

Northern Mining News

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From the Executive Director ...

Happy New Year, readers! Let me wish us all success with our northern mining industry in the coming year: efficient regulations, advancing projects, communities thriving on new opportunities, and renewed grassroots exploration.

A few highlights from this issue include a retrospective on diamond benefits, updates on project developments in both territories, and some helpful new reports to help us understand our industry better.

This month we have added a synopsis of our members' news releases over the past month. It lets you see at a quick glance who has been announcing developments on their projects. We regularly post our members' releases on our website, and this is the first time we are trying a compilation in the newsletter. Let me know what you think.

Happy reading. ... TWH

Our Mission: *To be the leading advocate for responsible and sustainable mineral exploration and development in the NWT and Nunavut.*

Strong NWT Diamond Mining Benefits: A Retrospective

Diamond mining continues to anchor the Northwest Territories' economy, with globally significant production that is translating into equally important contributions to northern residents, businesses and government.

"As New Year's approaches, it is a convenient time to look back and see how far we have come," said Tom Hoefer, Executive Director of the Chamber of Mines. "Our mining industry continues to shine globally and here at home is generating significant benefits. It is an important reminder of just how important our industry is to the North."

Natural Resources Canada's annual mineral production statistics reveal that in 2011 the NWT mines produced almost 10 million carats of diamonds valued at just over C\$2 billion. This production positions the NWT as a world diamond leader, in fourth place by the amount of carats produced, and in third place for the value of diamond production.

The NWT's three diamond mines – Ekati, Diavik and Snap Lake – continue to translate their diamond production into significant training, employment, business expenditures and government tax payments.

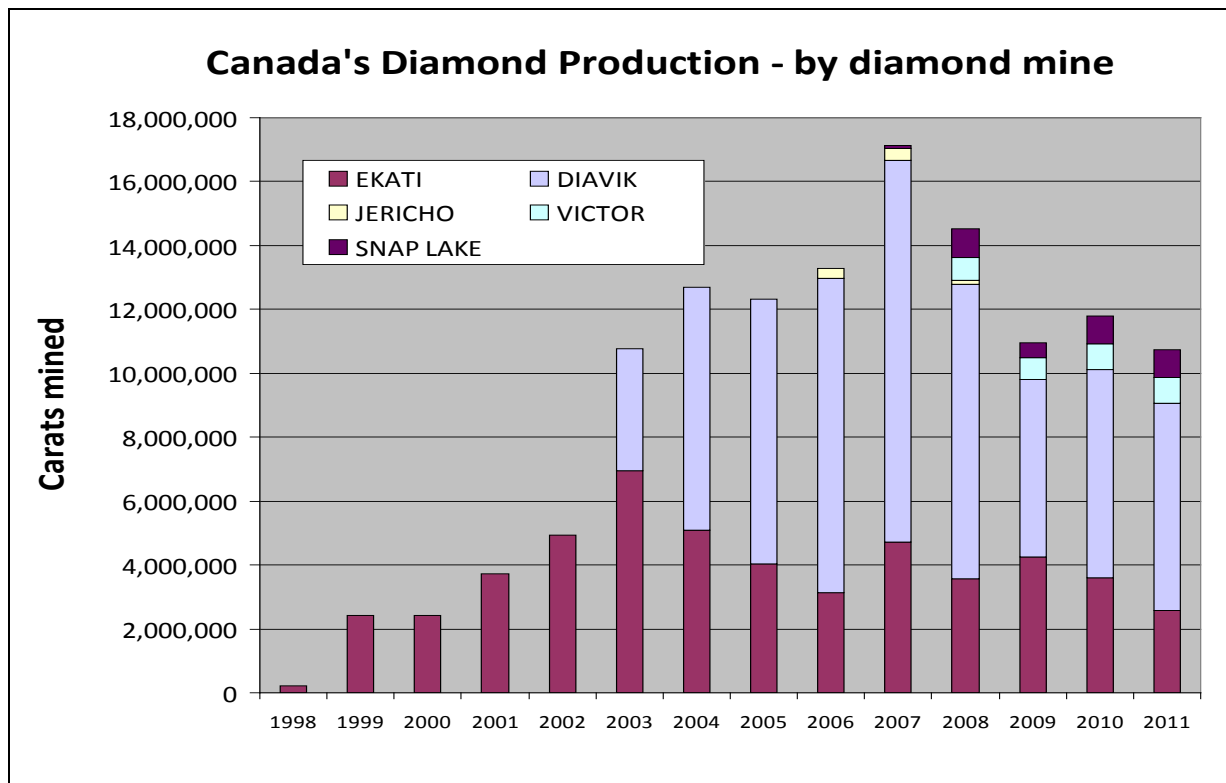
- Northern annual employment is approximately 1,500, which is 400 jobs, or 35%, higher than the mines projected during their planning stages.
- Training has been a major contributor to this success. Examples include over 1,400 people who received a variety of training for diamond mining jobs. Over 100 workers have received their journeypersons accreditation, perhaps the largest wave of trades training seen in the north.
- From 1996-2011, the mines spent a total of \$12.8 billion to construct and operate the mines. Of this, \$9.25 billion or 72% was spent with northern companies and joint ventures, including \$4.2 billion with Aboriginal companies.
- Tax payments to both the Federal and Territorial governments through royalties, and corporate and personal income taxes are also significant. Additionally, NWT property and fuel taxes have exceeded \$210 million to date.

