

Chamber of Mines News Briefs AUGUST 11-13, 2012

[Note: News headlines are hyperlinked to their stories in this document.]

aboriginal news	1
First Nations urge talks on resources revenue-sharing	1
John Duncan let financing for Attawapiskat housing fall through, say natives	2
Hockey rules in Attawapiskat.....	3
Nunavut news	4
Ottawa group plans Aug. 18 protest against high food costs in Nunavut	4
Greenland premier visits Nunavut	5
Nunavut RCMP suggest 3 officers for communities.....	5
Businesses must be heard.....	6
NWT News	7
First Nations slam oilsands monitoring.....	7
Doctors head to Yellowknife for annual national meeting.....	8
Devolution up for discussion: GTC.....	9
No airships for Arctic	9
Resource Development and Energy News.....	10
Jobs mined out as industry takes beating.....	10
CN, miners to study new line for Quebec-Labrador iron belt.....	11
Labrador Trough positioned to feed Canada's iron-ore exports.....	12
New N.W.T oil prospect raising economic hopes and environmental concerns.....	14
Pipeline Company rejects Northern route	15

ABORIGINAL NEWS

First Nations urge talks on resources revenue-sharing

Canadian Press – August 11, 2012

An aboriginal leader from Manitoba says a deal that shifted control of natural resources from Ottawa to the provinces more than eight decades ago has wronged First Nations for years.

Grand Chief David Harper of Manitoba Keewatinowi Okimakanak says many natives live in poverty, while the Natural Resources Transfer Agreement of 1930 deals in resource wealth worth billions of dollars.

"When we want to talk about revenue sharing, we want to talk about the damage that's done to these lands," he said as a three-day meeting of Treaty 6 band leaders from the Prairie Provinces concluded Thursday. "We need to talk about these issues.

"The number we're getting is \$350 billion utilized and yet we have Third World conditions."

The meeting in Prince Albert, Sask., was about how to change the way resource wealth is shared with First Nations. Harper suggested the three provinces need to stick together if they have any hope of challenging the agreement.

"Manitoba can't do it alone. Saskatchewan and Alberta have to come along," he said.

Input from the meeting - the second of three on the issue - has been compiled for a draft document that is to be drawn up and voted on after a final summit in Alberta next year. The first meeting was in Manitoba in 2011.

Harper says legal action may eventually be taken to try to get the resources agreement restructured. Recourse could include going through the federal government, the United Nations or even the British Crown, which was the original signatory of the treaties, he said.

Brian Hardlotte, vice-chief of the Prince Albert Grand Council, said during the run-up to the meeting that First Nations may have ceded their right to the land, but not to its resources.

"All we gave up when our elders signed the treaties was the top soil," he said. "Depth of the plow, they said, six inches, for the newcomers when they came West on our land to grow their crops, to feed themselves.

"And we allowed that. And they put us on reserves."

John Duncan let financing for Attawapiskat housing fall through, say natives

Toronto Star – August 10, 2012

Les Whittington

OTTAWA—A plan to build much-needed houses in Attawapiskat fell through because of lack of support from Aboriginal Affairs Minister John Duncan, leaders in the troubled northern Ontario aboriginal community revealed Friday.

Acting Chief Christine Kataquapit said an application to Canada's national housing agency for help financing the construction of 30 houses in Attawapiskat was not approved because Duncan refused to sign off on an agreement between Attawapiskat and the Canada Mortgage and Housing Corp. (CMHC).

And Kataquapit said the letter from CMHC ruling out financial support for the housing plan was written Aug. 2, a day after a federal court judge gave the Harper government a black eye over its decision to send a third-party manager into Attawapiskat last year.

The community had applied for support to build houses under CMHC's non-profit, on-reserve housing program, which provides loans to First Nations to construct or rehabilitate rental units. The loans are insured under the National Housing Act and must be guaranteed by Duncan, the minister of aboriginal affairs and northern development.

Kataquapit said CMHC's Aug. 2 letter said Attawapiskat's application for funding was being rejected because of the inability to obtain a ministerial loan guarantee for the planned housing project.

"We were disappointed to receive the letter that we were not selected because we are still scrounging around for housing units for our members and there's a shortfall," she said in an interview.

A spokesperson for Duncan said the government is waiting for the Attawapiskat First Nation to submit a housing plan.

"Given that the First Nation still has not submitted a housing plan, they were unable to demonstrate the necessary capacity for the department to approve their request for a loan guarantee," Jason MacDonald said. "The department continues to offer to assist the First Nation in the development of a long-term housing strategy."

Attawapiskat, a community of 2,000 on the edge of James Bay, attracted national attention after it declared a state of emergency last fall when a severe housing shortage left more than two dozen families facing the winter in flimsy, uninsulated temporary shelters.

Responding to a storm of criticism, Ottawa spent more than \$3 million to provide emergency shelter, including 22 new mobile homes to relieve the crisis. And Prime Minister Stephen Harper said the reserve's leaders had mishandled \$90 million in government support over five years.

Harper called for an audit of the band's books and sent in a third-party manager to assert control over Attawapiskat's financial affairs.

