

Northern Mining News

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From the Executive Director ...

25 years ago, virtually to the day of us finalizing this newsletter, a press release was faxed out by exploration company Dia Met Minerals that they had discovered small diamonds in the NWT around a relatively obscure lake called Lac de Gras. Obscure, because the area is located within granites, not a target for traditional gold and base metal exploration. Nonsense, cried the doubters, it's a scam. The ever optimistic junior explorers cried could it be? And with desperation borne from the significant exploration drought they were in, explorers launched what would become the largest traditional post-in-ground staking rush the world has likely seen.

The Dia Met discovery proved the doubters wrong, and led to Canada's first diamond mine, Ekati opening in 1998. Diavik opened 5 years later in 2003, and 5 years after that, the Snap Lake mine. Now, in September of this year, we have witnessed the opening of the Gahcho Kué mine.

It's been a wonderful 25 years, with huge successes emerging. The NWT is now the 3rd most valuable diamond producer globally. Aboriginal business creation and spending likely leads Canada; and we have achieved stunning success with northern and Aboriginal mine training and employment. Public and Aboriginal governments are benefitting for the first time from mining taxes and royalties. It's a story worth celebrating, and that's what we are going to do this month.

Happy reading! ... Editor

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

NWT Diamonds 25th Anniversary – A Cause for Celebration!

Almost 25 years ago to the day, on November 6, 1991 a small, relatively unknown exploration company – Dia Met Minerals – issued a short news release stating that they had discovered diamonds northeast of Yellowknife, Northwest Territories. News of their find spread, launching the largest conventional – “claim post in the ground” – staking rush that Canada and perhaps the world had ever seen.

The resulting exploration investment in the Slave Geological Province led to four major NWT discoveries between 1991 and 1997 that resulted in all four of the NWT diamond mines, Ekati, Diavik, Snap Lake and Gahcho Kué.

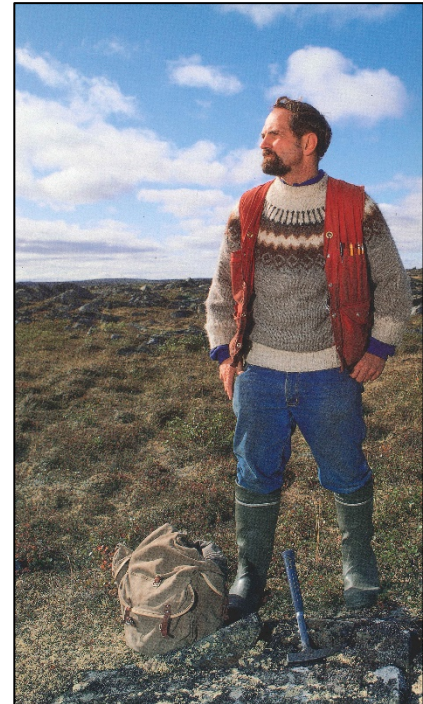
The socio-economic benefits resulting from exploration, construction and operations of those mines have been game changing for the North’s economy, particularly for Aboriginal residents, businesses and governments. The benefits have affected not only the NWT, but also Nunavut and many provinces in Canada.

Diamond mining is an industry worth celebrating!

In celebration of the 25th Anniversary of the discovery of diamonds in the NWT, the Chamber of Mines is spearheading a *Diamond Gala* on November 17 in Yellowknife. Attending will be special guest speaker Charles (Chuck) Fipke, co-discoverer of the diamond deposits that became the Ekati Mine, and the Honourable Bob McLeod, Premier of the Northwest Territories.

Mine discoverers, the diamond mines, and Aboriginal governments will be recognized and the general public has been invited to participate in the celebration. Each of the three mine operators, Dominion Diamond Corp., Diavik Diamond Mines Inc. and De Beers are donating polished diamonds for door prizes.

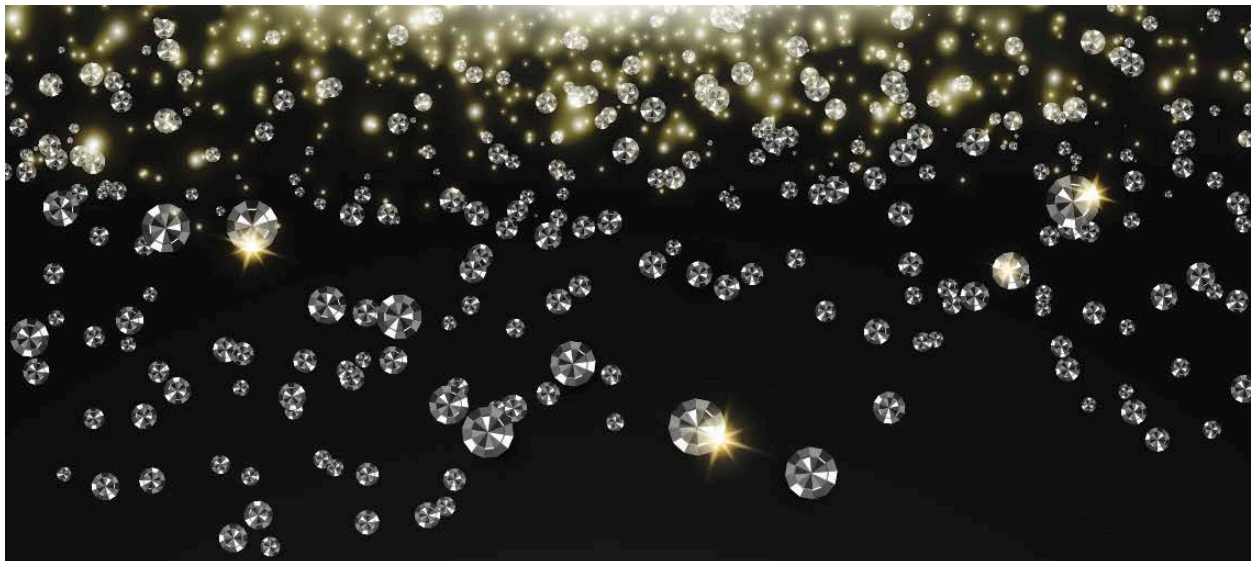
The event promises to be a sold out affair.



Geologist Chuck Fipke will be the special guest speaker at the 25th Diamond Anniversary Gala.



Photo: Diavik Diamond Mines Inc.



NWT DIAMOND GALA

Celebrating 25 years of
Canadian Diamonds

Celebrate with us on Thursday, November 17, 2016, as we honour the discoverers, Aboriginal governments, financiers, and mining executives who helped to develop our mining sector into what it is today.

Special Guest Speakers:

Premier Robert R. McLeod
Mr. Chuck Fipke

Where: Chateau Nova Hotel, Yellowknife
Reception starts at 6:00 pm, Caribou Conference Hall
Dinner: 7:00 pm sharp | Door prizes (diamonds)
Dress: Business casual

Tickets \$125 each | Tables of 10 are available

Limited tickets available, to purchase now [click here](#)

If you have any questions, please contact Kathy Gray (867) 445-4770 kathy@inuks.ca

Diavik Diamond Mine Q3 Production

On October 19, Dominion Diamond Corporation, 40% owner of the Diavik Diamond Mine reported production results for the third calendar quarter of 2016.

