

Northern Mining News

Volume 9, No. 11

November 2016



In this issue:

Northwest Territories Celebrates 25 Years of Diamond Industry Success!.....	2
NWT Diamonds Gala – Thank you Speeches from NWT Premier and Minister	3
2016 Mineral Exploration Expenditures Projected Down in all Three Territories.....	9
Kennedy Announces Kelvin Diamond Valuation Results	11
Mountain Province Diamonds Announces Q3 Results	12
Canadian Zinc Reports Q3 and Updated Prefeasibility Study Results	13
Dominion Diamond Corporation Reports Q3 Sales and Ekati Production Results	14
Diavik lays off 51 staff	14
Sabina Gold & Silver Announces Q3, 2016 Financial Results.....	15
Two NWT Projects among 13 global Energy Award winners.....	16
Diavik Foxfire Diamond makes first public appearance at the Smithsonian	18
Premier McLeod and Cabinet Colleagues have successful mission to Ottawa.....	19
TMAC Presentation Images	20
What businesses need to succeed in Nunavut – A thought leadership roundtable	20
Exploration News Briefs	21
Study reinforces the North’s need for Infrastructure.....	23
Canada’s Transformational Infrastructure Funding Plan.....	24
Another successful Geoscience Forum 2016.....	26
Argentina adopts Canada’s Towards Sustainable Mining Initiative	26
NWT Mineral Tenure Heat Map	27
Scotiabank Commodity Price Index – OPEC Deals, Copper Rallies, and Gold Falls	28
Member News Releases this past month	29
Welcome New Members!.....	30
Calendar of Events	31
Mines & Promising Northwest Territories Mine Projects.....	32
Mines & Promising Nunavut Mine Projects.....	35
Project Maps.....	38

From the Executive Director ...

The highlight of this issue is the celebration of 25 years of diamond success in the NWT. It’s made this issue lengthier, but we felt it important to provide the speeches given by the NWT Premier and Minister at the Gala, for their strong recognition of the importance of diamonds to the NWT economy.

Exploration projections are not great for the year, as latest Federal statistics show. Besides a turnaround in global markets, we really need improvements to our investment climate in both territories to turn this around.

Happy reading! ... Editor

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

Northwest Territories Celebrates 25 Years of Diamond Industry Success!

Twenty-five years of diamond exploration and mining success in the Northwest Territories was celebrated at a sold out NWT Diamond Gala dinner held in Yellowknife on November 17th.

Recognition was given in three areas: to those individuals involved in the discovery and early development of the diamond deposits that became the mines; to the companies that constructed and operate the mines; and to the Aboriginal governments that supported the mines' development and have established new levels of Aboriginal participation in mining.

The Honourable Robert R. McLeod, Premier of the NWT recognized and [thanked](#) the individuals who are considered key to the discovery and early development of the diamond deposits. He also [recognized](#) the important contributions of the Aboriginal governments and groups that have participated in the development of the mines. The Honourable Alfred Moses, NWT Minister of Education, Culture and Employment, [recognized](#) the significant benefits the four NWT diamond mines have provided to the North (see November 15, 2016 [Chamber news release](#)).

Discoverers Recognized

Charles Fipke	Grenville Thomas	Ned Goodman	John Dupuis
Stewart Blusson	Robert Gannicott	Randy Turner	
James Eccott	Chris Jennings	Harry Dobson	

Mines Recognized

- Ekati Diamond Mine (Dominion Diamond Corporation)
- Diavik Diamond Mine (Rio Tinto and Dominion Diamond Corporation)
- Snap Lake Diamond Mine (the De Beers Group of Companies)
- Gahcho Kué Diamond Mine (the De Beers Group of Companies and Mountain Province Diamonds)

Aboriginal Governments / Nations Recognized

- | | |
|--|------------------------------------|
| • Tlicho Government | • Deninu Kué First Nation |
| • Yellowknives Dene First Nation | • Northwest Territory Métis Nation |
| • Lutsel K'e and Kache Dene First Nation | • North Slave Métis Alliance |
| | • Kitikmeot Inuit Association |

A Big THANK YOU to our Sponsors

Thank you to the sponsors of the event, the NWT Government, Dominion Diamond Corporation, Diavik Diamond Mines Inc., De Beers Group of Companies, Kellett Communications, Aboriginal Business Quarterly, Olivut Resources, the Nuna Group of Companies, Matco Moving Solutions, Manitoulin Transport, and Crossworks Manufacturing.

Note: Pictures follow in the speeches below.

NWT Diamonds Gala – Thank you Speeches from NWT Premier and Minister

NWT Premier McLeod Speech: Celebrating Diamond Pioneers

Premier Bob McLeod introduced an evening chock full of recognition for those who have built the diamond industry, and recognized in particular the pioneers who discovered diamonds near Lac de Gras.

The remarks came as part of the Diamond Gala, a Government of the Northwest Territories and NWT and Nunavut Chamber of Mines co-sponsored event concluding the 2016 Yellowknife Geoscience Forum.

Good evening everyone.

I'm pleased to be back at the Yellowknife Geoscience Forum for the 44th edition.

Thank you to the NWT and Nunavut Chamber of Mines and the Northwest Territories Geological Survey for their work in organizing this event each year. Your efforts over the years have locked it into the calendars of mineral professionals across the country.

We are here this evening to celebrate the Northwest Territories' culture of excellence in geoscience and mineral exploration at the foundation of our territorial economy.

In particular, we're celebrating the individuals, institutions, and organizations which have built, sustained, and innovated in our now quarter-century old diamond industry.



Diamond Discovery recipients, from left are: Gren Thomas, Harry Dobson, Chuck Fipke, Jim Pounds (for Bob Gannicott, deceased), and John MacDonald (for Randy Turner). Not able to attend were: Stewart Blusson, James Eccott, Chris Jennings, Ned Goodman, and John Dupuis.

Later on, we will recognize the Aboriginal governments in our territory, who have been instrumental in passing on the benefits of mineral development to all people in our territory, and the mines and their operators, who have innovated at every step to advance responsible mineral development and contribute to a strong, well-trained, well-paid workforce in the NWT.

Over my 30 years in public service to this territory, I've seen few moments as defining to our economy as that discovery at Lac de Gras 25 years ago.

Before the find, we were primarily a gold-producer reaching the twilight of our production days. While there was a lot of exploration, there were limited immediate prospects.

That all changed when Chuck Fipke and Stewart Blusson struck kimberlite at Point Lake, setting off the largest North American staking rush in a generation.

It was a moment made possible and fueled by the commitment of the geoscientists who braved unforgiving tundra for a find anything but guaranteed; by the constitution of financiers who poured millions into the idea of North American diamonds; and by the entrepreneurial spirit of a few which came to benefit thousands.

And tonight, the Northwest Territories says thank you.

We are going to be presenting keys to the individuals credited with bringing diamonds to the North, representative of their role in unlocking the potential of our mining industry, and putting us on the world stage.

It is essential to recognize the importance of early-stage exploration. Without people like the diamond pioneers we are honouring tonight, there are no mines, fewer high-paying jobs, and less investment in our communities.

This goes to the heart of our government's economic approach. We understand the need to encourage more entrepreneurs, explorers, and financiers to invest in the future of our Northern mining industry.

Our government's mandate includes investment in geoscience initiatives to provide the baseline scientific knowledge needed to support exploration. I'm particularly excited about the core sample housing facility opening soon, and the Chan Lake aeromagnetic analysis undertaken this past year.

It also includes a full suite of programs designed to encourage investment through modernized legislation and regulation, support for junior mining companies, and incentives to defray costs for those operating in this time of transition in the markets.

I would like to pass the mic off so we can recognize the pioneers, but before I do so I'll leave you all with this.

On behalf of the Government of the Northwest Territories and the citizens we serve, thank you to all those who turned their gaze North and dedicated themselves to unearthing the kimberlite which built our diamond industry.

You were the catalyst for the billions in economic activity for local businesses, millions in community investment, and thousands of high-paying jobs diamonds have provided our territory thus far.

We're doing everything we can to build a future where responsible explorers and developers like you will thrive.

Thank you.

NWT Minister Alfred Moses Speech: Celebrating Contributions of Diamond Mines

Minister Alfred Moses delivered remarks on behalf of Minister of Industry, Tourism and Investment Wally Schumann at the GNWT and NWT and Nunavut Chamber of Mines co-sponsored Diamond Gala — a wind-up event for the 2016 Yellowknife Geoscience Forum

The remarks focused on the billions in economic benefit, millions in community investment, and thousands of high-paying jobs NWT diamond mines have provided the territory and its people.

(Check against delivery)

Good evening everyone.

It's a pleasure to be here tonight. I'm glad to see some familiar faces in the crowd.



NWT Minister Alfred Moses recognized NWT diamond mines. From left are: Jon Carlson (Dominion Diamond, Ekati), Denton Henkelman (Rio Tinto / Dominion Diamond, Diavik), Erik Madsen (De Beers, Snap Lake), Minister Moses, Allan Rodel (De Beers, Gahcho Kué) and Patrick Evans (Mountain Province, Gahcho Kué).

In follow up to the well-deserved praise tonight for the pioneers who came North and discovered diamonds, I would like to spend some time talking about the mines that continue to arise from these discoveries, and the contributions of their operators to economics, innovation and social wellbeing in our territory.

Let's start with economics.

The mines have brought billions in economic activity to the Northwest Territories. This activity has contributed millions in revenue for our government to invest in the socio-economic well-being of our citizens, and offered new prospects for independent business in our communities.

But perhaps most of all, it has provided our people with jobs. This is something I can speak to personally.

As some of you may know, before I joined public life, I worked for Diavik Diamond Mine as a Health and Wellness Officer. I had the opportunity to apply the skills I gained from my education, and develop them further, in a dynamic, well-paying job.

There are thousands just like me. Thousands who have operated machines, pored over engineering plans, and provided hospitality services to Diavik, Snap Lake, Ekati, and now Gahcho Kué. Even more have benefitted from jobs in logistics, construction, and mine services.

We also recognize and appreciate the importance De Beers, Mountain Province, Rio Tinto, and Dominion have chosen to place on our communities.

They have provided support to initiatives like the Mine Training Society, Aurora College's Northern Leadership Program, sponsorship, scholarships, community grants, and youth sports. We're proud to work with them on these kinds of programs in the spirit of partnership outlined in the Skills4Success action plan to further career development and well-being for our citizens.

And of course, I'd be remiss if I didn't mention the innovations led by these operators which have pushed us to the cutting-edge of the global mining industry.

The Northern environment is challenging for any operator. Our operators found ways around the challenges of logistics, water management, and energy generation issues with world-leading engineering.

Ekati has instituted cutting-edge worker safety technology in their bid to combat driver fatigue for operators at the mine. The camera-based system monitors drivers for fatigue cues, measures the pupil/eye/head movement, and provides audio warnings and seat stimulation when necessary to avoid injury.

Snap Lake was Canada's first fully-underground mining operation, and contended with a complicated water management situation with the ingenuity we now accept as the norm in our diamond industry.

Diavik has won international engineering awards for their dike design for their upcoming A21 project. They've led environmental stewardship through their wind power generation program.

And all the mines have worked together on engineering, building, and maintaining the ice roads which not only re-supply the mines, but offer opportunities for others to travel to other parts of our territory as safely as possible.

Despite some of the challenges these companies face due to a downturn in the resource industry, it is clear our diamond mines are firmly committed to doing their part in contributing to a strong economy and healthy communities.

Through its Mineral Development Strategy, the Government of the Northwest Territories is also working to support resource development and mining in our territory; particularly during this transition in the cyclical commodity market.

I would like to conclude my time this evening by offering thanks on behalf of the Government of the Northwest Territories and the citizens we serve for all the contributions our diamond mines have brought to us over these 25 years of diamonds. It is your dedication, ingenuity, and investment which have built today's Northwest Territories economy.