Attawapiskat went to court to challenge the federal government's decision to parachute in a third-party manager. And on Aug. 1, the Federal Court sided with the First Nation, saying Ottawa's decision to send in a third-party manager was "unreasonable." Justice Michael Phelan also said the government had not produced evidence of financial mismanagement on the reserve.

Asked if she thought Duncan's refusal to provide a loan guarantee for Attawapiskat had anything to do with the court decision, Kataquapit said, "I listened to the news where they were saying that Duncan said (the federal government) was disappointed that Attawapiskat won." But she said community leaders haven't yet asked Duncan to explain why Attawapiskat did not receive the loan guarantee required by CMHC.

NDP MP Charlie Angus, whose riding includes Attawapiskat, said the chain of events raises questions about the government's attitude toward improving the situation in Attawapiskat. The plan that fell through "would have gone a long way toward alleviating any housing crisis in that community," he said.

Hockey rules in Attawapiskat

Sun Media – August 12, 2012 Ezra Levant

Last fall, the Attawapiskat Indian reserve declared a state of emergency. Despite \$90 million poured into the reserve over five years by the federal government — into a town with fewer than 500 families — there were dozens of band members living in shanties and shacks, and even some families in tents.

The consensus media responded like Pavlov's dog. They knew the official narrative: Attawapiskat needed more money. The problems were clearly caused by the heartlessness of the Conservatives who were mean at best, and probably racist, too.

That was the official line of the Media Party, and it was regurgitated again more than a week ago by the Court Party. Michael Phelan, a liberal judge on the Federal Court, declared that the problems on the reserve were most definitely not the fault of financial mismanagement or "incorrect" spending, and so the financial manager sent there by Ottawa to look into the mess had to leave.

Case closed.

Except that, right in the middle of this so-called state of emergency, when people were in leaky houses and tents, the Attawapiskat Indian band — with three chiefs and 18 band councillors on the payroll — made an important financial decision.

They needed a new ice resurfacer for their hockey rink.

They haven't rebuilt their school up there, since it was torn down because of diesel fumes. They're living in shacks. (Well, not the chief, of course.)

But forget about such trivial problems. These clowns needed a new ice resurfacer.

You can see a copy of the invoice for it on this page: \$96,089 for an Olympia model ice resurfacer.

Now, a nitpicker might point out that the state of emergency was not formally declared until a few weeks after the Olympia order was made. But that's the thing. There may have been a housing emergency in the mind of the media. But the highest priority for the band was their hockey emergency. So that deal for the ice resurfacer still went ahead.

Attawapiskat, if you look at a map, isn't just down the road from the dealer selling ice resurfacers in Ontario. In fact, it isn't down a road at all — it's accessible only by plane and by boat.

So the new ice resurfacers were trucked from Elmira, Ont., to Cochrane. Then it was put on a train to Moosonee. Then it was put on a barge and sailed up to Attawapiskat.

Look, when there's a hockey emergency going on, you spare no expense. Even if you wind up spending as much shipping that beast up north as you did to buy it in the first place. The band, on its website, says money raised through community bingo paid for the new Olympia, while proceeds from Casino Rama went towards the freight charges and the barge costs were donated by the transportation firm. Don't like it? Think maybe they should have used the money to patch up a leaky house or rebuild the school? You're clearly a racist.

Oh, one more thing. See, Attawapiskat already had an ice resurfacers. But it was a 1997 model. And the trustees of Attawapiskat's money, those guardians of the interests of ordinary Indians, those three well-paid chiefs and the 18 well-paid band councillors, plus all the civil servants and permanent government staff up there, thought the latest model was what Attawapiskat needed to buy.

Oh, and they paid cash — half up front and half on delivery. Poor folks — most normal Canadians — might have to finance a big new vehicle. Not the high rollers at Attawapiskat. They had the money in a bank account.

I didn't get a copy of this Olympia invoice in a manila envelope slipped under my door. I don't have a secret source leaking me this information. It's posted right on the Attawapiskat band's website.

The purchase of the ice resurfacers is a scandal. But the Media Party's willful blindness to the purchase — the \$90 million of other waste — is an even bigger scandal.

NUNAVUT NEWS

Ottawa group plans Aug. 18 protest against high food costs in Nunavut

Nunatsiaq News - August 10, 2012

"We're still going to keep at it until we see changes"

SAMANTHA DAWSON

A group of Inuit in Ottawa plan to rally against Nunavut food prices again Aug. 18 on Parliament Hill.

Their goal: to raise awareness in advance of the planned Nunavut-wide Aug. 25 protest.

"This time we have to come in solidarity to make actual changes," organizer Deborah Tagornak said.

Tagornak and her fellow protesters take direction from the Nunavut Feeding My Family Facebook group.

"We're the voice for our families in Nunavut communities," Tagornak said.

Their Aug. 18 protest will be the third food price protest against the high cost of food in Nunavut in Ottawa.

The first was held June 21, Aboriginal Day, with about 80 people showing up throughout the day.

"The responses that we received was that this was outrageous," said Tagornak about passersby who noticed their signs.

One read, "You are killing the North."

The second protest was held in July, but this one was shorter and fewer people showed up. "We had a good turnout of about 60 considering the heat wave," she said.

This time around, Tagornak has no idea how many people will show up.

But she has been organizing: she's helped set up a five-person task force team in Ottawa, because its members are closer to members of parliament and have easier access to appropriate government departments.