The mines have done this to the highest of safety standards, and under a variety of international certifications, including ISO 14001 for Environmental Management Systems, ISO 9001 for Quality Management, and ISO 18001 for Occupational Health and Safety.

"Diamonds have shown us what is possible. As we enter the new year, it will continue to be important to work with our stakeholders to help sustain and even grow the benefits of our industry," says Hoefer. "We have many projects in the works, and initiatives by the Federal Government on regulatory reform and by the NWT Government on a new NWT Mineral Strategy will also help. Our Chamber and its members will also continue to collaborate with Aboriginal communities to create mutually beneficial mineral industry benefits."

Canada's Diamond Production – by Diamond Mine

The chart below provides a good overview of where the diamonds in Canada come from (data courtesy Natural Resources Canada). The chart shows production from each of the five mines that have been built in the last 14 years since the first diamond mine – EKATI – went into production. The Victor mine is in Ontario, and the now closed Jericho mine is in Nunavut. The production from the three NWT mines – EKATI, Diavik, and Snap Lake – has elevated the NWT to the fourth largest producer of diamonds by weight and third largest by value in the world in 2011. And it's largely the diamond production that has resulted in significant royalties paid to the Federal Government (see next story).



FYI: NU and NWT Royalties Paid to Canada in Past 3 Years

The Federal Government lists the three extractive royalties paid from the NWT and Nunavut here: <http://www.aadnc-aandc.gc.ca/eng/1348767916139/1348768652420>

You will see that over the past three years, our mines have paid over \$330 million.

Program Activity	2009–10 Actual	2010–11 Actual	2011–12 Actual
Mining royalties (\$ millions)	\$ 91.4	\$ 108.7	\$ 131.9
Quarrying royalties	0.1	0.2	0.3
Oil and gas royalties	21.1	15.2	11.4

Socio-Economic Benefits Major Topic of Government and Industry Meeting

In December, Ministers from the NWT Government (GNWT) and senior officials from the three NWT diamond mines met to discuss the contribution the diamond industry has made to the NWT, the GNWT's programs and services aimed at supporting the successful participation of NWT residents in the industry, as well as collective efforts and future plans to grow participation in the diamond industry so benefits can be realized for residents and mining companies alike.

Representatives from all of the NWT diamond mines including BHP Billiton Canada Inc., Diavik Diamond Mines Inc., and De Beers Canada Inc., were in attendance as well as Ministers from three GNWT departments including Industry, Tourism and Investment; Health and Social Services; and Education, Culture and Employment.

Plans were identified in moving forward to support economic development and improving social programming in communities. Key priorities discussed include:

- Ensuring federal funding continues for mine training in the NWT through a pan Northern training approach;
- Continue to grow employment rates of NWT residents through strong training partnerships between governments, industry and communities;
- The need for the GNWT to continue initiatives to reduce the cost of living, both to retain people who currently work in the mines and live in the NWT, and to attract people to work and live here;
- Collaborate on initiatives aimed at improving the health and wellness of community members, enabling them to fully participate in the opportunities that both industry and government provide; and
- Working together on implementing the new adult financial literacy program developed by the GNWT.

"This meeting is another great example of the success we have had over the years collaborating on various social issues. Continuing to work together will ensure that the mines function at their best and also ensure the long-term sustainability of Northwest Territories communities. As a government we are fully aware of the many contributions made by the three diamond mines and they have continuously shown their commitment to providing meaningful, sustainable contributions to the communities in which they work. I know that we are committed to doing all we can to meet our goals, because now, more than ever, we have a pressing need to achieve results for the North," said Minister of Industry, Tourism and Investment David Ramsay, meeting Chair.

"The success that each of our respective mines have had in providing opportunities for NWT resident participation in and benefits from our mining operations has been significant," said Glen Koropchuk, Chief Operating Officer of De Beers Canada Inc., who was in attendance along with Giles Hellyer, Asset President of BHP Billiton's EKATI Diamond Mine, and Niels Kristensen, President and Chief Operating Officer of Diavik Diamond Mines Inc. "While each of us has

played an important role individually, when we focus our efforts on understanding and meeting the needs of communities in which we work, our collective success is something we all share pride in.”

The mines and the GNWT have reiterated their commitment to coming together regularly in 2013 as leaders in the diamond industry with leaders in GNWT to ensure the health and sustainability of the communities in which we live and work through ongoing dialogue.

Baffinland Receives Project Certificate – Proceeds to Permitting

On December 28, the Nunavut Impact Review Board sent a Project Certificate to Baffinland Iron Mines, with the accompanying letter:

Pursuant to Section 12.5.12 of the Nunavut Land Claims Agreement (NLCA), the Nunavut Impact Review Board (NIRB or Board) is pleased to issue the enclosed Project Certificate No. 005 for the Mary River Project to Baffinland Iron Mines Corporation (Baffinland).

