

Northern Mining News

Volume 7, No. 6

June 2014



In this issue:

NWT Government launches first ever exploration incentive program	2
NWT Mining Week recognizes industry and workers.....	3
57 th Annual Northern Mine Rescue Competition another success	4
Yellowknife Prospecting course hugely successful!.....	6
NWT Regulatory timelines in place and tracked.....	7
NWT Economic Outlook: Return to record economic growth by 2017	7
Fortune Minerals receives final approvals to construct and operate NICO mine	8
Nunavut – draft Land Use Plan released for public comment.....	9
Bill S-6 tabled: Nunavut Waters & Surface Tribunal Act.....	10
Avalon comments on House of Commons Committee Report on Rare Earths	11
Chamber of Mines Congratulates Gary Vivian, P.Geol.	12
New CanNor head announced	12
GN Bureaucratic Shuffle.....	13
Summit Group and Det'on Cho Corporation announce aviation partnership.....	13
PwC Report: <i>Mine 2014, Realigning expectations</i>	14
Study proposes government give Aboriginal people mineral rights	15
Scotiabank commodity report – looming supply ‘deficit’ lifts zinc price.....	16
Did you know? Nunavut’s tobacco tax is higher than corporate tax!	16
Member News Releases this past month	17
Welcome New Members!.....	18
Calendar of Events	18
Mines & Promising Northwest Territories Mine Projects.....	19
Mines & Promising Nunavut Mine Projects.....	21
Detailed Deposit Map	22
Project Maps.....	23

From the Executive Director ...

Lots of news this month. The NWT continues to signal it wants investment with the release of its first ever Mining Incentive Program. It came in time for Mining Week celebrations, and the territorial mine rescue competition. Also, the NWT’s environmental board began tracking timelines that new legislation has brought, adding certainty for investors.

For Nunavut, the Federal Government has tabled new legislation to amend the Waters Act, and the draft NU Land Use Plan has been tabled for public review. Please have a look at what it proposes, as it will be very important to future investment in Nunavut.

Congratulations to our own Chamber VP-NWT, Gary Vivian on receiving Geoscience Canada’s top award!

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 launches first ever exploration incentive program

On June 9, the Government of the Northwest Territories (NWT) launched their first ever exploration incentive program. Call the Mining Incentive Program (MIP) is intended to help rejuvenate mineral exploration in the NWT. The program provides funding to eligible prospectors and exploration companies who propose new NWT explorations projects or are already carrying out mineral exploration work in the territory.

“Mineral exploration and environmentally sustainable development are an integral part of our economy, but investment in the NWT has been declining in recent years,” said Minister Ramsay. “The Mining Incentive Program is an important step towards attracting new investment and encouraging grass-roots mining exploration, which is essential for ensuring the long-term growth of the mining industry.”

The NWT Mining Incentive Program is an initiative recommended under the GNWT’s first ever Mineral Development Strategy and is modelled on similar programs offered in a number of Canadian jurisdictions as a means to attract mineral exploration investment. The program will be managed by the Northwest Territories Geoscience Office and initial funding is set at \$400,000.

The GNWT assumed responsibility for mineral development from the Federal Government when devolution took effect on April 1, 2014. The Mineral Incentive Program is an encouraging first action under the Mineral Development Strategy which was implemented to help ensure the future success of the mining sector in the NWT.

Chamber of Mines President, Brooke Clements responded with, “Mining is the number one industry in the NWT and we are proud of our commitment to environmental stewardship and the success we have had in bringing employment and business opportunities to local people and their communities. The current mines won’t last forever so more investment in exploration



is required to find new mines to replace those that close. We are hopeful that the Mining Incentive Program will be an incentive for increased exploration investment in the NWT. These incentives may also assist in developing a new generation of prospectors. We are pleased that the GNWT, the new NWT landlord, is taking proactive steps under its Mineral Development strategy to support the mining and exploration industry.”

The Mineral Incentive Program will be managed by the Northwest Territories Geoscience Office. Information about the contribution program, including application forms and submission deadline, is available here: <http://www.nwtgeoscience.ca/minerals/mip.html>.

NWT Mining Week recognizes industry and workers

NWT Mining Week took place June 9-13 this year and provided an opportunity to recognize the important role the mining sector has played in the NWT over the past 80 years and, with careful planning, will continue to play long into the future. More than 3,000 people are employed in the mining sector in the territory and its four producing mines contribute more than \$770 million in annual spending.

“Mining is a vital industry in the NWT. It continuously provides employment and economic benefits for our residents,” said Minister of Industry, Tourism and Investment David Ramsay. “NWT Mining Week is a great opportunity to show our support and appreciation for this important industry and all those that work in it.”

To ensure the continued growth of a socially responsible and environmentally sustainable mining industry, the Department of Industry, Tourism and Investment recently launched the [Mining Incentive Program](#) (MIP), which was a key recommendation of the [Mineral Development Strategy](#) (MDS).

The NWT is one of the largest untapped mining regions in the world – diamonds, gold, cobalt, bismuth, tungsten and rare earths can all be found in the territory. Since the first mine began operating in the early 1930s, the industry has been an economic mainstay in the NWT.

The 17th Legislative Assembly has a vision of a unified, environmentally sustainable and prosperous Northwest Territories and priorities of strengthening and diversifying the economy and increasing employment opportunities where they most needed. The Government of the Northwest Territories supports these priorities by celebrating the mining industry and the people that comprise it.