This group's members read Hansard regularly to see if efforts are paying off.

"It went as far as the Parliament Hill debate," Tagornak said, adding that "it tweaked a nerve."

The task force also has daily contact with Feeding My Family.

"We're just people that had enough of what we see and what is happening with the high cost of food and mark-ups, all we ask for is transparency," she said.

Since Feeding My Family movement has been up and running, "there are many wonderful things we have accomplished," Tagornak said.

"We're still going to keep at it until we see changes," she said.

Greenland premier visits Nunavut

CBC News – August 10, 2012

Kuupik Kleist meets with Eva Aariak in Iqaluit

Greenland's premier was in Nunavut this week for a visit where resource development, ownership and management were high on the agenda.

Kuupik Kleist met in Iqaluit with Nunavut Premier Eva Aariak and other territorial leaders and also took a trip to Pangnirtung to look at its fishing industry. Both premiers were enthusiastic about future prospects in economic development, marketing, training and exchanges.

"We think that we need to strengthen our co-operation and learn from each other and that is the core purpose of my visit," said Kleist.

Eva Aariak said she is looking forward to working closely with Greenland government.

During the Inuit Circumpolar Conference in Nuuk two years ago, she was cautious about proposed oil and gas exploration in Baffin Bay and Davis Strait. But she says Inuit in both countries have to have ownership of and manage the rich natural resources of the Arctic.

She said that's why it will be important to have close ties with Greenland and have a good working relationship.

Both agree Inuit need to take full control of potential jobs and opportunities arising from Arctic development.

Kleist said it will be a delicate process.

"We are keen on hearing about hearing processes in Northern Canada and how to include the concerns of the people and organizations when you are actually carry out that kind of activities," he said.

This was Kleist's first official visit to Nunavut, made more convenient by scheduled commercial flights now available between Nuuk and Iqaluit. He said he hopes the flights will continue as they will be good for both countries.

Nunavut RCMP suggest 3 officers for communities

CBC News – August 10, 2012

More attention to mental health would also make policing safer, says chief superintendent

The chief superintendent of Nunavut's RCMP says increasing the number of officers in communities to three from two and more government attention to mental health would help make policing safer in the territory.

This comes after an armed standoff earlier this week in Hall Beach, a confrontation in Igloolik where officers say an armed man threatened to kill them and an incident in Kimmirut where shots were fired at the detachment building while officers and a resident were inside.

Chief Supt. Steve McVarnock said police are easy targets in the community because of the work they do.

"Either we're being specifically targeted as the direct issue, or we're being used as a pawn or a tool to demonstrate anger."

He admits RCMP may not always have had good relations with Inuit communities, "leading from what happened in the '40s, '50s, and '60s up in this land, but there's been several generations since."

Now, the police are looking for solutions.

McVarnock said increasing the number of officers in the communities would make policing safer, and would also allow police to take a more proactive role in crime prevention.

He also said governments need to speak out more about safety in the communities and address the issues of anger and mental health.

Businesses must be heard

Nunavut News/North – August 13, 2012

In Inuktitut, Nunavummi Nagminiqagtunik Ikajuuti means assistance for Nunavut businesses.

The NNI policy, initiated in 2000, was intended to give an advantage to businesses owned by Nunavummiut and Inuit firms bidding on government contracts.

But the system isn't working and businesses around the territory are voicing their frustrations through roundtable discussions headed by the territorial government and Nunavut Tunngavik Inc.

The policy has been plagued with concerns for years, and its body of registered businesses has fallen to less than 200 from 350.

Earlier this year, the auditor general's report criticized the practice of bypassing the public service contract system when awarding sole-source contracts.

The report further revealed documentation to support awarded contracts was often missing and flagged instances of work beginning on the contract before it was actually awarded.

The policy, which was created to enact the Government of Nunavut's obligations under Article 24 of the Nunavut Land Claims Agreement, is also meant to increase access by Inuit to on-the-job training, apprenticeships and upgrading.

Of major concern is the potential for the policy's rules being used to award bidders from only partially Inuit-owned instead of wholly Inuit-owned businesses - to the benefit of large companies in the south with minimal connections to the territory's communities.

Used improperly, this system can hurt employment opportunities in Nunavut and hamper the success of Inuit-owned and Nunavut-based businesses, so the contract process must be transparent, constantly reviewed and monitored.

Its stated mandate recognizes that achieving its objectives will require "consistent and persistent effort."

To that end, a review committee is to analyze the policy at least on an annual basis to ensure progress is being made "in a demonstrable and balanced way."

Ideally, the jobs and contracts go to businesses from the area where the contract is being carried out, particularly those businesses majority-owned by Inuit.

Bringing business people to the table who are most affected by the awarding of contracts and deal with the application process on a daily basis is a sound idea.

Now the GN and NTI must make changes so contracting out works in the interest of Nunavummiut and Inuit.

NWT NEWS

First Nations slam oilsands monitoring

Canadian Press – August 11, 2012

Bob Weber

EDMONTON — A “world-class” environmental monitoring program being set up in northern Alberta’s oilsands region is being heavily criticized even before it gets fully up and running.