You can count on us to continue working in partnership with industry to advance responsible resource development in the NWT. Time and time again we've proven that when we work together, we can do great things.

Thank you.

NWT Premier McLeod Speech: Salute to Economic Leadership of Aboriginal Governments

Premier Bob McLeod recognized the extraordinary work of Aboriginal governments in ensuring economic benefits of the diamond mines are realized at the community level, and taking leadership in socio-economic management. The remarks came as part of the Diamond Gala, a Government of the Northwest Territories and NWT and Nunavut Chamber of Mines co-sponsored event concluding the 2016 Yellowknife Geoscience Forum.

(Check against delivery)

Thank you. It's good to be back.

There are many individuals, organizations, and all levels of government working hard to advance economic development in the Northwest Territories.

Aboriginal governments are playing a key role. They tirelessly advocate on behalf of their people, and encourage community economic development.

Our government recognizes this, and works closely with Aboriginal governments on our many mutual goals.

Through collaboration with public government and industry, pursuing agreements representing the interests of their constituents, and fostering economic opportunity, Aboriginal governments play a significant role in bringing the benefits of diamond mining to our communities and residents.

To foster economic opportunity, Aboriginal governments took the lead in building development corporations. These development corporations have built successful businesses capitalizing on diamond mining activity. The mines have spent over \$5.5 billion with Aboriginal businesses like

the Yellowknives Dene First Nations' Det'on Cho Logistics; the Tlicho Government joint venture Tli Cho Landtran; and the 100% Tlicho-owned DLFN Holdings Ltd. This demonstrated commitment by Aboriginal governments to participate in the mining industry has created hundreds of jobs for Northerners and contributed many spin-off benefits for our territorial economy.



NWT Premier Bob McLeod, right, celebrated Aboriginal Governments' contributions to diamond mining success. From left are: Stanley Anablak (Kitikmeot Inuit Association), Darryl Bohnet (Northwest Territory Métis Nation), Don Balsillie (Deninu Kué First Nation), Felix Lockhart (Lutsel K'e and Kache Dene First Nation), Bill Enge (North Slave Métis Alliance), Chief Ernest Betsina and Chief Edward Sangris (Yellowknives Dene First Nation), Chief Alfonz Nitsiza and Chief Clifford Daniels (Tlicho Government), and Premier McLeod.

To represent the interests of their constituents, Aboriginal governments across the territory went to work negotiating Impact Benefit Agreements with the operators when mines were identified. The agreements have seen millions in scholarships, sponsorships, and other community investments to further community well-being. They have entrenched preferential hiring at the mines, ensuring their residents have access to well-paid positions.

Aboriginal governments have also worked closely with the GNWT on monitoring under Socio-Economic Agreements with the diamond mines. Their consistent engagement is critical to the economic growth and success of the Northwest Territories as their input allows us to evaluate how well these agreements are working, and what needs to be done to advance our priorities in community wellness and sustainable development.

And perhaps most important to capturing the benefits of diamond mining is the dedication of Aboriginal governments to engaging with government and industry. We are pleased to work with Aboriginal governments through co-management boards and consultations to make decisions on issues of land and resource management. And regular communication with diamond mine operators has been instrumental in building the dynamic economic relationships which so many have benefitted from.

I would like to offer our commitment that the Government of the Northwest Territories will continue to do its part in pursuing a partnered approach to industrial development. It is central

to our belief in the necessity of respect, recognition, and responsibility for productive intergovernmental relationships.

Without your support, the Northwest Territories would never have become the third-largest diamond producer by value in the world. We would never have realized the billions in economic activity, millions in government revenue, and thousands of jobs which diamonds have provided.

With the Northwest Territories' continuing efforts to spur growth, and the active role Aboriginal governments have played in economic development, I see a bright future for the industry in our territory.

Thank you.

2016 Mineral Exploration Expenditures Projected Down in all Three Territories

Revised Federal government projections for 2016 mineral exploration and deposit appraisal spending are 'down' in all three Canadian territories. Natural Resources Canada's (NRCan) latest semi-annual report *Exploration and Deposit Appraisal Expenditures, by Province and Territory* provides the following spending intentions for 2016:

- \$53.0 million in the NWT, down \$47.9 million (47%) from 2015 expenditures of \$100.9 million;
- \$122.1 million in Nunavut, a decrease of \$92.9 million (43%) from \$215.0 million in 2015; and
- \$82.6 million in Yukon, a decrease of \$9.6 million (10%) from \$92.2 million in 2015.

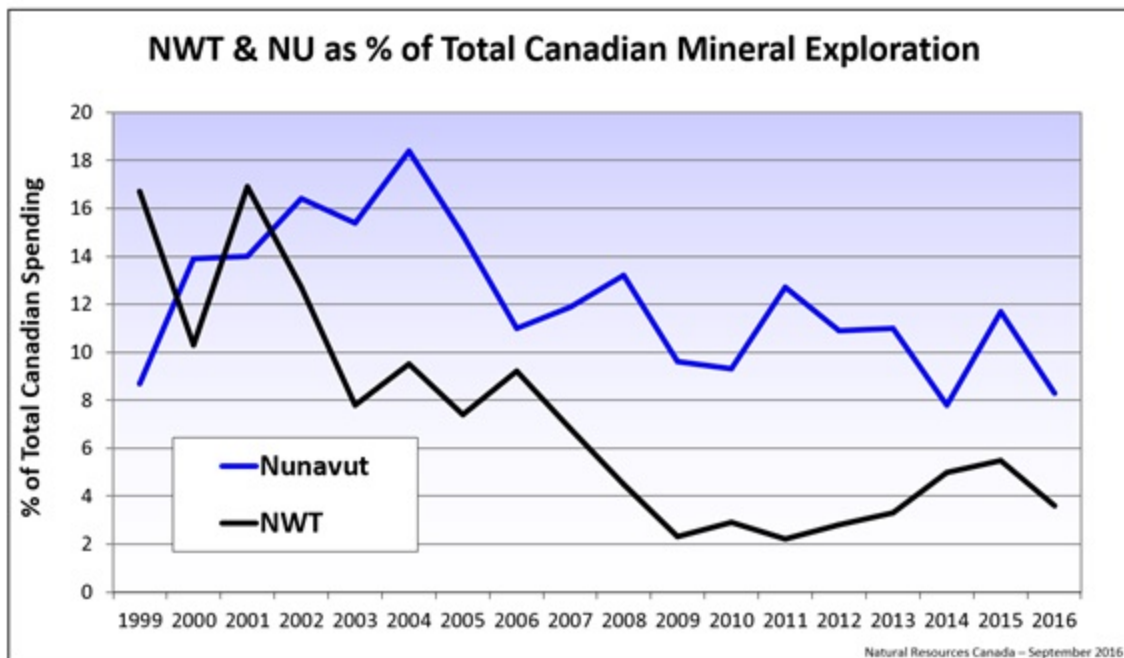
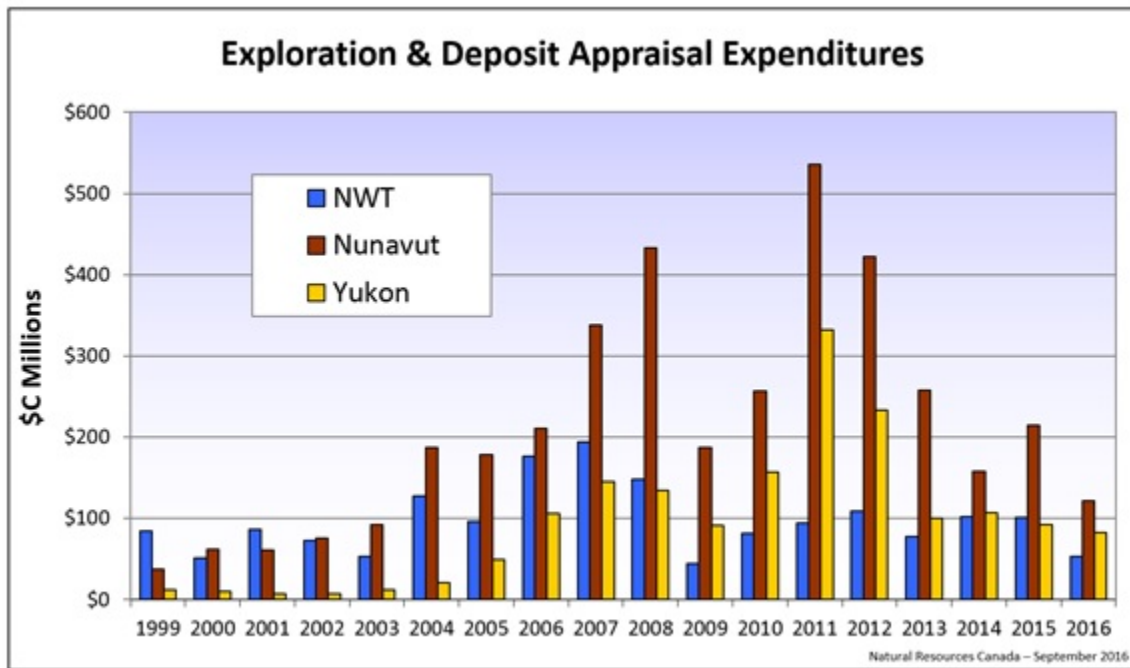
“While we know exploration investment is challenged globally, the significantly large drops in NWT and Nunavut are very worrisome”, said Gary Vivian, President of the NWT & Nunavut Chamber of Mines. “It tells us that, despite our tremendously strong northern mineral potential, governments are not turning the tide of investment leaving, and our northern businesses will continue to suffer. We are not yet seeing any major progress on reducing the largest infrastructure deficit in the country or on settling NWT land claims. Unfortunately, we are seeing growth in overly restrictive land use plans and unnecessary land alienations, which are not contributing to the confidence and certainty we need to attract the millions of dollars in investment required to maintain a healthy minerals industry. On top of that, we are seeing increasing regulatory, tax and operating costs for businesses based in the north, which simply add to the problem. The Industry will continue to work constructively with Public and Aboriginal Governments as well as communities to correct this dramatic decline.”

The majority of spending in the NWT in 2016 is expected to be for diamonds and in Nunavut on precious metals. Junior companies in the NWT are projected to dominate exploration spending at 64% of the 2016 total, while in Nunavut the seniors are expected to spend the majority at 70% of the total. In the NWT, 73% of the spending is projected to be on grassroots exploration, the remainder on deposit appraisal. In Nunavut, 54% of the spending is projected to be on grassroots exploration, with the remainder on deposit appraisal.

As a share of projected Canadian investment, Nunavut remains in fifth place, the Yukon remains in sixth place, and the NWT falls to eighth place.

NRCan projects that total Canadian exploration and deposit appraisal expenditures for 2016 will also decline to \$1,465.7 million, a decrease of \$376.7 million (20%) from \$1,842.4 million for 2015.

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



See Chamber’s news release [here](#).

Kennady Announces Kelvin Diamond Valuation Results

- Average price of US\$52 per carat
- High-value white gems confirmed in the results
- 2.84 carat diamond valued at US\$2,640 per carat

Toronto, Ontario: November 15, 2016 – Kennady Diamonds Inc. (“Kennady Diamonds”, the “Company”) (TSX-V: KDI) is pleased to announce the results of a valuation of diamonds recovered from the Kelvin kimberlite at the 100 percent-controlled Kennady North project located in Canada’s Northwest Territories. A total of 2,262.43 carats (+0.85mm) recovered from bulk sampling programs conducted in 2015 and 2016 were sent to WWW International Diamond Consultants (‘WWW’) in Antwerp for valuation. WWW has reported an average value of US\$52 per carat for the total parcel, with the very encouraging presence of high value gem quality stones noted in 2015 confirmed in the 2016 bulk sample, including a 2.84 carat sawable diamond valued at US\$2,640 per carat. An independent market valuation exercise completed in Antwerp last week arrived at the same average value as WWW.

