First Nations. We are going to be monitoring it."



Photo above: De Beers Canada Chief Operating Officer Glen Koropchuk presenting a gift of a paddle painted by Lutsel K'e artist John Rombough to Lutsel K'e Dene First Nation Chief Felix Lockhart.

The IBA provides both respect for the culture and certainty that training, employment and business opportunities are made available to Lutsel K'e Dene members, including financial provisions necessary for ensuring fair participation in opportunities the project will provide.

"Responsible and sustainable development is a priority for De Beers," said Glen Koropchuk, Chief Operating Officer for De Beers in Canada. "Our relationship with Lutsel K'e is important to us and this Impact Benefit Agreement confirms our commitment to work together for the benefit of Lutsel K'e Dene First Nation members as we advance the Gahcho Kué Project and build a mine."

Gahcho Kué, located 280 km northeast of Yellowknife in the NWT, will employ close to 700 people during the two years of construction and approximately 400 people during its operational phase.

The agreement was signed in Lutsel K'e on Thursday, July 17, 2014.

# Minister Aglukkaq announces founding meeting of the Arctic Economic Council

The Honourable Leona Aglukkaq, Minister of the Environment, Minister of the Canadian Northern Economic Development Agency and Minister for the Arctic Council, will host the initial meeting of the Arctic Economic Council (AEC) in Iqaluit, Nunavut, on September 2 and 3, 2014.

During Canada's Arctic Council chairmanship (2013-15), the Arctic Council states and Indigenous Permanent Participant organizations have worked together to facilitate the creation of the AEC.

The AEC will work to foster sustainable development, including economic growth, environmental protection and social development in the Arctic.

Each Arctic state and Permanent Participant organization will name up to three business representatives to attend the founding meeting. Canada's representatives are:

- Tom Paddon, President and CEO, Baffinland Iron Mines Corporation;
- Lillian Brewster, Vice President of Aboriginal Business, ATCO Structures & Logistics; and
- Peter Tapatai, President, Peter's Expediting Ltd.

The creation of the AEC is a priority initiative during Canada's Arctic Council chairmanship, which is focused on development for the people of the North.

"The Arctic Economic Council will facilitate business opportunities, trade, investment and growth in the best interests of Northerners. Canada's representatives have extensive experience working in the North and will help ensure that a diverse range of businesses are involved in making decisions that promote sustainable economic development across the Arctic," said Minister Aglukkaq.

# Port to Port: ArcelorMittal sheet piles to build dock for Baffinland's Milne Port

Specialty ArcelorMittal sheet piles, produced in the Belval and Differdange mills in Luxembourg, are making their way by ship to the high arctic. There, they are to be used to construct a sheet pile dock at Milne Inlet, which will serve as the port for Baffinland's Mary River project.

Straight web sheet piles AS 500 and HP bearing piles, produced in the Belval and Differdange mills in Luxembourg, as well as special piles fabricated by a specialised local subcontractor, are making their way from Antwerp, Belgium, to Nunavut to form part of the Milne dock. The dock will support a two-tower radial ship loader and reclaim conveyor system that will load vessels with iron ore from Baffinland's Mary River deposit. Antwerp is the headquarters of ArcelorMittal logistics, and Baffinland felt that ArcelorMittal logistics was best suited to provide marine transportation services to deliver the sheet piles to North America.

Baffinland (owned 50% by ArcelorMittal), was given the go ahead by the Canadian Federal Government on April 29 for the early revenue phase amendment to the Mary River project involving the seasonal shipping of 3.5 million tonnes of iron ore from Milne Inlet. Construction of the site commenced in Q2 of 2013 with mining of iron ore scheduled to begin as early as Q3 2014, and first shipment of iron ore expected during the open water season of 2015.



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Baffinland's procurement department worked diligently to coordinate the transfer of technical information from the ore dock engineers to ArcelorMittal and vice versa. This included addressing RFI (requests for information) from both sides, providing feedback regarding ArcelorMittal's welding procedures and quality inspection plans, and monitoring the order to ensure delivery deadlines were met.

With its innovative and unrivaled product range, ArcelorMittal is the world leader in design and production of sheet piles, which have been recognised within the company as a 'franchise' product.

"Baffinland and ArcelorMittal had an excellent working relationship throughout the entire process. We felt very confident with ArcelorMittal with regards to the quality of products and the ability to meet the tight deadlines on this project," says Tom Paddon, Baffinland's President and CEO. "Our purchasing team also did a great job, providing feedback regarding ArcelorMittal's welding procedures and quality inspection plans, and monitoring the order to ensure delivery deadlines were met."

"Given the quality and quantity of iron ore from the Mary River deposit, and the relationship between Baffinland and ArcelorMittal," Tom says, "it's not that hard to believe that ArcelorMittal products could be made from Baffinland iron ore in the future."

# New owners make recovery improvements to Ekati Diamond Mine

Since Dominion Diamonds purchased the Ekati Diamond Mine from BHP Billiton, they have been taking active steps to make the operation more efficient and to extend its mine life. The news release of July 21 updates the mine plan, and provides some insights into these changes.

The Company estimates that process plant improvements to date have increased the recovered grade by approximately 15%.