Diavik Diamond Mine Production (100% basis)

| | Q3 2016 | Q2 2016 | Q1 2016 | Q4 2015 | Q3 2015 | Q2 2015 | Q1 2015 | Q4 2014 |
|-----------------------------|------------|------------|------------|------------|------------|------------|------------|------------|
| Tonnes Processed (millions) | 0.58 | 0.54 | 0.56 | 0.46 | 0.48 | 0.56 | 0.48 | 0.51 |
| Carats Recovered (millions) | 1.54 | 1.58 | 1.88 | 1.5 | 1.27 | 2.14 | 1.5 | 1.54 |

Processing volumes in the third calendar quarter of 2016 were 22% higher than in the same quarter of the prior year primarily due to higher ore availability, particularly from A-418 which experienced poor ground conditions in the third quarter of calendar 2015.

The development of the A-21 pipe continues to progress according to plan. During the quarter, the closure of the dike was completed before the end of the open water season.

For the nine months ended September 30, 2016

For the nine months ended September 30, 2015

| Pipe | Ore Processed (000s tonnes) | Carats (000s) | Grade (carats/tonne) | Ore Processed (000s tonnes) | Carats (000s) | Grade (carats/tonne) |
|-------------|--------------------------------|------------------|-------------------------|--------------------------------|------------------|-------------------------|
| A-154 South | 154 | 436 | 2.84 | 155 | 559 | 3.61 |
| A-154 North | 214 | 470 | 2.19 | 206 | 441 | 2.14 |
| A-418 | 301 | 1,067 | 3.55 | 244 | 893 | 3.68 |
| COR | 1 | 30 | - | 2 | 69 | - |
| Total | 670 | 2,003 | 2.95 | 607 | 1,963 | 3.13 |

Dominion Diamond Corporation is the world's third largest producer of rough diamonds by value. Both of its production assets are located in the low political risk environment of the Northwest Territories in Canada where the Company also has its head office. The Company is well capitalized and has a strong balance sheet. The Company operates the Ekati Diamond Mine and also owns 40% of the Diavik Diamond Mine. Between the two mining operations, diamonds are currently produced from a number of separate kimberlite pipes providing a diversity of diamond supply as well as reduced operational risk. It supplies premium rough diamond assortments to the global market through its sorting and selling operations in Canada, Belgium and India. Download the entire release [here](#).

Mountain Province Diamonds Production for Q3 2016 (a 50 carat stone too!)

On October 25, Mountain Province Diamonds Inc. announced the production for the third quarter ended September 30, 2016 from the new Gahcho Kué Diamond Mine.

The total mining of waste and ore for the nine months to September 30, 2016 from the 5034 open pit was approximately 15.9 million tonnes, with approximately 17,000 tonnes of ore stockpiled.

Ramp-up production at Gahcho Kué commenced on August 1, 2016. From August 1 to September 30, the plant processed approximately 130,000 tonnes of ore and produced 198,000 carats on a 100% basis, of which the Company's 49% share is approximately 97,000 carats.

Patrick Evans, president and CEO, commented: "We are very pleased that ramp-up production commenced six weeks ahead of schedule. Mining and processing continues to progress well and Gahcho Kué remains on track to achieve commercial production in early 2017."

The first sale of the Company's 49 percent share of the run-of-mine production will take place on open tender in Antwerp during January 2017 and approximately every five weeks thereafter.

The joint venture partners bid for the production of fancy coloured and special (+10.8 carat) diamonds on almost a monthly basis. The bid for August production of fancies and specials was won by De Beers, and the bid for September production was won by Mountain Province. Included in the parcel of fancy and special diamonds from the September production are a 50.25 carat gem quality diamond and three fancy yellow diamonds weighing between 3 and 5 carats. The fancies and specials now owned by Mountain Province will be included in the Company's January 2017 sale.

Mr. Evans added: "The 50 carat diamond recovered in September is the largest diamond recovered to date and provides further confirmation that the Gahcho Kué has a population of large, high quality gem diamonds. It is also exciting to see a population of good size fancy yellow diamonds, which offers encouragement that we'll see further fancy diamonds as the production ramps up."

Gahcho Kué receives Yellowknife Chamber of Commerce Award

The Gahcho Kué mine received the Chamber's Workplace Health & Safety Award at an event held October 14 in Yellowknife. Receiving the Award was Allan Rodel, mine site general manager.

The Workplace Health & Safety Award recognizes an organization that has shown leadership through its commitment to improving its health and safety management practices or implemented a new, unique idea to create a safer, healthier work environment.

The event also celebrated the Chamber of Commerce's 70th Anniversary.



De Beers Rough Diamond Sales for Cycle 8, 2016

On October 4, De Beers announced the value of rough diamond sales (Global Sightholder Sales and Auction Sales) for the eighth sales cycle of 2016.

| | Cycle 8 2016 (provisional) ¹ | Cycle 7 2016 (actual) ² |
|--------------------------------|---|------------------------------------|
| Sales value ³ (\$m) | 485 | 639 |

Bruce Cleaver, CEO, De Beers Group, said: “Demand for De Beers’ rough diamonds in Cycle 8 continued to reflect the improved midstream trading environment compared with 2015. Our rough diamond sales were slightly ahead of expectation during the Cycle, given the normal seasonal demand patterns, the shorter than usual period between Sights 7 and 8, and the forthcoming holidays in some of the major diamond cutting centres.”

Let’s limit mining’s footprint – a modest proposal

This tongue-in-cheek Guest Editorial was submitted by Gary Vivian, President of the NWT & Nunavut Chamber of Mines and printed by Northern News Services in their October 3 newspaper. See the original [here](#).

I think we should limit the footprint of mining.

I can’t believe that, as one who makes his living from the mining industry, I’m writing this so please bear with me

Canada has made international commitments to conserve 17% of the country from development. The egalitarian might say then, OK how about we limit development to the same amount, 17%? That would be fair, wouldn’t it?

For the sake of argument, how about we throw the whole model of conservation and development areas out the window?

Let’s put forward the idea that the overall footprint of our operating mines should be really reined in. Let’s go crazy and say the footprint of operating mines should be allowed to only occupy 1% of the area of the NWT. Since somebody is picking numbers like 17% conservation out of the air, let’s use the same approach and pick a nice round number like 1%. It would sound good to our international neighbours, wouldn’t it? Hey, we have limited the physical footprint of our mines to a measly 1% of our lands. How about you guys?

I can hear the cries already, and even from my own industry compatriots: Are you nuts? One per cent?!

But let’s dig into this just a little bit deeper.

The footprint of Diavik, a medium sized mine, is 13 square kilometres. That of Ekati, our largest footprint is 33 sq.km. Our newest diamond mine, Gahcho Kué, might comprise just over 12 sq km. Let’s add in Snap Lake and Cantung, which are no longer operating and will eventually be reclaimed (of course they all will be reclaimed in time, returning the land to wilderness, and their footprint to essentially zero).