“Based on the results of the bulk sampling programs it’s apparent that the quality of Kelvin diamonds improves with size”, noted Dr. Rory Moore, president and CEO of Kennady Diamonds. “A similar trend exists at the neighboring Gahcho Kué diamond mine located five kilometers to the southwest of the Kelvin kimberlite. The five highest value Kelvin diamonds represent one percent of the sample weight, but 20 percent of the total value. This trend is a key determinant of overall value.”

The five highest value diamonds recovered from the bulk sampling include:



Kelvin valuation diamonds (Credit: Kennady Diamonds Inc.)

- 1) 2.84 carat sawable octahedron from Zone B valued at US\$2,640 per carat
- 2) 4.22 carat makeable diamond from Zone B valued at US\$1,416 per carat
- 3) 2.56 carat makeable diamond from Zone B valued at US\$1,357 per carat
- 4) 2.58 carat sawable octahedron from Zone C valued at US\$1,691 per carat
- 5) 2.38 carat sawable octahedron from Zone C valued at US\$1,290 per carat

Images of select diamonds are available on the Company's [website](#).

Read the full news release [here](#).

Mountain Province Diamonds Announces Q3 Results

On November 10, Mountain Province Diamonds announced the Company's results for the third quarter ended September 30, 2016. Highlights include (All quoted figures in CAD\$ unless otherwise indicated):

- For the three months ended September 30, 2016, the Company reported a net loss of \$5.4 million or (\$0.03) per share, and for the nine months ended September 30, 2016, the Company reported net income of \$13.1 million or \$0.08 per share, fully diluted, due largely to foreign exchange movements.
- At September 30, 2016, mine development costs of \$1,026 million and commitments of \$18.5 million (100% basis) had been incurred, and the Company had cash and restricted cash totaling \$107.9 million.
- Production ramp-up at the Gahcho Kué ("GK") mine commenced on August 1, 2016, and from August 1 to September 30, 2016, the mine processed approximately 130,000 tonnes of ore from the 5034 pit at an average grade of 1.52 carats/tonne, recovering approximately 198,000 carats of which approximately 97,000 carats (49%) are the Company's share.
- During the quarter the run-of-mine diamond production from August 1 to August 25, 2016 was split at the Diavik Diamond Mines Inc. ("DDMI") sorting facility based in Yellowknife, with De Beers Canada Inc. ("De Beers") receiving 51% and Mountain Province 49%. The production from August 26, 2016 to October 3, 2016 was sent to DDMI and the split was completed subsequent to the quarter end on October 18, 2016.
- Under the terms of the Gahcho Kué Joint Venture Agreement, De Beers and Mountain Province each bid for all fancy colored and special (+10.8 carat) diamonds. On September 15, 2016, the first bid was won by De Beers and, subsequent to the quarter end on October 18, 2016, the second bid was won by the Company. The Company received US\$127,400, being 49% of the September 15, 2016 bid, and paid De Beers US\$1,402,500, being 51% of the October 18, 2016 bid.
- The Company plans its first sale of diamond production through its diamond broker, Bonas, in Antwerp, Belgium in mid-January, 2017 and approximately every five weeks thereafter.
- Commissioning of the GK mine is currently in progress and commercial production remains on target for early January 2017. The Gahcho Kué Diamond Mine has 441 full-time employees and long-term contractors.

- At November 10, 2016, US\$323 million of the US\$370 million Loan Facility had been drawn.

Read the full release [here](#).

Canadian Zinc Reports Q3 and Updated Prefeasibility Study Results

On November 15, Canadian Zinc Corporation reported its results for the three and nine month periods ended September 30, 2016. Within that, they provided the following highlights of the 2016 Prairie Creek Prefeasibility Study:

- Post-tax Net Present Value, using an 8% discount, of \$155 million, with a post-tax internal rate of return of 18%, based on base case metal price forecasts of US\$1.00 per pound for both zinc and lead and US\$19.00 per ounce of silver, for the LOM production at an exchange rate of \$1.25CDN:\$1.00US.
- Average EBITDA of \$64 million per year and cumulative EBITDA of \$1.0 billion over the LOM.
- 17 year mine life based exclusively on a defined mineral reserve of 7.6 million tonnes, grading 8.9% zinc and 8.3% lead, with 128 g/t silver, including a defined Mineral Reserve in the Main Quartz Vein of 5.2 million tonnes, grading 9.4% zinc, 10.4% lead and 160 g/t silver.
- Average annual production of 60,000 dmt of zinc concentrate and 55,000 dmt of lead concentrate containing 86 million pounds of zinc, 82 million pounds of lead and 1.7 million ounces of silver.
- Pre-production capital cost is estimated to be \$216 million of which \$59 million will be incurred in year 1 and \$157 million in year 2, with an additional contingency of \$28 million.
- Average LOM cash operating costs per tonne of ore mined (before transportation costs) are estimated at \$165 per tonne. The 2016 PFS does not take into consideration the Inferred Resources of 7.0 million tonnes of 11.3% zinc, 7.7% lead and 166 g/t silver, which is currently too speculative geologically to have economic considerations applied to them, but could have the potential to more than double the presently considered mine life. The Prairie Creek orebody continues open-ended at increasing depths to the north.

Canadian Zinc's focus for the remainder of 2016 and into 2017 will be to continue to advance the Prairie Creek Mine towards production.

The updated 2016 Pre-Feasibility Study indicates a robust project at consensus forecasts for the long term prices of lead and zinc and there is good potential for additional project optimization, enhanced economics and further extending the mine life.

The 2016 PFS identified a number of project opportunities that, if implemented, could yield economic, operational and environmental benefits. The Prairie Creek Mineral Resource should support a substantial increase in mining/milling rates and a high-level assessment is envisaged for substantially increasing the mill capacity.

One recommendation from the 2016 PFS is the creation of a composite bulk sample, collected from recent underground drilling, on which to carry out Locked Cycle Tests for better definition of the milling process, recoveries and reagent consumption. Another is that further metallurgical variability tests be carried out from different zones of mineralization. Some of these recommended mill capacity and metallurgical testing studies have been initiated, along with the ongoing environmental assessment and permitting of the proposed all season road. The Company expects both initiatives will continue over the balance of the year.

The long term outlook for lead and zinc remains very positive and, supported by the results of the 2016 PFS, Canadian Zinc will continue to evaluate all alternatives and possibilities for raising the senior financing necessary to complete the development and construction and put the Prairie Creek Mine into production. The Company is evaluating the scope, cost and duration of completing a definitive feasibility study which could be required to support bank debt or other senior financing.

Dominion Diamond Corporation Reports Q3 Sales and Ekati Production Results

On November 17, Dominion Diamond Corporation reported their third quarter results. Some highlights include:

Ekati and Diavik Rough Diamond Sales:

- Third fiscal quarter diamond sales were \$102.7 million from the sale of 1.2 million carats (last year's Q3 fiscal 2016 was \$145.0 million from the sale of 0.8 million carats).

Ekati Production (100% basis):

- During Q3 fiscal 2017, the Ekati Diamond Mine recovered 1.0 million carats from 0.4 million tonnes of ore processed (Q3 fiscal 2016 – 0.8 million carats recovered from 0.9 million tonnes processed).
- During the quarter, tonnes of ore processed were significantly reduced as a result of the fire at the Ekati process plant that occurred on June 23, 2016 and the subsequent shutdown of the process plant.
- The Ekati process plant resumed operations at full capacity on September 21, 2016 and prioritized processing of higher value ore from Misery Main open pit and Koala underground operations.
- Carat production was positively impacted during the quarter from the processing of a high proportion of high grade Misery Main ore.

Read the full release [here](#).

Diavik lays off 51 staff

In an unfortunate turn, on November 28 Diavik Diamond Mines Inc. announced the layoff of 51 employees. The company made the difficult decision so as to remain in a strong position against current market headwinds, as well as future commodity, production, and external challenges.

As much as possible, the company worked to minimize the number of employees impacted, which means several vacant roles will remain unfilled.

All impacted employees were to receive compensation in accordance with their contracts, Rio Tinto policy, and statutory requirements, and will also be provided outplacement support.

The Chamber of Mines told media that the diamond market is fragile and has seen a 20% drop in rough prices since 2014, according to data provided by [RoughPrices.com's Overall Index](#). For industry, that is a long time to continue to operate as normal, and suggests companies might have to find a new normal. Mines can't control the price they get for their diamonds and they can't pass increasing costs to their customers. So new technology is one way to reduce costs, layoffs are another.

As mines get older, and mine deeper, their costs increase. This means that they are constantly striving to find ways to decrease their rising costs. It's a tough pill to swallow but when your success depends on the bottom line, hard decisions unfortunately have to be made.

Sabina Gold & Silver Announces Q3, 2016 Financial Results

We continue to wait for a resolution of the Back River project file by the Federal Minister of INAC. Sabina Gold & Silver Corp. provided an update on their project in their recent reporting of third quarter financial results.

“Since receiving the recommendation from the Nunavut Impact Review Board (“NIRB”) in mid-June we have been working diligently to prepare for the next step of the environmental assessment process.” Said Bruce McLeod, Sabina’s President and CEO “We have continued to work with the communities, the Kitikmeot Inuit Association, the Governments of Nunavut and Northwest Territories as well as the various regulatory agencies to finalize and strengthen commitments that we believe will address issues outlined in the NIRB recommendation report. We are well positioned to proceed on any of the three possible decisions from the Minister of Indigenous and Northern Affairs Canada, which we expect before the end of the year.”

Some of the Q3 Highlights:

- On July 20, 2016, the Company submitted a response to the NIRB report to the Minister of INAC detailing what the Company believes are strong grounds for the Minister to reject the NIRB recommendation or send it back to NIRB for further review. The Company believes that the NIRB report does not fully consider the support of the Project by the local communities and Inuit representatives in the region or the evidence presented on the Project.
- In July, 2016, the Company completed a series of meetings in communities in the Kitikmeot region of Nunavut. Following these meeting, the Company continued to receive broad positive support for the Project from community members, hamlet councils, advisory committees and Inuit organizations. This support has been evidenced by numerous letters to the Minister in favour of the advancement of the Project and urging the Minister to reject the NIRB recommendation. The letters of support are publicly available on the NIRB website.
- In July, 2016 the Government of Canada requested feedback on the NIRB report from certain indigenous groups and territorial governments. On August 30, 2016, the Company reported that the Kitikmeot Inuit Association (“KIA”) and the Government of

Nunavut (“GN”) had asked the Minister to send the Back River project back to NIRB for further consideration. The KIA is the designated Inuit organization responsible for the lands and the people of the Kitikmeot region. In its letter to the Minister, the KIA acknowledged that Sabina had proposed plans to conduct careful and comprehensive caribou monitoring and mitigation programs. And while KIA is satisfied with these plans, the KIA noted that the final details of these plans were the subject of a joint submission by Sabina, KIA and the Government of Nunavut on the final day of the hearing. That meant the [NIRB] Board did not have the benefit of a full airing of these revised plans. Thus, the KIA further recommended that the Minister instruct the NIRB to focus any further investigations on matters related to the Project’s impacts on caribou and the best approaches to mitigation of such impacts.

- During the quarter, the Company completed an exploration program which was comprised of geological mapping, rock and till sampling, prospecting and review of select historic drill core. The field work was complete at numerous areas at the Goose, George and Boulder properties. Results of the program have been received and are being used to update exploration models and advance priority targets and concept areas for future exploration.
- A long-term strategic review on the Company’s Wishbone property in Nunavut, resulted in a write down of \$5.2 million for certain non-core mineral claims on the property. While the retained Wishbone claims remain as long term exploration opportunities, the Company’s immediate focus is on the Back River deposits and exploration opportunities proximal to existing resources.

Read the full release [here](#).