- Greater discipline has been brought to the maintenance and operations of the High Pressure Grinding Roll within the process plant. As a result, less coarse feed is being pushed through to the Heavy Media Separator modules which has had a positive impact on the overall liberation of diamonds from the kimberlite plant feed.
- The two HMS modules at the Ekati Diamond Mine have historically been run at high hourly feed rates leading to relatively high losses of diamonds. Lower and more consistent operating rates for the HMS modules have resulted in higher diamond recovery across all feed types. Additional cyclones have been ordered to expand the capacity of the HMS modules and will be available for installation by late summer. Improved operating procedures for monitoring screen panel wear have also contributed to the increase in the recovery of small diamonds.
- Work is ongoing to re-establish the re-crush capability in the Ekati processing plant. Diamonds, trapped in larger pieces of kimberlite, are still going straight to tailings as coarse ore rejects. Once the re-crush circuit is re-commissioned in the fourth quarter, it will be possible to channel this oversized material back to the HPGR.

• There are currently only two grease tables operating in the Ekati processing plant. The design of three additional grease tables has been completed and these will be installed and operational by the end of this fiscal year.

The resulting additional diamonds, although mostly small, are not currently included in reserves although once the process improvements have been substantially completed the Company will incorporate the higher recovery rate into an updated reserves statement due later this year.

In addition, they are now creating more confidence in being able to mine kimberlite economically at the Misery Pipe. Dominion has now converted the Misery Satellite Pipes from being just an exploration target to an inferred resource containing 5 million carats of diamonds.

For more information, download their latest mine plan release here.

# Fortune's NICO Project Water License Approved

The Fortune Water Licence has been approved by the NWT Minister of Environment & Natural Resources, the Hon. Michael Miltenberger on July 14 and is in effect as of July 22, 2014. The approved water licence has been posted to the Wek'eezhii Land & Water Board (WLWB) public registry and is accessible through the links below, as is additional information on it:

- <u>Minister's letter of approval</u>
- Fortune Minerals Limited's Water Licence (W2008L2-0004)
- WLWB Reasons for Decision (distributed June 17, 2014)

# Visit Diavik Mine virtually?

### Rio Tinto showcases technology to the global diamond industry

Rio Tinto Diamonds is bringing the mine to the marketplace by using innovative Oculus Rift technology to provide an interactive virtual journey into its Diavik Diamond Mine in the remote NWT.

The Oculus Rift will debut at the Rio Tinto booth at the world's largest diamond jewellery trade show, the JCK Luxury Show, in Las Vegas on May 27th.

Rio Tinto has partnered with New York based Bravo Media Inc, to custom design the Oculus Rift experience. Oculus Rift, a virtual reality headset, provides a completely immersive, computer generated environment that allows the user to fly above the coast of Canada and land at the Diavik Diamond Mine. From here the user is taken on an interactive journey down the mine.

Brandee Dallow, manager of Rio Tinto Diamonds North American representative office, said, "The interactive technology brings to life the mining experience in a very compelling way. Our goal in showcasing Oculus Rift at this year's JCK Show is to start the dialogue with our customers and other members of the diamond jewellery industry about the new approaches available to better capture the next generation consumer." Rio Tinto Diamonds has a long track record of harnessing technology and innovation to create value in the diamond industry including X-ray sorting machines, laser technology to prepare diamonds for cutting and polishing as well as innovative solutions in mining, processing and renewable energy.



"It is important for the diamond industry, from the trade through to the final consumer, to gain an understanding of

where Rio Tinto's diamonds come from and how they are mined. The mine to market story is very important to us and so we are delighted to present this new tool to the industry," said Ms. Dallow.

# De Beers announces updated model for rough diamond sales

## Registrations of interest to open on 25th August, 2014

The De Beers Group of Companies today announced its updated model for the allocation of rough diamonds by Global Sightholder Sales (GSS) in respect of the March 2015 – March 2018 contractual period.

Around 90% of De Beers' total rough diamond availability by value is sold through GSS.

The updated allocations model will involve a new method for determining GSS's rough diamond customer-base, with a simplified, compliance and demand-based customer qualification process being introduced. It will also adopt a more flexible sales approach through which non-Sightholder diamond businesses will have opportunities to purchase rough diamonds from GSS.

Registrations of interest in applying for GSS rough diamond supply for the new contractual period will be open from 25th August to 29th August 2014. Interested diamond businesses can learn more about the new arrangements at www.debeerssightholder.com/newcontractinfo.

Philippe Mellier, CEO, De Beers Group, said: "The Sightholder system has been at the heart of our selling model for decades and it will continue to be central to our approach in the new contract period.

"However, the changes we are introducing will provide greater flexibility in purchasing opportunities at De Beers. They will enable those expressing strong demand for the rough diamonds we sell to purchase them on a term contract basis as Sightholders, while also offering more opportunities for non-Sightholder diamond businesses to demonstrate their demand for De Beers rough diamonds. The more rigorous financial and existing ethical compliance requirements will also help to reinforce third party confidence in the strength and transparency of Global Sightholder Sales' customer-base".

# **Diamond prices – expectations from Stornoway Diamonds**

In an interview with Rappaport Diamonds, Chamber member and CEO Matt Manson of Stornoway Diamonds spoke about the new diamond mine they are building in Quebec, and provided this interesting quote on future prices: "Since 2003, when De Beers was sold to Anglo American and liquidated most of its diamond stockpile, we have seen an 8 percent compound annual growth rate (CAGR) in rough diamond prices on a nominal basis. Excluding inflation that means that prices rose about 5 percent a year. Our research suggests that diamond production will remain flat or decline after 2016, while demand in the major diamond consumption countries will continue to grow at a steady pace. In mining, we don't base decisions on a short-term outlook, so I really couldn't tell you what rough diamond prices will be six months from now. However, in the next five to 10 years, we expect rough prices to rise at the same modest pace that we've observed in the past decade. For our own planning, we conservatively estimated rough prices will rise 2.5 percent per year in real terms over a 10-year period..."