So let's see, doing the math gives you, in round numbers, say 100 square kilometres for 5 mines.

The area of the NWT is a whopping 1,346,106 square kilometres. This makes the area of all of our existing mines then equal to ... 0.007% of the NWT. So with my ridiculously stingy concept to limit our operating mines' footprint to 1% of the area of the NWT, it means we could have over 100 operating mines!

Hmmm.

I cannot see us ever having 100 operating mines. At any one time, we have only ever had half a dozen mines operating.

So it begs the question then: "Why do we have to protect so much land from development?" Farming, ranching, forestry, and new cities aren't huge possibilities, so in much of the NWT, the only development we are going to see is from mining.

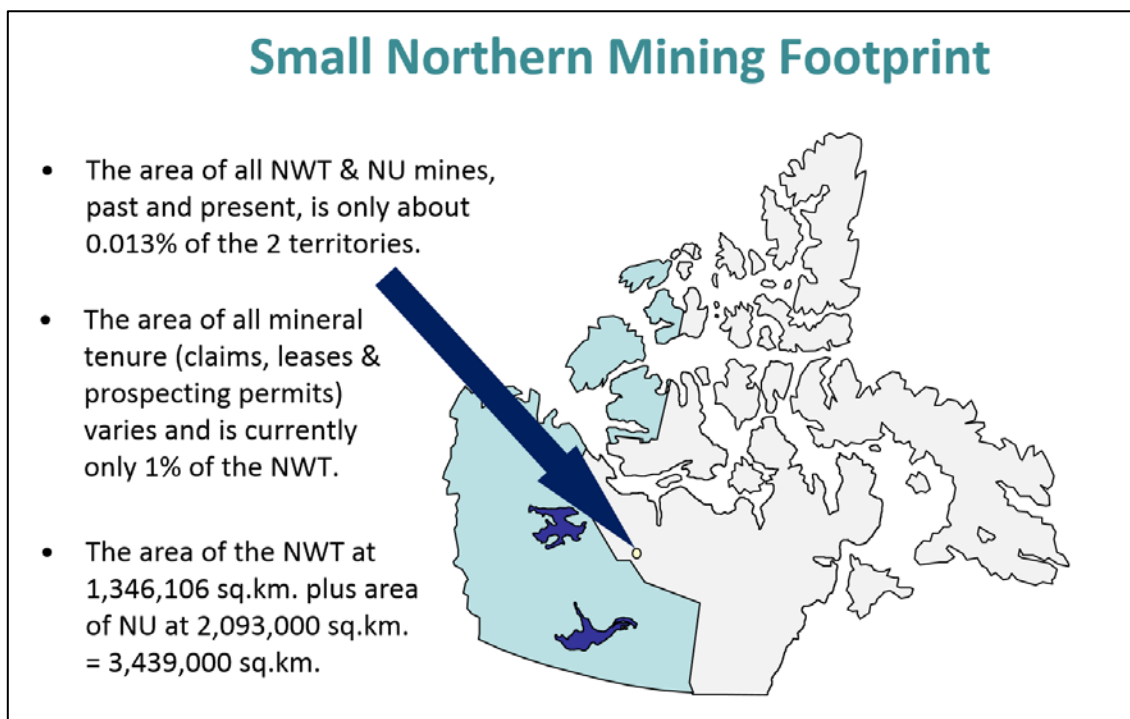
There are some in government, and the green community, that are advocating for huge conservation areas, significantly more even than Canada's 17% commitment.

When you consider that a mine like Diavik will generate over \$1 billion per square kilometre over its brief 20 year mine life before being reclaimed, it's hard to believe that anyone would want to compromise this kind of benefit by alienating huge amounts of land.

Maybe our leaders should think this through a bit more. For if they don't, it will cost us much lost opportunity ... unnecessarily.

Can we really afford that?

I'd say NO!



Agnico Eagle Q3 Reports ... highlight Meadowbank, Amaruq, Meliadine

On October 26, Agnico Eagle reported Third Quarter 2016 Results which highlight ongoing strong operational performance, and ongoing positive exploration results at Amaruq in Nunavut. Quarterly net income was \$49.4 million, or net income of \$0.22 per share for the third quarter of 2016.

Third Quarter 2016 Highlights Include:

- **Quarterly gold production** – Payable gold production² in the third quarter of 2016 was 416,187 ounces of gold at total cash costs³ per ounce on a by-product basis of \$575 and all-in sustaining costs⁴ on a by-product basis ("AISC") of \$821 per ounce
- **Record gold production at La India and record silver production in Mexico** – In the third quarter of 2016, payable gold production was a new quarterly record of 30,779 ounces at the La India mine. Silver production was a new quarterly record of 825,000 ounces at the Company's Mexican mines
- **Whale Tail drilling yields deepest intersection to date** – Hole AMQ16-1045 intersected the deepest mineralization in the Whale Tail deposit to date: 5.4 grams per tonne ("g/t") gold over 3.3 metres at 658 metres depth and 5.5 g/t gold over 16.1 metres at 725 metres depth, including 13.1 g/t gold over 3.5 metres at 732 metres depth (capped gold grades over estimated true width)
- **Increasing cash position reduces net debt⁵** – In the third quarter of 2016, net debt was reduced by approximately \$154 million, to \$587.9 million, at September 30, 2016. Cash and cash equivalents and short term investments totalled \$627.4 million
- **A quarterly dividend of \$0.10 per share was declared**

Read the entire release [here](#).



Agnico Eagle gold sites from left to right: Amaruq, Meadowbank, and Meliadine

Dominion Diamond Corporation Announces Corporate Office Move to Calgary

On November 7, Dominion Diamond Corporation announced that, as part of the measures taken to reduce operating costs and support the long-term strength of the Company, the Board

of Directors and the Senior Leadership Team have made the decision to relocate the Company's corporate office from Yellowknife, NWT to Calgary, Alberta.

The move is projected to be completed by the middle of calendar year 2017. The Company expects to realize savings of approximately C\$19 million annually.

Dominion Diamond remains committed to continuing its ongoing operations at the Ekati mine without interruption, including the development of the Jay Project.

The relocation of the office will impact approximately 100 employees based in the Northwest Territories. Most of the Company's workforce, including the majority of its northern Aboriginal employees, will continue to be employed in the Northwest Territories. In addition to its workforce at the Ekati mine site, Dominion Diamond will maintain an office in Yellowknife for certain key positions.

Brendan Bell, Chief Executive Officer, stated, "Although this was not an easy decision, it is necessary to support the long-term strength and viability of our operations. The Ekati mine is a pillar of the NWT economy, and this cost reduction effort will allow us to continue to provide northern employment opportunities and benefits well into the future. I can assure our northern partners that we remain committed to the people and communities of the North and will continue to set industry standards for northern and Aboriginal employment and sustainable development."