Two NWT Projects among 13 global Energy Award winners

Two NWT projects – one mine and one exploration – were among 13 mining companies [awarded and celebrated](#) for their investments in renewable energy at a glittering awards gala and dinner in Toronto on November 21. Mining companies from Canada, Chile, Mexico, Australia, and South Africa [received awards](#) for their investments in wind and solar technologies at the [Energy and Mines Renewables and Mining Awards](#).

The NWT winners were: **Diavik Diamond Mines Inc.** in the category of *BEST USE OF WIND IN MINING < 50 MW* and **Avalon Advanced Materials** in the category of *BEST USE OF RENEWABLES FOR MINE EXPLORATION*.

“These mining companies, along with their partners from the renewable energy sector, are leading the way to sustainable, affordable, low-carbon energy for mines through these projects and commitments,” commented Dr. Andrew Slavin Director, Energy and Mines. “We are delighted to recognize and celebrate their successes.”

Awards were presented in 13 categories and winners were selected through a combination of independent research, a nominations process and international jury consideration. Over 150 senior mining and renewable energy experts attended the awards gala which was sponsored by the Carbon War Room and Canada Clean Fuels.

Diavik's Wind Story: BEST USE OF WIND IN MINING < 50 MW

In 2015, Diavik mine's four turbine, 9.2 megawatt wind farm diesel fuel offset was 5.2 million litres, reducing its CO₂e by 14,404 tonnes (6.5 per cent offset). Over the year, the facility generated 20.8 gigawatt hours, with an operational availability of 98 per cent. Payback for the \$31 million construction cost is estimated at 7 years. In feasibility, the payback was originally estimated at 8 years. Construction costs were fully funded by the mine's joint venture partners, Rio Tinto and Dominion Diamond Corporation. With the wind farm, about 10 per cent of the mine's power needs are from renewable energy. Peak power levels, achieved for brief periods, have surpassed 50 per cent - enough wind energy to power the remote site's underground mine. Diavik's wind farm, the Northwest Territories first large-scale wind farm, began delivering power to the off-grid mine in October 2012. Project to date diesel offset is about 20 million litres.

Avalon's Nechalacho Story: BEST USE OF RENEWABLES FOR MINE EXPLORATION.

Avalon was recognized by the Energy and Mines World Congress for installing and operating a renewable energy system at the mining exploration stage that integrated diesel generator, battery bank, inverter system and solar panels at the Nechalacho project. The company acknowledges with thanks that the NWT government gave some financial and technical assistance. The initial impetus was the idea that the system would enable operating the camp for short periods off the batteries and thus saving diesel consumption. This was achieved but far greater savings in diesel consumption were achieved because the battery bank enabled safely moving from the non-electric inefficient diesel heating system to improved high efficiency tent heaters. These heaters required reliable pure electrical power for digital



Diavik's 4 wind turbines netted them an international award in the category of BEST USE OF WIND IN MINING < 50 MW. Avalon Advanced Materials also received an award in the category of BEST USE OF RENEWABLES FOR MINE EXPLORATION at their Nechalacho project in NWT.

controls. It should also be acknowledged that the success of a system like this depends on the enthusiasm of those involved in seeking success. So we also should recognize Randy O'Keefe, camp manager, and Peter Green, electrician - both Yellowknife residents, for their vital hard work on the system.”

Diavik Foxfire Diamond makes first public appearance at the Smithsonian

North America’s largest known uncut, gem-quality diamond is on display at the Smithsonian

[Story from Smithsonian Institute Newsroom – November 8, 2016](#)

The Foxfire diamond is the largest known uncut, gem-quality diamond mined in North America. The diamond will be on display for three months at the Smithsonian’s National Museum of Natural History, Nov. 17 through Feb. 16, 2017. This will be the first time it has been made available to the public. Weighing more than 187 carats, the Foxfire diamond will be presented alongside the renowned Hope diamond in the Harry Winston Gallery.

“The Foxfire is truly exceptional, one of the great treasures of the Earth,” said Jeffrey Post, curator of the National Gem and Mineral Collection. “We are delighted that our visitors will have this once-in-a-lifetime opportunity to view North America’s largest gem-quality diamond in its natural form.”

The Foxfire diamond was unearthed in August 2015 at Diavik Diamond Mine in the Barren Lands of Canada’s Northwest Territories, approximately 130 miles from the Arctic Circle. The Foxfire was named after the aboriginal description of the resplendent northern lights that light up the Arctic sky like a brush of undulating fox tails.

When the Foxfire was discovered, large, gem-quality diamonds were not believed to exist in that area, as the diamonds found over the previous decade generally peaked at six carats. Because of this, the mine’s equipment was configured to sift out stones smaller than six carats while pulverizing the larger ones. The 187.63 carat Foxfire should have been crushed, but its uncommonly flattened shape enabled it to safely pass through the filters.



In June 2016, the Foxfire Diamond was acquired in an international auction by Deepak Sheth of Amadena Investments LLC/Excellent Facets Inc. In electing to preserve the diamond intact, Sheth has maintained both the diamond’s dazzling physical characteristics and its unique story.

“Having North America’s largest known uncut, gem-quality diamond on display at the Smithsonian is a testament to the rarity of the Foxfire diamond,” Sheth said. “It also represents another significant chapter in the diamond’s remarkable story.”

The National Museum of Natural History is one of the most-visited natural history museums in the world. Opened in 1910, the museum is dedicated to maintaining and preserving the world’s most extensive collection of natural history specimens and human artifacts. The museum is open

daily from 10 a.m. to 5:30 p.m. (closed Dec. 25). Admission is free. For more information, visit the museum on its [website](#) and on [Facebook](#) and [Twitter](#).

Premier McLeod and Cabinet Colleagues have successful mission to Ottawa

NWT Premier Bob McLeod and Cabinet discussed opportunities for working with the Government of Canada during a week of successful meetings with Federal Ministers, Members of Parliament and Parliamentary Standing Committees in Ottawa.

With more than a dozen meetings with Federal Ministers, Cabinet Committees and key Parliamentary Standing Committees, Premier McLeod and his Cabinet colleagues made a concerted push to build awareness in Ottawa of three infrastructure priorities related to climate change.

The Taltson Hydro Expansion, Renewable Solutions for Off-Grid Diesel Communities and All-Weather Road Infrastructure for Adapting to Climate Impacts, were selected based on current federal priorities and infrastructure funding programs.

These projects reflect the 18th Legislative Assembly's mandate of increasing renewable and alternative energy, including reduction of reliance on diesel, mitigating and adapting to climate change, and capturing investment in transportation infrastructure.

Quote

"It has been an enlightening trip to Ottawa to meet with the Federal government. Our meetings were an opportunity for our government to educate Members of Parliament about the Northwest Territories and get them to think about the realities we face in our territory when they are making decisions. We look forward to continued dialogue with Prime Minister Trudeau and his government moving forward." ... **Bob McLeod**, Premier of the Northwest Territories

Quick Facts

- Premier Bob McLeod met with Prime Minister Justin Trudeau on Tuesday, November 22, 2016.
- Ministers met with more than a dozen Federal Ministers, including key members of the Treasury Board, three Parliamentary Standing Committees, the Liberal Indigenous Caucus, and the three Northern Senators.
- Premier McLeod and Wally Schumann presented to the Parliamentary Standing Committee on Transportation, Infrastructure and Communities on November 22 and the Standing Committee on Industry, Science and Technology on Wednesday, November 23.
- Members of Cabinet also met with Members of the Parliamentary Standing Committee on Environment and Sustainable Development on November 21.
- Parliamentary Committees are made up of MPs from government along with opposition members from the other parties.
- The three major infrastructure priorities identified by the GNWT will support national action on climate change.

Related Links

- Standing Committee on Environment and Sustainable Development
- Standing Committee on Industry, Science and Technology
- Standing Committee on Transportation, Infrastructure and Communities

TMAC Presentation Images

Some great photos in [TMAC's latest presentation](#) posted here. An opportunity to see processing equipment in shiny and new garb!



Views inside TMAC's Hope Bay processing plant. Once completed, gold production will begin, expected in the new year. On right is a nice image of visible gold in quartz in drill core.

What businesses need to succeed in Nunavut – A thought leadership roundtable

The Canadian Chamber of Commerce “Thought Leadership Roundtable” is part of a national program to share strategies and expertise as well as to address how to foster and increase the competitiveness of Canada and all its peoples.

In 2015, following roundtables in Ottawa, Yellowknife, Iqaluit, and Whitehorse the Canadian Chamber released the report [Our National Competitiveness and Canada's Territories](#). The report

identified the building blocks of a private sector-led economy and key federal policy levers to improve the environment for business in the territories. The Chamber of Mines participated in a recent revisiting of some of the issues from the report at a roundtable in Iqaluit including:

- Infrastructure
- A skilled workforce
- A constructive relationship with Indigenous peoples
- Regulatory clarity
- Reducing the dependency of the territories on the federal government

Canada cannot compete globally without all of our regions and peoples contributing at their full potential. The roundtable discussed policy and investment decisions the federal government should be implementing to increase the footprint of business in Nunavut's economy.



Participants in the Iqaluit Thought Leadership Roundtable, November 30, 2016

Exploration News Briefs

Kivalliq Announces Results from 2016 Exploration At Angilak; Yat Channel Samples Return High-Grade Precious Metal And Uranium Values. On November 8, Kivalliq Energy announced results from their 2016 summer exploration program at the Yat and Dipole Target areas of Kivalliq's 100% owned, 89,852 hectare Angilak Property in Nunavut Territory, Canada. "We are excited that the 2016 work at Yat has confirmed high grade precious metal and uranium values from earlier programs are linked to local bedrock occurrences, in addition to kilometer-scale geochemical and geophysical signatures," stated Kivalliq President Jeff Ward. "Furthermore, soil sampling around the recent Dipole uranium discovery extended uranium anomalies to over 3.5 kilometres, thereby giving high grade zones drilled at Dipole significant strike potential." Maps and images of the work performed in 2016 at the Yat Target and the Dipole Trend can be viewed at: <http://www.kivalliqenergy.com/uranium/angilak/maps/>.