57th Annual Northern Mine Rescue Competition another success

Highly trained northern mine rescue teams from the Northwest Territories and Yukon showed their skills in mock scenarios last week, ably demonstrating their preparedness should an accident occur.

Top honours went to the EKATI Diamond Mine, which took home both the Overall Surface and the Overall Underground trophies.

Over the two-day competition, five teams from four mines competed within two broad categories, surface and underground, and in a variety of skill areas including firefighting, rope rescue, smoke, and surface and underground obstacles.

Sponsored by the Workers' Safety and Compensation Commission (WSCC), the event is held as part of NWT Mining Week in Yellowknife. Winners of the Competition were announced at the awards banquet on Saturday night.

"All of the mine rescue team members are winners", said Chamber of Mines President Brooke Clements, "They train diligently and are always at the ready at their respective operations. Their honed rescue skills and dedication to safety is something all team members and the mining industry can be proud of."

De Beers' Snap Lake team stood out from the crowd sporting their pink hard hats and gloves in support of breast cancer. Their enthusiasm and that of their fellow Snap Lake mine workers helped raise \$15,000 for the Canadian Breast Cancer Foundation.

Event	Top Team
First Aid	Minto Mine, Yukon
Surface Practical Bench	Minto Mine, Yukon
Fire Fighting	EKATI Diamond Mine, NWT
Rope Rescue	Diavik Diamond Mine, NWT
Surface Written Test	EKATI Diamond Mine, NWT
Underground Written Test	Snap Lake Diamond Mine, NWT
Surface Smoke	EKATI Diamond Mine, NWT
Underground Smoke	Snap Lake Diamond Mine, NWT
Underground Bench/Field Test	EKATI Diamond Mine, NWT
Surface Obstacle/Extrication	EKATI Diamond Mine, NWT
Underground Obstacle	EKATI Diamond Mine, NWT
Overall Surface	EKATI Diamond Mine, NWT
Overall Underground	EKATI Diamond Mine, NWT



EKATI Mine's teams won the Overall Surface & Overall Underground Trophies. From left to right: Geoff Kinder, Tom Smith, Matt LeBlanc, Stuart Wood, Darryl Klochko, Gord Frowen, Don Hebden, David English, Mike Lowing, Chantal Lavoie, Branden Wallis, Ryan Erickson, TJ Borschneck, Ryan Devolder, Randy Zdebiak, Peter Devolder, and Gord Zdyb.



DeBeers "pink hatted" team members, from left: Adam Jordens, Tim Pridie, Mitch Carter, Ron Messier, John Devavanyi, Freddy Kotchilea, Dave Arthur, and Kole Oberkirsch, helped De Beers raise \$15,000 for the Canadian Breast Cancer Foundation.

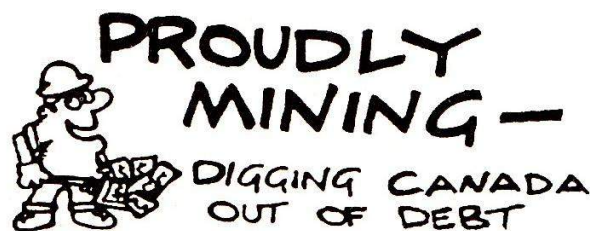


Yellowknife Prospecting course hugely successful!

A group of 28 prospecting students almost broke down our Chamber of Mines' doors to register for a two day prospecting course in Yellowknife. Instructors included TerraX Minerals' veteran prospectors Veronique & Jessika Bjorkman and geologist Tom Setterfield, government geologists John Ketchum, Karen Gochnauer and Landen Powell.

With one day in the classroom, and one day in the field leading to the conquest of Ranney Hill north of Yellowknife (see photo), participants learned about prospecting for minerals, bush navigation and safety, sampling methods, claim staking and NWT geology.

Our thanks to our eager students, and to our sponsors: TerraX Minerals, the Northwest Territories Geoscience Office, and the Chamber of Mines.



NWT Regulatory timelines in place and tracked

Timelines are now in place in the Northwest Territories thanks to amendments made by the Federal Government to the Mackenzie Valley Resource Management Act this past year. Those improvements are now being rolled out through the Mackenzie Valley Environmental Impact Review Board as they track process timelines through letters directed at each proponent on a regular basis. The first of these was mailed to Dominion Diamonds at the end of June and an excerpt of the letter is pasted below. The full letter is posted on the public Board registry and can be downloaded by clicking [here](#) or on the excerpt below.

The following table outlines time spent by the Review Board, the developer and the Minister for the Jay Project from March 25 - June 26, 2014:

Jay Project - Environmental Assessment with a hearing			
	Review Board	Developer	Minister
Mar 25-Jun 26, 2014	8 days	86 days	

The Review Board will send you updated versions of this letter periodically throughout the environmental assessment process. Please contact me if you have any questions.

NWT Economic Outlook: Return to record economic growth by 2017

The planned addition of a fourth diamond mine, Gahcho Kue, will be a key contributor to the expected upturn in the NWT.

