

Northern Mining News

<u>Volume 9, No. 6</u>

<u>June 2016</u>

In this issue:

NWT Maintains 3 rd Place in Global Diamond Production Value	2
Nunavut's next mine discovers more gold at Doris project	3
And more gold at Sabina's Back River project too!	4
NIRB recommendations for Back River Project are puzzling	5
NWT Minister overrules land and water board re Diavik A21 project	6
Chamber says: caribou and mineral development can co-exist	7
Ekati Process Plant Fire brings plant shutdown and layoffs	8
NWT's newest diamond mine moving well towards Q3 production start-up	10
TerraX begins fieldwork at YK City Gold Project – incentive funding helps	11
Peregrine Diamonds files geological report on its advancing NU project	12
Extended Care and Maintenance, with flooding, approved for Snap Lake Mine	12
Ekati Mine Community Newsletter	13
Diavik awards fuel haul contract to Aboriginal firm	13
Mineral Exploration Gets Funding Boost in the Northwest Territories	14
Third NWT Environmental Audit under MVRMA released	15
Mine Rescue Teams Demonstrate Skills during NWT Mining Week	16
NWT Premier – tells colleagues mining is important!	17
NWT Geological Survey Launches Regional Map Series of NWT Mineral Showings	19
Study confirms diesel better option than alternative energy in NWT	19
Canadian Chamber of Commerce Report - Infrastructure Investment needed	2 0
Chamber Members Feature in 2016 Best 50 Corporate Citizens in Canada	21
Hendrik Falck new President of Geoscientists Canada	21
Arctic Inspiration Prize Call Now Open	22
Scotiabank – Disruptions, Sentiment Drive Crude Higher; Metals Take Breather	2 3
Member News Releases this past month	24
Welcome New Members!	25
Calendar of Events	
Mines & Promising Northwest Territories Mine Projects	
Mines & Promising Nunavut Mine Projects	30
Project Maps	33

From the Executive Director ...

Seems a time for new gold zones with Hope Bay and Sabina both reporting new finds. But it's also a time for puzzling decisions, witness the NIRB decision with Sabina and WLWB with Diavik's A-21 project. Diamond are still prominent in the NWT as the 2015 KP stats show, although the 2016 figures will be interesting given the recent Ekati fire, Snap Lake closure, and the future opening of the new Gahcho Kué mine. Check out our statement on the ability of caribou and mineral development to co-exist, a message the NPC needs to understand to create a good land use plan.

Happy reading! ... Editor

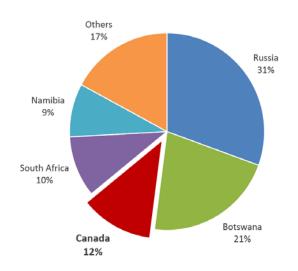
Our Mission: To provide leadership on, and advocate for, responsible and sustainable mineral exploration and development in the NWT and Nunavut.

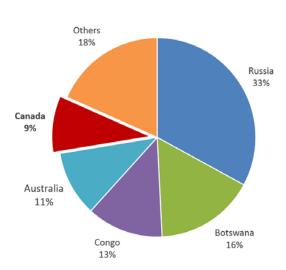
NWT Maintains 3rd Place in Global Diamond Production Value

2015 statistics released by the Kimberley Process, a joint governments, industry and civil society initiative to stem the flow of conflict diamonds, confirm the importance of diamond mining to Canada and the Northwest Territories. Canada remains in third place by value of production amongst all diamond producers in the world, but dropped from fourth to fifth place in total carat production. This is a testament to the Northwest Territories' prominence in the world given that Natural Resources Canada <u>statistics</u> indicate that approximately 81% of Canada's diamond production by value and 95% by carats came from the Northwest Territories in 2015 (remainder is from Ontario).









"It's encouraging to see that we maintained our high value of production last year despite challenging market conditions," said Chamber of Mines President Gary Vivian. "The unexpected closure of the Snap Lake mine and the Ekati mine fire are going to affect 2016 figures, and we are really looking forward to the opening of the NWT's newest diamond mine, Gahcho Kué in the coming months."

Global diamond production in 2015 was up 2% from 2014 to 127 million carats, however the value dropped 4 per cent to US\$13.9 billion. Challenging global diamond prices saw the average value per carat of global production fall to US\$109 from US\$116 the previous year. Similarly, in the NWT average diamond value was US\$144 per carat compared to US\$167 per carat in 2014, an average price drop for NWT diamonds of 14%.

For more detailed statistics, visit the Kimberley Process Rough Diamond Statistics website here.



Nunavut's next mine discovers more gold at Doris project

TMAC Resources Inc. announced in early June that high-grade gold has been drill intersected at depth below the dyke at the Doris Deposit during the Company's ongoing underground drill program at Doris, located in the northern part of the Hope Bay Property in Nunavut. Doris is being constructed as Nunavut's second gold mine, and expects to commission their processing plant later this year and then achieve steady state production in 2017.

This an important new discovery, as previously all of the gold at Doris was only known above this dyke. What's a dyke? Diabase dykes are geological vein-like structures made up of very hard rock (diabase) that cuts through the surrounding rocks, often running hundreds of metres to kilometres in length. These dykes are not uncommon, are younger than the surrounding rocks, and generally have no economic value. They actually form a hard, physical barriers to drill or mine through. TMAC has now drilled below this "wall" and discovered gold on the other side, and in high grade.

Drilling Highlights Below the Dyke ("BTD"):



- TM50003 Doris North BTD Extension 35.0 g/t Au over 17.7 metres
- TM50007 Doris North BTD Extension 25.4 g/t Au over 2.6 metres
- TM50010 Doris North BTD East Limb 50.6 g/t Au over 5.3 metres
- TM50011 Doris North BTD East Limb 97.7 g/t Au over 2.0 metres

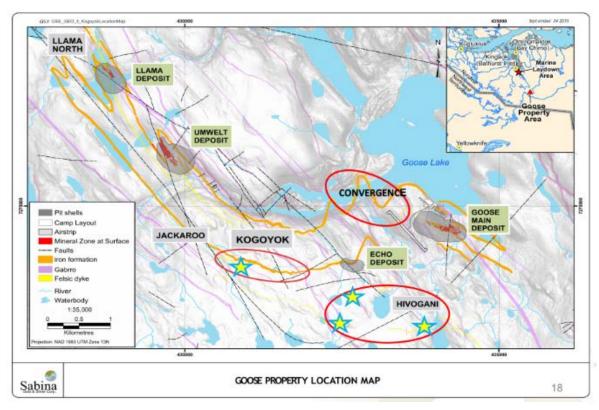
Dr. Catharine Farrow, Chief Executive Officer of TMAC, stated, "The drill results published today demonstrate that the high-grade gold bearing quartz veins and structures that are in our

current mine plans are not truncated by the 75 metres to 100 metres thick, un-mineralized diabase dyke that exists from approximately 100 metres to 200 metres below surface. The current known high-grade reserves and resources at the Doris North Hinge Zone (Measured and Indicated Mineral Resources of 550,000 tonnes grading 20.2 g/t Au and containing 358,000 Au oz.) are currently only defined above the diabase dyke and only to the shallow depth of 160 metres. Today's drill results along with historical drill results in this area demonstrate that the Doris high-grade gold bearing structures occur below the current shallow depths of the Doris reserves (surface to 150 metres below surface). We are excited by the initial results of our underground drilling program as we begin to explore and define mineralization on the Doris Deposit below the diabase dyke. Management believes these results could significantly expand the current five year mine life at the Doris mine and dramatically affect the global reserves and resources and annual gold production at Hope Bay."

TMAC has posted a new presentation on their website <u>here</u>, and you can read the exciting results in their press release <u>here</u>.

And more gold at Sabina's Back River project too!

Sabina Gold & Silver announced that it has discovered a new gold zone and advanced high priority targets at their Back River Gold Project in Nunavut. The focus of the program was to test shallow targets located close to proposed infrastructure at the Goose Property.



Sabina's Back River Project property map in Nunavut. From May 2016 Corporate Presentation

A new discovery was made at the Convergence where visible gold (VG) has been identified within a mineralized interval of 3.70m. Encouraging results also continued at the Kogoyok target (Sabina 2015 news releases October 13), where gold mineralization has been intersected in drilling with VG identified in multiple rock units over a broad area supporting the expansion and definition of a large-scale gold structure. Additionally drilling at the Hivogani target has continued to expand the host area and further characterized the new mineralization styles.

Bruce McLeod, President and CEO, states, "The results from this round of exploration drilling are encouraging in that we continue to find new zones of mineralization in and around our existing deposits. While still early days, the results at the Kogoyok and Convergence zones show many of the characteristics that are commonly associated with the other substantial gold zones at Back River. Using the analogue of our Umwelt discovery in 2010 we know that these large scale gold bearing structures when associated with the right geologic traps have the potential to host significant economic gold zones. We also continue to show the potential for gold mineralization to be hosted outside the iron formation host rock at Hivogani. We are excited about the potential of these areas and I look forward to further exploration as we continue to refine our vectoring of mineralization towards new deposit discovery."

Read the full release <u>here</u>.

NIRB recommendations for Back River Project are puzzling

In a puzzling move, the Nunavut Impact Review Board has recommended to the Minister of Indigenous and Northern Affairs Canada for the Back River project not to proceed to the regulatory phase at this time. Puzzling because during the public hearing, the Project received broad support from virtually all around the table including the Kitikmeot Inuit Association, Kitikmeot communities and federal and territorial governments.