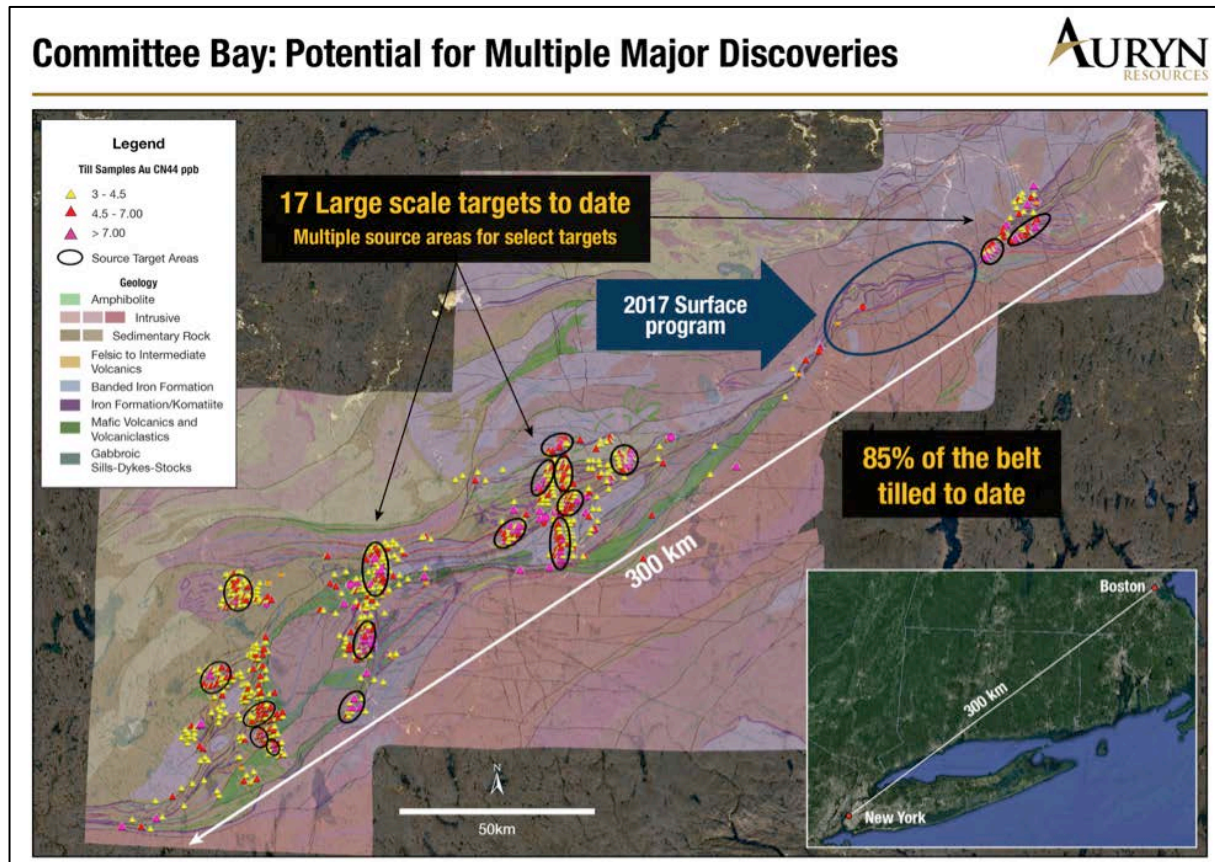
TerraX drills 7.40 m @ 10.17 g/t Au along strike of previous drilling at Mispickel, Yellowknife City Gold Project. On November 10, TerraX Minerals Inc. announced assay results from a further 8 holes (2,415 m) from the summer phase of a 27,000 meter drill program at multiple targets on the Yellowknife City Gold Project, immediately north of Yellowknife in the Northwest Territories. All eight holes reported today are from Mispickel and intersected multiple zones of gold mineralization. Six of these eight holes are located on two sections of drilling approximately 25 and 50 meters north of previously reported drill holes (news release

September 22, 2016). Two holes (TWL16-029 and 030) are 40 and 100 meters deeper than previously reported drill hole TWL16-019 (5.85 m @ 12.47 g/t Au, reported September 22, 2016). TWL16-029 returned 8.00 m @ 6.45 g/t Au in the main zone and holes TWL16-023 and TWL16-030 intercepted a new zone of mineralization at the bottom of the holes, both ending in mineralization. All zones remain open along strike and down dip. Read the full release [here](#).

TerraX samples up to 66.7 g/t Au in grab samples on a new mineralized structure at Sam Otto, Yellowknife City Gold project. On **December 1**, TerraX announced surface sampling results from “Dave’s Pond”, a new mineralized structure which was identified by geophysical surveys over a two kilometre strike length and returned rock-chip samples up to **66.7 g/t Au** during surface exploration this summer at the Yellowknife City Gold project (“YCG”) – [click here to view a map of the Sampling at Dave’s Pond](#). The Dave’s Pond structure forms part of the much larger and highly prospective Sam Otto target area. The Sam Otto target has multiple shear hosted mineralized zones, each with 1-2 km strike lengths, and the Main Zone has returned drill results from the winter 2016 drill program that included 49.70 m @ 1.00 g/t Au and 30.70 m @ 1.33 g/t Au (news release April 13, 2016). Read more [here](#).

Nighthawk Gold Corp. Continues to Expand Colomac Gold Zones - Drills New High-Grade Targets: Nighthawk announced November 24 the latest results from its 2016 drill program on its Indin Lake Gold Property in the NWT. Nighthawk previously reported on the discovery and delineation of high-grade gold Zone 1.5 (September 13, 2016; October 12, 2016), highlighted by intersections of 52.07 metres ("m") of 7.72 grams per tonne ("g/t") gold (uncut), and 72.65 m of 5.58 g/t gold (uncut), including 17.80 m of 17.72 g/t gold (uncut / Figure 2). The Company is now broadening its exploration targeting and drill testing other potential high-grade prospects along the seven kilometre Colomac sill and parallel Goldcrest sill 400 m to the west. Results are presented for Zones 1.0 and 2.5, two new Colomac high-grade gold zone candidates, as well as near surface resource expansion targets at Zone 3.5 and Goldcrest (Figure 1). From drill start-up (July 5, 2016 news release) to program conclusion in late September, 34 drillholes (8,400 m) were completed. Results from 12 of those holes (2,852 m) are presented in Tables 1 and 2 below. Read the full release [here](#).

Auryn Resources Inc. announced on November 25 results from its 2016 drill and boulder-sampling programs from its Committee Bay gold project located in Nunavut. Auryn successfully intersected gold in the majority of the RAB holes drilled across a set of east-west trending structures at Anuri that were the primary focus of the 2016 drill program. Highlights from the drilling include; 9.14 meters at 1.04g/t Au, 7.62m @ 1.05g/t, and 3.05m @ 2g/t Au. The structure intersected is interpreted by Auryn to be a secondary structure based on the discovery of a new high-grade boulder train at Anuri that has a source along a prominent regional north-south trending fault zone adjacent to the 2016 drilling area (see Figure 1). The top 5 samples from the new boulder train are as follows: 45.9g/t Au, 41.5g/t Au, 33.3g/t Au, 14.55g/t Au, and 12.65g/t Au. Read more [here](#). The company announced 3 days later they had identified 17 High Priority Gold in Till Anomalies across the Committee Bay Belt. The belt wide till sampling program at the Committee Bay Gold Project was designed to screen the belt for the highest grade gold-in-till signatures to establish the priority sequencing for drill targets that could represent significant mineralized systems along the 300km Committee Bay greenstone belt. Read more [here](#). A total of 6,450 till samples from the 2015 and 2016 till sampling



Auryn Resources collected 6,450 till samples to test 300 kilometre long greenstone belt which will be investigated with further detailed exploration.

programs identified 17 multi-kilometer long targets within 5 structural corridors across the belt defined by the 98th percentile of the results. Fifteen percent of the belt still remains to be surveyed during the 2017 summer program. In conjunction with the till survey, selected areas were rock sampled to ascertain potential grades of mineralization within the identified till anomalies (see Auryn News Release Nov 25, 2016).

Study reinforces the North's need for Infrastructure

The Prospector's and Developers Association of Canada has released a report [Unlocking Northern Resources Potential – The role of infrastructure](#).

Much of Canada suffers from the tyranny of distance. In terms of travel time, some parts of northern Canada are as difficult to access as the Sahara Desert or Siberia. The associated remoteness adversely affects the mining industry, and only the very best projects are economically robust enough to be developed. The high entry cost and mediocre returns on all but the very best projects also discourage exploration in the area.

The transportation infrastructure deficit is the primary driver for the significant cost premium for companies interested in discovering and developing remote deposits. In large part as a result of this cost premium, fewer discoveries have been made in remote Canada than in less remote areas. While 40% of Canada's land mass lies above the above the 60° latitude line, this

region contains only 12% of all known deposits. This suggests there are significantly more discoveries waiting to be made, some of which would likely be able to become mines that generate significant economic opportunities for the territory, regional communities and Canada.

Of those discoveries that have been made in remote Canada, a disproportionate number remain “stranded” (undeveloped). Of the 1,079 undeveloped mining projects in Canada, 153 of these are above the 60° latitude line (54 projects in Yukon, 48 in Northwest Territories, 44 in Nunavut and 7 in northern Quebec). Of these, 76% are currently undeveloped. By comparison the national average for undeveloped projects is 61%, and the average for those projects located below the 50° latitude line is 53%.

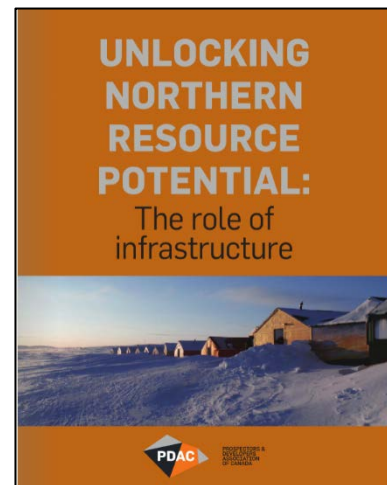
If strategic infrastructure investments were made in these remote areas there would be a two-fold impact: first, the costs of exploration would decrease, likely leading to more exploration activity and more discoveries. Secondly, the costs associated with developing known discoveries would be reduced, making it economically feasible to move a more diverse range of deposits into production.

PDAC commissioned this study to better understand the economic impact of remoteness in terms of the required increase in ore grade needed to achieve the same economic return as a similarly-sized project in an area of perfect infrastructure. The modelling done for this report suggests that a 10 percentage point improvement in the required grade increases the number of projects that can be developed by 5-7%. From this, it is calculated that such an improvement in required ore grades in the far North would unlock an additional three to four new base metal mines and three to five new precious metal mines in the region.

A 10% reduction in the break-even grade is equivalent to reducing the capex cost by 12-16% or the opex costs by 16-23%. Such gains can be achieved through building better infrastructure. Many undeveloped projects are clustered, creating an opportunity to build infrastructure corridors to service multiple projects. Seven such development corridors have been identified. PDAC hopes that this information will help bolster federal support for a number of resource-development related infrastructure requests that the three territories have put forward to the federal Building Canada Plan. In addition, PDAC is calling for resource development to be an explicit priority for the proposed Canada Infrastructure Bank promised in the 2015 Liberal Party election platform.

Canada’s Transformational Infrastructure Funding Plan

The time to invest in Canada's infrastructure is now—to bring Canadians good jobs, a cleaner environment and thriving communities for years to come. Infrastructure is a key component of strengthening the middle class and having great communities to live in, clean drinking water and clean air to breathe.



In Budget 2016, the government made a down payment on future growth by making immediate investments of \$11.9 billion in public transit, green infrastructure and social infrastructure. The *Fall Economic Statement* proposes an additional \$81 billion through to 2027–28 in public transit, green and social infrastructure, transportation infrastructure that supports trade, and rural and northern communities. The government will also establish the new Canada Infrastructure Bank, an arm's-length organization dedicated to increasing investment in growth-oriented infrastructure, transforming the way infrastructure is planned, funded and delivered across the country.

Taking into account existing infrastructure programs, new investments made in Budget 2016 and the additional investments contained in the *Fall Economic Statement*, the government will be investing more than \$180 billion.

Rural and Northern Communities—\$2 Billion Over 11 Years

Small, rural and remote northern communities have unique infrastructure needs that deserve a more tailored approach. Through *Investing in Canada*, the government will provide up to \$2 billion to support small, rural and northern communities. Broad eligibility criteria will be established to recognize the distinct challenges in these communities and the wide-ranging nature of infrastructure needs, from expanding road access and Internet connectivity, to upgrading existing heating systems, to pursuing renewable sources of energy to reduce reliance on diesel.

The Canada Infrastructure Bank

The government is launching the new Canada Infrastructure Bank to provide innovative funding and financing for infrastructure projects and help more projects get built in Canada. The Canada Infrastructure Bank will be responsible for investing at least \$35 billion from the federal government into large infrastructure projects that contribute to economic growth through loans, loan guarantees and equity investments. Part of this amount—\$15 billion—will be sourced from the announced funding for public transit, green infrastructure, social infrastructure, trade and transportation, and rural and northern communities. An additional \$20 billion in capital will be available to the Canada Infrastructure Bank for investments which will result in the Bank holding assets—in the form of equity or debt. This \$20 billion will therefore not result in a fiscal impact for the government.

The Canada Infrastructure Bank will provide better results for middle class Canadians by doing things differently. By establishing a new organization capable of working with the private sector where it makes sense, public dollars will go farther and be used smarter, leading to better projects that create the good, well-paying jobs needed to grow the middle class now, and strengthen Canada's economy over the long term.