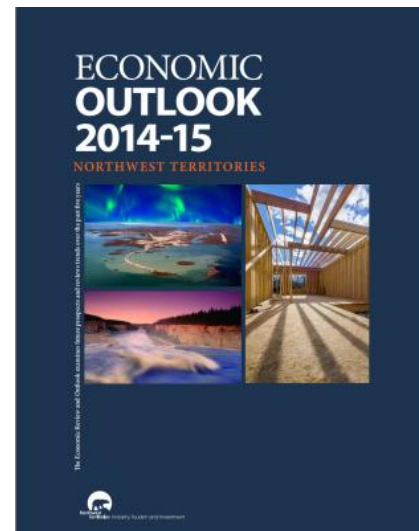
The [Northwest Territories Economic Outlook 2014-15](#), released June 5, shows record economic growth in the Northwest Territories by 2017, mainly due to the development of new mines, infrastructure, tourism and a renewed interest in oil and gas.

The Minister of Industry, Tourism and Investment, David Ramsay, released the report, which focuses on the NWT economy and major industries such as mining, oil and gas, tourism, construction, retail trade and arts and entertainment. The report identifies nine major projects representing \$4.5 billion in planned investment expected to be advanced in the next 10 years.

“We know our economy needs steady and sustained growth of major projects and people,” Minister Ramsay said. “As investor confidence in the NWT is restored and increased infrastructure and mining projects advance, we anticipate a period of strong economic performance, which bodes very well for NWT residents and businesses.”

The NWT Economic Outlook is in line with the Conference Board of Canada’s forecast that development in the NWT will lead to resident employment as high as 25,000 by 2018.

In addition to increased regulatory and legislative authorities and responsibilities as a result of devolution, other factors that will contribute to the NWT’s economic performance include an improving global economic climate



and a low-interest monetary policy in Canada that is benefiting the NWT through a lower dollar and lower capital costs – leading to an overall improved investment climate.

The Economic Outlook also supports the strategic approach to economic development outlined in the NWT Economic Opportunities Strategy released last year. That is, that the most important investments that can be made to stimulate opportunity and diversity in the NWT economy are those to attract and retain major infrastructure or industrial projects and a healthy vibrant population.

Click [here](#) or on the thumbnail to download the report.

Fortune Minerals receives final approvals to construct and operate NICO mine

Major permitting completed for the mine and concentrator in the Northwest Territories

On June 20, Fortune Minerals announced that the Wek'èezhìi Land and Water Board had issued the Land Use Permit and approved the Type A Water License required to construct and operate the NICO gold-cobalt-bismuth-copper mine and concentrator on the Company's mining leases located 160 km northwest of Yellowknife and 50 km north of the Tlicho community of Whati. With devolution now in place, the permit and license were signed by the NWT Minister of Environment and Natural Resources, Honourable J. Michael Miltenberger.

Dr. Richard Schryer, Director of Regulatory and Environmental Affairs for Fortune commented, "With these permits now in hand, Fortune can commence construction of NICO. The Company is continuing to work collaboratively with the Tlicho people, local communities and governments to make this a successful project that contributes positively to the economy and social fabric of the Northwest Territories. We are particularly proud that NICO will be a catalyst for important legacy infrastructure development, including the proposed Tlicho Road and an expanded electrical grid that will also service nearby communities."

Robin Goad, President and Chief Executive Officer of Fortune commented, "We are very pleased to be in a position to construct the NICO mine and concentrator upon receipt of financing. This positions the Company for organic growth after entering into an agreement to purchase the Revenue Silver Mine in Colorado. It is very gratifying to see NICO advance from an in-house exploration success to become a shovel-ready development asset after the expenditure of more than \$110 million over many years to validate the project and reduce risks from its development. I want to congratulate all of our team members who contributed to achieving the critical milestones as we transition into the project execution and construction phase of the development."

The NICO Project consists of a proposed open pit and underground mine and mill in the NT that will produce a bulk concentrate for shipment to the planned Saskatchewan Metals Processing Plant ("SMPP") near Saskatoon for further processing to high value metal and chemical products. NICO is positioned to become a reliable, fully vertically integrated North American producer of gold, bismuth metals & chemicals, cobalt chemicals, and by-product copper. As a North American project, NICO is expected to command significant interest from manufacturers that have concerns about the concentration of supply for both cobalt and bismuth in just two countries. More than 60% of cobalt mine production is currently sourced from the politically

unstable Democratic Republic of the Congo and 43% of refinery production is from China. Bismuth is principally sourced from China, which accounts for approximately 80% of mine production and most of the refining. NICO will also benefit by selling into the North American and European Union markets where it has advantages from lower transportation costs and exemptions from paying excise duties and tariffs under the North American Free Trade Agreement.

Nunavut – draft Land Use Plan released for public comment

On June 21, the Nunavut Planning Commission made publically available an updated version of the Draft Nunavut Land Use Plan to be considered at the November 2014 public hearing. The Commission held over 60 public workshops and countless meetings on the 2011/2012 draft plan.

As they undertook the revisions, they were reminded that the Independent Third Party Review Report cautions us all that we "need to be more realistic about what can be achieved in this first iteration of the Nunavut land use plan."