Matt's predictions bode well for our NWT diamond industry too.

For the entire article, click <u>here</u>.

# Scotiabank Commodity Survey – "Commodity Prices Edge Down In June"

- Metals & Minerals lose ground in June, but are approaching a cyclical low; Commodity funds recently bid up base metals, anticipating stronger fundamentals ahead.
- Uranium prices bottom, as Japan's NRA approves the restart of two nuclear reactors.
- The U.S. 'shale revolution' spills north into Canada, paring gains in Canada's merchandise trade in crude oil, NGLs & refined petroleum products.

The **Metal & Mineral Index** lost further ground in June (-1.3% m/m & -14.2% yr/yr). Softer gold, uranium and iron ore prices more than offset firmer zinc, aluminium and lead prices. **Iron ore spot prices** plunged to a mere US\$92.40 per tonne delivered to northern China from US\$101 in May and US\$136 in December 2013, as buyers in China pared inventories. While prices have edged up again in July (currently at US\$94.30), a significant recovery in iron ore prices looks unlikely over the next several years, given huge low-cost mine expansion in Western Australia and Brazil. Nevertheless, coking coal and uranium, which have been a drag on the Metal & Mineral Index this year, have likely touched bottom.



The Metal & Mineral sub-Index will rally sharply in July amid a spurt in base metal prices and a moderate pick-up in gold. LME zinc prices surged over a 3-year high of US\$1.10 per pound on July 25, and aluminium to a 17-month high of US\$0.92 on July 22. Exuberance over the recent moderate pick-up in China's economy partly accounts for stepped-up investor interest in base metals, as does a second year of record global auto production, with strength in China (+9.7% YTD), North America (+4.3%) and Germany/Spain (+7.9%, the two biggest auto manufacturers in Western Europe). Fabricators have turned to primary metal, given tight world supplies of scrap (particularly for copper & aluminium). Visible exchange stocks on the LME and Shanghai Futures Exchange have plunged. Of the key base metals, zinc has the best supply & demand outlook, triggering stepped-up M&A activity.

Download the newsletter here or click on the newsletter thumbnail.

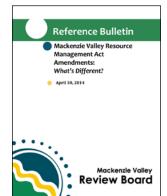
## Mackenzie Valley Review Board explains what's different in the new MVRMA

The Mackenzie Valley Review Board (MVEIRB) has issued a document to help the public and industry to understand what changes have resulted from the amended Mackenzie Valley Resources Management Act (MVRMA).

Some of the changes described include:

#### Different parts of the amendments will come into force at different times:

- 1. Timelines and the delegation of authority came into force on royal assent of Bill C-15, and March 25, 2014.
- 2. By April 2015 the authority to make regulations regarding cost recovery and Crown consultation is expected to come into force.
- 3. By April 2016 the sections dealing with development certificates and pause periods are expected to come into force.



#### Timelines

In the past, Review Board environmental assessments (EAs) and environmental impact reviews (EIRs) adhered to timelines that were specified in workplans tailored to each specific assessment. The Reference Bulletin: <u>Mackenzie Valley Resource Management Act</u> <u>Amendments: What's Different</u> explains how the amended MVRMA now sets out time limits for

<u>Amendments: What's Different</u> explains now the amended MVRMA now sets out time limits for the Review Board and for the Responsible Ministers that will apply to all processes.1

These are applicable now, and are shown in the Table below:

Process	Review Board Time	Ministerial Time	Total Time
EA, no hearing	9 months	3 months	12 months
EA with hearing	16 months	5 months	21 months
EIR	18 months	6 months	24 months

For more information on additional amendments, download the short, 5-page Reference Bulletin <u>here</u> or click on the report's thumbnail.

## New NWT Wildlife Regulations proposed – public input needed

New wildlife regulations are being drafted to support release of the new <u>NWT Wildlife</u> <u>Act</u> scheduled to come into effect in November 2014. The changes will be done in three phases:

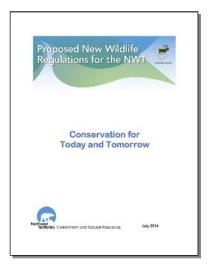
- Phase 1 immediate changes needed to bring the Act into force
- Phase 2 regulations to implement new concepts in the Act
- Phase 3 ongoing development of regulations as needed

The NWT Department of Environment & Natural Resources is seeking your input into the proposed regulation changes for Phase 1. Visit this website: <u>www.nwtwildlifeact.ca</u> and click on this document: <u>Proposed Regulation Changes for the New Wildlife Act: Conservation for Today</u> <u>and Tomorrow</u> or on the thumbnail below to view the Proposed Regulation Changes for the New Wildlife Act: Conservation for Today and Tomorrow (PDF).

Supporting this, a series of community meetings will be held to get public input on the proposed Phase 1 regulation changes. <u>View schedule of community meetings.</u>

Send the NWT Government your comments on the proposed Phase 1 regulation changes by fax, mail or e-mail by August 31, 2014 to:

Lynda Yonge, Director, Wildlife Division GNWT – Environment and Natural Resources P.O. Box 1320 Yellowknife NT X1A 2L9 Phone (867) 920-8043 Fax: (867) 873-0293 Email: <u>wildlife@gov.nt.ca</u>



Visit this site regularly for updated information: <u>www.nwtwildlifeact.ca</u>.