The NIRB concludes this on the basis that there is potential for significant adverse ecosystemic and socio-economic effects in Nunavut and also in the Northwest Territories that, in the Board's view, cannot be adequately managed and mitigated. Although this does not match the conclusions of the Kitikmeot Inuit Association, Government of Nunavut, Government of Northwest Territories, and all Federal Departments which stated that, within their respective areas of responsibility, the Project effects can be effectively managed.

Specifically, the Board has determined that there is potential for significant adverse effects on caribou and other terrestrial wildlife, fish, and freshwater and the marine environments, and that there could also be adverse socio-economic effects associated with these ecosystemic effects. The Board has also concluded that effects on caribou and terrestrial wildlife could result in additional cumulative and transboundary effects on already declining populations. This even though the Board also acknowledged the caribou calving and post-calving ranges of both the Beverly and Bathurst herds do not overlap with the Project Development Area. In fact, there has been no interaction with the Bathurst herd for at least the last 20 years and there is minimal overlap with the Beverly herd range. Even with this Sabina proposed to implement a staged reduction of activities should caribou into the areas in the future. This staged reduction was focused on reducing noise and included the cessation of blasting and large truck operations

along with further restrictions of air traffic, site vehicles, and other site activities and is overall more protective than measures other projects in the north have in place.

The Board recognizes that in the future there may be increased certainty regarding effects predictions and mitigation measures and the Proponent may then choose to resubmit the Back River Gold Mine project proposal for consideration. Consequently, the Board has included, where appropriate, guidance in the form of recommendations regarding activities and information submissions which may assist the Board in the assessment of any future proposal. Again, this is puzzling as Sabina has been in the EA process for four years culminating in the final public hearings where the subject matter experts were all satisfied with the proposed mitigation and management plans for the project. People must be asking why, in the four years of review of this project, the NIRB didn't raise their uncertainties or request further information from the Company prior to issuing their report.

Bruce McLeod, President and Chief Executive Officer of Sabina has responded. "We are studying the Report and reviewing the NIRB's recommendations as we seek to continue to move the Project forward. The Report is over 300 pages long and it will take some time for us to review and analyze the Report in detail," said McLeod. "We remain confident that the concerns of the Board can be addressed and resolved through further consultation and collaboration with stakeholders."

In the meantime, Mr. McLeod wrote to the INAC Minister: "We are writing to respectfully request that you defer any decision in response to the report until we have had a chance to review the report in detail, to determine if we wish to make any submissions to you in response to the report."

Under the provisions of the Nunavut Land Claim Agreement, the next step in the Project review process is for the Minister to review the NIRB's report. Sabina is reviewing its options.

NWT Minister overrules land and water board re Diavik A21 project

This past May, the Wek'eezhii Land and Water Board recommended a water license amendment for Diavik's A21 dike construction that was contrary to any discussions during the hearings.

In a nutshell, everyone around the table during the hearings agreed with 25mg/L Total Suspended Solids. In the surprise move, the Board recommended a license requiring 5 mg/L TSS, a conclusion outside of the bounds of the hearing discussions. Diavik appealed to the Minister to deny approval to the proposed amendment presenting powerful arguments for the Water Board's decision being contrary to the positions of all parties in the proceedings, contrary to the evidence respecting environmental protection and contrary to procedural fairness.

From our perspective, Diavik is the expert at both dike design and dike construction in the NWT. This was not by choice but by necessity given that the diamond bearing deposits that they discovered were found under the waters of Lac de Gras. Without Diavik's unique dike design, and successful construction of the first dike, the NWT would have lost out on vast benefits. This unique dike design and its successful construction won Diavik the highest

engineering accolade in Canada from the highest level, the Canadian Council of Professional Engineers. Since receiving that award for their first dike, Diavik has successfully constructed a second dike using the same construction and environmental protection techniques as the first dike. Both dikes were constructed successfully and safely under appropriate permits and licenses and did not create any significant adverse environmental effects.

In a letter to the Board in late June, the NWT's Minister of the Environment, Wally Schumann, decided "not to approve the water licence amendment as recommended by the Board. Should DDMI determine that they wish to continue to pursue amendment of their Type "A" Water Licence, relating to existing TSS limits for the A21 development, I urge the Board to undertake an efficient process in this regard."

Diavik is now considering its options and hopes that the Water Board can propose an appropriate way forward on this issue that will resolve this issue to the satisfaction of all parties.

Chamber says: caribou and mineral development can co-exist

Our Chamber of Mines is committed to providing the perspective of the exploration and mining industry to stakeholders and planning partners during the Nunavut Planning Commission's land use planning process. The latest Draft Nunavut Land Use Plan was released on June 23, 2016.

"Despite what the Nunavut Planning Commission implies, no definitive link has been established between the current decline in caribou populations across the North and exploration or mining," says Gary Vivian, President of the Chamber. "What has been presented in the latest version of the Nunavut Land Use Plan depicts questionable protection measures on top of questionable boundaries."



Caribou and the Lupin gold mine co-existed for 20 years of mining operations, and they grazed and lived in safety within the mine's footprint.

The Chamber agrees with the Government of Nunavut's position that, with effective mitigation measures and monitoring programs, mineral exploration and development activities can coexist with sustainable development in caribou calving grounds and access corridors. In addition, the Chamber is comfortable that the existing Nunavut regulatory regime allows for all stakeholders and communities to participate in the review and shaping of well-designed mineral exploration and development projects that are protective of wildlife.

"We recognize that mining projects in Nunavut may interact with caribou," explains Vivian, "however the Nunavut Planning Commission's assertion that 'the impacts of exploration and development cannot be effectively mitigated in core-calving areas' is simply false."

Caribou protection measures have been applied across Nunavut for many years and have been developed through a regulated and collaborative process with input from governments, regulatory bodies, Regional Inuit Associations, Hunter and Trapper Associations, communities, and industry. Nunavut's minerals industry is leading many efforts in studying and monitoring the effects of exploration and mining activities on caribou. Industry continually adapts to new information and new approaches to monitoring and reducing those impacts, and has shared this information with land use planning partners.

The health of Nunavut's economy is linked to mineral development, which is its economic advantage and worthy of protection. Blocking exploration and mining when there is no link to the decline of caribou would unnecessarily compromise the development of other opportunities for Nunavut and Nunavummiut, without helping the caribou herds.

Ekati Process Plant Fire brings plant shutdown and layoffs

Dominion Diamond Corporation reports that it has completed an assessment of the damage from the fire that occurred in the process plant at the Ekati Diamond Mine on June 23. Dominion can confirm that the damage was limited to a small area, with no damage to the main structural components. The repairs to the plant are expected to take approximately three months, after which the plant is expected to resume operations at full capacity.

The Company has begun to execute a plan to reduce operating and capital costs during this time, which will include an adjustment of mining operations to pause mining at lower priority and lower value ore bodies, a deferral of non-essential sustaining capital, and a temporary layoff of affected staff across the Company.

The Company will continue to mine higher value material during the process plant shutdown. Ore mined during the process plant downtime will be stockpiled, with the intent to prioritize the processing of the highest value material when the plant resumes operations.

Brendan Bell, Chief Executive Officer, stated: "After taking a full and careful assessment, we are taking the most prudent course of action which delivers limited, ongoing mining of higher value ore, while also taking the necessary steps to make repairs and return to production and preserve capital. We would also like to thank our employees for their actions and commitment to resolving this situation quickly and efficiently."

The Company is updating its production and cost expectations for the fiscal year, and expects to provide an update of the fiscal year guidance in the coming week. The Company also plans to hold a conference call for investors, analysts and other interested parties following the release of this updated guidance.

NWT's largest mine – Ekati – reports First Quarter results

Dominion Diamond Corporation released their First Quarter results on June 8. Some highlights include:

- Commercial production declared at Misery Main. Changes to the prioritization of mining activities during the quarter allowed for earlier access to Misery Main ore. Commercial production at Misery Main was declared in May, ahead of plan.
- Transitional period at Ekati continues to impact earnings. The transitional period ahead
 of Misery Main commercial production continued to impact margins at Ekati and
 resulted in a \$19.6 million impairment of available for sale inventory in the period.
- Well positioned for growth. Despite the impact of the transitional period, the Company retains a strong balance sheet for funding payment of a regular dividend and the substantial capital requirements to advance the Lynx, Sable, Jay, and A-21 projects.
- Expanding development potential. Drilling program at Fox Deep completed in the quarter, with sample results expected in the third quarter.

Commenting on the results, Brendan Bell, Chief Executive Officer stated: "We are very pleased to announce the commencement of commercial production at Misery Main, ahead of schedule. Misery Main will provide significant cash flow and will have a positive contribution on our earnings in the second half of the year. We will also end this transitional period at Ekati with a strong balance sheet. We have determined that we can maintain continuous production at Ekati without starting major construction at Jay this year, and we are incorporating this new construction schedule into our Jay feasibility study, which we expect to release the results of shortly."

Some additional highlights include:

- The Company reported a loss before income taxes of \$35.9 million for the quarter and consolidated net loss attributable to shareholders of \$1.0 million or \$0.01 per share for the quarter. Both measures were impacted by a lower value product mix at Ekati prior to the initial sale of diamonds recovered from Misery Main later in the fiscal year, inventory impairment of \$19.6 million, and an income tax recovery in the quarter primarily due to foreign exchange rate fluctuations which had a \$21.6 million or \$0.25 per share impact.
- Sales were positively impacted by improved diamond prices from the beginning of the
 year and a successful tender held in February, which also resulted in a sales mix
 favouring lower priced diamonds. After lowering prices by 5% in the Company's January
 sale, in line with the market, prices quickly recovered and ended the first quarter on
 average approximately 8% higher than they started the fiscal year.