In an angry letter to Premier Alison Redford, area aboriginal groups say the provincial and federal governments have already broken promises to involve them in the design and implementation of the system, which is considered crucial to understanding the industry’s impacts and answering the concerns of its critics.

“The Mikisew Cree and the Athabasca Chipewyan are extremely disappointed with the failure of Environment Canada and Alberta Environment and Sustainable Resource Development to honour their promises,” begins the letter obtained by The Canadian Press.

The June 27 missive points out that although federal and provincial scientists are already in the field, aboriginal people who live in the area remain “politically ostracized from all involvement.”

That’s despite explicit recommendations from the experts who designed the system and who said aboriginals should be heavily involved through community-based monitoring and by tapping into traditional knowledge. Those suggestions were accepted in the implementation plan adopted by both governments.

The letter also demands to know why no independent commission has been appointed to oversee the monitoring that has been repeatedly touted as “world class” by officials.

“We wish to respectfully remind the premier that she promised in the February launch of the world-class monitoring system that there would be an independent commission to oversee monitoring,” the letter says. “Given that the world-class monitoring program has been collecting data for almost eight months, where is this commission?”

Alberta Environment spokesman Mark Cooper said both groups have had several chances this spring to have a look at the program and offer input. In some cases aboriginals have worked alongside federal scientists, he said.

“It is critical that we have First Nations involvement,” said Cooper. “We’re continuing to engage with them. There have been many workshops with First Nations to discuss ongoing work and implementation of the joint plan which would include governance and how they would be involved in that.”

The program was announced last February in response to years of criticism that analysis of the environmental impacts of the massive and rapidly expanding oilsands industry was deeply inadequate.

Federal Environment Minister Peter Kent and his provincial colleague Diana McQueen were present at the announcement and toured the area in July for a first-hand look at the early stages of the monitoring program, which will take several years to fully implement and is estimated to eventually cost about \$50 million a year.

The letter says that while millions have been allocated to support that work, no resources have been dedicated for research based on traditional knowledge, local training or involvement. It says the disconnect means Environment Canada is duplicating some work already being done by aboriginal groups.

"We have had no opportunity to add our traditional knowledge to this process," the letter says. "We have received zero funding and zero training.

"A monitoring program that disregards the entire accumulated body of knowledge of our (First) Nations, which have lived here for thousands of years, is not world class."

Aboriginals have had no input into what should be studied, where studies should be happening, which species should be studied or how often, the letter states.

It adds that neither group has seen the agreement between the two levels of government on how the program will run.

A separate report on how monitoring should be governed was delivered to McQueen earlier this summer. It has not been released.

"There's important policy decisions a government needs to consider before this report is released and that's exactly what we're doing," Cooper said.

Doctors head to Yellowknife for annual national meeting

CBC News – August 12, 2012

Hundreds of doctors and their family members are arriving in Yellowknife for the Canadian Medical Association's 145th annual meeting.

This is the first time the influential conference is being held in the Northwest Territories.

Yellowknife mayor Gordon Van Tighem said the city has been preparing for conferences of this size for years. It will be one of the largest conferences ever held in the city.

"There's city facilities that are being converted into convention halls, the hotels have been getting ready for a period of time, and then of course people operating the city tours and the little fishing trips," he said.

Van Tighem jokingly added that it's a good week for a heart attack, but maybe not too good for a round of golf since he said it's rumoured that the local course is fully booked for the week.

The incoming president of the national group, Dr. Anna Reid, is the first from the N.W.T. Reid works in the emergency room at the Stanton Territorial Hospital in Yellowknife. Reid is also the sixth woman to lead the national medical advocacy organization.

The doctors and health experts are expected to focus on health determinants.

"It is appropriate that we are holding it in Canada's North, where issues such as the impact housing, income and diet have on health are particularly important," said outgoing CMA president John Haggie.

The conference will be held mainly in the gym at St. Patrick high school since there are no other halls large enough.

About 700 doctors from around the country are expected to attend. The conference will wrap up on Wednesday.

Devolution up for discussion: GTC

NWT News/North – August 13, 2012

Gwich'in Tribal Council president delays forming opinion on deal until after annual assembly
As the Gwich'in meet in Fort McPherson this week for the Gwich'in Tribal Council's annual general assembly, one of the hottest topics is expected to be devolution.

More specifically, the GTC's new president, Robert Alexie Jr., says he is making it his mission to explain in plain language the GNWT's controversial plan to push through legislation this fall that would see the NWT gain province-like powers over its lands and resources effective April 1, 2014. This discussion is scheduled to take place on the third and final day of the 29th general assembly on Aug. 16.

On Aug. 9 Alexie said it was too soon to say how the GTC will move forward on devolution, adding he will wait to hear what people have to say at the assembly.

The GTC's motion to proceed with a lawsuit against the territorial government regarding a lack of consultation on the devolution process will also be under review at the assembly, said Alexie. That motion was tabled at last year's assembly.

"What I understand from travelling to the communities during the election and after the election, very few people have any idea what devolution means, not only in terms of a transfer of power over land and resources for the GNWT but, specifically, the fiscal arrangements in the agreement-in-principle," he said.

"Very few people understood it and, to be very frank with you, at the assembly last year I was somewhat taken aback that the (lawsuit) motion as it was drafted was tabled and supported without being fully explained to the people."