The NIRB would like to thank all parties who provided input regarding planned implementation of terms and conditions from the NIRB’s Final Hearing Report and clarification required for the December 14, 2012 draft Project Certificate prior to finalization by the Board. Following the review of written comment submissions and through the scheduling of a project certificate workshop in Iqaluit December 18-19, 2012, for the information of all parties the NIRB has produced a companion document to the Project Certificate which identifies changes made from the draft circulated on December 14, 2012.

The NIRB’s role is now to monitor the Mary River Project in accordance with Part 7 of the NLCA and the Board intends to appoint Monitoring Officers as required to monitor the Project in accordance with the enclosed Project Certificate terms and conditions. The NIRB’s Monitoring Officers will serve as the lead contact for the NIRB on any project-specific coordination with other agencies as may be required.

The NIRB will now commence development of the framework for a project-specific monitoring program which, once complete will be included as Appendix A to the Project Certificate. Please note that this framework cannot be issued in final form until key regulatory authorizations, including land use permits, water licences, mineral leases, etc. are issued so that the monitoring program supplements and supports but does not duplicate the monitoring requirements in regulatory and land use instruments.

The NIRB expects to have its technical staff participate through the remaining steps of the NWB’s Type A water licensing process as well as other relevant licensing or permitting processes, including attending meetings and hearings as scheduled. The NIRB’s technical staff will continue to be available to provide clarification regarding whether or not specific items have been addressed through the NIRB Review, and can assist with locating relevant information related to the Mary River Project from the NIRB’s public registry.

By copy of this correspondence, the NIRB wishes to notify the Nunavut Planning Commission (NPC) that the Project Certificate for the Mary River Project has now been issued; the NIRB understands that the NPC may now proceed with its consideration of Baffinland’s application to

amend the North Baffin Regional Land Use Plan to allow for construction of the railway corridor proposed for the Mary River Project.

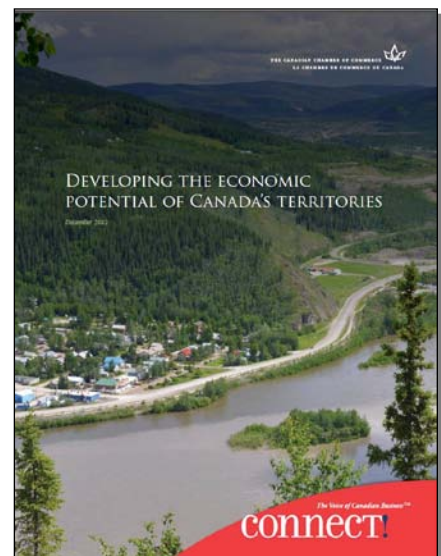
The NIRB looks forward to working with Baffinland and all parties to ensure that the enclosed Project Certificate is fully implemented and achieves the identified objectives. If you have any questions or require clarification regarding the attached documents, please contact the NIRB's Executive Director, Ryan Barry at 867-983-4608 or rbarry@nirb.ca.

New report: Developing the Economic Potential of Canada's Territories

Canadian Chamber of Commerce has released a new report titled: [Developing the Economic Potential of Canada's Territories](#) in which they argue that the federal government has a critical decision to make regarding Canada's territories if it is to leverage their full social and economic potential. The report is based on discussions with more than 80 business people and government representatives across the territories.

Covering 40 per cent of Canada's land mass with just over three per cent of our population, Canada's territories punch above their weight economically. In 2011, Yukon and Nunavut had the highest and second highest gross domestic product increases in Canada—at 7.7 and 5.6 per cent respectively. However, some business people say the cost of doing business in the territories today is five times higher and the effort of operating is 10 times greater than in the provinces. This has a direct effect on the territories' competitiveness.

The federal government must take the lead in developing an integrated, long-term strategy and business case that creates the conditions for full economic participation by the territories and all of their peoples. In our report, we offer a series of recommendations for paving the way.



[Click here](#) to access the report.

Public Hearings Conclude on Gahcho Kué Diamond Project, NWT

Economic benefits for the Northwest Territories and Canada, a comprehensive environmental plan and extensive engagement with communities and regulators drew praise from both government and a number of Aboriginal groups that attended five days of public hearings into the proposed Gahcho Kué Project, 280km northeast of Yellowknife.

Gahcho Kué, a joint venture of De Beers and Mountain Province Diamonds, began the Environmental Impact Review process in 2006. In December 2011, an 11,000 page Environmental Impact Statement was submitted to the Mackenzie Valley Environmental Impact Review Board. The Gahcho Kué Panel struck by the Board held community and public hearings in Dettah, Lutsel K'e and Yellowknife between November 30 and December 7.

De Beers Canada Chief Operating Officer Glen Koropchuk, who provided opening remarks at the Yellowknife hearings on behalf of the Gahcho Kué JV, said the years of working collaboratively with the local communities near the Gahcho Kué site helped shape the project design. “We are confident that the Project is not only technically sound, but also reflects our commitment to sustainable development by listening to our community partners and incorporating key input that makes this project viable and respects local priorities.”