TMAC Resources Nears Production at Hope Bay

In a November 3 news release, TMAC provided the following Q3 2016 Highlights on their Hope Bay Project:

- Mining and mine development, productivity and ore production were on target. Mining and mine development continued with 83,800 tonnes having been mined in the third quarter of 2016, compared with the planned 72,400 tonnes. Productivity increased to above 0.5 metres per man-shift, exceeding the estimates published in the Pre-Feasibility Study ("PFS"). Ore production was 32,200 tonnes at an estimated grade of 16.1 grams of gold per tonne ("g/t") of gold.
- Including ore mined in late 2015 and ore mined by the previous operator, the stockpile is estimated to contain 89,100 tonnes of ore at a gold grade of 14.7 g/t, or 42,100 ounces of gold of which 39,500 ounces of gold are recoverable at the estimated recovery rate of 94%.
- The processing plant (the "Processing Plant") fabricated by Gekko Systems Pty of Ballarat, Australia ("Gekko") was successfully and safely delivered to Hope Bay by August 30, 2016 and installation thereof is progressing in line with plan.
- All remaining essential mining equipment, diesel fuel, materials and supplies, and reagents required for production of gold in early 2017 were delivered to Hope Bay in the 2016 sealift.
- Construction of the building that will house the Processing Plant (the "Mill Building") progressed with 100% of the Processing Plant enclosure constructed at September 30,

2016. The cladding for the crushed ore stockpile enclosure was completed in October 2016.

- As part of the Nunavut Impact Review Board's ("NIRB") and Nunavut Water Board's ("NWB") regulatory review process of the application to amend the Doris environmental permits (the "Doris Permit Amendments"), TMAC received the amended NIRB Project Certificate on September 23, 2016 and an amended Water Licence is expected to be provided by NWB to the Minister for Indigenous and Northern Affairs Canada ("INAC") in early November 2016 for review.
- Staffing and recruiting is proceeding as planned.

In connection with the assembly of the Processing Plant we have posted a video to YouTube and invite interested parties to access it at the following link <https://youtu.be/5meL6KbtKsc>.

NWT 'Mines Minister': Ongoing Support for Mining as Our Economic Foundation

Delivered on October 31, 2016 by Hon. Wally Schumann, Minister of Industry, Tourism and Investment, responsible for the minerals industry. Download original [here](#).

Mr. Speaker, the Northwest Territories' economy is built on mining and exploration. Today our mining sector is the largest provider of high paying jobs and the main driver of the territorial economy.

We have committed, in our mandate, to supporting mineral exploration and the NWT mining sector with actions and investments identified in the NWT Mineral Development Strategy.

Our goal is to realize all the benefits of our mineral resources to support ongoing prosperity for NWT residents and communities.

At the appropriate time this afternoon, I will be tabling an overview of our five-year implementation plan for this Strategy.

I want to highlight for Members some of the work that has been done this year to put our Strategy into action and to make good on the commitments in the GNWT's mandate to close the skills gap in the mining sector, implement the Mining Incentive Program, develop a Mineral Resources Act and support Aboriginal governments seeking to build capacity from mining-related activities.

In September, two "Introduction to Prospecting" courses were hosted in Yellowknife by the Mine Training Society, TerraX Minerals and the Department of Industry, Tourism and Investment. This course supports the development of an educated, trained and readily available northern workforce and fosters awareness of the importance of the mining industry. This is the third year that this course has been delivered.

Our Mineral Incentive Program was over-subscribed, again this year. In the first two years, our annual investment of \$400 thousand has resulted in an additional \$3.36 million in exploration spending in the NWT by companies and prospectors.

This year, seven corporate and five prospector applicants received incentives to advance exploration in our Territory.

We have begun work to create a new Act that will modernize our government's approach to mining by streamlining our regulatory environment and bring it in line with our northern priorities and realities. This will be a long process and we are looking forward to working with Members of this House, the intergovernmental council, Aboriginal governments, industry, NGOs and the public to take this next evolutionary step for our territory's economy.

We are also working with stakeholders and Aboriginal governments to advance community participation in mining through regional mineral development strategies. The Dehcho First Nation has been a leader in this, hosting a workshop this summer in Fort Simpson with the Canada Northern Development Agency and the NWT & Nunavut Chamber of Mines. The Inuvialuit, Sahtu, and Tłı̄ch̄ô regions are also interested in developing regional strategies and we will continue to move these initiatives forward.

ITI's Customer Services and Community Relations division continues to support communities and industry interested in participating in our resource sector. In addition to their role as pathfinders and the first point of contact within GNWT, this unit works to promote projects that will enhance the socio-economic well-being of the NWT.

In April this included delivering the Mining Matters curriculum in four schools in the Sahtu. It was an opportunity to promote discussion about mining in the NWT, staying in school and the opportunities for careers in the mining industry. This unit is now preparing to deliver the same programming to schools in Fort Simpson, Fort Providence and Fort Liard this week.

Mr. Speaker, we are also celebrating the opening of the Gahcho Kué diamond mine. In its projected 12-year life, this mine will create hundreds of jobs and an additional \$6 billion in investment into our economy.

While on site for its grand opening, I was struck by this project's cutting-edge facilities, occupational health and safety procedures, and commitment to environmental-protection. It was a reminder of how far mining has come in our territory, and the certainty with which we can continue to realize its benefits into the future.

In November, Mr. Speaker, the NWT's mining industry will gather in Yellowknife for the 44th Annual Geoscience Forum. It has been 25 years since diamonds were discovered in the NWT and this year's event will include a special commemoration of our diamond industry, and the unprecedented growth it has supported.

We are working with our stakeholders to introduce a series of NWT Mining Awards to recognize the many individuals and organizations that have contributed to our industry and continue to push it forward. These awards will be presented for the first time at a gala on November 17th and I invite all Members of this Assembly and the public to join us in this celebration of the mining industry which is so foundational to our territory.

Thank you, Mr. Speaker.



NWT "Mines Minister" Wally Schumann says "the Northwest Territories' economy is built on mining and exploration."

New NWT Marketing Publication

The NWT Government has released a new marketing publication to help attract investment to the territory. Here is an excerpt from the Minister's Message in the document.

Resource industries are in a time of transition.

Companies are looking for jurisdictions with potential, political will and progressive approaches to industry relations.

The Northwest Territories (NWT) is taking steps to meet these needs and improve our existing programs as the commodity markets inch towards recovery.

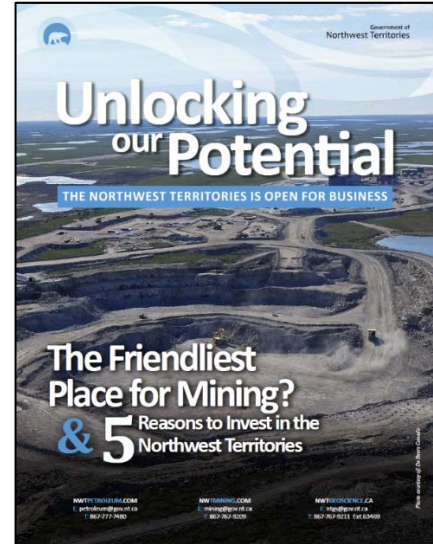
We're happy to share our stories that highlight our world-class mineral resources, cutting-edge programs, the inspired leadership we have in the NWT, and the opportunities this can offer.