Read complete announcement [here](#).

Another successful Geoscience Forum 2016

Another successful Geoscience Forum was held this year, with 125 talks, 95 booths and 765 attendees! Imagine how we would do if exploration rebounded! Thanks to the organizing committee, including all of the staff at the NWT Geological Survey, and to all of our great sponsors for making it another success.



This year marked another well attended Geoscience Forum tradeshow, virtually filling the arena (Courtesy Bill Braden Photo)

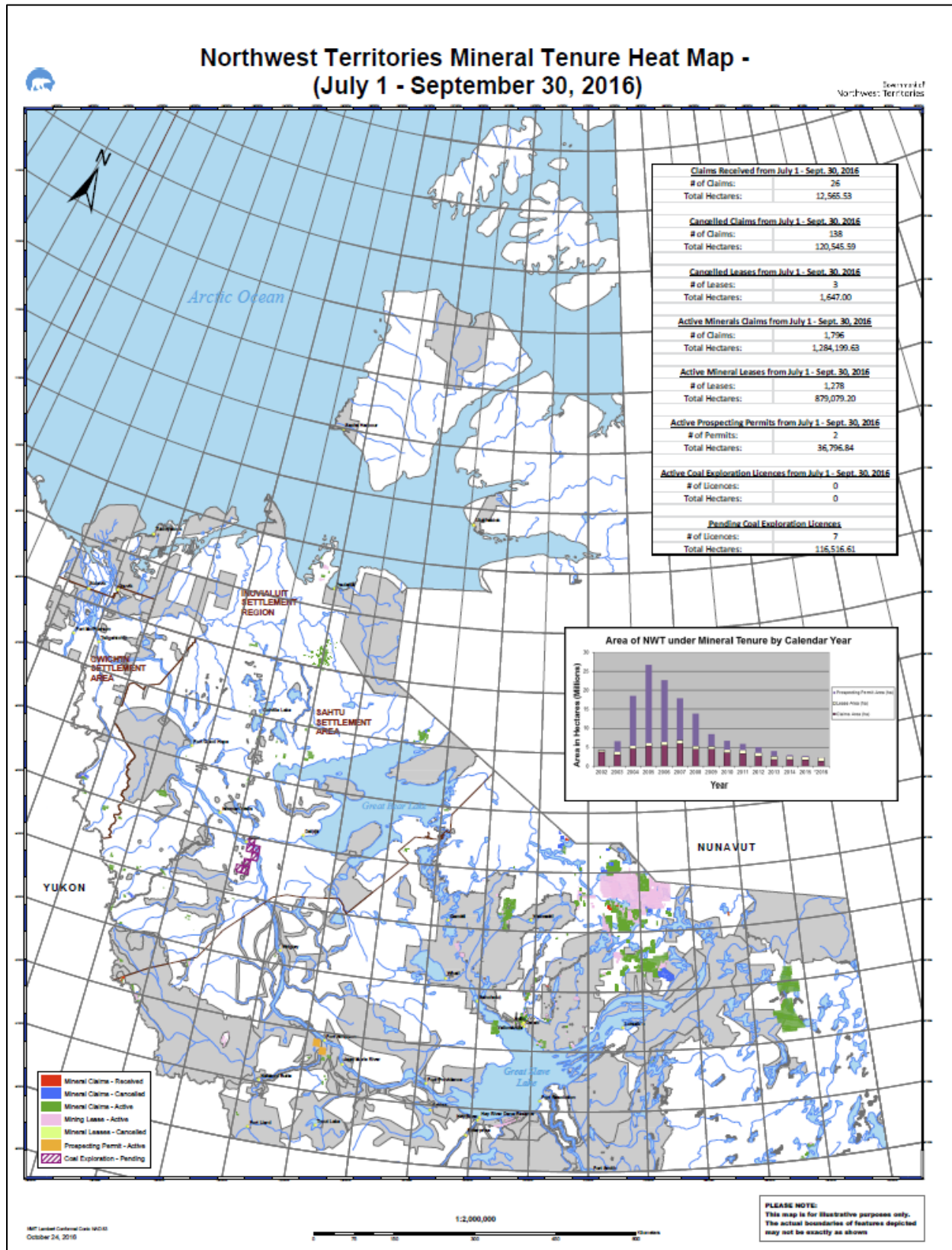
Argentina adopts Canada's Towards Sustainable Mining Initiative

The Mining Association of Canada's Towards Sustainable Mining initiative is gaining even wider international recognition. In October CAEM, the national mining association in Argentina, announced that it will adopt the Towards Sustainable Mining (TSM) initiative, a corporate social responsibility program developed by the Mining Association of Canada (MAC) to improve environmental and social practices in the mining industry.

This is the second time that TSM has been adopted by a mining association outside of Canada, and the first Latin American jurisdiction to do so. FinnMin, the Finnish Mining Association, adopted TSM in November 2015. MAC freely shares TSM with other countries seeking tools to improve the environmental and social performance of their mining industries, including engagement with civil society and enhanced transparency and accountability.

Read the full release [here](#).

NWT Mineral Tenure Heat Map



Scotiabank Commodity Price Index – OPEC Deals, Copper Rallies, and Gold Falls

- The OPEC deal, if implemented fully, would move the oil market into clear deficit; prices are expected to rise toward \$55/bbl by year-end and into the \$55-60/bbl range if participants are proven compliant.
- Copper’s 30% m/m rally began with fundamentals but speculative fervour has been overdone, in our view, and prices are expected to fall back toward our forecast of \$2.20/lb.
- Gold’s decline following the U.S. election came as a surprise to many, with interest rate expectations currently overpowering any uncertainty-related safe-haven demand, though this trend could reverse in 2017.

Selected Highlights:

METALS & MINERALS: COPPER RALLY, GOLD DISAPPOINTMENT

The Metals & Minerals index rose 13.2% m/m in October, primarily due to the lagged jump in the fourth-quarter metallurgical coal contract price, a story that we’ve covered previously. Looking at the market today, the two most interesting metals stories can be found in copper’s surprise rally beginning in late-October and gold’s unexpected decline following the U.S. presidential election.

Copper’s Speculative Rally Expected to Fall Back to Reality in Due Course

The stand-out metals story of the past month has been copper’s aggressive rally from \$2.10/lb on October 24th to \$2.74/lb on November 28th, the highest level since the summer of 2015. We believe that the rally is a mix of market overreaction to some transient tightness in refined metal balances and the subsequent speculative repositioning that helped maintain copper’s journey upward. This rally doesn’t alter our medium-term view on copper, however, and we expect prices to come back down into the \$2.20- 2.30/lb range in due course.

Donald Trump’s surprise win in the U.S. presidential election has also been offered as a justification for this rally due to his campaign promises related to significant Federal stimulus, primarily in the form of infrastructure spending. We find this to be a bit of a red herring in the near-term, and it fails to explain the copper rally that began more than two weeks before the election, back when consensus believed that Hillary Clinton would assume the presidency. Furthermore, unlike in China where Beijing can increase spending and translate that into new metal demand within a year, any U.S. stimulus-related demand is not expected to manifest as real demand for 2-3 years due to the pace of domestic bureaucratic process. It is also important to recognize the scale of U.S. copper demand relative to China; even if U.S. copper demand grew at 10% y/y on the back of a Trump infrastructure program, which would be

Scotiabank GLOBAL ECONOMICS
SCOTIABANK COMMODITY PRICE INDEX
December 2, 2016

OPEC Deals, Copper Rallies, and Gold Falls

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The Scotiabank Commodity Price Index gained 0.1% m/m in October, supported by large positive moves in both the Oil & Gas and Metals & Minerals subindexes.

OIL & GAS: OPEC’S BACK IN TOWN

The Oil & Gas index rose 14.5% m/m in October in anticipation of an OPEC production deal, which was successfully concluded in Vienna on November 30th.

OPEC Returns, But Will It Stick The Landing?

- OPEC reached consensus to cut output by 1.2 Mtpd effective January 2017, with a further 0.6 Mtpd in cuts expected to come from non-OPEC producers like Russia.
- A 1.6 Mtpd coordinated OPEC/non-OPEC cut, if realized, would move the oil market firmly into deficit.
- Oil prices rallied 10% on Nov. 30 and may rise a further \$5/bbl by year-end as non-OPEC commitments are confirmed, but volatility will remain heightened due to increased experience of unexpected OPEC communication.
- The deal is fragile and may quickly collapse if significant cheating is detected, but this was a breakthrough for OPEC after multiple previous failed attempts at market management since the end of 2014.

OPEC members reached a tentative agreement (official document) to cut production by 1.2 million barrels per day (Mtpd) to 32.5 Mtpd at the cartel’s mandated meeting that concluded in Vienna on November 30th. These cuts are conditional on further coordinated non-OPEC cuts pegged at 0.6 Mtpd, which will be negotiated at a meeting on December 3rd and will most likely come from Russia, Oman, and other central Asian producers. The duration of the deal is scheduled for 6 months effective January 2017, with an option to extend by a further 6 months dependent on “prevailing market conditions.”

Oil prices rallied 10% to near \$50/bbl (WTI) following the news, and have continued to rise. We anticipate that even a partially compliant (75%) execution of this deal will be worth \$5/bbl to the upside of our current 2017 forecast of \$52/bbl. Volatility will likely increase further due to the increased importance of unpredictable OPEC communication; forthcoming confirmation of non-OPEC commitments will serve as punctuation points for abrupt market adjustments.

Visit our web site at scotiabank.com/global_economics or contact us by email at global_economics@scotiabank.com

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Chart 1: OPEC Deal Makes All The Difference To Oil Market Balance

The chart shows the OPEC Deal Makes All The Difference To Oil Market Balance. The Y-axis represents the OPEC Deal Makes All The Difference To Oil Market Balance, ranging from -0.5 to 1.5. The X-axis represents the OPEC Deal Makes All The Difference To Oil Market Balance, ranging from 0.0 to 1.0. The chart shows three lines: Oil Market Balance, WTI, and OPEC Compliance. The Oil Market Balance line shows a sharp increase from 0.0 to 1.0. The WTI line shows a sharp increase from 0.0 to 1.0. The OPEC Compliance line shows a sharp increase from 0.0 to 1.0.

the fastest pace of growth in more than two decades, this would only be the equivalent of a 1.75% increase in Chinese demand, where growth has routinely swung between 3-25% y/y.

Gold Weakened By Rising Interest Rate Expectations, Temporary Downturn In Safe-Haven Demand

Most pre-election gold commentary made it seem like the prospect of the Trump presidency would be markedly bullish due to the uncertainty surrounding many campaign promises, with many forecasts of \$1,500/oz. It appeared as if we were heading that direction in the early hours of the day after the election, with gold jumping \$65/oz before falling back to negative territory by end of business. The market narrative of a Trump presidency quickly shifted from one of uncertainty to a focus on stimulus spending, inflationary pressure, and rising U.S. interest rates. A faster assumed path for U.S. interest rate normalization will put broad pressure on gold prices (Chart 3), but 2017 could present a repeat of 2016's political surprises with an ample supply of EU elections and referenda on the docket. We continue to maintain our pre-election 2017-18 average gold forecast of \$1,300/oz.