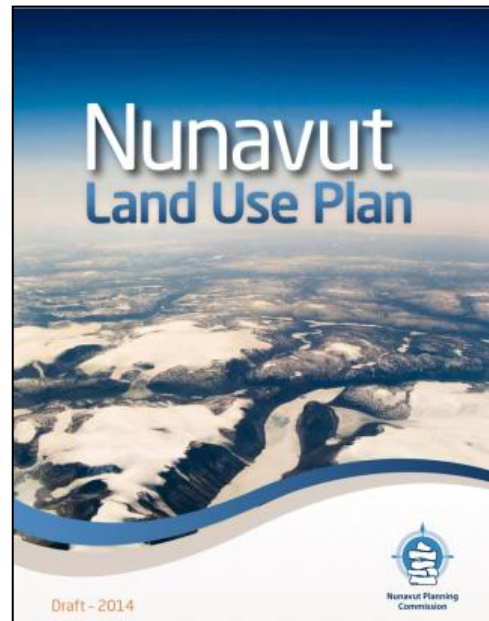
The Commission has carefully considered all available information and has revised the Plan to reflect the input that has been provided. Examination of the submissions in the context of available data and knowledge required us to consider how to promote opportunities to have a healthy investment climate and plentiful country food.

Managing land use in the habitat of iconic Arctic species of wildlife such as: caribou; polar bear, migratory birds, walrus and areas important for all sea mammals was important. Harmonizing competing interests has been achieved by acknowledging that economic development and wildlife in many cases can co-exist. Simplifying the Plan to focus on managing specific land uses that may affect a limited number of important areas is the end result.

The Commission also encouraged written submissions on the 2011/2012 draft plan. The Commission has responded to 412 written comments from the Government of Canada, Government of Nunavut, Inuit organizations, First Nations, Industry and environmental interests. The comments and responses are attached.

The Options and Recommendations Document has been updated to provide the background material considered to support decision making of the Plan.

The Plan has been updated to reflect the 2 year public consultation period. It is intended to be future focussed and is designed as a framework to support on-going land use planning study and enactment of the Nunavut Planning and Project Assessment Act (NUPPAA). NUPPAA adds responsibilities to the Commission which will not be implemented before the Bill is enacted. For instance the Plan references an on-line public registry which has not been developed. It is



important to also recognize that this is a draft plan, and is open to additional input at the Public Hearing. Final revisions to the plan will occur after the Public Hearing and prior to submission for approval. The plan and the Nunavut Planning and Project Assessment Act (NUPPAA) will be new to the Nunavut regulatory system. To assist in understanding the relationship between the two the draft plan contains verbatim linkages to NUPPAA that are intended to aid the reader. The final version of the Plan will not contain verbatim references.

More information is available on the [Downloads](#) page and [Consultation Record](#). The June 2014 Draft Nunavut Land Use Plan can be downloaded [here](#).

Bill S-6 tabled: Nunavut Waters & Surface Tribunal Act

On June 3, the Federal Government tabled Bill S-6, the *Yukon and Nunavut Regulatory Improvement Act* which includes important amendments to the *Nunavut Waters and Nunavut Surface Rights Tribunal Act*. Passage of Bill S-6 will also mark the completion of the government's *Action Plan to Improve Northern Regulatory Regimes*, an ambitious initiative to modernize northern legislation and create consistency with broader Canadian legislation. It included Bill C-47, *The Northern Jobs and Growth Act* and Bill C-15, *The Northwest Territories Devolution Act*.

"We are pleased with a number of the legislative changes proposed by Bill S-6, and we expect they will be an incentive for increased mineral investment in Nunavut," said Brooke Clements, President of the Chamber of Mines. "We also look forward to future dialogue with the Federal Government as they create accompanying regulations."

The following components of the Bill are of special interest to mining and exploration companies looking for increased investor certainty in Nunavut:

- Establishing time limits for the evaluation and approval of water licence applications will allow for more predictable and timely reviews.
- Issuing life of mine water licences removes the requirement for multiple licence applications and public review processes throughout the life of a mine, and promises efficiencies to both industry and regulatory agencies.
- Empowering the Minister to enter into written arrangements with Inuit land owners where a project involves both Crown and Inuit Owned Lands is a step toward resolving the current duplicative and unnecessary "double security bonding" for development projects.

Bill S-6 also enables the creation of certain regulations relevant to the mining and exploration industry, including Administrative Monetary Penalties and Cost Recovery for activities related to water licence applications. The Chamber and its members appreciate the Government of Canada's commitment to consult on the creation and implementation of these regulations.

Avalon comments on House of Commons Committee Report on Rare Earths

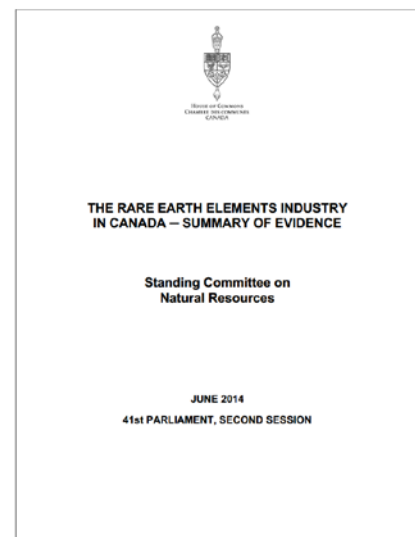
On June 19, 2014, the House of Commons Standing Committee on Natural Resources (“the Committee”) released a document titled [The Rare Earth Elements Industry in Canada – Summary of Evidence](#). This summary was the outcome of a motion passed by the Committee to study the “rare earths industry in Canada, given its economic potential and strategic relevance”.

Hearings were held during late 2013 and early 2014. Avalon Rare Metals’ Pierre Neatby, Vice-President, Sales & Marketing, appeared before the Committee in February 2014, where he noted there is a race to supply rare earths to the supply chain on a global scale and that “Canada’s opportunity is now”. Mr. Neatby echoed the view shared by a cross section of industry players that the Canadian government should publicly support the development of this important emerging sector to become a serious global player in the industry. A panel with members from the Canadian Rare Earth Element Network (“CREEN”), of which Avalon is a founding member and active participant, also appeared before the Committee.