In the next few pages, we invite you to read about a unique public opinion survey completed by Abacus Data which confirms widespread support of mining in the NWT, five excellent reasons to invest in the NWT, and the territory's expansive mineral deposits beyond diamonds.

Our aggressive approach to addressing challenges during this time of transition has resulted in cutting edge initiatives, and our continuing commitment to a unified mineral development strategy places us ahead of the curve – and in the elite company of some of the most progressive jurisdictions in the world.

We're open for business in the NWT, and we want everyone to know it. Please enjoy the stories and visit us online at www.iti.gov.nt.ca.

Link to the new publication [here](#).



Government's bold infrastructure plan sets Canada on right direction

On the occasion of Ottawa's recent announcement, The Mining Association of Canada (MAC) issued a [news release](#) on November 1 applauding the federal government's nation-building infrastructure plan, including the creation of a new Canada Infrastructure Bank, announced today in the Fall Economic Statement.

"The Government of Canada's visionary infrastructure plan is going to set Canada on a path of long-term, sustainable growth. The government's bold actions on infrastructure will help get Canadian goods to market, address the unique challenges in remote and northern communities, and support the transition to a lower carbon economy," stated Pierre Gratton, President and CEO, MAC. "Such strategic leadership by Prime Minister Trudeau and his government should be commended."

With this plan, government has communicated an unprecedented vision for how infrastructure will transform remote and northern Canada—regions that are critically important to, and reliant on, Canada’s mining sector.

“We believe the government’s commitment to northern infrastructure investment, including establishing the new arm’s length Canada Infrastructure Bank, is both bold and essential for Canada’s long-term economic growth, and certain to help attract new private sector investment,” stated Gratton.

The mining industry is ideally situated to generate significant and meaningful employment, spin-off business and other social and economic opportunities for Indigenous and remote and northern Canadians. In the territories, for example, the mining industry is the single largest private sector employer of Indigenous peoples, and the leading contributor to GDP.

The acute lack of infrastructure in Canada’s remote and northern regions is inhibiting further sustainable mineral development due to the high costs of exploring, building and operating in these regions. MAC co-authored a recent study that found that it costs about 2 to 2.5 times more to build a gold or base metal mine in northern Canada off grid than in the south as a result of the lack of infrastructure. Northern communities are also themselves dependent on carbon-intensive diesel power and often lack basic infrastructure Canadians in southern Canada take for granted.

The establishment of an infrastructure bank was a core recommendation in this study. It was also recommended by several Aboriginal and business organizations, and most recently the Advisory Council on Economic Growth. MAC has pointed to the Alaska Industrial Development and Export Authority as a successful model that Canada could examine.

Carbon Tax Concerns – What is the North’s contribution?

The Premiers of NWT and Nunavut have reacted to the Prime Minister’s announcement that all provinces and territories would have to establish a "floor price" on carbon pollution of \$10 a tonne in 2018, rising to \$50 a tonne by 2022. Provinces and territories will have the option of either putting a direct price on carbon — a carbon tax — or implementing a cap-and-trade system "stringent enough" to meet or exceed the federal target.

On October 4, Nunavut Premier Peter Taptuna released the following statement: “The Prime Minister’s announcement of an imposed national tax on carbon could negatively affect the northern economy. The geographic remoteness and harsh winter climate of Nunavut force high transportation and energy costs on Nunavummiut. A price on carbon would likely inflict substantial costs on the people of Nunavut, yet achieve little reduction of greenhouse gas (GHG) emissions. However, we have been assured by the Prime Minister and federal Environment Minister that the unique nature of the North will be taken into account, and we await those details.

NWT Premier McLeod stated that: “We recognize that carbon tax is an important tool in mitigating the effects of climate change, by encouraging reduced use of fuels that emit greenhouse gases. I’ve talked to Minister McKenna over the past few weeks and she has a good understanding of the challenges a carbon tax would bring to the NWT. This includes the almost

exclusive dependence on diesel for heating and for electricity generation in remote communities, and the already high cost of living and doing business in the territory. Minister McKenna has agreed that a technical team will travel to the NWT in the next few weeks to learn more about the challenges and needs of the NWT with respect to climate change and the impact on the NWT. I appreciate Minister's commitment to working with us and look forward to our ongoing discussions with her."

So what our NWT and Nunavut contributions?

- Nunavut's GHG emissions account for only 0.1 per cent of Canada's total emissions. Nunavut's GHG emissions as of 2012-2013 were 700,000 tons.
- Total NWT emissions - for 2014, the NWT = 1,531 kilo-tonnes (KT) and Canada = 732,433 KT. Therefore, NWT = 0.21% of the Canadian total
- Looking at it from a per capita perspective, the NWT emits about 33 tonnes per person per year, among the highest in Canada (matches our weather!)

News Briefs

Darnley Bay Resources Limited, familiar to northerners for its project of the same name in the Inuvialuit region of the NWT, has signed a binding letter of intent with the court-appointed receiver of Tamerlane Ventures Inc. and Pine Point Holding Corp., whereby the Company has agreed to purchase Tamerlane's Pine Point assets located 42 kilometers east of Hay River, N.W.T., subject to certain terms and conditions, including the execution of a definitive agreement (the Transaction). The former producing Pine Point assets contain 42 known zinc-lead deposits over a strike length of approximately 68 kilometres, 10 of which were subjected to an NI 43-101 technical report in 2014 prepared for Tamerlane. As a condition to the completion of the Transaction, Darnley Bay intends to complete a financing in the minimum amount of \$5,000,000. Part of the proceeds from the Financing will be used to make the Transaction payment as noted above. "This acquisition is a game-changer for Darnley Bay and puts us on a clear path towards production," said Jamie Levy, President and Chief Executive Officer. "It is rare in the mining business that the opportunity to acquire an entire mining district presents itself." Darnley Bay intends to begin a preliminary economic analysis immediately upon closing. Read the full release [here](#).

Kennady Diamonds successfully completed their Kennady North Summer Drilling Program. Highlights of the drilling since the last update are as follows:

- Faraday 2 – the three best holes had kimberlite intercepts of 76.9 m; 50.3 m and 38.0 m.
- Faraday 3 - the three best holes had kimberlite intercepts of 18.3 m; 16.5 m and 13.3 m.
- Kelvin – a final delineation hole with a kimberlite intercept of 114.2 m.

The Company is also pleased to provide an update on the valuation process for the 1,278 carats of diamonds recovered from 612 tonne 2016 Kelvin bulk sample (see news release from May 31, 2016 and September 19, 2016). WWW International Diamond Consultants have completed the first phase of the independent diamond valuation process in Antwerp, Belgium and are now developing size frequency distribution and revenue models. WWW are expected to release results before month end. Read the entire release [here](#).