The proposed Gahcho Kué Project comes at a time when the GDP of the Northwest Territories has started to decline due to the reduced output from the territories’ two oldest diamond producers.

Mountain Province Diamonds President & CEO Patrick Evans said: “Since the discovery of Gahcho Kué 20 years ago, more than \$200 million has been invested in exploration, social and environmental studies, engineering design, feasibility studies and consultation. This reflects an extraordinary commitment on the part of our shareholders to the people and diamond industry of Canada’s Northwest Territories. Last week’s public hearings mark an important milestone towards the development of Canada’s next great diamond mine. The successful permitting of Gahcho Kué will secure the Northwest Territories’ position as one of the world’s leading diamond producing regions”.

During the hearings, a groundbreaking collaborative monitoring forum, Ni Hadi Yati, was proposed jointly by the Yellowknives Dene First Nation, Lutsel K’e Dene First Nation, Deninu K’ue First Nation, Tlicho Government and De Beers. This forum would be funded by the Gahcho Kué JV and is proposed to provide increased capacity to Aboriginal groups to improve understanding and involvement in environmental monitoring programs. The North Slave Métis Alliance and NWT Métis Nation have also been invited to participate.

De Beers and Mountain Province Diamonds wish to thank all those that participated in the public hearings and throughout the Environmental Impact Review process and look forward to a positive report from the Gahcho Kué Panel of the Mackenzie Valley Environmental Impact Review Board.

Background & Quotes

The proposed Gahcho Kué diamond mine is located at Kennady Lake, 280 km northeast of Yellowknife, is a \$650 million investment (2010 dollars), which will result in important benefits to the NWT:

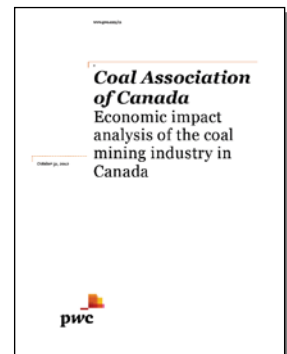
- Two years of construction and 11 year life of mine
- 4.5 million carats recovered on average annually
- 372 jobs during operations and up to 690 FTE jobs during construction
- New business opportunities for Northern and Aboriginal business
- \$3.9 billion dollar GDP impact to Canada, of which more than 80% will be in the Northwest Territories

Quotes on the record from the Environmental Impact Review public hearings in Yellowknife include:

- Northwest Territories Premier Bob McLeod in his remarks to the panel said: “The Gahcho Kué Project is important to the long-term strategic interests of the Northwest Territories, to the continued strength of our economy and the wellbeing of our people and communities.”
- North Slave Metis Alliance President Bill Enge: “...the North Slave Métis Alliance supports sustainable development, not unfettered exploitation of their lands. And this, I'm happy to say, appears to be the situation here where De Beers is putting in place a sustainable mining method that we can support.”
- Stephen Ellis, Special Advisor to the Treaty 8 Tribal Corporation, on a proposal to establish Ni Hadi Yati, a collaborative monitoring forum for the Gahcho Kué Project between De Beers, the Yellowknives Dene First Nation, Lutsel K'e Dene First Nation, Deninu K'ue First Nation and the Tlicho Government: “We're hoping that what we're proposing will lead to better environmental performance of the project because the First Nations will be able to engage in a meaningful manner and influence the environmental performance and the environmental design.”

Coal in Canada is Cool (or Maybe It's Hot!) – PwC Economic Report

A new report from PriceWaterhouse Coopers LLP (PwC) has found that coal production in Canada delivers major economic and social benefits to the Canadian economy and Canadians. This includes an economic contribution of \$5.2 billion to Canada's GDP, employment of 42,000 Canadians, and a positive contribution to Canada's trade balance and significant benefits to communities. Coal has always played an important role in contributing to Canada's economic strength and this report confirms the profound impacts the coal industry has on our economy and our communities through employment, royalties to governments and regional expenditures.



Click here for the full report: [Full Report](#) and here for the [Report Fact Sheet](#).

Coal – Even in Nunavut

Canada Coal continues to work on their coal property on Ellesmere Island. The Fosheim Property is the company's primary target area, located approximately 36-kilometres east of Eureka weather station.

Historic Exploration by Petro-Canada, Gulf Canada, and Hunter Exploration has been conducted on the property. Fosheim Peninsula licenses included 100 coal seams.

The higher elevations are showing lignite coal and lower elevations indicate high volatile “C” bituminous coal which is yet to be drill tested to depth.

A historical inferred resource was calculated to the order of 21.9 billion



tonnes. The combined resource estimate below the 200 meters mark is in the order of 194 billion tonnes.

“Inferred coal resources within 200 metres of surface were estimated to be in the order of 21,000 million tonnes. Petro-Canada’s effort within the area resulted in a slightly revised figure of 21,900 million tonnes in the inferred category.” (Not 43-101 compliant). Check it out at: <http://www.canadacoal.com/>.