The way he understands it, under the land claim agreement, Gwich'in will get 7.5 per cent of resource royalties gained by the territorial government for projects on Gwich'in lands up to \$2 million, which equates to \$150,000. The GTC would then receive 1.5 per cent of any additional royalties beyond the \$2-million mark, said Alexie.

Also, if devolution passes, the GNWT will receive 50 per cent of resource royalties in the NWT. Last year, that amounted to about \$62 million, said Alexie. Of that 50 per cent, 25 per cent will be divided among the aboriginal groups in the territory who have signed on to the devolution agreement. The formula of how exactly that money would be divided will have to be decided by the First Nations groups, said Alexie.

However, Alexie points out that this information may not be complete.

"That's taken from an outside position because, as you know, we are not at the table," he said.

No airships for Arctic

NWT News/North – August 11, 2012

Experimental craft not worth the money yet: Discovery Air

Thandiwe Vela

Discovery Air Inc.'s plan to bring a developing line of heavy-lift, blimp-like air vehicles to the North has gone limp.

The company announced Aug. 6 that it let a commercial agreement struck last fall with U.K.-based lighter-than-air aircraft manufacturer Hybrid Air Vehicles Ltd. expire, which would have had the 50-tonne capacity, hybrid airships produced and delivered by 2014.

"We had a series of options to purchase a heavy lift version of their technology and we've made the decision at this time not to exercise those options," said Garry Venman, vice-president of government services for subsidiary Discovery Air Innovations.

The anticipated investment and return on investment for the \$40 million dollar vehicles was not close enough to meet the company's objectives, Venman said, after considering the time it would take for the design to be finalized, the certification process, and getting the project commercialized.

"It's not that we don't believe that the technology has significant potential," Venman added. "We believe it could revolutionize air transportation into remote regions, like for example Canada's North." The vehicles were to be designed with the ability to deliver cargo on land, water, ice and snow, with no need for a runway.

RESOURCE DEVELOPMENT AND ENERGY NEWS

Jobs mined out as industry takes beating

Postmedia – August 11, 2012

But companies banks on 'sound' long-range prospects

Derek Sankey

Twenty per cent of mining companies in Canada have already begun laying off employees this summer in a sector that has taken a recent beating in the markets.

The good news for employees is that employment appears to be getting more stable, with 76 per cent of the 140 mining executives surveyed not considering any further layoffs in 2012, according to a new report.

"What you're seeing now in the market is (mining) companies are taking a wait-and-see approach," says Andrew Pollard, president and chief executive of the Mining Recruitment Group in Vancouver.

Firms in the mining sector have been scaling back on exploration and development plans (80 per cent) and cutting overhead costs (71 per cent), according to the survey released recently by Pollard's company.

"There are a lot of unknowns, (but) the fundamentals of the industry are quite sound over the long term," says Pollard, who notes 82 per cent of executives are bullish over a three-year period, despite short-term caution.

"They're riding out the markets, hoping things will return sooner than later," he adds.

Sixty per cent of those surveyed don't expect to recruit in the next six months. However, a generation skills gap exists for geologists with 15 to 30 years of mid-level experience.

Elmer Stewart, president and chief executive of Calgary-based metals company Copper Fox Metals, says there was a period when students avoided going into the sector, creating a dearth of talent in a key demographic.

"You have a crop of younger graduates coming out with five to 10 years' experience, but you don't have the people with 30-plus-years' experience," Stewart says. "New grads coming out are starting at a relatively good salary, but they need the field experience."

Junior exploration companies are suffering the most, Pollard says. They're the ones relying almost exclusively on investment financing, which has dried up in recent months.

A report last month from the TSX showed that financing dollars raised through venture-capital companies - a key source for junior mining firms - were down 57 per cent, while all sources of financing combined were down 28 per cent. Pollard's survey showed about 60 per cent of mining companies have enough cash on the books to last more than nine months.

Despite the cautious tone of the sector, key workers who can fill that mid-level range will continue to be in demand.

In the 1980s and '90s, many workers decided to go into oil-sands mining instead of targeting the traditional metals and minerals mining sector.

Pollard has yet to see that trend materialize again under current market conditions. Most skilled professionals are focusing their careers on specific commodities, such as diamond exploration, uranium or precious metals. Others target geographic locations.

Mentoring will play a key role in the future strategies of successful mining companies, as part of a bigger focus on overall succession planning. Pollard advises workers in the sector to broaden their skills as much as possible, rounding out their experience and staying current with professional training.

The situation in the Canadian mining sector hasn't got too dire. Pollard says he's not seeing any significant mine closures.

"This time around, what I'm noticing is a much more passive approach," Pollard says. "They might not be planning on recruiting as much, but at the same time they're not making the same deep cuts they were making three or four years ago."

Stewart's company, Copper Fox, has only two full-time employees and relies almost solely on contractors, including the executive team and workers out in the field.

The \$480-million company (measured by market capitalization) prefers to offer employees the flexibility of working on a contract basis at projects like its Shaft Creek location.

He says the industry has been on a constant roller-coaster ride over the last 30 years.

"From 1997 to about 2004, you couldn't find a job in this business if you tried," Stewart says.

Then as markets boomed before the recession, the labour supply dried up.