- Carat production in the first quarter was 34% higher versus Q1 fiscal 2016. During the period, the Ekati Diamond Mine recovered 1.1 million carats from 1.0 million tonnes of ore processed (0.8 million carats from 0.9 million tonnes in Q1 fiscal 2016).
- A drilling program at Fox Deep was completed in the quarter with 925 tonnes of samples recovered. Evaluation of the samples is underway with results expected in Q3 fiscal 2017.

DDC also reported results on the Diavik mine, which they own 40% of:

- Processing volumes in the first calendar quarter of 2016 were 17% higher than in the same quarter of the prior year due to greater ore availability as a result of higher mining rates and availability of stockpiled ore.
- Diamonds recovered in the first calendar quarter were 26% higher than in the same quarter of the prior year reflecting higher processing volumes and a higher recovered grade.
- The development of the A-21 pipe continues to progress according to plan.

Read the full report <u>here</u>.

NWT's newest diamond mine moving well towards Q3 production start-up

On June 20, Mountain Province Diamonds reported that Gahcho Kué has achieved mechanical completion of the primary crusher and that commissioning of the process plant continues to progress well. Based on the progress to date, Gahcho Kué expects to commence production during Q3 2016. The specific timing within Q3 will depend on progress with the remaining commissioning.

Mountain Province president and CEO Patrick Evans commented: "We are pleased with the continuing excellent progress at Gahcho Kué and excited that first production will commence within the next few months. Key areas of focus are finalization of commissioning of the process plant, remaining earthworks, pre-stripping and mining of kimberlite, as well as preparations for operational readiness."

Gahcho Kué's safety performance remains very good. In May 2016, the mine surpassed an impressive one million hours worked without a lost-time injury. The permanent staff complement of the mine now stands at 290, including 91 experienced employees transferred from the De Beers Snap Lake mine.

In anticipation of first production, Mountain Province has concluded all the necessary contract arrangements to be in a position to receive, sort and sell its share of diamond production from Gahcho Kué. The Company's diamond marketing team, under the leadership of Reid Mackie, Vice President of Diamond Marketing, has been complemented with appointment of Mark Pearton as manager of diamond operations and Elizabeth Swanson and manager of diamond analysis. Ms. Swanson and Mr. Pearton have considerable diamond experience, principally with Rio Tinto Diamonds. Mr. Evans concluded: "The project also continues to meet our lending group's tests-to-completion with US\$47M advanced to fund cash calls during Q2 2016. A total of US\$278M has been drawn against the US\$370M facility."

TerraX begins fieldwork at YK City Gold Project – incentive funding helps

We must be thankful for those explorers who are sticking with the NWT, and still able to raise money to explore here.

Gold explorer, TerraX Minerals Inc. is doing just that with their recent announcement of a \$500,000 summer fieldwork program on the Yellowknife City Gold project (YCG), immediately north of Yellowknife. With an additional NWT Mineral Incentive Program grant worth more than \$120,000, TerraX has total funding of \$620,000 available for comprehensive surface programs that are now underway and will continue until the fall freeze up, likely in late October.

Joe Campbell, President of TerraX Minerals, states "The discovery of replacement style mineralization at Hebert-Brent last year, as well as the high grade gold discovery at Mispickel this winter, has laid to rest the myth that there is no high-grade gold left to be discovered in this major Canadian mining camp. After our success in 2015 discovering new zones of previously unreported high-grade gold mineralization with only a modest field exploration budget we have decided to increase our surface exploration expenditure four-fold this summer in order to fully understand the potential mineral endowment on the Yellowknife City Gold project area, which has never been fully explored with modern mineral exploration technology."

The focus of this season's work will be:

- Comprehensive field mapping and rock sampling to identify extensions to new areas of mineralization such as the Mispickel zone (8.00 m @ 60.60 g/t Au from drilling reported June 6th, 2016). The Mispickel mineralized structure has been identified in geophysics and historical exploration reports over approximately 5 kilometers of strike length.
 Summer field work will investigate areas of historical trenching along the mineralized structure to the north of TerraX's recently reported drilling.
- Identifying new areas of mineralization, particularly sulphide replacement style zones as
 demonstrated with TerraX's discovery of the Hebert-Brent Zone (11.00 m @ 7.55 g/t Au
 in channels reported August 11, 2015). The search for sulphide replacement drill targets
 will focus on three areas identified in the fall of 2015 that have surface expressions of
 the alteration types associated with the Hebert-Brent zone, but with significantly larger
 areal extent.
- Mapping and sampling the Southbelt property to follow up on 2015 surface sampling (grab samples up to 94.9 g/t Au - see our news release of September 23, 2015). It is anticipated that drill targets will be identified on Southbelt for winter drilling in early 2017.

The commencement of field work will be followed by an initial 5,000 meter drill program focused on extensional drilling on the Mispickel zone, tentatively scheduled for start-up in early July 2016. While this drilling is underway, the sulphide replacement target areas will be mapped, sampled, stripped and possibly channel sampled in preparation for drilling later in the summer.

The current work programs will be partly funded by a Mineral Incentive Program (MIP). This program was initially started in 2014 by the government of the NWT to provide funding to prospectors and exploration companies to stimulate and sustain mineral exploration activities throughout the NWT and reduce the risk associated with grass roots mineral exploration. TerraX is pleased to announce that applications of innovative exploration research on its YCG project has resulted in an award of \$120,000 from the MIP. The support shown through the MIP is seen by TerraX as a progressive move by the NWT government to sustain mining as an important economic driver in the NWT economy. Specifically, this funding will assist TerraX in discovery additional gold deposits within the YCG.

Peregrine Diamonds files geological report on its advancing NU project

On June 20, <u>announced</u> the filing of an updated National Instrument NI 43-101 technical report titled "Mineral Resource Estimate for the Chidliak Project, Baffin Island, Nunavut" and dated effective June 3, 2016 for its 513,249 hectare Chidliak project and the adjacent 51,147 hectare Qilaq project, located approximately 120 kilometres NE of Igaluit.

The Technical Report is an update to a report dated February 23, 2015 and supports an updated 11.39 million carat Inferred Resource at CH-6 that was announced by news release dated April 7, 2016, and a maiden 4.23 million carat Inferred Resource at CH-7 that was announced May 5, 2016.

The Technical Report also summarizes the work completed in 2015 as part of the Chidliak Diamond Resource Development Program, which included additional core drilling and microdiamond sampling completed at CH-6 and CH-7, and the large-diameter reverse circulation drill program completed at CH-7. Core drilling completed at CH-6 and CH-7 resulted in increased tonnage estimates of targets for further exploration for those kimberlite pipes.

Preliminary Economic Assessment Update on schedule

Work on the Preliminary Economic Assessment by JDS Energy and Mining Inc. continues on schedule. Peregrine expects to receive the initial results in late June as previously announced.

Extended Care and Maintenance, with flooding, approved for Snap Lake Mine Allows for preservation of significant diamond resource

De Beers Group of Companies has welcomed the Interim Approval decision by the Mackenzie Valley Land and Water Board (MVLWB) for the Extended Care and Maintenance and Water Management plans for its Snap Lake mine in the Northwest Territories. The Interim Approval requires the inclusion of commitments De Beers made during the Stakeholder review process into our updated plans. De Beers has agreed to the revisions and anticipates submitting the updated ECM plan by this Thursday, June 30th, with the updated ECM Water Management Plan to follow shortly thereafter.

Snap Lake was put on care and maintenance in December 2015, following a review of the mine's operation in light of market conditions. The MVLWB's decision will now enable the

preservation of the mine's significant diamond resource in the ground for potential production in the future.

De Beers will now begin the planning and subsequent work required to remove underground workings of Snap Lake Mine to flood responsibly, minimizing the flow of water into the receiving environment and significantly reducing the operation's total environmental impact. This will improve the sustainability of the mine during suspended operations so that it can be held as a long-term asset.

Kim Truter, Chief Executive Officer of De Beers Canada, said: "We are grateful to all the parties who participated in the review process, in particular the valuable inputs from our Aboriginal, business and government partners. We remain focused on preserving the significant diamond resource within the Snap Lake mine."

Ekati Mine Community Newsletter

Dominion Diamond is pleased to release their latest Dominion Community Newsletter, which is distributed every two months. Its goal is to keep in touch with the communities and provide updates on some of Dominion's programs.

Featured in this latest newsletter:

- Update on the Jay Project
- Lynx Lake Fish Offset Project
- School Visits to the Ekati Mine
- Employment Opportunities
- Donation of Sweatshirts to IBA Schools
- Summer Safety
- The Inuit Tattoo Revitalization Project
- Activities and Events (please note that future dates are subject to change)

This document will be available on our website shortly: http://www.ddcorp.ca/responsibility.

Diavik awards fuel haul contract to Aboriginal firm

Ventures West has been awarded the Diavik fuel haul contract for 2017. Grand Chief Eddie

Erasmus and Tlicho Investment Corporation
President, Jasper Lamouelle, signed the contract in
June with Diavik President, Marc Cameron. Diavik
and the other diamond mines have been strong
supporters of northern Aboriginal businesses which
have expanded significantly in the past 20 years since
the first mine – Ekati – went into production."

Shown in photo is Tlicho Grand Chief Eddie Erasmus with Diavik President Marc Cameron.



Dominion

Mineral Exploration Gets Funding Boost in the Northwest Territories

Seven corporate projects and five prospectors will receive a total of \$400,000 in Government of the Northwest Territories funding this year under the Mining Incentive Program.