Nunavut Resources Corporation Newsletter

The Nunavut Resources Corporation has released its latest newsletter. Two focuses of this issue are:

- An update on the regional mineral exploration program they have launched through the *Strategic Alliance* that NRC signed with HTX Minerals in March 2012. Under it, NRC commits to raise a minimum \$18 million for regional mineral exploration over five years. Recently, the Kitikmeot Inuit Association (KIA) invested \$1.035 million in NRC Exploration Ltd. (NRC-X), the exploration arm of NRC, which will be primarily used for mineral investigations in the Kitikmeot Region of Nunavut during 2012/2013.
- A 4-part primer on to improve understanding of NRC’s approach to infrastructure financing, which is aimed at promoting resource development in Nunavut.



The link to the NRC newsletter is: <http://www.nunavutrc.com/assets/Uploads/NRC-October-2012-Newsletter.pdf>

Digging Deeper – Mining Tax Worldwide – a Guide

Recently I was made aware of a PriceWaterhouseCoopers analysis of mining tax worldwide. The 70-page report titled *Digging Deeper – Canadian Mining Taxation*, summarizes the main features of Canada’s income and mining tax systems. Some interesting quotes from the publication include:

According to some estimates, roughly 60% of the earth’s land surface is now open to mineral exploration as a result of changed political and economic policies. Most new target areas for exploration and development are in developing countries but all countries must balance the need for capital investment to develop their mineral resources with the desire to increase revenues through higher taxation.

For the most part, Canada’s mining tax system is considered to be internationally competitive, although some criticisms have been leveled periodically.



However, Canada's mining tax regime is not perfect. Some features are the subject of persistent criticism:

- The federal, provincial and territorial governments are relying more and more on non-profit-based taxes as sources of revenue. These include payroll taxes, and user fees. Because the producer is a price-taker, these costs cannot be passed on to the customer and must be absorbed by the mining company.*
- Mining taxation in Canada is not easy to understand, partly because each province and territory imposes its own mining tax, under systems that vary significantly.*

The PwC guide describes the basics of the more common business structures that have evolved to facilitate mine development, including partnerships, joint ventures, flow-through share financing, farm-ins and royalty arrangements., along with their treatment for tax purposes.

Click [here](#) to download the guide.

Canadian Mining Payments to Governments Reached \$9 Billion in 2011

The Mining Association of Canada (MAC) has released its annual report on mining industry payments to Canadian provincial and federal governments. The report, prepared by ENTRANS Policy Research Group, found payments reached an estimated \$9 billion last year in aggregate mining taxes and royalties, corporate income taxes and personal income taxes.

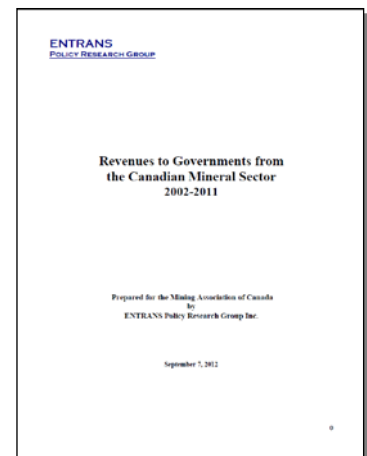
"The increase in payments made to federal and provincial governments last year is directly related to the mining industry's economic strength during this period," said Pierre Gratton, MAC's President and CEO. "Despite fiscal policy changes, notably the reduction in the federal corporate tax rate in 2011, payment levels were buoyed by generally higher metal prices and increased production."

In fact, according to Natural Resources Canada, the mineral sector experienced a 21% increase in the value of Canadian mineral production in 2011 to a record \$50 billion stemming from a combination of higher prices and expanding output.

Key findings:

- Total payments reached an estimated \$9 billion in 2011.
- Royalty/mining tax payments increased by about \$700 million over last year, with most of the increase coming from Alberta, Saskatchewan, Newfoundland and Labrador, and Ontario.
- The mineral sector has contributed \$69 billion to government treasuries over the past 10 years - \$30 billion to federal and \$39 billion to provincial coffers.

Of particular note is the study's findings that show a steady increase in overall mining tax and royalty payments since the 2009/10 figures seen during the international recession where payments to governments declined almost 60% compared to 2008/09. In 2010/11, royalties and mining taxes began to recover, increasing by 45% from \$2.2 billion to \$3.2 billion. They increased by a further 20% in 2011/12 to \$3.8 billion, which is well above the 10-year average.



Regionally, Alberta and Saskatchewan accounted for the largest portion of royalties and mining taxes at 64% last year stemming from the provinces' respective strength in bitumen and coal, and potash and uranium. Newfoundland and Labrador saw royalty and mining tax revenues rise by almost 70% on the strength of higher iron ore and nickel prices, and increased volumes from the Voisey's Bay operation. Ontario's annual revenues more than doubled—from \$72 million to \$180 million—likely attributed to higher gold and copper prices.