"For the last few years in this business, it's been very difficult to get your hands on good people," he says.

Today, professionals who have mining jobs are busy during the peak summer work season. Stewart is in the middle of it now.

"We have no time off in the summer," he says "It never stops."

CN, miners to study new line for Quebec-Labrador iron belt

Canadian Press – August 11, 2012

MONTREAL — Canadian National Railway is taking a step towards building a potentially lucrative new transportation link for iron ore producers at the Quebec-Labrador border by proceeding with a feasibility study.

The country's largest railway said Friday it is working with several mining companies and the Caisse de depot pension fund on a study into the rail line and terminal handling facility, which analysts estimated could cost \$5 billion.

The mining participants are Labrador Iron Mines Holdings Ltd., Cliffs Natural Resources Inc., a big multinational iron ore producer, as well as Canadian public mining companies New Millennium Iron and Alderon Iron Ore Corp. CN said it will co-ordinate an application to the Canadian Environmental Assessment Agency, clearing the way for discussions with affected parties including First Nations.

"CN will work closely with mining companies in the group and the Caisse to determine the best design and right timing for the development of rail infrastructure to tap the significant iron ore production potential of the Labrador Trough in northern Quebec and Labrador," said Claude Mongeau, president and chief executive of the Montreal-based railway company.

Rod Cooper, Labrador Iron Mines' president and chief operating officer, said in a separate statement that a new terminal handling facility at the Port of Sept-Iles would complement plans for a new dock at the port.

"We are excited to move ahead with these developments, as they represent important steps to enhance long-term rail and port access for LIM's iron ore," Cooper said.

The Quebec government's Plan Nord envisages CN and the Caisse developing a new 800 kilometre line from the port of Sept-Iles to the Labrador Mining Trough, a major growing source of iron ore.

Labrador Trough positioned to feed Canada's iron-ore exports

Miningweekly.com – August 10, 2012

TORONTO (miningweekly.com) – While the world worries about the eurozone debt crisis, China's economic model and US stagnation, mining operators and developers in the Labrador Trough, an iron-ore belt that extends through Canada's northern Quebec and Labrador, are confident of weathering the storm and continuing to expand.

"Production could grow by a yearly compounded growth rate of 35% over the next five years," the mines branch of Newfoundland and Labrador's Department for Natural Resources said in its most recent edition of 'Minfo'.

The bullish outlook is predicated on China's desire to extend seaborne trade in iron-ore away from Rio Tinto, Vale and BHP Billiton. More significantly, the nature of the ore itself makes it an attractive drawcard to steelmakers, owing to its holding less contaminants when compared with material from Australia or Brazil.

"Labrador Trough ore remains attractive because it is one of the cleanest in the world; it holds less contaminants such as alumina and phosphates," Alderon Iron Ore's VP for business development, Simon Marcotte, explained.

"If you're a steelmaker you want a 'sweetener' ore, such as material from the Labrador Trough. This enables you to blend it with ores from Brazil or Australia and allows for greater volumes to be used."

Alderon remains confident of success despite the current slide in spot iron-ore prices. Benchmark 62%-grade iron-ore dipped to \$114.90/t on August 8, down \$1.30 from August 7, Reuters reported on August 9. "The boom is here to stay at \$100/t; even at \$80/t or \$70/t," Marcotte said. "As long as [Alderon] has something above \$62, we have the green light."

The company is developing the Kami iron-ore project in the Wabush Lake area, near Labrador City. The immediate mining area, which straddles provincial boundaries between Quebec and Labrador, also hosts significant operations and development sites, including those of ArcelorMittal Mines Canada, a division of ArcelorMittal, Cliffs Natural Resources, Champion Minerals and the Iron Ore Company of Canada (IOC), a subsidiary of Rio Tinto.

Based on a cut-off grade of 20% iron (Fe), the total measured and indicated resources for Alderon's project are 1.1-billion tons, grading 29.8% Fe. Inferred resources are 277.4-million tons at 29.5% Fe. Initial output will be eight-million tons a year and an expansion programme would then take this to 16-million tons a year.

Of the initial eight-million-tons-a-year rate, 60% will be acquired by Hebei Iron and Steel Group, China's largest steelmaker. Its material will be secured at a 5% discount to the market price. In return, Hebei will buy 19.9% of Alderon for C\$88-million (\$88.75-million) and buy a 25% stake in the project for C\$106-million. Hebei will also assist in debt financing.

"The transaction [with Hebei] will be closed shortly," Marcotte said.

INFRASTRUCTURE DEVELOPMENT

“Iron-ore is a bulk commodity; the key word being bulk. It’s all about the infrastructure,” he added.

Alderon will build a rail link of about 15 km to reach the main line, run by IOC. “Legally, IOC has to carry our product at a commercial rate. Negotiations are under way with IOC and an agreement should be reached in two to three months. There’s plenty of capacity for everyone,” Marcotte said. Alderon concentrate will be exported from Sept-Îles port. “We now have capacity reserved at the port,” he said, referring to Alderon’s agreement with the Sept-Îles Port Authority that was announced on July 16. The company will pay C\$20.46-million in two phases for eight-million tons a year iron-ore shipping capacity at a new multiuser, deep-water dock that will be built at Pointe-Noire, Sept-Îles.