Nighthawk Gold Corp. announced October 12 that recent drilling at the old Colomac Mine site has defined the near surface boundaries and dimensions of Zone 1.5, and accordingly, supports the existence of constrained high-grade domains within the Colomac mineralized system. Today's results show that the zone continues uninterrupted down plunge and supports its continuity of mineralization to depth, as C16-03B cut 72.65 metres (50 metres true width) of 5.58 g/t gold, including 17.80 metres of 17.72 g/t gold, 100 metres below the C16-03 intersection. Read more [here](#). On October 13, Nighthawk announced a strategic investment by Kinross Gold that would see it complete a \$10.1 million non-brokered private placement after which Kinross will hold approximately 9.5% of Nighthawk's issued and outstanding common shares on an undiluted basis. The gross proceeds from the sale of the FT Shares will be used for exploration on Nighthawk's properties and the net proceeds from the sale of the Common Shares will be used for general working capital purposes. Read more [here](#).

Silver Range Resources Ltd. announced [results](#) from a summer exploration program in the Ennadai Lake area in the western Kivalliq Region of Nunavut. Work was focused on two gold targets, the Hard Cash and the Nigel properties. The Hard Cash property is located 310 km northeast of Stony Rapids, Saskatchewan. The property lies within the Archean Ennadai-Rankin Greenstone Belt, host to the Meliadine Deposit currently being developed by Agnico Eagle. The Hard Cash property covers 7 NUMIN gold occurrences previously explored by Homestake, Phelps Dodge and Giant Yellowknife Mines.

Silver Range Resources [announced](#) they had discovered new gold mineralization at the Up Town Gold Property near Yellowknife. The Up Town Gold Project is a high grade Archean lode gold prospect adjoining the Giant Mine in Yellowknife. The property consists of 6 claims (the "Property" or the "Up Town Gold Project") covering 3,227 hectares and borders the west side of the Giant Mine leases. The Property is centred approximately 6 km north of downtown Yellowknife, and adjoins TerraX Minerals' Yellowknife City Gold Property. The Property is road accessible, year-round, via the Ingraham Trail (Territorial Highway 4) which runs through the eastern portion of the claims. Gold was discovered on the property in 1960 and two targets were explored intensively from 1963 to 1966. Small scale high grade mining was conducted at the Rod Vein in 1979. From 2011 to 2015, the Property was explored with geological mapping, prospecting, geophysical surveys, channel sampling and shallow diamond drilling.

TerraX Minerals [announced](#) October 19 it had completed its summer drill program and expanded its management team. It has completed the summer phase of the recently announced 27,000 metre drill program on the Yellowknife City Gold Project ("YCG"), immediately north of Yellowknife. The summer program was expanded to include three drills on multiple drill targets, with 36 holes completed totaling 10,078 metres. The Company has received and reported assays from the first 4 holes (1,076 m) from this program, with all four holes intersecting significant zones of mineralization at Mispickel that included 5.53 m of 29.85 g/t Au in the hanging wall and 3.00 of 22.44 g/t Au in the main zone of drill hole TWL16-020 (see our news release of September 22, 2016). Assay results are pending from the remaining holes, which are anticipated to be continuously released when available over the balance of the year, followed by the resumption of drilling in early January 2017. They also announced that at the Company's Annual General Meeting held October 18, the shareholders re-elected Joseph Campbell, Stuart Rogers, Paul Reynolds, Tom Setterfield and Elif Lévesque as Directors.

Following the meeting, the Directors elected to expand the Company's management team with the appointment of Mark Gelmon, CPA, CA as Chief Financial Officer, with Stuart Rogers to serve as President and Joseph Campbell appointed as Chairman of The Board and Chief Executive Officer.

TMAC Resources announced November 3 it had intersected significant near-surface gold mineralization outside current mineral resources at Madrid North on the Madrid North Naartok gold zone (Naartok). Naartok is approximately 8 km south of the Company's Doris processing plant which is in the final stages of construction and expected to begin producing gold early in 2017 and achieve commercial production in the first quarter of 2017. The Naartok drill program successfully defined a wide zone of lower grade breccia-hosted gold mineralization that hosts high-grade gold domains, similar to the existing Naartok Mineral Reserves. This new Naartok gold target trends to the north and is oriented orthogonally to the Naartok West Mineral Resource. Read the full release [here](#).

TMAC Resources announced November 7 that it had achieved another milestone on the way to production at Hope Bay. On November 4, the Nunavut Water Board issued TMAC's amended Type A Water Licence for Doris to the Honourable Dr. Caroline Bennett, Minister for Indigenous and Northern Affairs Canada for review and signature. Upon receipt of the Minister's signature the amended licence supports an extended mine life (from approximately 1.5 years to the current reserve life of 6 years) at the Doris mine and an associated increase in tailings deposition from 458,000 tonnes to 2,500,000 tonnes into the tailings impoundment area. Read the full release [here](#).

Transparency: GNWT launches mandate reporting website

On November 4, as part of its commitment to improve openness and transparency, the Government of the Northwest Territories (GNWT) launched a new mandate reporting website where the public will be able to track the government's progress on fulfilling the Mandate of the Government of the Northwest Territories.

The website will allow residents to see up-to-date progress on each commitment under the five major themes of the Mandate.

The Mandate provides an agreed-upon foundation for GNWT decisions about how to prioritize and allocate resources among competing priorities and for directing government business.

- The website is organized into the five major themes of the mandate:
 - Governance
 - Economy, Environment and Climate Change
 - Cost of Living
 - Education, Training and Youth Development
 - Community Wellness and Safety
- Each major theme shows the progress of each mandate commitment and indicates whether the commitment is in the planning stage, in progress or fulfilled.
- In total, the mandate of the Government of the Northwest Territories sets out approximately 200 distinct commitments.

- The *Mandate of the Government of the Northwest Territories* was developed pursuant to the *Process Convention on Priority Setting* and adopted by the Legislative Assembly in March 2016.
- This is the first time an Executive Council has proposed a mandate in response to Legislative Assembly priorities and the first document of its kind ever tabled and adopted in the NWT Legislative Assembly.

Check it out here: <http://mandate.exec.gov.nt.ca>

Scotiabank – Commodity Price Index – October 2016

- **All Commodity Price Index Down 1.2% m/m**
- **A small Oil & Gas gain in September was outweighed by losses in the Agricultural, Metal & Mineral, and Forest Product sub-indices.**

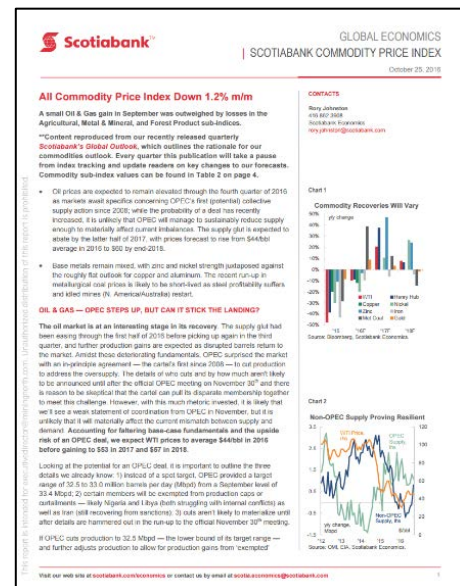
Selected Highlights:

Base metals remain mixed, with zinc and nickel strength juxtaposed against the roughly flat outlook for copper and aluminum. The recent run-up in metallurgical coal prices is likely to be short-lived as steel profitability suffers and idled mines (N. America/Australia) restart.