"The strength of the study is that it measures one of the significant economic contributions of the Canadian mining industry both nationally and regionally," said Gratton. "Canadians from coast to coast benefit from a strong, competitive mining industry that supports critical government services such as health care, education and skills training, as well as creates hundreds of thousands of well-paying jobs."

Newmont Signs Letter of Intent to sell Hope Bay to TMAC Resources

In mid-December, Newmont Mining Corporation of Canada Limited announced the signing of a binding Letter of Intent to sell Newmont's Hope Bay Project in Nunavut, Canada to TMAC Resources Inc. TMAC is a privately held mining exploration and development focused company comprised of the former senior executives of FNX Mining Company Inc. and headed by Terry MacGibbon, founder of FNX Mining Company Inc. and Chairman of Torex Gold Resources Inc. TMAC management has an exceptional track record for developing high grade, profitable underground mines.

The proposed transaction is subject to a number of conditions, including execution and delivery of an acquisition agreement, completion of an initial equity financing, execution of an investor rights agreement, and receipt of all required regulatory and third party approvals.

Mr. Terry MacGibbon, Executive Chairman of TMAC, stated, "I am very excited to be working with Newmont and our Inuit partners to develop the full potential of the highly prospective Hope Bay Project. I am also very excited about putting back together and working with many of the former FNX executive team who helped make that venture such a success; particularly, Dr. Catharine Farrow, who will be TMAC's CEO. Catharine made a tremendous contribution to FNX, QuadraFNX and most recently at KGHM International as the Chief Operating Officer. With her exploration and operating expertise and experience, she is the ideal person to lead the future exploration and development of what we expect will be Canada's next gold mining camp. By applying best-in-class industry standards and processes and leveraging the TMAC team's proven entrepreneurial approach to profitable, low cost, staged mine development supported by geoscience driven exploration, we believe the Hope Bay Belt has great potential to be Canada's next major gold mining camp and a long-term, profitable and environmentally responsible gold producer for the benefit of all stakeholders."

The parties have agreed that the LOI will terminate on March 31, 2013 unless earlier superseded by the acquisition agreement. There can be no assurance that the proposed transaction will be completed.

Yukon Court of Appeal Decision – Open Entry

The Yukon Chamber of Mines has issued a news release in response to the recent court decision that would uphold the need for Aboriginal consultation before mineral claims can be staked.

The Yukon Chamber of Mines, along with its colleagues in the Association for Mineral Exploration British Columbia are considering grounds for appeal of the recent decision by the Yukon Court of Appeal regarding Yukon Government's duty to consult prior to granting mineral claims in a part of the Kaska Nation's Traditional Territory associated with the Ross River Dena Council (a member of the Kaska Nation). Recent inaccuracies in media reporting have caused unnecessary alarm amongst some industry members and misunderstandings with Yukoners.

"While this ruling does contain some troubling implications, we are concerned that some of the complexities of this case have been misunderstood and we caution those who leap to a broad interpretation" said Rob McIntyre, President of the Yukon Chamber of Mines. "Regardless of the outcome of a possible appeal, it is critical to clarify, for the Yukon public, for our members working in the industry, and for investment and economic certainty in the territory, that this recent ruling only applies to the Traditional Territory of the Ross River Dena Council - the 'Ross River area', said McIntyre.

"On behalf of our members, we look forward to continuing the constructive dialogue we have initiated with Kaska Nation leadership, and to ensure that mineral exploration can continue undiminished within Kaska Nation Traditional Territory. We remain convinced that whatever the final outcome of this court action, people living in Kaska Territory will be able to enjoy the benefits of a thriving mining industry like other Yukoners" continued McIntyre.

Yukon Government has been given 30 days to determine if it will appeal the decision to the Supreme Court of Canada.

Lutsel K'e Dene Efforts on National Park Rewarded

The Lutsel K'e Dene First Nation is negotiating with Parks Canada to establish Thaidene Nene or the East Arm of Great Slave Lake as a new form of national park by 2014.

Environmental organizations are helping Lutsel K'e Dene to achieve their mission. The Canadian Parks and Wilderness Society (CPAWS) is organizing public outreach events in late spring. The Canadian Boreal Initiative has been supporting this project for the past seven years. The Nature Conservancy (U.S.) is supporting the community's efforts to establish environmental education programs for Lutsel K'e youth and a \$30 million trust fund to support the community development of an eco-tourism infrastructure, experiential environmental and cultural education opportunities for youth and the development of park management skills.

In mid-December, the Lutsel K'e Dene First Nation became one of the first-ever recipients of the new "Arctic Inspiration Prize" created by the S. and A. Inspiration Foundation in recognition of their innovative efforts to protect their 35,000 km² traditional homeland and age-old traditions. The [S. and A. Inspiration Foundation](#) was founded by Ms. Sima Sharifi and Mr. Arnold Witzig in 2008 as a not-for-profit corporation, located in Vancouver, B.C.

The Lutsel K'e Dene have been charting a course for over a decade towards a sustainable future on their traditional homeland - encompassing the crystal clear waters of Great Slave Lake, thousands of kilometres of Boreal forest, countless lakes and rushing rivers, and transition zone to the tundra known as the barren lands.