# **NWT Chamber of Commerce Survey – Private Sector Pressure Points**

### Survey Puts the Spotlight on Business Issues and Priorities

Businesses from across the NWT have spoken and aren't happy with the burden that government and government agencies continue to download. In a survey of chamber members from Inuvik to Hay River, businesses have identified energy costs, GNWT red tape and municipal taxes as the top three issues affecting their success.

The NWT Chamber of Commerce conducted the survey in June, interviewed various businesses and researched other data to determine the health of the economy for small and medium-sized enterprise.

"If we were a hospital patient, we'd be in the intensive care ward," said Allen Stanzell, President of the NWT Chamber.

Stanzell pointed to Statistics Canada reports that indicate the NWT has lost 500 pay cheques in first five months of the year compared to the same time last year. At the same time, On April 1, 2014 Statistics Canada estimated that 43,459 people were living in the NWT, a decrease of 0.3% from the previous year. Each departure reduces Federal Government transfer payments to the GNWT by about \$30,000.

"The metrics are headed in the wrong direction. Taxes are up, premiums, like WSCC's, are up, government expenditures at all levels are up and people are leaving. Businesses and individual tax payers can't be expected to pick up the difference. We're taxed out," said Stanzell.

Stanzell referred to the cumulative impact assessment on City of Yellowknife taxes over a nine-year period. Residential and business tax revenues to the City grew by more than 80% during that period. And last week Kam Lake business owners were handed huge tax increases, many exceeding 100%.

"It's the same in all tax-based communities. Municipal governments play taxpayers like slot machines whenever they need money. They're gambling with our future," added Stanzell.

The NWT Cities, Towns and Villages Act only requires municipalities to balance their books, but there's no limit or cap on the amount that taxes can increase in any given year.

Businesses around the NWT are shifting core operations to lower-cost jurisdictions or simply turning out the lights. The Hay River Chamber of Commerce reports that 16 businesses have closed over the past 36 months. Another one, Jameson's True Value Hardware, is set to close at the end of August.

"I understand why they're closing," said Janet-Marie Fizer, President of the Hay River Chamber. "Taxes and operating overheads are too high, the market continues to shrink, and there's little support for regional economies from governments at any level. It's very discouraging when a long-time business has no other choice but to close. There goes another dozen jobs."

In association with the network of community chambers in Fort Simpson, Inuvik, Norman Wells, Hay River, Yellowknife, and Fort Smith, the NWT Chamber of Commerce is the largest business organization North of 60. NWTCC ensures that northern business and economic interests are brought to the attention of both the Territorial and the Federal governments.

# Supreme Court of Canada Decision re Tsilhqot'in Nation vs British Columbia

The Fraser Institute has produced an overview of the recent Supreme Court of Canada decision regarding the Tsilhqot'in Nation. According to the Institute:

The Supreme Court of Canada's judgment Tsilhqot'in Nation v. British Columbia represents the first time Aboriginal title has been recognized (outside an Indian Reserve) to a First Nation in Canada. The unanimous judgment has recognized Aboriginal title to over 1,700 square kilometers of land in the interior of British Columbia.

Despite having fee simple characteristics, Aboriginal title represents communal ownership, not individual property rights. This judgment provides a clear test for when Aboriginal title can be recognized on traditional territory.

Where Aboriginal title has been recognized, economic development will require the consent of the First Nation that holds title. However, the Crown can push through development without the consent of the First Nation if it is able to demonstrate a compelling and substantial public purpose for the proposed activity.

The judgment reaffirms that consultation processes and the justification of infringements of Aboriginal rights and title are the responsibility of the Crown and not project proponents. It will mean that if development is to occur on Aboriginal title land against the wishes of the First Nation, governments will have to be advocates for third party projects. Where there is no consent, and the potential infringement cannot be justified, proposed projects may be set aside by the court. This is also true for existing development projects.

*This puts current and potential development at risk and results in increased uncertainty for economic development in British Columbia.* 

Click here or on the report thumbnail to download.

The decision's implications on other lands in Canada, e.g., lands under Treaty and lands in comprehensive land claims, is the subject of much musing at this time. See next story.

# But then another SCC Decision on Grassy Narrows says ...

Shortly after the Supreme Court of Canada's decision on Tsilhqot'in, the same court issued its Grassy Narrows decision, which addressed a situation under historic Treaty 3 lands in Ontario.

In this case, Treaty 3 was signed in 1873 by treaty commissioners acting on behalf of the Dominion of Canada and Chiefs of the Ojibway. The Ojibway yielded ownership of their territory, except for certain lands reserved to them. In return, the Ojibway received annuity payments, goods, and the right to harvest the non-reserve lands surrendered by them until such time as they were "taken up" for settlement, mining, lumbering, or other purposes by the Government of the Dominion of Canada.

The SCC ruled that the Province of Ontario has exclusive authority under the *Constitution Act, 1867* to take up provincial lands for forestry, mining, settlement, and other exclusively provincial matters.

This seems to provide some added certainty to investors looking to invest in parts of Canada that are under Treaty. Given the continued complexities of Aboriginal law, one is best served with good legal advice.