The program was introduced in 2014 under the GNWT's Mineral Development Strategy, to stimulate exploration critical to the overall growth and success of mineral development in the NWT.

With nearly \$850,000 in funding requested for 2016, the program was over-subscribed for the third consecutive year.

The GNWT has committed to advancing responsible mineral development and the implementation of the Mineral Development Strategy in support of a thriving NWT economy that will spur financial stability and contribute to the overall health and wellness of NWT residents.

"Our government understands the essential role of the mining sector in the territorial economy," said Bob McLeod, Minister of Industry, Tourism & Investment. "We are pleased to see the interest in exploration and keen to continue strategic investment in grassroots mineral development – to advance not only exploration and mining, but the health, social and economic development programming that can be supported by our resource sector."

Quick Facts

- Based on reported exploration by program recipients, last year's investment resulted in a 2.7 to 1 return on the GNWT's \$400,000 investment.
- In the first two years of its offering, an \$800,000 MIP investment has resulted in an additional \$3.36M in exploration spending by companies and prospectors on MIP-supported project.

2016 Funding Recipients						
Region Commodity Funding awa						
Corporate						
TerraX - South Belt	North Slave	Gold	\$36377.88			
TerraX - YK City Gold	North Slave	Gold	\$85,000			
Panarc	North Slave	Diamonds	\$43,987.02			
North Arrow	North Slave	Diamonds	\$66,000			
Canterra – Marlin	North Slave	Diamonds	\$17,312.50			
Canterra – Prism	North Slave	Diamonds	\$17,287.50			
Prospectors						
Dave Nickerson	North Slave	Gold	\$15,000			
Wayne Kendrick	North Slave	Gold	\$13,500			
Danny Yakeleya	Sahtu	Gold	\$13,500			
Dave Smith	North Slave	Diamonds	\$13,500			
Tomasz Kalkowski	North Slave	Gold	\$11,952			
Total Funds Awarded			\$399,416.90			

Third NWT Environmental Audit under MVRMA released

The third <u>Northwest Territories Environmental Audit</u> report to gauge the effectiveness of environmental management in the Northwest Territories was released June 27 by Environment and Natural Resources Minister Wally Schumann.

The Audit is a requirement under Part VI of the *Mackenzie Valley Resource Management Act*, as well as under the Gwich'in, Sahtu and Tlicho comprehensive land claim agreements, and must take place at least every five years. The Audit evaluates the quality of the environment in the Mackenzie Valley by assessing three key areas: the Northwest Territories regulatory regime; the monitoring of cumulative impacts; and trends in the environment. It is intended to make sure responsible economic development occurs within a sound environmental management framework.

"The Northwest Territories Environmental Audit is a key tool for environmental management in the territory, and its recommendations will help guide Aboriginal organizations, governments, and other decision-makers," said Minister Schumann

Quick Facts

- This is the first time the Government of the Northwest Territories has had responsibility for facilitating the Audit following Devolution, and also the first time parties have responded directly to the recommendations in the Audit Report.
- The Audit was conducted by an independent Auditor selected through a competitive bidding process and under contract to the Government of the Northwest Territories.
 Arcadis Canada Incorporated was hired as the independent consultant to conduct the 2015 Audit. The 2015 Audit report was submitted to the Minister on March 31, 2016.
- An Audit Steering Committee comprising representatives from Aboriginal governments and organizations, and territorial and federal governments, supported the Auditors throughout the process.
- Most aspects of the Audit cover all of the Northwest Territories, including both the Mackenzie Valley and the Inuvialuit Settlement Region. However, since that region is governed by different environmental legislation, its regulatory system was not examined.
- Through the use of questionnaires, a Facebook page, an online survey, and interviews, the Auditor collected information and views from a wide range of sources and participants.
- The Auditor found that since the last Audit in 2010, the environmental regulatory system in the Northwest Territories has continued to improve. The integrated system of land and water management is generally effective in protecting the environment.
- Some foundational challenges continue to affect the ability of the system to fully function.
 The 2015 Northwest Territories Environmental Audit yielded 24 recommendations directed at various parties with decision-making roles in the Northwest Territories regulatory system.
- The responsibility for addressing the audit's recommendations is shared among many directly affected parties, including governments, Aboriginal organizations and resource management boards. These recommendations are intended for use by decision-makers to improve the effectiveness of the regulation of environmental and resource management in the Northwest Territories.

Mine Rescue Teams Demonstrate Skills during NWT Mining Week

Highly trained northern mine rescue teams from the Northwest Territories and Nunavut demonstrated their skills in mock scenarios last week, ably demonstrating their preparedness should an accident occur. The event kicked off the annual NWT Mining Week, June 11-17.

Teams competed over two days within two broad categories, surface and underground, and in a variety of skill areas including fire-fighting, rope rescue, smoke, and surface and underground obstacles. The Workers' Safety and Compensation Commission (WSCC) sponsored and organized the competition. From the NWT, Ekati sent two teams (surface and underground), and Diavik and Gahcho Kué each sent single teams. Representing Nunavut were the



Meadowbank and Hope Bay teams. Both Gahcho Kué and Hope Bay are under construction, and this is the first time they have sent teams to the competition.

Winners were announced at the awards banquet on Saturday night. Top honours went to the Ekati Diamond Mine, which took home both the Overall Surface and the Overall Underground trophies. Other winners were:

Event Top Team

First Aid Meadowbank Gold Mine
Surface Practical Bench Gahcho Kué Diamond Mine

Fire Fighting Ekati Diamond Mine – Underground Team Rope Rescue Ekati Diamond Mine – Surface Team

Surface Written Test Ekati Diamond Mine
Underground Written Test Diavik Diamond Mine
Surface Smoke Gahcho Kué Diamond Mine

Underground Smoke
Underground Bench/Field Test
Surface Obstacle/Extrication
Underground Obstacle

Diavik Diamond Mine
Ekati Diamond Mine
Hope Bay Gold Mine

Bench Tech Gordon Zdyb, Ekati Diamond Mine

Overall Surface Ekati Diamond Mine
Overall Underground Ekati Diamond Mine

The NWT & Nunavut Chamber of Mines and its mining members organized the Miners' Picnic and the public were invited to watch the competition and to partake in a free community BBQ. Free food and family activities combined with spectacular weather made for a fantastic event, and at a great new venue, the Yellowknife Multiplex/Fieldhouse site. See some photos below.

NWT Premier – tells colleagues mining is important!

Premier and "Mines Minister" Bob McLeod made the following statement in the Legislative Assembly on June 14 to remind people of mining's importance:

Mr. Speaker, it has been 25 years since Charles Fipke and his team discovered diamonds near Lac de Gras and brought the largest mineral rush in decades to our North. This year our diamond mines surpass **50** billion dollars in total mineral value produced in these 25 years.

The Government of the Northwest Territories' mandate document highlights the fact that benefits from non-renewable resource production enable investment in many priority areas. Over \$11 billion has been spent to date on Northwest Territories businesses and service providers. Over 22,000 person years of employment have been created by diamond extraction, half of which have been held by Aboriginal residents of our territory.

Mr. Speaker, through our socio-economic agreements with industry, we have seen **over \$100 million contributed to our communities** through scholarships, benefit for participation agreements and donations, each bringing new opportunities to our citizens.

Mr. Speaker, last but certainly not least, **federal, territorial and Aboriginal governments have all realized fiscal gains** from resource, royalties or taxation on mining activities which are enabling us to improve the lives of Northwest Territories residents, through our investments in the health and well-being of our communities, and the expansion of our territories' economic horizons.

It is through the responsible and equitable approach demanded by our government and taken by industry that our mineral industry has built a trust and support of the vast majority of our citizens. We see this in a recent third-party poll, completed by Abacus Data which shows 85 per cent of Northwest Territories residents support the mining sector. Attribute to the quality of corporate citizenship that we have realized from our world-class partners in this industry.

Mr. Speaker, with this in mind, we as a government must continue to facilitate the strong mining and exploration industry in the best interests of our citizens.

Mr. Speaker, our government has made a commitment in its mandate to evolve the legislative, regulatory and policy system to advance a territorial vision of land and resource management, guided by the Land Use and Sustainability Framework. The department of Industry, Tourism and Investment is beginning work to advance the development of a made-in-the-Northwest Territories Mineral Resources Act, a key post evolution commitment, identified by this government to deliver on the priorities of our assembly.

New, responsive jurisdiction-specific regulations will provide for more effective oversight and enforcement of the Northwest Territories' Mining Regulations, create more certainty for the mining industry and bring the Northwest Territories in line with Canada's provinces and the Yukon.

Our aim is to increase our competitiveness in the marketplace and create legislation and regulation which is sensitive to northern needs with respect to protection of land, wildlife and water. More immediately, the Department of Industry, Tourism and Investment continues to implement the **Mineral Development Strategy**, another one of our government's mandate commitments. We are providing support to grassroots mining and exploration with successful strategic investment through our **Mining Incentive Program**.

Our investment in this program last year, resulted in a 3.8 to one return on investment, with each dollar invested resulting in a 3.8 dollar investment in exploration activity.

Once again this year, Mr. Speaker, we have seen the demand for this program outstrip its \$400,000 budget and we have every reason to believe that this year's results will provide similar success.

We also look forward this summer to the opening of our **new Geological Material Storage Facility**, which will house core samples for industry use. This facility will offer a practical method for supporting greater exploration in our territory and create cost savings for industry.

We have introduced a **Two-Year Assessment Work Incentive** to encourage more exploration activities in the Northwest Territories. Under the Unlocking Our Potential brand, we have increased marketing and promotional efforts to attract more private sector investment in mineral exploration and development and through the proposed resources and energy

development information campaign, we're ready. We are preparing to offer increased information and awareness about resource development to Northwest Territories residents.