"Thaidene Nene translates to land of our ancestors and is the heart of Lutsel K'e Nene. We welcome support in our efforts to protect and preserve the pristine, natural beauty that has sustained our way of life since the beginning of time" said Stephanie Poole, First Nation Councillor, upon accepting the award on behalf of her community.

Significant Mineral Potential

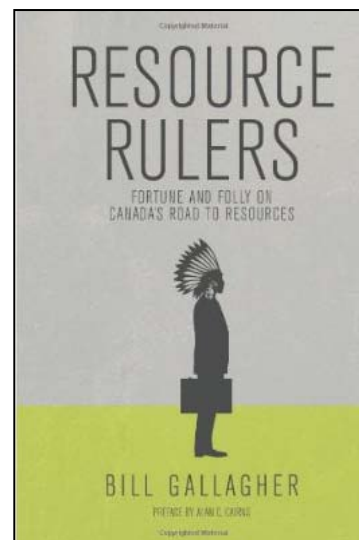
The region has significant mineral potential which is still being assessed under a Federal Mineral & Energy Resource Assessment required before any final boundaries of a National Park are set. The currently proposed boundaries would block off 400 km of lake coastline which could be critical access to mineral rich lands in a much larger region beyond the draft park boundaries. This includes the uranium-rich Thelon geological basin, which has been compared to a sister basin in Saskatchewan, the Athabasca basin. World class uranium mines in that basin have made Saskatchewan a global uranium giant, and have been a Canadian leader at creating Aboriginal community employment and business benefits in that province.

With rising uranium prices in 2005, significant claim staking took place in the Thelon Basin. Community concerns from the Lutsel K'e Dene saw virtually all exploration halted on several thousand square kilometres of claims and permits, at least until the Federal Government is able to complete its Upper Thelon Land and Resource Management Plan.

Resource Rulers: Fortune & Folly on Canada's Road to Resources

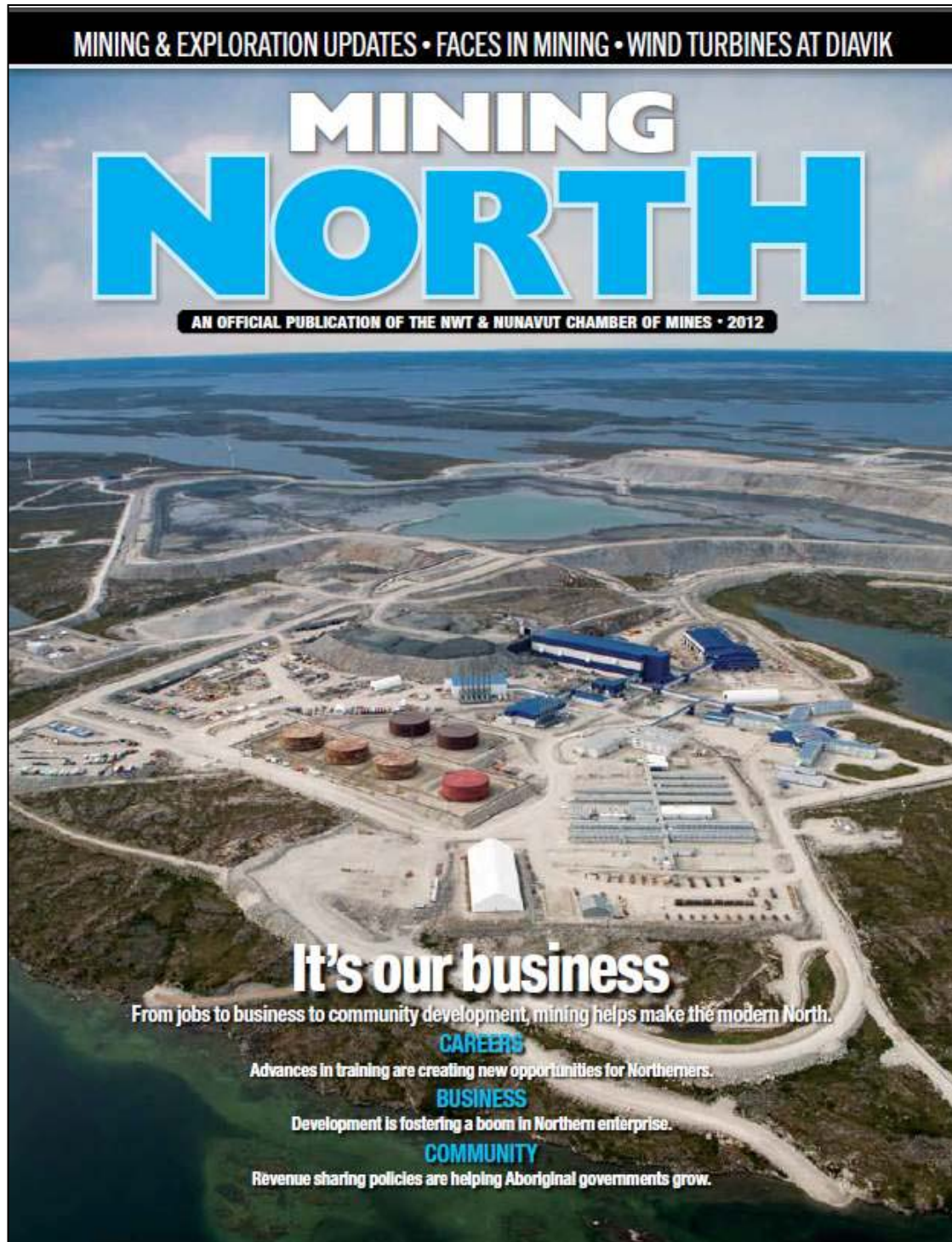
An interesting new read has hit the stands. Author of *Resource Rulers: Fortune & Folly on Canada's Road to Resources*, Bill Gallagher summarizes the book with: *After winning an unprecedented 150 court rulings in the Canadian resource sector, it's natives – Resource Rulers – who now determine the outcome of resource plays. The defining feature of this historic struggle has been the remarkable rise of native empowerment. Today, many resource-rich regions are low-level conflict zones where government, industry, eco-activists, and natives vie for supremacy. This book offers a way forward with new rules of engagement for resource development and for winning outcomes in the road-to-resources sweepstakes.*