In addition to describing some of the basics of the rare earth element industry including applications, global supply and demand and the role of China, the document discusses the potential economic and strategic opportunity for Canada and the key challenges facing rare earth development projects in Canada. It also speaks to current initiatives that support Canada’s REE industry, including CREEN, in its concluding section titled “The Role of the Federal Government in Advancing Canada’s Rare Earth Industry.”

Avalon is encouraged to see the Canadian government’s growing interest in the sector; however, as noted in the document, “Canada’s public investment in REE research and development is relatively small”. Avalon continues to work with Natural Resources Canada and CREEN to promote increased Canadian government support for the industry.

CREEN’s first Technical Workshop in Ottawa on June 17, 2014 was attended by Avalon’s Senior Vice-President, Metallurgy, Dave Marsh, and Senior Metallurgist, Henrietta Notzl. The workshop was co-sponsored by NRCan, Canadian Mineral Processors and **the Metallurgy and Materials Society**, and engaged rare earth process technology leaders from industry and academia. The main outcome was identifying and prioritizing pre-competitive research and development projects and targeted solutions expected to bring Canadian production into service by 2018. CREEN is in the process of fleshing out the proposed project lists, securing collaborative project sponsors and R&D funding. CREEN is also working on partnering with other national and international organizations to leverage existing research initiatives and funding opportunities.



Chamber of Mines Congratulates Gary Vivian, P.Geo.

Yellowknife, NT (July 2, 2014) The NWT & Nunavut Chamber of Mines is proud to congratulate Gary Vivian, Professional Geologist and a director and Vice President of the Chamber of Mines, for receipt of the **2014 Canadian Professional Geoscientist Award** from Geoscientists Canada.

Geoscientists Canada gives the Award annually to recognize the achievements of an individual who has made an outstanding contribution to the development and practice of professional geoscience and who has advanced public recognition of the profession in Canada in his or her capacity as a registered professional geoscientist.

“We are very pleased to see a director of the Chamber receive this prestigious award”, said President of the NWT & Nunavut Chamber of Mines Brooke Clements. “It is a true honour when a professional is recognized by their peers, and we are fortunate to have Gary sharing his valuable time and experience with the Chamber of Mines.”

Gary resides in Yellowknife, where he is President of Aurora Geosciences Ltd. and is also the Vice President (NWT) for the Chamber of Mines. His career as a Professional Geoscientist spans over 25 years of geological mapping, prospecting, sampling and geophysical surveying – predominantly on projects “North of 60”. Earlier in his career Gary worked for Noranda in Timmins, Ontario and Bathurst, New Brunswick. He later joined Covello, Bryan and Associates in Yellowknife, leading to the growth of that firm and its ultimate transition to become Aurora Geosciences Ltd.

The citation for the 2014 award, which will be presented to Mr. Vivian at a later date, will read as follows: “Presented to Gary Vivian, P.Geo. in recognition of his outstanding contributions to his community, his profession and its professional associations”.

The mission of Geoscientists Canada is to develop consistent high standards for licensure and practice of geoscience, to facilitate national and international mobility, and to promote recognition of Canadian professional geoscientists.



Gary Vivian, recognized with top Canadian geoscience award, still pitches in at camp.

New CanNor head announced

The Prime Minister announce changes to senior bureaucrats on June 24, and among them is a change to the head of the Canadian Northern Economic Development Agency, or CanNor.

Janet King, will replace Patrick Borbey as president of the Canadian Northern Economic Development Agency as of July 2. Ms. King will relocate positions from her current role as

Assistant Deputy Minister, Northern Affairs, in the department of Aboriginal Affairs & Northern Development Canada. In a previous life, Janet was the Assistant Deputy Minister of Western Canada Economic Diversification, a similar organization to CanNor but responsible for a much larger economic area, ie, Western Canada. Dr. King also worked for many years a geologist with the Geological Survey of Canada.

Patrick Borbey leaves to take on the role of associate deputy minister with the Department of Canadian Heritage.

GN Bureaucratic Shuffle

Premier Peter Taptuna announced a number of changes to his senior staff. Two changes of particular interest to the mining industry, include:

- Pauloosie Suvega who become deputy minister of Economic Development and Transportation effective June 30. He is succeeding Bob Long, who retires from serving in the position since 2009.
- Bernie MacIsaac is leaving his job as director of lands and resource development with the Qikiqtani Inuit Association in late August to take up the role of assistant deputy minister responsible for ED&T's economic development portfolio. Bernie is also a geologist with many years of industry experience, as well as with the Federal Government.

Summit Group and Det'on Cho Corporation announce aviation partnership

On June 17, the Summit Aviation Group and Det'on Cho Corporation announced that they have formed Det'on Cho Summit Aviation LP, a new entity that will provide aviation services within the Yellowknives' Dene First Nation territory.

"Our partnership with Det'on Cho Corporation will allow us to extend our services and further contribute to the economic prosperity of the region," said Summit President Rob Mauracher. "Along with the opportunity for Det'on Cho to have an equity stake in the new venture, employment opportunities will be available to Yellowknives' Dene First Nation members."