Other companies with expanding output have also paid for Pointe-Noire shipping capacity. New Millennium Iron will invest C\$38.4-million to secure 15-million tons a year capacity; Tata Steel will pay C\$12.8-million for five-million tons a year; Labrador Iron Mines Holdings will pay C\$12.8-million in two instalments for five-million tons a year; and Champion Minerals will spend C\$25.6-million for ten-million tons a year.

Canada’s federal government will invest up to C\$55-million in the C\$220-million dock construction project, which would come on stream with a 50-million-ton-a-year shipping capacity. This will be expanded to 100-million tons a year capacity by 2017.

“It is the growth of mining in the region that drove us to expand,” Sept-Îles port director of corporate affairs Patsy Keays, told Mining Weekly Online. Planning work started as early as 2007, she added.

“Dredging and preparation work will begin shortly [but] the main construction work will start next year and we are hoping for a mild winter to assist us. The dock must be ready and operational by March 30, 2014.”

Initially, the Pointe-Noire dock will not be able to accept Chinamax-size vessels. “Extra dredging will be necessary to bring the depth to 25 m for Chinamax ships, but this will only be done if there is a need for it. Right now, it’s not the case,” Keays said.

No doubt the government of Quebec hopes Chinamax vessels will eventually use Sept-Îles port. “An election period in Quebec is approaching and the incumbent party is looking to highlight how the mining industry has helped in job creation and brought money into the province,” Institut de la Statistique du Québec mines and mining specialist Raymond Beullac said.

Quebec is also pushing ahead with Plan Nord, which was unveiled on May 9, 2011. The plan aims to open up the northern region to further resource extraction, including operations for base metals, precious metals and iron-ore. It will have a life span of 25 years, with estimated levels of private and public investment expected to reach more than C\$80-billion. On July 17, the provincial government announced the plan’s latest phase: a C\$200-million financial assistance package for the development of municipal infrastructure projects.

Quebec’s confidence, like Newfoundland and Labrador’s, is also based on demand from China, India and wider Asia remaining robust. “There are a lot of junior operations being backed by major companies in India and China,” Beullac said.

“But north Quebec is rough country, a tough territory,” he warned. The work involved will not be easy and many projects, including iron-ore operations, will rely on robust prices to stay viable. “Hopefully the iron-ore prices will still be there to justify the new projects and the development of rail and other infrastructure projects,” Beullac said.

New N.W.T oil prospect raising economic hopes and environmental concerns

Canadian Press – August 12, 2012

Lauren Krugel

CALGARY - A potentially enormous new shale oil prospect in the Northwest Territories is giving some communities hope that the resource-driven economic boost they've long been waiting for may finally be close.

But development of the shale oil find, known as the Canol, has also raised concern over the use of hydraulic fracturing, also known as fracking, in a remote, ecologically fragile part of the central Mackenzie Valley that is new to that oil and gas extraction technique.

"If they're going to do fracking, at least let us be involved so that we can watch the process, we can make sure it's nice and clean because we do need economics around this area," said Chief Wilfred McNeely Jr. of the Fort Good Hope Band.

McNeely said some residents are concerned about how much water would be drawn from the Mackenzie River for the fracking process, in which producers inject water, sand and chemicals into the rock at high pressure in order free the oil and gas. He said some have also expressed concern over chemicals contaminating the river.

But unemployment in the community of 567 is high, so said he'd welcome the jobs and investment that would come from oil development.

In June two parcels of land around Fort Good Hope were leased for \$92 million — one to Royal Dutch Shell PLC, and another to Shell and MGM Energy Corp. (TSX:MGM) in partnership.

"To me that adds up to a lot of money," said McNeely. "Having these oil companies in the country, I look at it as a positive thing."

Those leases are in addition to 11 more that were awarded elsewhere in the central Mackenzie last year for a total of \$535 million to major players including Husky Energy Inc. (TSX:HSE), Imperial Oil Ltd. (TSX:IMO) and ConocoPhillips.

The Canol stretches from around the Fort Good Hope region south to the hamlet of Tulita, between the Mackenzie River and the mountain range to the west — a "massive piece of real estate," according to David Ramsay, the Northwest Territories' minister of industry, tourism, investment and transportation. He said there could be between two and three billion barrels of recoverable oil in the Canol, putting it the same league as the Bakken, a major shale oil region that underlies parts of North Dakota, Montana and Saskatchewan.

The economic upswing was evident last winter while some seismic work was taking place around Normal Wells, N.W.T. Hotel rooms were virtually unobtainable, store sales doubled and takeoffs and landings at the local airport tripled, he said.

"It's that kind of activity that's going to drive the economy. We have always struggled with employment levels in smaller aboriginal communities in the Northwest Territories."

This winter Husky is planning to evaluate two vertical wells it drilled in the area a year earlier, and is seeking regulatory approval to build an all-weather access road around its leases.

Ramsay acknowledges there are concerns over fracking. He and other members of his government will be in Calgary the week of August 20 to meet with industry, regulators and environmental groups to learn more.

"People want to know, and people have every right to know, what the impact on the water will be, the chemicals that would be used."