## 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.

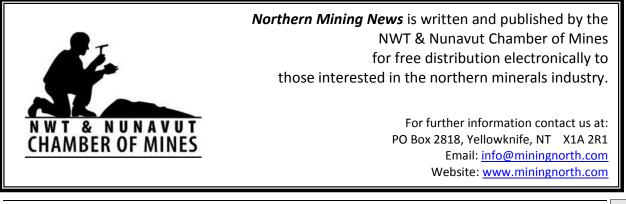
- 5 August 2014, Kennady Diamonds Announces Faraday Diamond Sample Grade of 5.10 Carats per tonne
- 5 August 2014, North Arrow Updates 2014 Qilalugaq Project Bulk Sampling Program
- 1 August 2014, Kivalliq Closes Final Tranche of \$1.138 Million Non-Brokered Private Placement
- 1 August 2014, West Melville Closes First Tranche of Financing
- 1 August 2014, MMG completes Las Bambas acquisition
- 1 August 2014, Diavik, Yellowknife Community Foundation congratulate 2014 scholarship recipients
- 1 August 2014, Canadian Zinc Announces the Closing of \$15.8 Million Bought Deal Financing
- 31 July 2014, Seabridge Gold's KSM Environmental Assessment Application Receives Final Approval from British Columbia
- 31 July 2014, Fortune Minerals Announces Extension of Revenue Silver Mine Purchase Agreement
- 31 July 2014, Elgin Mining Announces Drawdown on Previously Announced Bridge Loan with Mandalay Resources Corporation
- 30 July 2014, Mid-year 2014 exploration update: IVR discovery near Meadowbank continues to expand; technical studies progress at Meliadine and Akasaba West projects; and new deep intersection at Kittila
- 30 July 2014, Agnico Eagle reports second quarter 2014 results Increased 2014 guidance on the back of continued strong operating results and completion of the Osisko acquisition
- 29 July 2014, Nighthawk Reports 20.35 Metres of 7.94 g/t Gold and 17.75 Metres of 8.16 g/t Gold from Historic Drilling at Kim
- 29 July 2014, Canterra Closes \$2 Million Financing
- 28 July 2014, Mountain Province Diamonds Appoints Banks to Arrange and Underwrite US\$370M Term Loan Facility
- 25 July 2014, Seabridge Gold Files Preliminary Shelf Prospectus and Registration Statement
- 25 July 2014, Elgin Mining Provides Update and Enters into Amended and Restated Arrangement Agreement with Mandalay Resources
- 24 July 2014, Northquest Ltd. Commences Airborne Magnetometer Survey at the Pistol Bay Gold Project, Nunavut, Canada
- 24 July 2014, Peregrine Files Technical Report for Lac De Gras Project and DO-27 Kimberlite in the NWT
- 24 July 2014, Kennady Diamonds Updates Kelvin Kimberlite Drilling
- 24 July 2014, TerraX assays 34.9 g/t, 75.8 g/t, 346 g/t and 547 g/t Au in grab samples from newly discovered VSB Vein, Yellowknife City Gold Project
- 23 July 2014, Transition Metals and Nunavut Resources Corp Acquire Additional High Potential Gold and Base Metals Property in Nunavut
- 23 July 2014, Fortune Minerals receives final Water Licence approval to construct and operate the NICO mine
- 22 July 2014, Seabridge Gold Closes \$13.8 Million Flow-Through Financing
- 22 July 2014, Platinum Group Metals Waterberg Update
- 21 July 2014, Northquest Ltd. Commences Diamond Drilling at the Pistol Bay Gold Project, Nunavut, Canada

- 21 July 2014, MMG Shareholders Approve Las Bambas Acquisition
- 21 July 2014, Dominion Diamond Corporation Issues Updated Mine Plan for the Ekati Diamond Mine
- 21 July 2014, Stornoway Awards EPCM Contract to SNC-Lavalin Inc.
- 18 July 2014, Port to Port: ArcelorMittal sheet piles to build dock for Baffinland's Milne Port
- 18 July 2014, Gahcho Kué Joint Venture and Lutsel K'e Dene First Nation sign Impact Benefit Agreement
- 17 July 2014, MMG copper production increases 4% in first half
- 16 July 2014, Kivalliq Acquires Shares of Roughrider Exploration Limited
- 16 July 2014, De Beers Charity Classic raises over \$50,000 for charity
- 16 July 2014, Dominion Diamond Corporation Announces Election of Directors
- 16 July 2014, Dominion Diamond Corporation reports Diavik Diamond Mine Second Calendar Quarter Production
- 16 July 2014, Stornoway Announces Appointment of Douglas Silver to Board of Directors
- 15 July 2014, Baffinland and QIA: Announcement of Ilagiiktunut Fund
- 15 July 2014, North Arrow Set to Start Exploration Drilling at the Redemption Diamond Project, NWT
- 15 July 2014, Canterra Announces Financing Extension
- 15 July 2014, Kennady Diamonds Commences Kennady North Summer Drill Program
- 14 July 2014, Elgin Mining Announces Acceleration Of Expiry Date Of All Outstanding Warrants
- 11 July 2014, Advanced Explorations Inc. Announces Results of Annual and Special Meeting of Shareholders
- 11 July 2014, Platinum Group Reports Q3 2014 Financial and Operating Results
- 11 July 2014, Copper North Completes Acquisition of Thor Property
- 10 July 2014, North Arrow Commences 2014 Qilalugaq Project Bulk Sampling Program
- 10 July 2014, Aben Resources Announces 2014 Exploration Program at Justin Gold-Silver-Tungsten Project, Southeast Yukon
- 10 July 2014, NCG Focusses on High-Grade Subset of Three Bluffs Resource Estimate
- 10 July 2014, Agnico Eagle exercises Pershimco Warrants
- 10 July 2014, North Country Gold Engages Zone Capital Partners
- 10 July 2014, Stornoway Announces Formal Production Decision at Renard
- 9 July 2014, Dominion Diamond Corporation to Increase Interest in the Ekati Diamond Mine
- 9 July 2014, Fortune Minerals President and CEO, Robin Goad, interview on BNN
- 8 July 2014, Nighthawk Commences 2014 Drill Program at Indin Lake Gold Property
- 8 July 2014, Aben Announces Exploration Program at Mann Lake Uranium Project in the Athabasca Basin, Saskatchewan
- 8 July 2014, Stornoway Announces Closing Of Comprehensive Financing Package To Fund Renard Through To Production
- 8 July 2014, Fortune Minerals announces closing of the second tranche of the Procon private placement
- 8 July 2014, Kivalliq Closes Cdn\$506,000 First Tranche of Cdn\$1.1 Million Private Placement
- 7 July 2014, Copper North Announces Private Placement
- 4 July 2014, Tyhee Gold Agrees to Acquire Majority Stake in Sutter Gold Mining Inc. Sutter to Restructure Debt
- 2 July 2014, North American Tungsten Completes Financing With Queenwood Capital Partners II LLC