Summit is part of the Ledcor Group of Companies and operates a fleet of helicopters and fixed wing aircraft based in Northwest Territories, British Columbia and Alberta. With a fleet of 28 aircraft, Summit specializes in developing tailor-made aviation solutions for its clients.



"(L-R) Roy Erasmus Jr., President and CEO of Det'on Cho Corporation and Rob Mauracher, President, Summit Air Group.

"This new company is the next logical step in our longstanding relationship with Summit Air," commented Roy Erasmus Jr., President and CEO of Det'on Cho Corporation. "Not only is this an opportunity to officially enter the aviation market, it's a chance to work side by side with a company that is as dedicated to innovation and quality as we are."

"We are proud to join a like-minded company that values quality service as well as supporting the local community," added Paul McElligott, President of Ledcor Resources and Transportation, Summit's parent company. "Det'on Cho has a long history of business success in the region, and combining that with Summit's aviation expertise will create a strong partnership."

PwC Report: *Mine 2014, Realigning expectations*

Highlights from PwC's latest annual report, [*Realigning expectations*](#) include:

The Top 40's market value declined \$280 billion during the year, a 23% reduction on the prior year, down to \$958 billion at 31 December 2013, with gold particularly hard hit. Diversifieds and coal didn't fare much better as the sector took a beating. Early 2014 saw some semblance of calm return to mining markets with market capitalisation for the Top 40 stable, evidence that some level of confidence may be returning.

Results near rock bottom...

After reeling from then record impairments of \$40 billion during 2012, a further \$57 billion of assets were wiped off balance sheets during 2013. Gold companies suffered the lion's share, impairing \$27 billion of assets. The Top 40's aggregate net profit sank \$52 billion (72%) to a decade low \$20 billion; gold companies were responsible for \$20 billion of net losses. Only seven of the Top 40 increased profits year on year. Operating cash inflows went backwards, down 7% from 2012, partially offset by lower investing cash outflows. The full extent of reported cash saving initiatives across the Top 40 will only become apparent during the remainder of 2014 and beyond.



Capital allocation decisions remain Challenging

For the first time in a decade, free cash flow (operating cash flows less investment in property, plant and equipment) entered negative territory. Exploration was down more than 30% during 2013 and capital expenditure in 2014 is expected to diminish by more than 10% based on announcements from the Top 40.

Realigning expectations – lifting off the bottom

2013 has for the first time seen a majority of the Top 40 come from emerging markets, and given their current performance and greater recent appetite to spend on capital, this trend looks set to continue. Splitting the profit of the Top 40, emerging market companies netted \$24

billion (2012: \$39 billion) while the developed market companies lost \$4 billion collectively (2012: profit of \$33 billion).

Study proposes government give Aboriginal people mineral rights

Canada could improve its attractiveness for mining investment by allowing private ownership of mineral rights, particularly if mineral rights were given to First Nations, finds a new study released by the Fraser Institute, an independent, non-partisan Canadian public policy think-tank.

“Mining development in Canada is fraught with uncertainty related to First Nations land claims and requirements that miners consult with First Nations. The result is often endless rounds of negotiations with no end in sight,” said Kenneth Green, Fraser Institute senior director of energy and natural resources.

“Providing First Nations with private ownership of mineral rights will create a framework grounded in property rights and common law that would bring clarity to negotiations between First Nations and miners over project development.”

The study, *Divergent Mineral Rights Regimes*, compares mineral law and policies in Canada and the United States.

Mineral rights in Canada belong to individual provinces (the Crown) but can be leased to miners, allowing them to develop the resource. But miners must negotiate within this Crown-based ownership system, making development of mining opportunities in First Nations jurisdictions particularly challenging. By comparison, in the United States mineral rights are privately owned.

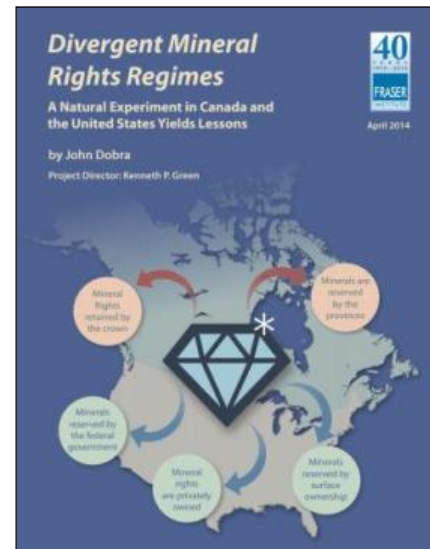
Why is this important to investors?

Due to private ownership of mineral rights in the U.S., notes the study, land claims disputes are less of a deterrent to mining investment. While mining under any mineral rights regime involves a social contract between the community and the miner, secure private mineral rights provide both sides with more secure and clearly defined bargaining power.

“The ownership of mineral rights is the biggest difference in mining between Canada and the United States and one of the greatest impediments to investment in Canada,” Green said.

“Mining investment is inherently international, and if Canadian policymakers wish to maintain or improve Canada’s competitiveness in attracting mining investment, they should consider reforming Canada’s mineral leasing system and introducing private ownership of mineral rights, particularly for First Nations.”

Click [here](#) or on the report thumbnail to download it.