Metals are expected to find their bottom in 2016, though recovery dynamics between individual metals remain mixed. Zinc continues to experience the strongest fundamentals within the base metals, followed by nickel where deficits have emerged but large inventory levels will weigh on near-term price gains. Copper prices, meanwhile, are expected to remain roughly flat through our forecast horizon. Coal prices (particularly of the higher-quality metallurgical variety) are expected to ease after spiking on the back of a confluence of events that tightened seaborne spot markets, while iron ore prices are expected to drift lower through 2018 as significant volumes of new supply come on stream. Gold will continue to benefit from a host of political risks over the coming 18 months but will experience longer-term headwinds as global interest rates rise.

Zinc remains the metal with the strongest near-term fundamentals, and prices are expected to rise from an average of \$0.85/lb in 2016 to \$1.25 in 2017 and \$1.55 in 2018. An acute deficit in zinc concentrate supply has emerged on the back of depletion prompted closures (>600 ktpa) as well as economic idling of 500 ktpa worth of zinc mine capacity globally. This concentrate deficit has begun working its way into the refined metal market, where stocks have already begun to draw (chart 4). Inventory draw-downs are expected to become pronounced by mid-2017, prompting price increases.

Iron ore prices are expected to remain under pressure as a wave of new supply comes on stream in line with previously committed project expansions. We expect prices to gradually slip over the next 2-3 years, from \$50/t in 2016 to \$47 in 2017 and \$45 in 2018, as the market adjusts to this



growth in mine supply. Given the current low-price environment, major producers are easing the ramp-ups of their new capacity additions, hoping to keep costs low and prevent prices from dropping further (e.g. Vale's 90 Mt S11D mine in Brazil may only be ramped to 75 Mt until prices recover).

Gold has experienced renewed strength in 2016 as global yields and future expectations continued to drift lower, with an additional and classic political risk boost on the back of the U.K.'s 'Brexit' referendum vote in June. The future path for gold remains uncertain, supported by rising political uncertainty (multiple European elections and referenda as well as the prospect of an upset in the U.S. presidential election) and blunted by the gradual pressure of anticipated U.S. interest rate normalization. Gold prices are expected to average \$1260/oz in 2016, \$1300 in 2017, and \$1300 in 2018.

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.

- 7 November 2016, [Avalon Completes Non-Brokered Private Placement for Gross Proceeds of \\$1 Million](#)
- 7 November 2016, [Dominion Diamond Corporation Announces Corporate Office Move to Calgary](#)
- 7 November 2016, [Silver Range Stakes New Targets in Nevada](#)
- 7 November 2016, [TMAC Resources' Achieves Another Milestone On The Way To Production At Hope Bay](#)
- 3 November 2016, [TMAC Resources Nears Production at Hope Bay](#)
- 3 November 2016, [Positive Results from Centralized Processing Facility Research Program for Central Newfoundland Deposits](#)
- 3 November 2016, [TMAC Resources Intersects Significant Near-Surface Gold Mineralization Outside Current Mineral Resources at Madrid North](#)
- 2 November 2016, [Kaizen Discovery signs new collaboration agreement with ITOCHU Corporation](#)
- 1 November 2016, [Mining Association of Canada: Government's bold infrastructure plan sets Canada on right direction](#)
- 1 November 2016, [Nighthawk Completes Strategic Investment by Kinross Gold and \\$10.1 Million Non-Brokered Private Placement](#)
- 26 October 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](#)
- 26 October 2016, [Seabridge Gold Identifies a Large, Untested Target at Iskut Project, BC](#)
- 26 October 2016, [TerraX Minerals Video Presentation on the Yellowknife City Gold Project](#)
- 25 October 2016, [Avalon Clarifies Disclosure Contained in September 27, 2016 News Release](#)

- 25 October 2016, [Mountain Province Diamonds Production Report for the Third Quarter ended 30 September 2016](#)
- 19 October 2016, [Kennady North Summer Drilling Program Successfully Completed](#)
- 19 October 2016, [Dominion Diamond Corporation Reports Diavik Diamond Mine Third Calendar Quarter Production](#)
- 19 October 2016, [TerraX completes summer drill program, expands management team](#)
- 19 October 2016, [Silver Range Discover New Gold Mineralization at Up Town Gold](#)
- 13 October 2016, [Nighthawk Announces Strategic Investment by Kinross Gold](#)
- 12 October 2016, [The Fascinating World of Diamonds ... in Three Weeks](#)
- 12 October 2016, [Nighthawk Intersects 72.65 Metres of 5.58 g/t Gold \(uncut\), including 17.80 Metres of 17.72 g/t Gold \(uncut\) at Colomac - Expands High-Grade Zone 1.5](#)
- 11 October 2016, [Silver Range Samples 116 G/T Gold And Extends High Grade Trend At Hard Cash](#)
- 6 October 2016, [Stornoway Provides Processing Update for the Renard Diamond Mine, Quebec](#)
- 5 October 2016, [Auryn Resources receives conditional acceptance to list on the Toronto Stock Exchange](#)
- 4 October 2016, [Kivalliq Energy: Work Completed at Jurgen; Notice of Genesis Property Claim Reduction](#)
- 4 October 2016, [De Beers Rough Diamond Sales for Cycle 8, 2016](#)

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:

- **506822 NWT Ltd.** aka **Best Movers and Event Rentals** is a company founded with the straightforward principle of honesty in all of our affairs. This is how we have been able to build our trustworthy reputation in Yellowknife and across the country. No matter what kind of relocation you are about to make, we can be a great asset to you or your business during the transition period. Our services can be tailored to just about any special request and all of our employees are experienced in the safest methods to transport for even the most fragile of objects. Learn more at: www.ykbestmovers.com.
- **Det'on Cho Corporation** is the economic development arm of the Yellowknives Dene First Nation, located in Ndilo and Dettah, Northwest Territories. The corporation provides diverse services to the northern mining industry including catering, drilling and blasting, logistics, medical services, construction, security and janitorial. To learn more, visit: www.detoncho.com/.
- **Minetec Industrial Supply** is an industrial supply company dedicated to serving construction, mining and oil and gas operations. Acquired by English River First Nation through Des Nedhe Development in 2009, Minetec continues to adapt to the challenges


of industry, modifying and increasing its product line and inventory as required in order to meet client demand. To learn more, visit: <http://www.minetecsales.com/>.