- 10 June 2014, Osisko Arrangement Receives Court Approval & Osisko Reports Record Monthly Gold Production for May
- 10 June 2014, Seabridge Gold Begins New Drill Program at KSM
- 6 June 2014, Tyhee gold corp. Reports annual general meeting results
- 6 June 2014, Nighthawk Increases Proposed Private Placement to up to \$8,000,000
- 5 June 2014, Quebec leads provinces with commitment to implement payment disclosure through securities regulations

# **Calendar of Events**

- **Renewables and Mining Summit & Exhibition**, October 15-16, 2014, Marriott Eaton Centre, Toronto. This 2nd annual Summit will bring together the global mining industry and alternative energy experts to discuss affordable, sustainable and reliable energy options for mining operations. Visit: <u>http://www.energyandmines.com/toronto/</u>.
- Canadian Aboriginal Minerals Association, 22<sup>nd</sup> Annual Conference: Seeking Certainty, Mining New Ground, November 16-18, 2014, Toronto. To learn more, visit: <u>http://www.aboriginalminerals.com/</u>
- **2014 Yukon Geoscience Forum & Trade Show,** Coast High Country Inn, Whitehorse, YT, November 16-19, 2014. For more, click <u>here</u>.
- Yellowknife Geoscience Forum, 42<sup>nd</sup> Annual Conference and Tradeshow (the North's biggest!), November 25-27, Yellowknife, NT. Watch for updates coming soon on the website here. <u>http://www.geoscienceforum.com/</u>.
- 18<sup>th</sup> annual Nunavut Mining Symposium, Iqaluit April 13<sup>th</sup> 16<sup>th</sup>, 2015. Hotels are now accepting reservations. Information is available at: <u>www.nunavutminingsymposium.ca</u>. Check out our recap video of the 2014 symposium!



# **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
<u>Ekati Mine</u>	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 approximately 1,500. Mine life aurophy 2020 but if	July 9 news release: Dominion Diamond Corporation to Increase Interest in the Ekati Diamond Mine, purchasing C.Fipke interests. July 16 news release: Dominion Diamond Corporation Amountains Election of
			Mine life currently 2020, but if approved, mining the Jay pipe could extend it 10-20 years.	Corporation Announces Election of Directors. July 21 news release: Dominion Diamond Corporation Issues Updated Mine Plan for the Ekati Diamond Mine which promotes the Misery Satellite material previously identified as an exploration target to an inferred resource.
<u>Diavik Mine</u>	Rio Tinto and <u>Dominion Diamonds</u>	Diamonds	Canada's largest producer of diamonds, 300 km NE of Yellowknife. Mine life to 2023. Became all underground mine in 2012. Workforce approximately 1,000. To Dec 31, 2013, the mine has produced approximately 84 million carats of diamonds from the processing of approximately 22 million tonnes of kimberlite and has transitioned from an open pit operation to a fully underground mine.	June 11 news release: Dominion Diamond Corporation reports Fiscal 2015 First Quarter Update provides: A decision on the development of the A-21 pipe at the Diavik Diamond Mine is expected later this year. July 16, 2014 news release: Dominion Diamond Corporation reports Diavik Diamond Mine Second Calendar Quarter Production. Full-year production target is expected to be approximately 6.5 million carats, up from 6.1m projected.
<u>Snap Lake Mine</u>	De Beers	Diamonds	Canada's first all underground diamond mine. 220 kilometres NE of Yellowknife. Mine life to 2028. Workforce approximately 750.	Water license amendment is undergoing environmental assessment.
<u>Cantung Mine</u>	North American Tungsten	Tungsten, copper	Cantung is in the mountains of western Northwest Territories, ~300 km by road NE of Watson Lake, Yukon. Cantung is forecast to produce ore at a rate of 1,050 stpd or approximately 383,000 tons per year. Based on this forecast, mineral reserves at September 30, 2011 support a mine life of 3.5 years, ending in or around March 2015.	July 2 news release: North American Tungsten Completes Financing With Queenwood Capital Partners II LLC. Management has undertaken an extensive program to enhance mill operations at Cantung to increase throughput and recovery.
<u>Gahcho Kué</u>	De Beers & <u>Mountain</u> <u>Province</u>	Diamonds	Proposed open-pit diamond mine approximately 180 km ENE of Yellowknife, NT. Estimated mine jobs: 360. First production on schedule for Q3 2016. Peak construction workforce 700.	June 30 release: Mountain Province Diamonds reports Tuzo kimberlite was drilled to over 740 metres depth below surface. Project is awaiting water license. July 18 release: IBA signed with Lutsel K'e Dene First Nation. News Release, July 28: Mountain Province Diamonds Appoints Banks to Arrange and Underwrite U\$\$370M Term Loan Facility
<u>Nechalacho</u>	Avalon Rare Metals	Rare earth metals	Proposed underground mine 100km SE of Yellowknife. Estimated mine jobs: 200. Target for production start up remains late 2016 with initial product sales anticipated for 2017.	News release July 2, 2014: Avalon Closes Non-Brokered Private Placement for Gross Proceeds of \$2.166 million. The proceeds from the sale of the Flow-Through Shares will be used to fund the summer drilling programs and other eligible exploration work on Avalon's 100% owned Nechalacho Rare Earth Elements Property, Thor Lake, NWT and its 100% owned East Kemptville