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

Member News Releases this past month

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

- 2 December 2016, [Canadian Zinc Announces C\\$2 Million Non-Brokered Flow-Through Private Placement](#)
- 1 December 2016, [New Video Presentation from Silver Range Resources](#)
- 30 November 2016, [Auryn Appoints Premier Mining Financier, Michael Kosowan to its Board of Directors](#)
- 30 November 2016, [Avalon Releases Annual Sustainability Report](#)
- 28 November 2016, [Nighthawk Announces Change to Fiscal Year End](#)
- 28 November 2016, [INDUSTRY BULLETIN, November 28, 2016: Avalon Receives Industry Award For Best use of Renewables for Mine Exploration](#)
- 25 November 2016, [Auryn reports remaining RAB drill results from 2016 program and Identifies two new high-grade boulder trains at Anuri and Ridge Prospects](#)
- 24 November 2016, [Nighthawk Continues to Expand Colomac Gold Zones - Drills New High-Grade Targets](#)
- 24 November 2016, [Dominion Diamond Corporation's Fiscal 2017 Third Quarter Results to be Released Thursday, December 8, 2016](#)
- 23 November 2016, [Stornoway Announces Completion Of First Diamond Sale \(from Quebec Renard Mine\)](#)
- 18 November 2016, [Dominion Diamond Corporation Reports Fiscal 2017 Third Quarter Sales and Ekati Production Results](#)
- 15 November 2016, [Kennady Announces Kelvin Diamond Valuation Results](#)
- 15 November 2016, [Seabridge Gold Drilling Supports Expansion of Deep Kerr Mine Plan](#)
- 15 November 2016, [Canadian Zinc Reports Results for Third Quarter 2016](#)
- 14 November 2016, [Auryn Resources Announces Results of Enhanced Metallurgical Testing at Homestake](#)

- 14 November 2016, [Stornoway Announces FY 2016 Third Quarter Results](#)
- 10 November 2016, [Mountain Province Diamonds Announces Third Quarter Results](#)
- 10 November 2016, [Sabina Gold & Silver Announces Q3, 2016 Financial Results](#)
- 10 November 2016, [Seabridge Gold Files Third Quarter Report to Shareholders and its Financial Statements and MD&A](#)
- 10 November 2016, [Kaizen Discovery Announces Rights Offering](#)
- 10 November 2016, [TerraX drills 7.40 m @ 10.17 g/t Au along strike of previous drilling at Mispickel, Yellowknife City Gold Project](#)
- 8 November 2016, [North Arrow Video Presentation at TakeStock! Alberta](#)
- 8 November 2016, [TMAC Resources Inc. has added a new November 2016 presentation to its web site](#)
- 8 November 2016, [Kivalliq Announces Results from 2016 Exploration at Angilak; Yat Channel Samples Return High-Grade Precious Metal and Uranium Values](#)

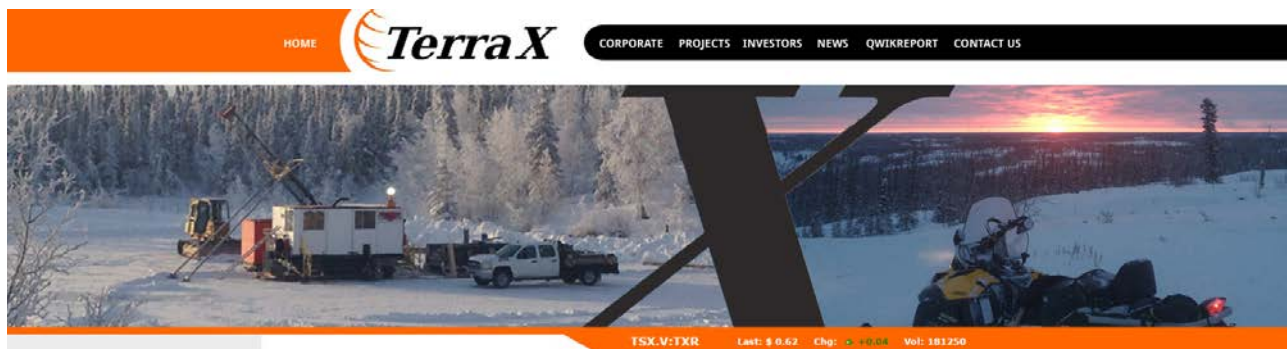
Welcome New Members!


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

- **A&A Technical Services** are Northerners who cater to northern industry. Their specialized extreme cold-weather installations are unparalleled in the industry -- no one else comes close to working in those conditions. Large clients, like Diavik and BHP Billiton, have praised their ability to make things happen on time, on budget, and in the face of great environmental challenges. Being an authorized distributor of geosynthetic membranes, A&A can offer far better prices for materials. We offer rigorous QA/QC testing services. Our teams are based in the North, are extremely mobile, and are acclimatized to working in extreme cold. Learn more at: www.aatechnical.ca.
- **Northern Exposure (Hyway 3)** is a northern motorcoach charter company serving the Northwest Territories and Alberta since 1998. Beginning in 2016, we will offer weekly heated freight service between Edmonton and Yellowknife LTL and FTL service and FTL deck. Learn more at www.hyway3transport.com.
- **NWT Business Development & Investment Corporation** offers financing, equity investments, and business information to business enterprises operating in the Northwest Territories. BDIC's Vision is to be an accountable and independent Crown Corporation providing resources for the economic development of the Northwest Territories, and their Mission is to support the economy by encouraging the creation and development of businesses in communities. Learn more at: www.bdic.ca.

Calendar of Events

- **AMEBC Roundup Conference**, January 23 - 26, 2017, Vancouver, BC. Mineral Exploration Roundup 2017 is the place to learn and showcase new discoveries and emerging projects. Click [here](#) to go to the Roundup website.
- **PDAC 2017** International Convention, Trade Show & Investors Exchange is the world's leading Convention for people, companies and organizations in, or connected with, mineral exploration. In addition to meeting over 900 exhibitors and 22,000 attendees from 125 countries, you can also attend technical sessions, short courses and networking events. The four-day annual Convention held in Toronto, Canada, has grown in size, stature and influence since it began in 1932 and today is the event of choice for the world's mineral industry. To learn more and to register, click [here](#).
- **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.





**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. Subscribe on our website.

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Mines & Promising Northwest Territories Mine Projects

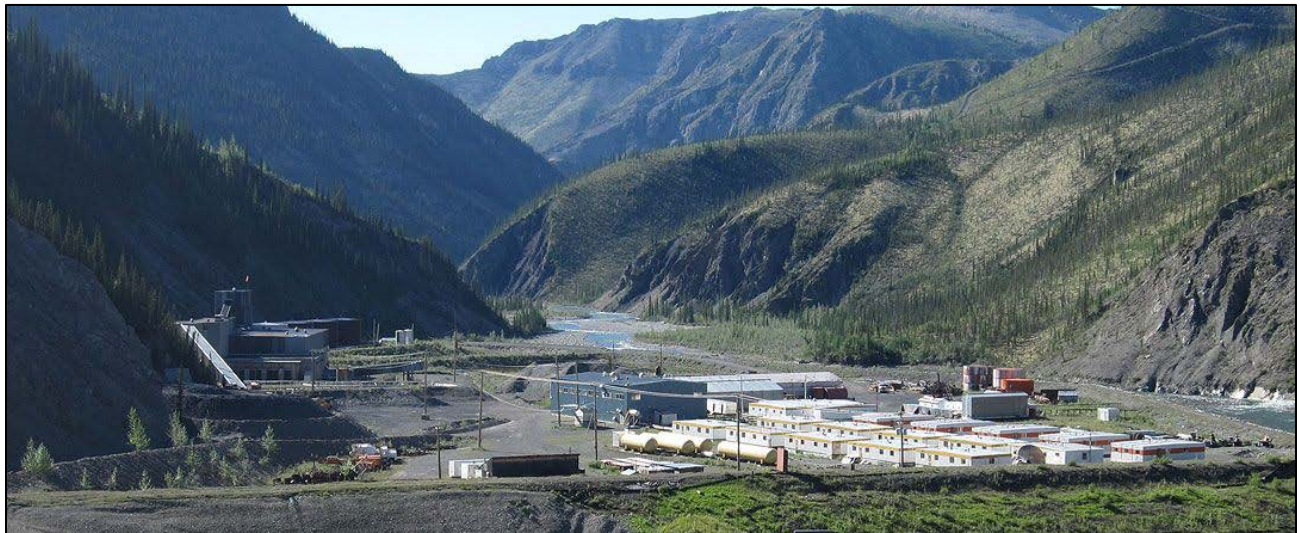
The following table describes a number of leading mineral development projects in the NWT.

Project Name	Owner(s)	Commodity	Description	Status
Ekati Mine	Dominion Diamond Corporation , and Dr. Stewart Blusson	Diamonds	Canada's first and largest diamond mine, 310 km. NE of Yellowknife. Open pit and underground. Mine life to 2020. Workforce in 2014 approximately 1,500. A fire in the process plant on June 23 and the subsequent processing shutdown significantly reduced throughput in Q2, and is expected to last approximately three months in total.	News Release, November 7: Dominion Diamond Corporation Announces Corporate Office Move to Calgary News Release, November 17: Dominion Diamond Corporation Reports Fiscal 2017 Third Quarter Sales and Ekati Production Results News Release, November 21: Dominion Diamond Corporation's Fiscal 2017 Third Quarter Results to be Released Thursday, December 8, 2016
Ekati Jay Project	Dominion Diamond Corporation , and Archon Minerals Ltd.	Diamonds	The Ekati Jay project is in Environmental Assessment. Ekati mine life currently ends in 2020, but if mining of the Jay pipe is approved, mining could be extended 10 yrs.	May 19 News Release: Dominion Diamond Corporation Reports Approval of Jay Project Environmental Assessment May 31, News Release: Dominion Diamond Corporation Provides Update on Jay Project Feasibility Study
Diavik Mine	Rio Tinto & Dominion Diamonds	Diamonds	Canada's largest producer of diamonds, 300 km NE of Yellowknife. Mine life through 2023. Became all underground mine in 2012. Workforce approximately 1,000. To Dec 31, 2013, the mine produced approximately 84 M carats of diamonds from the processing of approximately 22 M tonnes of kimberlite. Work to develop new A21 open pit has begun and will cost US\$350m over 4 years. A-21 is on track to commence ore production in the second half of 2018. The A-21 workforce will peak at approximately 200 people. Proven and probable reserves at Dec 31, 2014 were 18.7 million tonnes at 2.8 carats/tonne for total of 52.8 million carats.	News Release, October 19, 2016: Dominion Diamond Corporation Reports Diavik Diamond Mine Third Calendar Quarter Production On November 28, Diavik announced that 51 employees would be laid off.
Gahcho Kué Mine	De Beers & Mountain Province	Diamonds	Located approximately 280 km NE of Yellowknife, NWT. Mine life 12 years. First production ahead of schedule in Q2 2016. Mine is ramping up production and is on track to reach full commercial operation in the first quarter of 2017. Comprised of three open pits, the mine will employ 530 people full-time, with the majority working a two-week in/two-week out rotation.	News release, October 25, 2016: Mountain Province Diamonds Production Report for the Third Quarter ended 30 September 2016 Mountain Province News Release, November 10, 2016: Mountain Province Diamonds Announces Third Quarter Results
Snap Lake Mine (Suspended, on care & maintenance)	De Beers	Diamonds	Canada's first all underground diamond mine. 220 kilometres NE of Yellowknife. Mine life to 2028. Workforce approximately 750. Due to low diamond prices, De Beers put the 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 De Beers announced on July 22 that it will investigate interest in purchasing the mine before they flood it.