Mr. Speaker, this is Mining Week in the Northwest Territories and we have much to celebrate. I would encourage all Members of this house to seek out and participate in events taking place around town and to take some time to acknowledge the opportunities, mining as afforded our territory historically and particularly the last quarter century of our territory's diamond history. Thank you, Mr. Speaker.

[Editor's Note: Bolding has been added to highlight some key points]

NWT Geological Survey Launches Regional Map Series of NWT Mineral Showings

To address one of the goals of the Government of the Northwest Territories Mineral Development Strategy, the Northwest Territories Geological Survey (NTGS) has developed geological maps that highlight NWT regions. The maps provide a quick reference to bedrock geology, mineral showings, and the location of petroleum wells. Communities, prospectors, and explorers can use the maps to gain a better understanding of geological mapping and historic exploration work in their region.

The information shown on the maps is derived from a variety of sources including the NORMIN Mineral Showings Database maintained by the NTGS. Nearly all regional maps are now available. Only the Akaitcho Region remains and is in development.

Each map (in PDF format) can be downloaded from the NTGS website by clicking the links below. Download file sizes are shown in brackets.

Gwich'in Settlement Area – <u>NWT Open Report 2016-001 (3.4 MB)</u>

Sahtu Settlement Area – <u>NWT Open Report 2016-002 (10.4 MB)</u>

Inuvialuit Settlement Area – <u>NWT Open Report 2016-004 (7.3 MB)</u>

Dehcho Region – NWT Open Report 2016-005 (5.9 MB)

Wek'èezhìi Resource Management Area (Tlicho) – NWT Open Report 2016-011 (7.8 MB)

Study confirms diesel better option than alternative energy in NWT

The NWT Minister of Public Works and Services Caroline Cochrane tabled a study in the NWT Legislative Assembly that indicates diesel power is the better option than alternative energy and that any new generation, including biomass, wind, and solar, will go unused most of the time and will add unnecessary expenses to customers' bills through rate increases.

The <u>North Slave Resiliency Study</u> was undertaken in response to a commitment in the Government's Mandate to better use existing hydroelectric resources by exploring options to respond to low water in the North Slave hydroelectric power system.

Conducted by Manitoba Hydro International, the study found that the North Slave hydro system is a reliable, renewable energy source overall, and the most economical, in spite of low water and the need to rely on diesel generation over the past two years.

Highlights of the report's recommendations include:

- Focus on improving hydrology monitoring on the North Slave Hydro system;
- Examine options to enhance the aging infrastructure on the North Slave Hydro system; and
- Consider options to offset electricity rate shock due to periodic low water events, such as establishment of a low water fund.

"This study has shown us that the North Slave Hydro system is resilient. During normal water years, the North Slave Hydro system

has surplus renewable energy that serves the needs of Yellowknife, Behchoko, Dettah, and Ndilo. The GNWT has accepted the recommendations in the report and has proposed resources to address hydrology monitoring in the 2016-17 budget currently being debated in the Legislative Assembly."

Download the report <u>here</u>.



In a time of heightened international competition, Canada's transport infrastructure requires significant investment to maintain its trade competitiveness in international markets – including the key U.S. and Mexican markets. Currently, the Government of Canada is focusing its infrastructure commitments to green, social and transit infrastructure.

But Canada's export-based economy relies upon other infrastructure including efficient roads, ports, waterways, railways, airports and pipelines to move Canadian products and services. In a new report released June 28, <u>The Infrastructure that Matters Most</u>, the Canadian Chamber of Commerce and the Canada West Foundation make the case for the need to invest in tradeenabling infrastructure.

Among its Recommendations for Canada to also include "trade infrastructure" is for the currently envisaged infrastructure bank to also support northern resource development, quote:

An infrastructure bank could provide greater value by incentivizing private funding to underserved areas where there are gaps in Canada's trade infrastructure, such as the lack of transportation infrastructure in the North, a barrier to accessing resources and getting them to markets. The bank could also form part of a North American infrastructure bank to support more informed investments in integrated supply chains and cross-border infrastructure.

Download the release <u>here</u> and the full report <u>here</u>.



NORTH SLAVE RESILIENCY STUDY

Chamber Members Feature in 2016 Best 50 Corporate Citizens in Canada

Corporate Knights, the magazine for clean capitalism, has released its 2016 Best 50 Issue featuring the best corporate citizens in Canada ranking. A number of Chamber member companies, from a variety of industry groups, are included in the list:

Cameco Corporation (#6) - Oil, Gas, & Consumable Fuels

Cameco is one of the world's largest uranium producers providing about 18% of the world's production from mines in Canada, the US and Kazakhstan, including the Aberdeen site in the Kivalliq Region of Nunavut. The company holds approximately 410 million pounds of proven and probable reserves, extensive resources and has focused its exploration programs on three continents where its land holdings total about 1.6 million hectares. The company is also a leading provider of nuclear fuel processing services, supplying much of the world's reactor fleet with the fuel to generate one of the cleanest sources of electricity available today.

Agnico Eagle Mines Ltd. (#27) - Metals & Mining

Agnico Eagle took flight back in 1957 and today is one of the largest gold mining companies in the world. Agnico Eagle's mission is to run a high quality, easy to understand business,



that generates superior long-term per share returns for its shareholders, creates a great place to work for employees, and is a leading contributor to the well-being of the communities in which it operates. The Meadowbank open-pit gold mine in Nunavut is Agnico Eagle's first Low Arctic mine and its largest gold producer. The company's advanced exploration projects in Nunavut include the Meliadine and Amarug sites.

Stantec Inc. (#47) – Professional Services

<u>Stantec</u> unites approximately 22,000 employees working in over 400 locations across six continents. The company collaborates across disciplines and industries to bring buildings, energy and resource,



environmental, and infrastructure projects to life. Its work—engineering, architecture, interior design, landscape architecture, surveying, environmental sciences, project management, and project economics, from initial project concept and planning through design, construction, and commissioning—begins at the intersection of community, creativity, and client relationships.

The complete list of the Best 50 can be accessed on the Corporate Knights website.

Hendrik Falck new President of Geoscientists Canada

One of our own is the new On June 4, 2016, at the 43rd Meeting of the Board of Directors of Geoscientists Canada in Calgary, Alberta, Hendrik Falck, P.Geo, FGC, took office as President 2016-2017, after serving a year as its President-Elect. Mr. Falck resides in Yellowknife, NWT, where he is District Geologist with the Mineral Deposits Division, Northwest Territories Geological Survey, and part of the Department of Industry, Tourism and Investment, Government of the Northwest Territories (GNWT).

Mr. Falck has been living and working as a geologist in Yellowknife since 1990. He graduated with an MSc in 1990 from Carleton University, following completion of his BSc at the University of Toronto. After arriving in Yellowknife to study gold occurrences for the Territorial government, Hendrik has worked: as an exploration geologist for Covello, Bryan and Associates (now Aurora Geosciences), as a bulk sample plant geologist and manager assessing kimberlites at the Diavik diamond mine for Kennecott Canada Inc., and as a senior exploration geologist for Royal Oak Mines.



Hendrik returned to GNWT, as the project coordinator for the

EXTECH III Yellowknife Gold project, which was followed by a term at the Geological Survey of Canada to conduct a resource assessment of the Nahanni National Park Reserve in the Mackenzie Mountains. Hendrik transitioned from the position of District Geologist for Aboriginal Affairs and Northern Development Canada (AANDC) to a similar position with GNWT, following devolution; he is currently supervising a multi-year program to complete geochemical sampling in the Northwest Territories' extent of the Cordillera.

Mr. Falck is the past-president of the NAPEG (The NWT and Nunavut Association of Professional Engineers and Geoscientists). He is the NWT/NU director for Geoscientists Canada and has served as a member of the Canadian Geoscience Standards Board. He is also a former president of the Mineral Deposits Division of the Geological Association of Canada. Hendrik is an active member of the Geological Society of The Canadian Institute of Mining (CIM), and is a technical editor for the CIM Journal. He is also a director of the Canadian Geological Foundation.

Read the full release here.

Congratulations Hendrik!

Arctic Inspiration Prize Call Now Open

The 2016 Arctic Inspiration Prize Call for Nominations is now open. This \$1 million CAD prize is awarded annually and there are five equally important pillars that contribute to its ongoing success: the \$1 million annual prize money; the teams who apply for and win the Prize; the distinguished Selection Committee and; it's remarkable, engaged Partners and Ambassadors.

As an Ambassador for the Prize, the Chamber of Mines has committed to let its members know about the opportunity. Industry is eligible to apply for this funding. Companies are also encouraged to find innovative ways to work with local communities to fund a creative and beneficial project that benefits both partners.

The nomination guide includes nomination guidelines and instructions for completing the Nomination Package. The complete Nomination Package must be submitted to the Arctic Inspiration Prize office by Friday, 30 September 2016.

For more information on the nomination process, please download the **Nomination Guide**.

Scotiabank – Disruptions, Sentiment Drive Crude Higher; Metals Take Breather

- Oil prices received support from a host of unplanned supply outages, which rose to an estimated 3.3 Mbpd in May as wildfires around Fort McMurray and attacks on Nigerian infrastructure took their toll.
- Metals eased from recent highs after spikes in the price of iron ore proved short-lived.