<u>NICO</u>	Fortune Minerals Ltd.	Cobalt-gold- bismuth- copper	Proposed open pit and underground mine located 50 km NE of Wha Ti. Estimated mine jobs: 150	Tin-Indium Property, Yarmouth County, Nova Scotia. The proceeds from the sale of the Non Flow-Through Units will be used for other engineering, permitting and market development work for the Nechalacho Project, as well as general corporate purposes. July 8 news release: Fortune Minerals announces closing of the second tranche of the Procon private placement. July 22, Fortune's NICO Project Water License was approved by the NWT Minister of Environment on July 14, and takes effect July 22. This is the final step in the permitting process and the Company can now commence construction of the mine upon receipt of project financing and
Yellowknife	Tyhee Corp	Gold	Proposed open pit and	after making the initial closure bond payments to the GNWT. July 4 news release: Tyhee Gold Agrees to
Gold			underground mine of 2 deposits (Ormsby and Nicholas Lake) about 90 km NE of Yellowknife. Estimated 4,000 tpd. Est. mine jobs: 238	Acquire Majority Stake in Sutter Gold Mining Inc. – Sutter to Restructure Debt.
Prairie Creek	Canadian Zinc Corporation	Zinc-lead- silver	Proposed underground mine 120 km west of Ft. Simpson. Estimated mine jobs: 220 All permits now in place to construct and operate the mine. Completion of an optimized feasibility study and conclusion of a project financing package is expected in H1/14.	News release Aug 1: Canadian Zinc Announces the Closing of \$15.8 Million Bought Deal Financing
Pine Point	Tamerlane Ventures	Lead-zinc	Company proposes underground mine east of Hay River, NT using freeze technology for water management. Estimated mine jobs: 225	News release March 28: Tamerlane Receives Positive NI 43-101 Updated Summary Technical Report for the Company's Pine Point Project
<u>Courageous</u> Lake	Seabridge Resources	Gold	Proposed open pit mine 240 km northeast of Yellowknife. 6.5 million oz proven and probable reserves. (Positive Preliminary Feasibility Study July 2012)	New 5-year land use permit issued December 28 to allow up to 700 drill holes. In the nine months of 2013, the Company incurred \$5.3 million in exploration costs to complete the winter and spring exploration and drilling programs and assess the results of those programs.
<u>Selwyn</u>	Selwyn Chihong	Zinc, lead	Proposed underground mine in Yukon on NWT border and access is through NWT. Agreements signed with NWT (Sahtu) Aboriginal land corporations.	Selwyn Chihong has acquired full control of the project from <u>Selwyn Resources</u> .



# Mines & Promising Nunavut Mine Projects

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

Project	Owner(s)	Commodity	Description	Status
<u>Meadowbank</u> <u>Gold Mine</u>	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: 450	April 1 news release: Record quarterly gold production at Meadowbank - 156,444 ounces at a total cash cost of \$434 per ounce Agnico's higher level of production in the 2014 period was primarily due to higher grades at Meadowbank. Company invested approximately \$8.0 million in accelerated waste stripping at the Vault deposit at Meadowbank.
<u>Mary River</u>	Baffinland Iron Mines	Iron	Proposed open pit mine with railway and port; 936 km N of Iqaluit with 5 known deposits. Estimated construction jobs: 3,500- 5,000. Estimated mine jobs: 715	Minister approved Early Revenue Phase (ERP), April 26, 2014; Minister accepted NPC's recommendation to amend the North Baffin Regional Land Use Plan to include a transportation corridor for Milne Inlet tote road; Anticipate production from ERP to begin September, 2014.
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	NIRB recommends approval of Type A Water License renewal for 10-year period on August 16, 2013; Pending 2014 results, TMAC plans to conduct PFS by early 2015.
Meliadine Gold	Agnico-Eagle Mines	Gold	Possible gold mine, 6 deposits, the largest of which is the Tiriganiaq deposit, 25 km NE of Rankin Inlet. Estimated construction jobs: 1000 Estimated mine jobs: 700	NIRB accepts Final EIS May 21, 2014; Deadline for submission of IRs is July 21, 2014; Public Hearing scheduled for August 21 – 27, 2014. News Release July 30 includes: Recent drilling at Meliadine expected to further expand the resource base
<u>Kiggavik</u>	AREVA Resources	Uranium	Proposed uranium mine 80 km W of Baker Lake. Estimated Construction jobs: 750 Estimated mine jobs: 600	AREVA to submit final EIS as September 30, 2014, with final public hearings in 2015.
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	NIRB confirmed DEIS conformity. Responses to IR's due by July 23, 2014. Updated mineral resource with increase in overall contained Au from 304,000 ounces at 4.4 g/t Au and 2,168 kt to 1,714,000 ounces at 5.2 g/t Au and 10,210 kt for open pit.
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	Pre-feasibility Study initiated in September, 2012; Submission of DEIS scheduled for Q3, 2013. Glencore is taking lead on advancing the Bathurst Inlet Road & Port project, with Sabina.
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.