NWT & Nunavut Chamber of Mines – Northern Mining News

Cantung Mine (Closed, on care & maintenance)	North American Tungsten	Tungsten, copper	<p>Cantung is in the mountains of western NWT, ~300 km by road NE of Watson Lake, Yukon.</p> <p>North American Tungsten (NATC) filed for Court protection under the CCAA on June 9, 2015.</p> <p>In accordance with the Operating Plan, the mill at the Cantung mine site was shut down on October 26, 2015, and transition of the Cantung mine to care and maintenance is expected to be completed on or about November 18, 2015.</p>	<p>Nov 19 GNWT News Release: NWT Government purchases Mactung assets of Cantung.</p> <p>Nov 19 NATC news release: NATC Announces Extension of Stay of Proceedings under the Companies' Creditors Arrangement Act.</p> <p>On November 17, 2015, the Supreme Court of British Columbia made an order approving the sale of the Company's Mactung property to the Government of the Northwest Territories. The Government of Canada will fund the Company's environmental care and maintenance activities at the Cantung mine site.</p>
Prairie Creek	Canadian Zinc Corporation	Zinc-lead-silver	<p>Proposed underground mine 120 km W of Ft. Simpson. Estimated mine jobs: 220</p> <p>All permits now in place to construct and operate the mine. Preliminary Feasibility Study completed in early 2016 supports longer, 17-year mine life.</p> <p>The company's proposal to construct a new airstrip and all-weather road is undergoing environmental assessment.</p>	<p>News Release, November 15: Canadian Zinc Reports Results for Third Quarter 2016</p> <p>News Release, December 2: Canadian Zinc Announces C\$2 Million Non-Brokered Flow-Through Private Placement</p>
Kennady North	Kennady Diamonds Inc.	Diamonds	<p>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.</p>	<p>News Release, Nov 15, 2016: Kennady Announces Kelvin Diamond Valuation Results.</p> <ul style="list-style-type: none"> • Average price of US\$52 per carat • High-value white gems confirmed in the results • 2.84 carat diamond valued at US\$2,640 per carat
NICO	Fortune Minerals Ltd.	Cobalt-gold-bismuth-copper	<p>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.</p>	<p>News Release, Sept 6: Fortune Minerals announces the appointment of Dave Massola as Vice President Finance & Chief Financial Officer</p> <p>News Release, Sept 14: Fortune Minerals announces appointment of Glen Koropchuk to its Board Of Directors</p>
Nechalacho	Avalon Advanced Materials Inc.	Rare earth metals	<p>Proposed underground mine 100km SE of Yellowknife.</p> <p>Estimated mine jobs: 200.</p> <p>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.</p>	<p>News Release, November 7, 2016: Avalon Completes Non-Brokered Private Placement for Gross Proceeds of \$1 Million</p> <p>INDUSTRY BULLETIN, November 28: Avalon Receives Industry Award For Best use of Renewables for Mine Exploration</p> <p>News Release, November 30: Avalon Releases Annual Sustainability Report</p>

Indin Lake	Nighthawk Gold	Gold	Nighthawk controls over 90% of the prospective Indin Lake Greenstone Belt in this historic gold camp with a total ground position now comprising 930 sqkm, approximately 220 km north of Yellowknife, NT. The Indin Lake Greenstone Belt is one of Canada's most underexplored gold camps. The property contains 14 known gold deposits and showings, 3 are historic mine (eg Colomac)	News Release November 1, 2016: Nighthawk Completes Strategic Investment by Kinross Gold and \$10.1 Million Non-Brokered Private Placement News Release, November 24: Nighthawk Continues to Expand Colomac Gold Zones - Drills New High-Grade Targets
Courageous Lake	Seabridge Resources	Gold	Proposed open pit mine 240 km NE of Yellowknife. 6.5 M oz proven and probable reserves. (Positive PFS July 2012). The FAT deposit is one of Canada's largest undeveloped gold projects. Gold resources of 8.0 million ounces in the measured and indicated categories plus an additional 3.4 million ounces in the inferred category.	Seabridge is currently focusing its work on their KSM mine development in British Columbia.
Selwyn (Howards's Pass Project)	Selwyn Chihong Mining Ltd.	Zinc, lead	Proposed base metal mine in Yukon on NWT border and access is through NWT. Agreements signed with NWT (Sahtu) Aboriginal land corporations. The project will process multiple open pit mines over an approximate 10+ year mine life and includes a mineral processing plant, tailing management facility and the required on-site infrastructure. The mine is being designed to process 38,500 tonnes per day (tpd) of ore which, after processing, is expected to result in 2,500 tpd of zinc and 600 tpd of lead concentrate, which would be trucked to the Port of Stewart for export. Selwyn Chihong estimates the proposed mine will create approximately 1500 jobs during construction and approximately 750 during operation.	Selwyn Chihong Mining's proposed upgrade of a road to its lead-zinc mining project in Yukon's Selwyn Mountains will undergo an environmental assessment. Parks Canada has referred the 79km Howard's Pass Access Road (HPAR) to Environmental Assessment under the MVEIRB, which accepted the referral in July 2015. The HPAR was developed in the 1970s, and runs from the Nahanni Range Road to the NWT-Yukon border. Passing through 2 national parks. Yukon media reported in Feb 2016 that Selwyn Chihong has decided to slow their project down due to the current low zinc prices, and will not to take the project to the permitting stage this year. According to External Affairs VP Maurice Albert, SC has opted for a traditional drilling program and hopefully add another 10 years to the mine life.



Mines & Promising Nunavut Mine Projects


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

Project	Owner(s)	Commodity	Description	Status
Meadowbank Gold Mine	Agnico Eagle Mines	Gold	In operation since 2010. Open pit mine located in the Kivalliq Region, 300 km west of Hudson Bay and 70 km N of Baker Lake. Mine jobs: 775 Exploring potential satellite deposit, Amaruq, 50km from mine site. Construction of the Amaruq Exploration Access Road commenced in the first quarter of 2016. Road construction is ongoing with nine kilometres completed to date of the expected total length of 62 kilometres. On April 19, the Nunavut Impact Review Board submitted its EIS report to the Minister of INAC concluding that the Vault Pit Expansion Project should proceed.	News Release, October 26, 2016: Agnico Eagle Reports Third Quarter 2016 Results: Strong Operational Performance Continues; Ongoing Exploration Yields Positive Results at Amaruq, Sisar Zone at Kittila, Olmeca Zone at El Barqueno and Barsele Project in Sweden
Mary River Iron Mine	Baffinland Iron Mines	Iron	In operation since September 2014; Open pit mine located 936 km N of Iqaluit. Mine jobs: 602 Production from Early Revenue Phase (ERP) began September 8, 2014. Company has proposed a Phase 2 project with increased production and shipping. AANDC Minister has approved application for exemption from NPC negative conformity determination, July 14, 2015.	Project is undergoing a new Environmental Assessment for the proposed expansion of mining and shipping to help offset downwards spiraling iron ore prices. Baffinland expect to submit the EIS (Environmental Impact Statement) for Phase 2 of the Project in September 2016. This submission is delayed from April 2016, to allow Baffinland to present a rail alternative with the road transport proposal and provide and assess the most effective means of transporting ore from Milne Port along the northern shipping route. The Qikiqtani Inuit Association (QIA) initiated arbitration proceedings with Baffinland Iron Mines Corporation (BIMC) on July 20, pursuant to the dispute resolution provisions of the Inuit Impact and Benefit Agreement alleging that Advance Payments of royalties owed to QIA are in arrears by \$6.25 million plus interest.
Hope Bay (Mine 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.	News Release, November 3, 2016: TMAC Resources Intersects Significant Near-Surface Gold Mineralization Outside Current Mineral Resources at Madrid North News Release, November 3: TMAC Resources Nears Production at Hope Bay. News Release, November 7: TMAC Resources' Achieves Another Milestone On The Way To Production At Hope Bay
Meliadine	Agnico Eagle Mines	Gold	Proposed open pit and underground gold mine, 25 km NE of Rankin Inlet. Estimated construction jobs: 1,000 Estimated mine jobs: 700 IIBA signed June 2015. Initial capital cost is estimated to be \$911m; initial production life of 9 years. At December 31, 2015, the Meliadine property hosted 3.4 million ounces of	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


NWT & Nunavut Chamber of Mines – Northern Mining News

			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.	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.
Kiggavik	AREVA Resources	Uranium	Proposed uranium mine 80 km W of Baker Lake. Estimated Construction jobs: 750 Estimated mine jobs: 600	July 25, 2016, Federal Minister of Indigenous and Northern Affairs Canada, on behalf of the Ministers of Fisheries, Oceans and the Canadian Coast Guard, Natural Resources, Transport as responsible ministers for this project with jurisdictional responsibility for authorizing whether the Kiggavik Project should or should not proceed, accept the Board's determination that the Project should not proceed at this time.
Back River	Sabina Gold & Silver Corp.	Gold	Approximately 60KM from Hackett River; adjacent to the Wishbone Greenstone belt. Consists of the George and Goose Lake deposits and holds significant gold resources. Estimated construction jobs: 1,600 Estimated mine jobs: 900 Sabina recently released a Feasibility Study on its 100% owned Back River Gold Project which presents a project that has been designed on a fit-for purpose basis, with the potential to produce ~200,000 ounces a year for ~11 years with a rapid payback of 2.9 years. At a US\$1,150 gold price and a 0.80 exchange rate, the Study delivers a potential after tax internal rate of return of approximately 24.2% with an initial CAPEX of \$415 million.	News Release, November 10: Sabina Gold & Silver Announces Q3, 2016 Financial Results Sabina Gold & Silver Announces Q2, 2016 Financial Results
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. News Release, September 27, 2016: MMG plans CEO succession
Chidliak	Peregrine Diamonds Ltd.	Diamonds	Located 120 kilometres NE of Iqaluit, the capital of Nunavut, and 180 km S of Pangnirtung. 74 kimberlites have been discovered to date with 8 being potentially economic.	News Release, August 19, 2016, Peregrine Files Updated Technical Report for Chidliak Project
Angilak	Kivalliq Energy Corp.	Uranium	340,268 acre property located SW of Baker Lake; Hosts the high-grade Lac 50 Trend deposit	News Release, November 8, 2016 Kivalliq Announces Results from 2016 Exploration at Angilak; Yat Channel Samples Return High-Grade Precious Metal and Uranium Values
Qilalugak	North Arrow Minerals /	Diamonds	7 km from tidewater; 9 km from Repulse Bay, Melville Peninsula; 7,143	News release June 9: North Arrow Reports Diamond Valuation Results From The


	Stornoway Diamonds		hectares of contiguous mineral claims. Largest kimberlite in Nunavut.	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: <ul style="list-style-type: none"> • High grade gold endowment • Existing exploration infrastructure • 217,600 hectares with district scale discovery opportunities 	News Release, November 25: Auryn reports remaining RAB drill results from 2016 program and Identifies two new high-grade boulder trains at Anuri and Ridge Prospects News Release, November 28: Auryn Identifies 17 High Priority Gold in Till Anomalies across the Committee Bay Belt News Release, November 30: Auryn Appoints Premier Mining Financier, Michael Kosowan to its Board of Directors
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.




Over \$25m of Infrastructure at Committee Bay – Turn Key Exploration



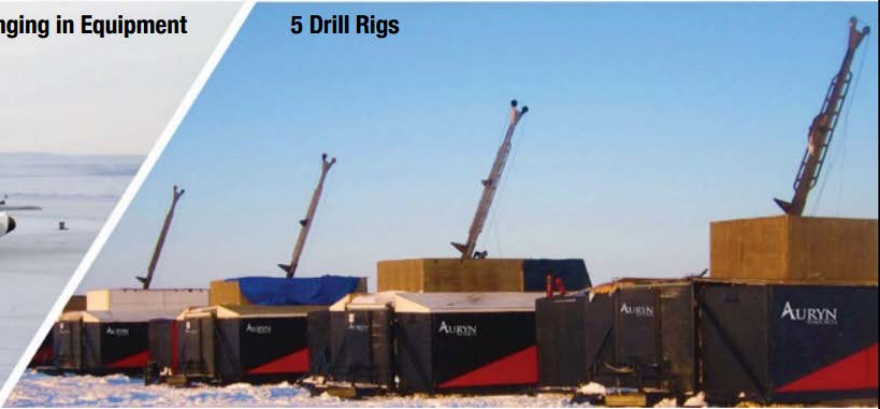
Established Camp and Air Strip



Heavy Equipment at Site



C130 Hercules Bringing in Equipment



5 Drill Rigs

TSX : **AUG** | OTCQX : **GGTCF**
13

Project Maps