Some **highlights**:

Scotiabank's Commodity Price Index advanced by 4.5% m/m in April as energy gains more than offset metals weakness (Chart 1). Crude oil continues to test fresh highs, breaching intraday levels of \$50/bbl in recent sessions. Meanwhile, the broader metals group gave back some of the gains achieved alongside steep run-ups in iron ore prices on Chinese exchanges. A respectable showing among grains and oilseed rounded out a good month for the prices of major Canadian export commodities.

The Metals & Minerals index contracted by 0.3% m/m in April as some of the speculative fervor on Chinese commodity exchanges, detailed in last month's report, began to dissipate. Iron ore (62% Fe delivered to Qingdao), the primary driver of the recent bull run in metals, has eased significantly from its late-April peak, shedding more than \$20/t (almost 30%) by late-May. The base metal complex has followed suit, with all major metals losing ground relative to late-April/ early-May highs.

Copper will likely experience continued headwinds through the summer on the back of weaker demand prospects and a sluggish supply response. More than 750 kt of annualized supply was idled in 2015 in response to low prices, according to Wood Mackenzie, but producers are looking far more resilient in 2016 and curtailments this year are unlikely to exceed 150 kt. Import demand in China slipped in April from March after frenzied buying bid up copper prices but also pushed up inventory levels on the Shanghai Futures Exchange.

While **zinc** also lost ground over the past month, it continues to display the strongest fundamentals within the base metals group and prices remain 26% higher than mid-January levels at \$1883/t (\$0.85/lb). An ongoing concentrates supply deficit

Scotiabank
Roy Johnston 13 802 390
Roy Johnston 15 802

has eaten into refined metal inventories, which are down 24% since late February on the LME (an almost seven-year low) and 9% since early April on the Shanghai Futures Exchange. In the face of mine depletion and production cuts, prices are expected to grind upward until idled mine capacity can be enticed back onto the market.

Download the entire newsletter here or click on the report thumbnail.

Member News Releases this past month

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

- 4 July 2016, Time For Hope As Africa Rises
- 4 July 2016, TerraX agrees to non-brokered private placement for \$7 Million
- 30 June 2016, Kaizen Discovery announces election of directors at AGM
- 29 June 2016, Dominion Diamond Corporation Completes Assessment of the Process Plant Fire at the Ekati Diamond Mine
- 29 June 2016, Extended Care and Maintenance Approved for Snap Lake Mine
- 29 June 2016, Nighthawk Completes \$6 Million Non-Brokered Private Placement
- 29 June 2016, Stornoway Reminds Warrant holders Of Upcoming Exercise Deadline
- 29 June 2016, TerraX Updated Presentation on Yellowknife City Gold Project
- 28 June 2016, De Beers Rough Diamond Sales For Cycle 5, 2016
- 23 June 2016, Dominion Diamond Corporation Provides Update on Incident at the Ekati Diamond Mine
- Previous News Items »
- 23 June 2016, Agnico Eagle Provides Notice of Release of Second Quarter 2016 Results,
 Conference Call and Webcast
- 22 June 2016, TMAC Resources' Shareholders Elect All 10 Nominees to the Board of Directors
- 22 June 2016, Canterra Options CL-25 Property, NT
- 22 June 2016, TMAC Reaches Agreement with Lenders to Amend its US\$120 Million Debt Facility
- 22 June 2016, Fortune Minerals Announces Results of Annual and Special Meeting of Shareholders
- 21 June 2016, Canadian Zinc Reports on Annual General Meeting of Shareholders
- 21 June 2016, Kivalliq Announces Summer Program at Yat High- Grade Precious Metals Occurrence and \$400,000 Financing
- 20 June 2016, Mountain Province Updates Gahcho Kué Diamond Mine Development
- 20 June 2016, Peregrine Files Updated Technical Report for Chidliak Project
- 20 June 2016, Auryn Stakes 162,000 Hectares and Commences Exploration and Drilling programs at the Committee Bay Gold Project
- « More Recent News Items | Previous News Items »
- 17 June 2016, Kaizen Drilling commences at Aspen Grove Project in southern BC
- 16 June 2016, Sabina Gold & Silver Statement on the Nunavut Impact Review Board's Report Regarding the Back River Gold Project, Nunavut, Canada
- 16 June 2016, Canadian Zinc Announces C\$8.0 Million Underwritten Equity Offering
- 15 June 2016, De Beers Donates \$100,000 in Support of Lutsel K'e Arena Improvements
- 15 June 2016, TMAC Receives Nunavut Impact Review Board's Recommendation for Amendments to Doris North Project Certificate to Proceed
- 15 June 2016, TerraX begins fieldwork at Yellowknife City Gold Project in preparation for drilling; receives NWT Mineral Incentive Program grants of \$120,000
- 15 June 2016, Canadian Zinc Announces Public Equity Offering
- 14 June 2016, Auryn Resources to Acquire Homestake Resource Corporation
- 13 June 2016, Nighthawk Proposes \$6 Million Non-Brokered Private Placement
- 9 June 2016, Sabina Gold & Silver Discovers New Gold Zone and Advanced High Priority Targets at the Back River Gold Project, Canada
- « More Recent News Items | Previous News Items »

NWT & Nunavut Chamber of Mines – Northern Mining News

- 9 June 2016, Sabina Gold & Silver Announces AGM Voting Results
- 8 June 2016, Platinum Group Metals new corporate presentation
- 8 June 2016, Dominion Diamond Corporation Reports Fiscal 2017 First Quarter Results
- 7 June 2016, TMAC Intercepts High-Grade Gold Mineralization below Current Reserves at the Doris Mine, Hope Bay, Nunavut
- 6 June 2016, TerraX drills 8.00 m @ 60.60 g/t Au including 2.25 m @ 212.48 g/t Au at the Mispickel zone, Yellowknife City Gold Project
- 6 June 2016, Stornoway Provides Renard Operational Readiness Update (Quebec mine)
- 6 June 2016, INDUSTRY BULLETIN: Highlights from Industrial Minerals Lithium Conference, Las Vegas

Welcome New Members!

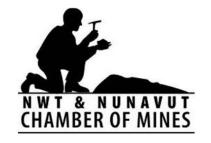
On behalf of our members, we would like to welcome the following new member to the Chamber of Mines. We encourage your support of their business. Please join us in a warm welcome to:

- **Kitikmeot Caterers:** Horizon North and Kitikmeot Corporation formed <u>Kitikmeot Caterers</u> as a joint venture to provide camp catering, camp management, camp sales and rental, and housekeeping services. The company also supplies modular camp structures and provides potable and waste water treatment plant maintenance services. Kitikmeot Caterers is active at mining and mineral exploration sites in the region and is also providing camp accommodation for work crews involved in the construction of the Canadian High Arctic Research Station. Contact Warren Murray, President at wmurray@horizonnorth.ca and visit: www.horizonnorth.ca.
- Nunavut Sealink & Supply Inc. (NSSI) is an Inuit majority owned Nunavut-based company with head office in Iqaluit. Partners include NTI, Qikiqtaaluk Corporation, Sakku Investments Corporation and Kitikmeot Corporation. NSSI's entire revenues originate from the general cargo and fuel carriage activities, to and from Nunavut destinations, and its profits from these activities are distributed among its shareholders according to their respective shares. Thanks to its sizeable fleet of multipurpose cargo ships and tankers, its human resources' expertise and its determination to remain the leaders in Arctic resupply services, NSSI has, throughout the years, committed to maintaining excellence in the sealift services it offers. NSSI pursues its mandate as a first rank reliable partner in economic development projects, as well as a local-capacity builder within the Nunavut. Contact Nadine Blacquiere, Manager of Sales & Operations at nadine.blacquiere@transarctik.desgagnes.com and visit: www.arcticsealift.com.



Calendar of Events

- 44th Annual Geoscience Forum, November 15-17, 2016, Yellowknife, NT. Join us at the largest mining and petroleum conference and tradeshow in the Northwest Territories. The joint initiative of the NWT & Nunavut Chamber of Mines and the Government of the NWT's Department of Industry Tourism & Investment attracts hundreds of delegates and exhibitors excited to share their knowledge, to learn from others, and to show off their wares. For more information visit www.geoscienceforum.com and contact conference@miningnorth.com.
- Resources for Future Generations (RFG2018), June 16-21, 2018, Vancouver Convention Centre, BC, Canada. With themes covering all of the key geoscience sectors across all of professional practice – Minerals, Energy, Water and the Earth – this event will be of direct technical interest to P.Geo.'s coast to coast to coast. Organizers are Calling for Sessions and you can submit your session proposal at: www.RFG2018.org. Abstracts will be sought in June 2017.
- 4th Annual Renewables for Mining Toronto Summit, November 21-22, 2016, Hilton Toronto, Toronto, ON, Organized by Energy and Mines. Co-located with the inaugural Energy and Mines Award, the 4th annual Energy and Mines World Congress is the global meeting place for mining, renewables and energy innovation leaders to meet and explore the very latest developments in renewables for mines and discuss the challenges around financing and implementing these projects. Energy and Mines, the event organizer, is offering a limited number of complimentary guest passes to senior mining executives to participate in the Summit. Contact: sukhee.chae@energyandmines.com or + 1 613 627 2787 for more information or visit: worldcongress.energyandmines.com



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.

Subscribe on our website.