Scotiabank commodity report – looming supply ‘deficit’ lifts zinc price

Patricia Mohr’s most recent [Scotiabank Commodity Price Index](#) newsletter provides some encouraging news for miners, including a headline that “A looming global supply ‘deficit’ lifts LME zinc prices.” Building on this, Ms. Mohr writes:

The strength in base metal prices has continued into June, with LME zinc advancing to a six-month high of US\$0.99 per pound (approaching the US\$1 mark) from US\$0.92 in April. Zinc is expected to be the ‘next big base metal play’ for investors. A pick-up in China’s Flash Purchasing Managers’ Index for Manufacturing in June to 50.8 from 49.4 in May and a broad-based improvement in U.S. industrial activity (+4.3% yr/yr, centred in autos, business equipment & materials) lifted market sentiment. An improvement in The American Institute of Architects Billings Index — a leading indicator of commercial & institutional construction — also points to a modest recovery ahead in zinc-intensive U.S. non-residential building activity. Local price premia in the U.S. Midwest are high at 9.5-10 US cents per pound. Equally important, market participants are anticipating a shift into ‘deficit’ in both refined metal and concentrate markets for zinc by mid-decade, given mine depletion and ‘greenfield’ development which may not keep pace with demand.




Zinc prices are important to the future of several NWT and Nunavut projects, including Prairie Creek, Izok, High Lake, Hackett River, Wrigley, and Pine Point. Come on zinc!!

Did you know? Nunavut’s tobacco tax is higher than corporate tax!

Nunavut’s Finance Minister, Keith Peterson, has revealed that Nunavut makes more money from tobacco tax than corporate tax. The Minister says territorial tobacco tax is expected to be \$16 million this fiscal year, while the corporate tax is projected at only \$12.5 million.

Apparently Nunavut has the highest smoking rate in the country, and more than 60 per cent of the population uses tobacco, which is about three times higher than the average for the rest of Canada.



**NWT & NUNAVUT
CHAMBER OF MINES**

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

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

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 July 2014, [Avalon Closes Non-Brokered Private Placement for Gross Proceeds of \\$2.166 million](#)
- 2 July 2014, [Kivalliq Energy Announces \\$1.1 Million Financing](#)
- 2 July 2014, [NCG Outlines Strategy And 2014 Work Plan](#)
- 2 July 2014, [Mine Rescue Results & Thank you](#)
- 2 July 2014, [Copper North Announces Agreement To Acquire Thor Property In North Central British Columbia](#)
- 30 June 2014, [Mountain Province Diamonds Announces Results of 2014 Tuzo Deep Drill Program](#)
- 27 June 2014, [West Melville Announces a \\$350,000 Private Placement](#)
- 27 June 2014, [Agnico Eagle provides notice of release of second quarter 2014 results and conference call](#)
- 27 June 2014, [Avalon INDUSTRY BULLETIN: Avalon Comments on House of Commons Committee on Natural Resources Report on Rare Earths](#)
- 27 June 2014, [Peregrine Amends June 24, 2014 News Release](#)
- 26 June 2014, [Stornoway Shareholders Overwhelmingly Approve Resolutions Relating To Renard Project Financing Transactions](#)
- 26 June 2014, [Nighthawk Completes \\$8,000,000 Private Placement](#)
- 25 June 2014, [Seabridge Gold Reports on Results of Annual Meeting of Shareholders](#)
- 25 June 2014, [Seabridge Gold Arranges \\$12 Million Bought Deal Flow-Through Financing](#)
- 25 June 2014, [Fortune Minerals announces results of Annual and Special Meeting of Shareholders](#)
- 25 June 2014, [TerraX commences drilling at Barney Shear Zone, Yellowknife City Gold Project](#)
- 25 June 2014, [West Melville Completes Purchase of the Isortoq Project in Greenland Immediate Focus to be on Isortoq](#)
- 24 June 2014, [Peregrine Provides Chidliak Project Update and Encouraging Diamond Results from the CH-46 Kimberlite](#)
- 23 June 2014, [Seabridge Gold and Gitanyow Wilps Enter Into Agreement Regarding KSM Project](#)
- 20 June 2014, [Fortune Minerals receives final Land Use Permit and Water Licence approvals to construct and operate the NICO mine](#)
- 19 June 2014, [Reminder: Special Meeting of Shareholders on June 26, 2014](#)
- 18 June 2014, [De Beers 2014/15 NWT Scholarship Program now accepting applications](#)
- 18 June 2014, [Canadian Zinc Announces Diamond Drill Program For Tulks South And Long Lake Projects, Central Newfoundland](#)
- 17 June 2014, [Summit Group and Det'on Cho Corporation announce aviation partnership](#)
- 17 June 2014, [Seabridge Gold and Nisga'a Nation Enter Into Benefits Agreement Regarding KSM Project](#)
- 17 June 2014, [TerraX Begins Summer Field Exploration on Yellowknife City Gold Project; Drilling to Resume Later This Month](#)
- 16 June 2014, [Agnico Eagle and Yamana Gold complete acquisition of Osisko Mining Corporation and the Canadian Malartic mine](#)
- 13 June 2014, [Avalon Closes US\\$4million Registered Direct Offering](#)
- 12 June 2014, [De Beers Connecting communities and careers](#)
- 12 June 2014, [Fortune Minerals Audiocast of Conference Call on Revenue Silver Acquisition](#)

- 12 June 2014, [Platinum Group Metals Reports the Waterberg Resource Increases Significantly to 29 Million Ounces 4E-Platinum, Palladium, Rhodium and Gold](#)
- 11 June 2014, [Dominion Diamond Corporation Reports Fiscal 2015 First Quarter Results](#)
- 11 June 2014, [North Arrow Minerals | Video Presentations for Redemption and Pikoo Projects](#)
- 10 June 2014, [MMG partnership addresses child malnutrition in Laos](#)
- 10 June 2014, [Avalon Announces US\\$4million Registered Direct Offering](#)
- 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](#)

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 business. Please join us in a warm welcome to:

- **Canadian Aboriginal Minerals Association**, is an Aboriginal, non-profit organization which seeks to increase the understanding of the minerals industry, Aboriginal mining and Aboriginal communities' paramount interests in lands and resources. Their annual conference is a hit! To learn more visit: www.aboriginalminerals.com.