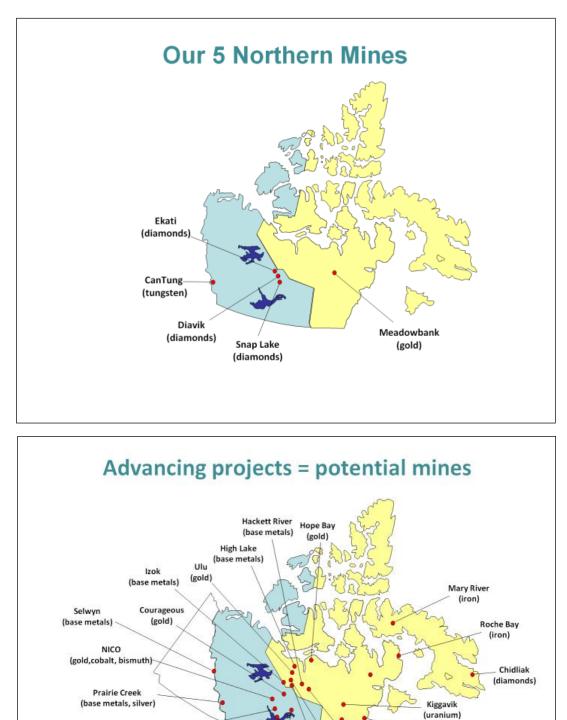
Doris North/ Hope Bay	TMAC Resources	Gold	Proposed gold mines 130 km S of Cambridge Bay; covers the majority of the Hope Bay Greenstone Belt. Estimated mine jobs: 485	TMAC Release May 13: TMAC Board of Directors approved a plan and budget for 2014 totalling approximately \$61 million for the advancement of the Hope Bay Gold Project. Appoints Russ Cranswick to the board.
<u>Roche Bay</u>	Advanced Exploration Inc.	Iron	Over 500 mt of Indicated Resources within 6 km of a natural deep water harbour at Roche Bay. Estimated construction jobs: 450 Estimated mine jobs: 370 – 380. Positive FS August 10, 2012.	News release May 13, 2014: Advanced Explorations Inc. and Parkson Star Ltd. (HK) Agree to Form Strategic Joint Venture to Advance the Roche Bay Iron Ore Project. News release July 11, Advanced Explorations Inc. Announces Results of Annual and Special Meeting of Shareholders
<u>Chidliak</u>	Peregrine Diamonds Ltd.	Diamonds	Located 180 km S of Pangnirtung. Contains 61 known diamond- hosting formations.	News Release June 24: Peregrine Provides Chidliak Project Update and Encouraging Diamond Results from the CH-46 Kimberlite. Summer work program scheduled to commence on July 3 and includes preparation for 2015 bulk sampling, core drilling on key kimberlites, heli-portable RC drilling, prospecting and heavy mineral sampling.
Angilak	Kivalliq Energy Corp.	Uranium	340,268 acre property located SW of Baker Lake; Hosts the high- grade Lac 50 Trend deposit. Kivalliq has also partnered with Nunavut Tunngavik Inc. and was the first company to sign a comprehensive agreement to explore for uranium on Inuit Owned Lands in Nunavut.	News release July 2, 2014: Kivalliq Energy Announces \$1.1 Million Financing for Saskatchewan and Nunavut projects. News Release July 16: Kivalliq Acquires Shares of Roughrider Exploration Limited
<u>Qilalugak</u>	North Arrow Minerals / Stornoway Diamonds	Diamonds	7 km from tidewater; 9 km from Repulse Bay, Melville Peninsula; 7,143 hectares of contiguous mineral claims.	Mini-bulk sample for preliminary diamond value planned for summer 2014; Inferred mineral resource 26.1 carats – 48.8 M tonnes with an average total diamond content of 53.6 cpht to a depth of 205 m.
Lupin & ULU	Elgin Mining Inc.	Gold, silver	Located SE of Kugluktuk. Lupin mine: past production; 3.7 million oz. ULU deposit: indicated mineral resource; 751,000 tonnes	July 14 News Release: Elgin Mining Announces Acceleration of Expiry Date of All Outstanding Warrants July 25, 2014 news release: Elgin Mining Provides Update and Enters into Amended and Restated Arrangement Agreement with Mandalay Resources. July 31 news release: Elgin Mining Announces Drawdown on Previously Announced Bridge Loan with Mandalay Resources Corporation

# **Detailed Deposit Map**

A reminder that this and other detailed maps are available on our Chamber website by visiting <u>here</u> and clicking on Maps.



## **Project Maps**



Nechalacho

(rare earths)

Gahcho Kue

(diamonds)

Lupin

(gold)

YK Gold

(gold)

Pine Point

(base metals)

Meliadine

(gold)

Angilak

(uranium) Back River

(gold)

Jericho

(diamonds)