For further information contact us at: PO Box 2818, Yellowknife, NT X1A 2R1 Email: info@miningnorth.com Website: www.miningnorth.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	Diamonds	Canada's first and largest diamond	News Release, June 29, 2016: Dominion
	Diamond Corporation, and Dr. Stewart Blusson		mine, 310 km. NE of Yellowknife. Open pit and underground. Mine life to 2020. Workforce in 2014 approximately 1,500.	Diamond Corporation Completes Assessment of the Process Plant Fire at the Ekati Diamond Mine News Release, June 23: Dominion Diamond Corporation Provides Update on Incident at the Ekati Diamond Mine News Release, June 8, 2016: Dominion Diamond Corporation Reports Fiscal 2017 First Quarter Results. Highlights include: o Commercial production declared at Misery Main. o Transitional period at Ekati continues to impact earnings. o Well positioned for growth. o Expanding development potential. (See story this issue)
Ekati Jay Project	Dominion Diamond Corporation, and Archon Minerals Ltd.	Diamonds	The Ekati Jay project is in Environmental Assessment. Ekati mine life currently ends in 2020, but if mining of the Jay pipe is approved, mining could be extended 10 yrs.	May 19 News Release: Dominion Diamond Corporation Reports Approval of Jay Project Environmental Assessment May 31, News Release: Dominion Diamond Corporation Provides Update on Jay Project Feasibility Study
<u>Diavik Mine</u>	Rio Tinto & Dominion Diamonds	Diamonds	Canada's largest producer of diamonds, 300 km NE of Yellowknife. Mine life through 2023. Became all underground mine in 2012. Workforce approximately 1,000. To Dec 31, 2013, the mine produced approximately 84 M carats of diamonds from the processing of approximately 22 M tonnes of kimberlite. Work to develop new A21 open pit has begun and will cost US\$350m over 4 years. A-21 is on track to commence ore production in the second half of 2018. The A-21 workforce will peak at approximately 200 people. Proven and probable reserves at Dec 31, 2014 were 18.7 million tonnes at 2.8 carats/tonne for total of 52.8 million carats.	Dominion Diamonds Q1 Release of June 8, 2016 reported that: o Processing volumes in the first calendar quarter of 2016 were 17% higher than in the same quarter of the prior year due to greater ore availability as a result of higher mining rates and availability of stockpiled ore. o Diamonds recovered in the first calendar quarter were 26% higher than in the same quarter of the prior year reflecting higher processing volumes and a higher recovered grade. o The development of the A-21 pipe continues to progress according to plan.
Snap Lake Mine (Closed, on care & maintenance)	De Beers	Diamonds	Canada's first all underground diamond mine. 220 kilometres NE of Yellowknife. Mine life to 2028. Workforce approximately 750.	Due to low diamond prices, De Beers put the Snap Lake mine on care and maintenance in December 2015. News Release, June 29, 2016: Extended Care and Maintenance Approved for Snap Lake Mine – Allows for preservation of significant diamond resource
Cantung Mine (Closed, on care & maintenance)	North American Tungsten	Tungsten, copper	Cantung is in the mountains of western NWT, ~300 km by road NE of Watson Lake, Yukon. North American Tungsten (NATC) filed for Court protection under the CCAA on June 9, 2015. In accordance with the Operating Plan, the mill at the Cantung mine site was shut down on October 26,	Nov 19 GNWT News Release: NWT Government purchases Mactung assets of Cantung. Nov 19 NATC news release: NATC Announces Extension of Stay of Proceedings under the Companies' Creditors Arrangement Act. On November 17, 2015, the Supreme Court of British Columbia made an order approving the sale of the Company's Mactung property

NWT & Nunavut Chamber of Mines – Northern Mining News

Gahcho Kué (Mine under construction)	De Beers & Mountain Province	Diamonds	2015, and transition of the Cantung mine to care and maintenance is expected to be completed on or about November 18, 2015. Proposed open-pit diamond mine approximately 180 km ENE of Yellowknife, NWT. Estimated mine jobs: 400. Mine life increased from 11-12 years in 2014 Feasibility Study. First production on schedule for Q3 2016. Peak construction workforce 700.	to the Government of the Northwest Territories. The Government of Canada will fund the Company's environmental care and maintenance activities at the Cantung mine site. News release, June 20, 2016: Mountain Province Updates Gahcho Kué Diamond Mine Development Major construction complete Commissioning +75% complete On track for first production in Q3 2016 Diamond marketing team in place News Release, June 15, 2016: De Beers Donates \$100,000 in Support of Lutsel K'e Arena Improvements
Prairie Creek	Canadian Zinc Corporation	Zinc-lead- silver	Proposed underground mine 120 km W of Ft. Simpson. Estimated mine jobs: 220 All permits now in place to construct and operate the mine. Preliminary Feasibility Study completed in early 2016 supports longer, 17-year mine life. The company's proposal to construct a new airstrip and all-weather road is undergoing environmental assessment.	News Release, June 16, 2016: Canadian Zinc Announces C\$8.0 Million Underwritten Equity Offering. News Release, June 15, 2016: Canadian Zinc Announces Public Equity Offering News Release, June 21, 2016: Canadian Zinc Reports on Annual General Meeting of Shareholders
Kennady North	Kennady Diamonds Inc.	Diamonds	Kennady Diamonds controls 100% of Kennady North project comprising 13 leases and claims immediately to north and west of 4 leases controlled by the Gahcho Kué Joint Venture (see above). Kennady Diamonds aims to identify a resource along the Kelvin – Faraday kimberlite corridor of between a 12 and 15 million tonnes at a grade of between 2 and 2.5 carats per tonne and also to identify new kimberlites outside of the corridor. The Kelvin – Faraday corridor is a target for further exploration. The tonnage estimate is based on the drilling completed to date. The potential quantity is conceptual in nature as there has been insufficient drilling to define a mineral resource and it is uncertain if further exploration will result in the target being delineated as a mineral resource.	News Release, May 31, 2016: Kennady Diamonds Completes 2016 Winter Drilling Program • Four diamonds identified in core during logging • Faraday 1 and 3 traced onto land News Release, May 16: Kennady Diamonds Further Advances Kennady North Project • Faraday 1 and 3 Drilling Continues to Deliver Excellent Results • Kimberlite defined over a Strike of more than 200 meters
NICO	Fortune Minerals Ltd.	Cobalt- gold- bismuth- copper	Proposed open pit and underground mine located 50 km NE of Wha Ti. Estimated mine jobs: 150. Requires access to highway to Wha Ti, still to be constructed.	News Release, June 22: Fortune Minerals Announces Results of Annual and Special Meeting of Shareholders
<u>Nechalacho</u>	Avalon Advanced Materials Inc.	Rare earth metals	Proposed underground mine 100km SE of Yellowknife. Estimated mine jobs: 200. The Company remains optimistic that rare earth demand will recover sufficiently in 2015 to attract Project financing and allow construction work to begin by summer 2015.	News Release, February 26, 2016: Avalon Announces Voting Results of Annual and Special Meeting including Approval of Name Change to Avalon Advanced Materials Inc. News Release February 10, 2016: Avalon's Nechalacho Rare Earths Project to remain inactive in 2016, while the Company focuses on Lithium and Tin in southern Canada.

NWT & Nunavut Chamber of Mines – Northern Mining News

Indin Lake	Nighthawk Gold	Gold	Nighthawk controls over 90% of the prospective Indin Lake Greenstone Belt in this historic gold camp with a total ground position now comprising 930 sqkm, approximately 220 km north of Yellowknife, NT. The Indin Lake Greenstone Belt is one of Canada's most underexplored gold camps. The property contains 14 known gold deposits and showings, 3 are historic mine (eg. Colomac)	Avalon Rare Metals Project work in calendar 2015 consisted mainly of concluding the ongoing metallurgical research, disposal of process waste materials and storage of bulk samples for future use. News release February 25, 2016: Nighthawk Gold Corp. Announces Proposed Acquisition of Superior Copper Corporation Feb 25: New corporate presentation posted.
Courageous Lake	Seabridge Resources	Gold	Proposed open pit mine 240 km NE of Yellowknife. 6.5 M oz proven and probable reserves. (Positive PFS July 2012). The FAT deposit is one of Canada's largest undeveloped gold projects. Gold resources of 8.0 million ounces in the measured and indicated categories plus an additional 3.4 million ounces in the inferred category.	Seabridge is currently focusing its work on their KSM mine development in British Columbia.
Selwyn (Howards's Pass Project)	Selwyn Chihong Mining Ltd.	Zinc, lead	Proposed underground mine in Yukon on NWT border and access is through NWT. Agreements signed with NWT (Sahtu) Aboriginal land corporations. The proposed Selwyn Project is an open pit zinc-lead mine with a projected mine life of more than 10 years. The mine is being designed to process 35,000 tonnes per day (tpd) of ore which, after processing, is expected to result in 2,500 tpd of zinc and 600 tpd of lead concentrate. Once processed, the concentrate would be trucked to the Port of Stewart for export. Selwyn Chihong estimates the proposed mine will create approximately 1500 jobs during construction and approximately 750 during operation.	Selwyn Chihong Mining's proposed upgrade of a road to its lead-zinc mining project in Yukon's Selwyn Mountains will undergo an environmental assessment. Parks Canada has referred the 79km Howard's Pass Access Road (HPAR) to Environmental Assessment under the MVEIRB, which accepted the referral in July 2015. The Howard's Pass Access Road was first developed in the 1970s, and runs 79 km's in the NWT from the Nahanni Range Road to the NWT-Yukon border. It goes through two national parks, the Dehcho region's Nahanni National Park Reserve and the Sahtu region's Naats'ihch'oh National Park Reserve. Yukon media reported in Feb 2016 that Selwyn Chihong has decided to slow their project down due to the current low zinc prices, and will not to take the project to the permitting stage this year. According to External Affairs VP Maurice Albert, SC has opted for a traditional drilling program and hopefully add another ten years to the mine life.