Environmental lawyer Stephen Hazell, who participated in lengthy regulatory hearings into the Mackenzie natural gas pipeline, said shale oil development in the North should be rigorously studied. Fracking in and of itself has concerns, he said, but heavy equipment moving over permafrost raises a whole host of other environmental issues.

"It needs to be a review that has hearings, that invited people who've got experience with shale oil and fracking in other parts in North America to come up and testify," said the founder of Ecovision Law in Ottawa.

"They need to be serious about it and not do a quick and dirty internal review."

The Mackenzie gas pipeline, which would carry gas from fields near the coast of Beaufort Sea south to Alberta, has been proposed in various in one way or another for decades, but has yet to come to fruition.

The project, led by Imperial, was awarded a federal permit last year, but the companies behind the proposal haven't committed to building it. Fiscal talks between Ottawa and the proponents are on ice for now.

Energy consultant Doug Matthews, who organized the trip for Northwest Territories politicians next week, said oil development will be good for the people of the Northwest Territories.

"While (the Mackenzie pipeline) may not be officially dead, it's certainly in a very deep sleep and there's not going to be any activity flowing to the people in the North from the project, certainly for the foreseeable future."

There is already an oil pipeline owned by Enbridge that runs from Norman Wells to northern Alberta that has a lot of capacity to spare. But if the Canol ends up being as big as some are predicting, another pipeline may need to be built — and that won't be easy in light of recent concerns over spills.

Enbridge's Norman Wells pipeline leaked last year near Wrigley, N.W.T.

"That gives people pause. Understandably they'd be concerned about the impact of the spill," said Matthews.

Fred Carmichael is chairman of the Aboriginal Pipeline Group, which owns an equity stake in the Mackenzie gas pipeline. Through the shale oil find in the central part of the valley could be good news, he said it's important to stay the course on the natural gas pipeline, which he sees moving forward in the next three to five years.

There's been no mining in that region and the anti-fur movement has damaged its traditional hunting and trapping industries, Carmichael said. So energy development will help communities there be self-sufficient, rather than reliant on the government.

"We had a very, very self-sustaining industry of our own before and we want to go back there."

Pipeline Company rejects Northern route

NWT News/North – August 10, 2012

Enbridge won't ship Northern Gateway oil through NWT; chair of Aboriginal Pipeline Group also opposed to premier's idea Thandiwe Vela Premier Bob McLeod's invitation to send Alberta oil through the NWT to Beaufort tankers that would sail to Asia has earned a cool reception from the pipeline company involved as well as the Aboriginal Pipeline Group.

Northern Gateway pipeline proponent Enbridge Inc. is not considering an alternative route through the NWT for its Northern Gateway Pipeline, spokesman Todd Nogier told News/North on Aug. 9. The

pipeline is proposed to run from near Edmonton to Kitimat, B.C., but it is the subject of a political squabble in B.C., where Premier Christy Clark is demanding greater benefits for her province.

"We're in the midst of that regulatory process at the moment and we're committed to that route," Nogier said of the Alberta to B.C. plan.

While the Calgary-based energy company does investigate "various routes to various parts of the country frequently on the merit of the business case," Nogier would not comment on the technical or economic feasibility of a Northern route to Asian markets.

The construction of pipeline moving oil through the NWT and across the Arctic Ocean to Asia may be a reality in the future, but now is not the time to consider such a proposal said Fred Carmichael, the man leading the Aboriginal Pipeline Group. Shifting the focus to an oil pipeline from the Mackenzie Gas Project – which the Aboriginal Pipeline Group holds a 33 per cent stake in – would build distrust within the aboriginal community, Carmichael said.

"To me, we're all about trying to bring clean energy south from the North and that's what's important to our people and that's the reason why we wanted to be partners in this project and have a seat at the table," he said.

As a glut of shale gas resources in the United States and historically low natural gas prices hold up the proposed \$16.2 billion Mackenzie Valley pipeline project, the government is looking at "all options" to get the territory's estimated 92 trillion cubic feet of natural gas and seven billion barrels of oil to new markets, McLeod said.

The premier said he would be open to all options for getting the territory's stranded oil and gas resources to new markets, including a route through the NWT.

"The Northern Gateway pipeline is probably the easiest way to get NWT oil to market," McLeod said. "If we can't send NWT oil and gas west, south, or east, look at the North as a way to market NWT oil and gas to other markets." McLeod stressed the importance of a national energy strategy to regulate cross-border pipelines.

"In Canada, every province and territory should be able to develop and market their natural resources without being held at ransom by any other province or territory," he said. "And I think that in the Northwest Territories, if we are going to produce and market oil and gas to the south, we have to go through one, maybe two provinces. And if the new order of business is that provinces are going to put up trade barriers and make our oil and gas uneconomic then what are our options?"

While Carmichael understands it is the premier's job to look at every option to improve the economy of the North, he said the North needs to "stand firm" in its support of the Mackenzie Valley pipeline.

"I would imagine the time will come when our greedy country will want our oil one way or another and if it means pushing it across the Arctic come hell or high water it will happen," Carmichael said. "But I don't believe now is the time to start trying to look at another option until the Mackenzie Valley pipeline is absolutely off the books – (until) it's dead – and as far as I could see the Mackenzie Valley Pipeline is not dead and it's not dying and it's going to eventually happen."