- **Polar Promotions** is a promotional product distributor and proud member of the Advertising Specialty Institute. We are able to supply your company with every possible promotional product from over 3000 suppliers. With so many ad specialties available there is a huge opportunity for professionals like you to boost ROI and leave a lasting impression with your customers. Our mission is to help you create long-lasting relationships with your clients through the power of promotional products. Visit: www.polarpromo.ca.
- **Sprung Structures Ltd.** is known to many in the mining industry, including engineers, purchasing agents and project managers, who have made Sprung their choice for mining buildings. Sprung structures are ideal for use as mining buildings in remote locations, built under rigid construction timelines, with limited foundation requirements. Sprung structures can be adapted to virtually any mining camp application and can be modified quickly to changing priorities. To learn more, visit www.sprung.com/mining.
- **Survey Tech Instruments and Services** specializes in providing downhole instrumentation and directional surveying services in the mining industry. To learn more, contact Don Dupuis and visit <http://surveytechinstruments.com/news/>.
- **University of New Brunswick's** continuing education arm, the College of Extended Learning, delivers a host of personal and professional development opportunities to individuals as well as private and public organizations at the provincial, national, and global levels. Of note, UNB CEL is a leader in online occupational health and safety education in Canada, providing a fully online certificate program, as well as a diploma program, a CRSP Prep Course, and a specialized occupational health nursing certificate. For more information, visit www.unb.ca/cel/unbohs.

Calendar of Events

- **Canadian Aboriginal Minerals Association's 24th Annual Conference:** "Embracing the Past. Mining the Present. A Rewarding Future." November 6 -8, 2016, Delta City Centre, Ottawa, Ontario. The conference is dedicated to increasing the understanding of the minerals industry, Aboriginal mining and Aboriginal community's paramount interests in lands, resources and the environment. Through increasing this awareness, all parties will benefit. The conference registration is now open. Please visit CAMA's [website](#) for more information and to register [click here!](#)
- **44th Annual Geoscience Forum**, November 15-17, 2016, Yellowknife, NT. Join us at the largest mining and petroleum conference and tradeshow in the Northwest Territories. The joint initiative of the NWT & Nunavut Chamber of Mines and the Government of the NWT's Department of Industry Tourism & Investment attracts hundreds of delegates and exhibitors excited to share their knowledge, to learn from others, and to show off their wares. For more information visit www.geoscienceforum.com and contact conference@miningnorth.com.

- **Diamond Gala – Celebrating 25 Years of NWT Diamonds.** Celebrate with us on Thursday, November 17, 2016 in Yellowknife, NT, as we honour the discoverers, Aboriginal governments, financiers, and mining executives who helped to develop our diamond mining sector into what it is today. Special Guest Speakers: Hon. Robert R. McLeod, Premier of the NWT, and Mr. Chuck Fipke, discoverer of diamond deposits that became Canada’s first diamond mine, Ekati. Tickets are limited. Click [here](#) to register.
- **4th Annual Renewables for Mining Toronto Summit,** November 21-22, 2016, Hilton Toronto, Toronto, ON, Organized by Energy and Mines. Co-located with the inaugural Energy and Mines Award, the 4th annual Energy and Mines World Congress is the global meeting place for mining, renewables and energy innovation leaders to meet and explore the very latest developments in renewables for mines and discuss the challenges around financing and implementing these projects. Mining operators are eligible for complimentary passes to this high-caliber Congress. Click [here](#) for more details on how to apply for a mine pass. Mining consultants and service providers are eligible for a 20% discount off attending this event by entering the code “**mcsp20**” on the [registration](#) page. Contact: sukhee.chae@energyandmines.com or + 1 613 627 2787 for more information or visit: worldcongress.energyandmines.com
- **Microreactors for the Arctic,** November 29-30, 2016, Explorer Hotel, Yellowknife, NT. Canadian/Swedish company, LeadCold, is developing small nuclear reactors for power production in remote areas. The size and cost of the reactor makes it suitable for replacing diesel generators in Northern communities and mining sites, leading to reduced costs for power while minimising emissions and improving energy security. A draft agenda and more details about the workshop can be found [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.Geol.’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.
- **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.

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|  <p>NWT & NUNAVUT CHAMBER OF MINES</p> | <p>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.</p> <p>For further information contact us at: PO Box 2818, Yellowknife, NT X1A 2R1 Email: info@miningnorth.com Website: www.miningnorth.com</p> |
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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 |
| 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 |
| 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 |
| 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. |

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| 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, September 14: Canadian Zinc Modifies 2016 Preliminary Feasibility Study: Amended Technical Report to be filed</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, October 19, 2016: Kennady North Summer Drilling Program Successfully Completed</p> <ul style="list-style-type: none"> • Kimberlite intercept exceeding 76 meters at Faraday 2 • Delineation hole on Kelvin hits 114 m of kimberlite |
| 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> |

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| 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 October 12, 2016: Nighthawk Intersects 72.65 Metres of 5.58 g/t Gold (uncut), including 17.80 Metres of 17.72 g/t Gold (uncut) at Colomac - Expands High-Grade Zone 1.5 News Release, October 13, 2016: Nighthawk Announces Strategic Investment by Kinross Gold News Release November 1, 2016: Nighthawk Completes Strategic Investment by Kinross Gold and \$10.1 Million Non-Brokered Private Placement |
| 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 (Howard'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 |

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| | | | 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, August 10: Sabina Gold & Silver Announces Q2, 2016 Financial Results News Release, August 30: Sabina Gold & Silver Reports Kitikmeot Inuit Association and Government of Nunavut ask Federal Minister to Send Back River Gold Project Back to NIRB for Further Consideration |
| 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 |
| Angilik | Kivalliq Energy Corp. | Uranium | 340,268 acre property located SW of Baker Lake; Hosts the high-grade Lac 50 Trend deposit | News Release, June 7, 2016, Kivalliq Closes Financing to raise gross proceeds of CDN\$400,000, to fund mineral exploration at Kivalliq's wholly-owned properties in Canada. |
| 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 Qilalugaq Project. The parcel of 383.55 |

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| | Stornoway Diamonds | | hectares of contiguous mineral claims. Largest kimberlite in Nunavut. | carats of diamonds greater than +1DTC (~1 mm) was valued at \$13,795 or \$36 per carat and a modelled range of possible values was also produced with a “possible low” model price of \$43 per carat and a “possible high” model price of \$92 per carat. |
| Committee Bay Gold Project | Auryn Resources (purchased North Country Gold Corp.) | Gold | Committee Gold Bay Project Highlights: <ul style="list-style-type: none"> • High grade gold endowment • Existing exploration infrastructure • 217,600 hectares with district scale discovery opportunities | October 5 News Release: Auryn Resources receives conditional acceptance to list on the Toronto Stock Exchange News Release, October 3: Auryn Resources provides update on 60% of the 2016 Committee Bay Exploration Results |
| Hackett River | Glencore | Zinc, Silver, Copper, Lead | Proposed open pit mine. One of largest undeveloped VMS massive sulphide deposits in the world. 104 km SSW of Bathurst Inlet. Estimated construction jobs: 800 Estimated mine jobs: 500 | PFS initiated in September, 2012. No activity reported in 2015. |
| Coppermine | Kaizen Discovery / Tundra Copper | Copper | Early stage, district-scale exploration play located 24 km SW of Kugluktuk; Total holdings approximately 3,500 km ² | NIRB screening decision issued July 7, 2015; Proposal may proceed without a Part 5/6 NLCA review. |



Agnico Eagle's Amaruq exploration camp.

Project Maps