Mines & Promising Nunavut Mine Projects

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

Project	Owner(s)	Commodity	Description	Status
Meadowbank	Agnico Eagle	Gold	In operation since 2010. Open pit	News Release, April 28, 2016: Agnico Eagle
Gold Mine	Mines	Gold	mine located in the Kivalliq Region, 300 km west of Hudson Bay and 70 km N of Baker Lake. Mine jobs: 775 Exploring potential satellite deposit, Amaruq, 50km from mine site. Construction of the Amaruq Exploration Access Road commenced in the first quarter of 2016. Road construction is ongoing with nine kilometres completed to date of the expected total length of 62 kilometres. On April 19, the Nunavut Impact Review Board submitted its EIS report to the Minister of INAC concluding that the Vault Pit Expansion Project should proceed.	Reports First Quarter 2016 Operating and Financial Results - Continued Strong Operational Performance - Amaruq, El Barqueno and Barsele Drill Programs Yield Positive Results. At Amaruq, the 2016 drill program began at the end of January. Drilling to the end of March has totalled 18,836 metres (84 holes) using up to eight rigs, part of an initial 75,000-metre drill program. The goals of the 2016 exploration program are to infill and expand the known mineral resource areas and to test other favourable targets with a focus on delineating a second source of open pit ore. News Release, April 29: Agnico Eagle Announces Election of Directors
Mary River Iron Mine	Baffinland Iron Mines	Iron	In operation since September 2014; Open pit mine located 936 km N of Iqaluit. Mine jobs: 602 Production from Early Revenue Phase (ERP) began September 8, 2014. Company has proposed a Phase 2 project with increased production and shipping. AANDC Minister has approved application for exemption from NPC negative conformity determination, July 14, 2015.	Project is undergoing a new Environmental Assessment for the proposed expansion of mining and shipping to help offset downwards spiraling iron ore prices. Baffinland expect to submit the EIS (Environmental Impact Statement) for Phase 2 of the Project in September 2016. This submission is delayed from April 2016, to allow Baffinland to present a rail alternative with the road transport proposal and provide and assess the most effective means of transporting ore from Milne Port along the northern shipping route.
Hope Bay (Mine under construction)	TMAC Resources	Gold	Proposed gold mine 130 km S of Cambridge Bay; covers the majority of the Hope Bay Greenstone Belt. Estimated mine jobs: 485 Plans to commission their processing plant later in 2016 and then achieve steady state production in 2017.	June 8, 2016 News Release: TMAC Intercepts High-Grade Gold Mineralization Below Current Reserves at the Doris Mine, Hope Bay. June 15, 2016 News Release: TMAC announces that the Nunavut Impact Review Board recommended to the Minister of Indigenous and Northern Affairs Canada that TMAC's Proposed Amendment to Project Certificate No. 003 for the Doris North Project be allowed to proceed. TMAC is currently permitted to operate the Doris North Project, located on the north end of TMAC's Hope Bay Project in Nunavut, and to dispose of 458,000 tonnes of tailings (approximately 1½ years of currently planned production) into the already permitted tailings impoundment area. The requested amendment increases the number of tonnes that may be disposed in the TIA to 2,500,000 tonnes. June 22, 2016 News Release: TMAC Resources' Shareholders Elect All 10 Nominees to the Board of Directors. June 22 News Release: TMAC Reaches Agreement with Lenders to Amend its US\$120 Million Debt Facility.

Meliadine	Agnico Eagle Mines	Gold	Proposed open pit and underground gold mine, 25 km NE of Rankin Inlet. Estimated construction jobs: 1,000 Estimated mine jobs: 700 IIBA signed June 2015. Initial capital cost is estimated to be \$911m; initial production life of 9 years. At December 31, 2015, the Meliadine property hosted 3.4 million ounces of proven and probable mineral reserves (14.5 million tonnes of ore grading 7.32 g/t gold), 3.31 million ounces of measured and indicated mineral resources (20.78 million tonnes of ore grading 4.95 g/t gold), and 3.55 million ounces of inferred mineral resources (14.71 million tonnes of ore grading 7.51 g/t gold). In addition, there are numerous other known gold occurrences in the 80-kilometre-long greenstone belt that require further evaluation.	News Release, April 28, 2016: Meliadine Type A Water License Permit Expected by the End of the Second Quarter of 2016. The capital budget for 2016 is \$96 million, with activities focused on further underground development (approximately 3,700 metres), detailed engineering and procurement, construction of essential surface infrastructure and the acquisition of a used camp facility. The goal of the 2016 capital program is to ensure that the project remains on track for a potential 2020 production start-up, which is approximately a one year delay from previous expectations.
<u>Kiggavik</u>	AREVA Resources	Uranium	Proposed uranium mine 80 km W of Baker Lake. Estimated Construction jobs: 750 Estimated mine jobs: 600	May 8, 2015: NIRB recommends project not proceed because company did not provide project start date; awaiting Ministerial response.
Back River	Sabina Gold & Silver Corp.	Gold	Approximately 60KM from Hackett River; adjacent to the Wishbone Greenstone belt. Consists of the George and Goose Lake deposits and holds significant gold resources. Estimated construction jobs: 1,600 Estimated mine jobs: 900	June 9 News Release: Sabina Gold & Silver Discovers New Gold Zone and Advanced High Priority Targets at the Back River Gold Project. News Release, June 16, 2016: Sabina Gold & Silver Statement on the Nunavut Impact Review Board's Report Regarding the Back River Gold Project. The release is in response to the NIRB recommendation to the Minister of INAC that the project not proceed at this time because of the potential for significant adverse ecosystemic and socio-economic effects on caribou and other terrestrial wildlife, fish, and freshwater and the marine environments, and that there could also be adverse socio-economic effects associated with these ecosystemic effects. The Board also concluded that effects on caribou and terrestrial wildlife could result in additional cumulative and transboundary effects on already declining populations. in Nunavut and also in the NWT that, in the Board's view, cannot be adequately managed and mitigated.
Izok Corridor Project (with High Lake & Hood River deposits)	MMG Resources Inc.	Copper, Zinc, Gold, Silver	High Lake is 1710 hectare, copper- zinc-silver-gold property, 190 km ESE of Kugluktuk.Izok is high-grade zinc- copper-lead-silver deposit, 255 km SW of Kugluktuk. Estimated construction jobs: 1,140 Estimated mine jobs: 710	MMG examining alternative designs to reduce costs, add value, and improve economic viability of the project. Company stated publicly that project needs infrastructure assistance to become a mine.
Chidliak	Peregrine Diamonds Ltd.	Diamonds	Located 120 kilometres NE of Iqaluit, the capital of Nunavut, and 180 km S of Pangnirtung. 71 kimberlites have been discovered to date with 8 being potentially economic. In 2015, company announced a 8.57 million carat Inferred Resource for the	News Release, June 20, 2016: Peregrine Files Updated Technical Report for Chidliak Project. Announces the filing of a National Instrument NI 43-101 technical report titled "Mineral Resource Estimate for the Chidliak Project, Baffin Island, Nunavut" and dated effective June 3, 2016 for its 513,249 hectare Chidliak project and the adjacent 51,147

NWT & Nunavut Chamber of Mines – Northern Mining News

			CH-6 kimberlite and completion of the bulk sampling component of its ongoing Resource Development Program. PEA expected Q2, 2016.	hectare Qilaq project, located approximately 120 kilometres NE of Iqaluit, the capital of Nunavut. The Technical Report is an update to a report dated February 23, 2015 and supports an updated 11.39 million carat Inferred Resource at CH-6 that was announced by news release dated April 7, 2016, and a maiden 4.23 million carat Inferred Resource at CH-7 that was announced May 5, 2016.
Angilak	Kivalliq Energy Corp.	Uranium	340,268 acre property located SW of Baker Lake; Hosts the high-grade Lac 50 Trend deposit	News Release, January 21, 2016, Kivalliq Appoints Yeung as CFO and Dare as Corporate Secretary
Qilalugak	North Arrow Minerals / Stornoway Diamonds	Diamonds	7 km from tidewater; 9 km from Repulse Bay, Melville Peninsula; 7,143 hectares of contiguous mineral claims. Largest kimberlite in Nunavut.	News release June 9: North Arrow Reports Diamond Valuation Results From The Qilalugaq Project. The parcel of 383.55 carats of diamonds greater than +1DTC (~1 mm) was valued at \$13,795 or \$36 per carat and a modelled range of possible values was also produced with a "possible low" model price of \$43 per carat and a "possible high" model price of \$92 per carat.
Committee Bay Gold Project	Auryn Resources (purchased North Country Gold Corp.)	Gold	Committee Gold Bay Project Highlights: • High grade gold endowment • Existing exploration infrastructure • 217,600 hectares with district scale discovery opportunities	February 22 News Release: Auryn provides corporate update. Auryn's ongoing analysis of both the 2015 summer work program and comprehensive review of historical data has led to the identification of a number of large scale multi-kilometer long targets at Committee Bay that will provide the focus of the upcoming 2016 work program.
Hackett River	Glencore	Zinc, Silver, Copper, Lead	Proposed open pit mine. One of largest undeveloped VMS massive sulphide deposits in the world. 104 km SSW of Bathurst Inlet. Estimated construction jobs: 800 Estimated mine jobs: 500	PFS initiated in September, 2012. No activity reported in 2015.
Coppermine	Kaizen Discovery / Tundra Copper	Copper	Early stage, district-scale exploration play located 24 km SW of Kugluktuk; Total holdings approximately 3,500 km ²	NIRB screening decision issued July 7, 2015; Proposal may proceed without a Part 5/6 NLCA review.

Project Maps