Calendar of Events

- **Renewables and Mining Summit & Exhibition**, October 15-16, 2014, Marriott Eaton Centre, Toronto. The 2nd annual Renewables and Mining Summit will bring together senior managers and engineering experts from the global mining sector with energy solutions providers to discuss options for meeting mining's energy challenges. Visit: <http://www.energyandmines.com/toronto/>.
- **Canadian Aboriginal Minerals Association**, 22nd Annual Conference: *Seeking Certainty, Mining New Ground*, November 16-18, 2014, Toronto. To learn more, visit: <http://www.aboriginalminerals.com/>
- **2014 Yukon Geoscience Forum & Trade Show**, Coast High Country Inn, Whitehorse, YT, November 16-19, 2014. For more, click [here](#).
- **Yellowknife Geoscience Forum**, 42nd Annual Conference and Tradeshow (the North's biggest!), November 25-27, Yellowknife, NT. Watch for updates coming soon on the website here. <http://www.geoscienceforum.com/>.

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 approximately 1,500. Mine life currently 2020, but if approved, mining the Jay pipe could extend it 10-20 years.	June 11 news release: Dominion Diamond Corporation reports Fiscal 2015 First Quarter Update provides: <ul style="list-style-type: none"> • During the first quarter, both the Ekati Diamond Mine and the Diavik Diamond Mine performed well. Production at both mines was substantially ahead of expectations. • An improved plan has been developed for mining the Jay kimberlite, the largest diamondiferous resource in North America. • A total of \$163 million of capital expenditure remains to be spent on the Misery push-back before bringing the Misery Main Pipe, which at 4 carats a tonne is one of the richest ore bodies in the world, into full production at the beginning of calendar 2016. • The Company has received the amended Ekati Water License to now incorporate the Lynx development.
Diavik Mine	Rio Tinto and Dominion Diamonds	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: <ul style="list-style-type: none"> • A decision on the development of the A-21 pipe at the Diavik Diamond Mine is expected later this year.
Snap Lake Mine	De Beers	Diamonds	Canada's first all underground diamond mine. 220 kilometres NE of Yellowknife. Mine life to 2028. Workforce approximately 750.	2012 Socio-economic report released has been released. Change to water license to undergo environmental assessment.
Cantung Mine	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.	May 23 news release: North American Tungsten Increases Production and Reports Net Income of \$2.5 million for Q2 2014. Production increased to 89,000 mtus during Q2 2014, driven primarily by relatively high grade material from the mine. The mill process improvement project that commenced in Q3 2013 is proceeding, as is the process of finalizing its comprehensive tailings management program
Nechalacho	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

NWT & Nunavut Chamber of Mines – Northern Mining News

				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.
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	June news release: Fortune Minerals has received final approvals to construct and operate NICO mine - major permitting completed for the mine and concentrator in the Northwest Territories. May news release that Fortune is acquiring the Revenue Silver Mine in the U.S. could help efforts to source funding for the NICO project in this challenging financial marketplace.
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	May 6 news release reports annual general meeting results.
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.	On April 16, CZN filed application to regulatory authorities to build an all-weather road to closely align with the originally permitted seasonal winter road. May 16 News Release reports financial results for first quarter 2014. Prairie Creek Mine Undergoing Optimization to Enhance Efficiencies, Lower Costs and Shorten Development Time Line
Gahcho Kué	De Beers & Mountain Province	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.
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
Courageous 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.
Selwyn	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 Selwyn Resources .

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: 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.
Mary River	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.
Kiggavik	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 confirms DEIS conformity; 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; Responses to IR's due by July 23, 2014.
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, and will provide revised project description to NIRB by December, 2013.

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 1 TMAC Resources Completes \$78 Million Equity Financing to Further Advance the Hope Bay Project
Roche Bay	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	News release May 13: Advanced Explorations Inc. and Parkson Star Ltd. (HK) Agree to Form Strategic Joint Venture to Advance the Roche Bay Iron Ore Project.
Chidliak	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 Peregrine is currently preparing to mobilize to Chidliak for a summer work program scheduled to commence on July 3. Work planned for this summer includes preparation for 2015 bulk sampling, core drilling on key kimberlites, heli-portable RC drilling, prospecting and heavy mineral sampling. Details of this program will be provided soon in a news release.
Angilik	Kivalliq Energy Corp.	Uranium	340,268 acre property located SW of Baker Lake; Hosts the high-grade Lac 50 Trend deposit.	News release July 2, 2014: Kivalliq Energy Announces \$1.1 Million Financing for Saskatchewan and Nunavut projects.
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.	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	June 4 News release. Elgin is being bought by Mandalay Resources.

Detailed Deposit Map

A reminder that this and other detailed maps are available on our Chamber website by visiting [here](#) and clicking on Maps.



Project Maps