See: <http://billgallagher.ca/>. The site also hosts an interview with CBC North in which the author speaks to the good work our NWT diamond mines have done with Aboriginal communities.



New Mining North Magazine Issued!

Click the cover below to download the latest issue.



Agnico-Eagle Mines Invests in the Kivalliq Students' Future

Agnico-Eagle Mines is a company with more than an eye on the future of the industry. They have invested in it, supporting **Mining Matters** comprehensive Aboriginal Outreach Program in Nunavut's Kivalliq region. The company has committed \$240,000, 2012 through 2015, to support a three-year education and outreach plan, comprising summer camps, in-class workshops, and school/community visits.

Mining Matters educators, working with the Kivalliq Science Educators' Community, will deliver one five-day summer camp per year for youth ages 9 to 16. They will also present five or more in class, interactive hands-on workshops to junior, intermediate, and senior students, reaching an estimated 375 students, teachers and parent volunteers. Three 10-day **Mining Matters** school/community visits will provide student and teacher professional development workshops. Participating teachers will receive educational kits developed uniquely for Nunavut, including lesson plans, rock and mineral samples, mineral testing equipment, posters, photographs, diagrams, books, DVDs, games, and career path information.

Agnico-Eagle is a long-established, Canadian-headquartered gold producer with operations located in Canada, Finland and Mexico, and exploration and development activities in Canada, Finland, Mexico, and the United States. The company recognizes the role that Aboriginal people increasingly play in Canada's land and resource management. "Agnico-Eagle believes in investing in the skills development and employment success of Canadians," says Louise Grondin, Senior Vice President, Environment and Sustainable Development, Agnico-Eagle. "**Mining Matters'** exceptional hands-on programs, combined with on-site, customized training opportunities, will highlight the importance of Earth science and the minerals industry and the employment possibilities our industry offers. And of course, we'd like Agnico-Eagle to be an employer of choice among youth in Nunavut."



Now in its 11th year of offering its unique Aboriginal Outreach Program, **Mining Matters** has had outstanding success promoting the importance of Earth science and the minerals industry to Aboriginal communities. Says **Mining Matters** President Patricia Dillon, "We're extremely proud of our unique Aboriginal Youth Outreach Programs. With Agnico-Eagle's support, we look forward to showing the wonders of Earth science to the youth of Nunavut's Kivalliq region and highlighting a potential path to their career success."

(Article courtesy PDAC: Mining Matters, October 2012 Newsletter)

Member News Releases this past month

This month we are trying a new feature to provide our members' news releases over the past month. If you have any thoughts on the value of this, please let me know with an email to: executivedirector@miningnorth.com.

- **Tyhee Announces Non-Brokered Unit Private Placement** (December 27, 2012) Tyhee Gold Corp. is pleased to announce that it will proceed with a non-brokered private placement of ten units of the Company at \$240,000 per Unit. [Click for more](#)
- **Advanced Explorations Inc. Moves Forward with Restructuring of Its Iron Ore Holdings** (December 21, 2012) Advanced Explorations Inc. today announced that ... it plans to transfer its Roche Bay iron ore assets into a holding company that will be 100% held by Advanced Explorations Inc. [Click for more](#)
- **Copper North Announces Closing Of Private Placement** (December 20, 2012) Copper North Mining Corp. announces that it has closed a non-brokered private placement, which included certain insiders of the Company, of 5,169,000 units of the Company at a price of ... [Click for more](#)
- **Commander-Led Syndicate Acquires Large, Prospective Gold Property in NW Ontario** (December 20, 2012) Commander Resources Ltd. reports that it has acquired, by staking, a large area of land adjacent to Commander's Sabin property in Ontario. [Click for more](#)
- **Sabina Reports Important Permitting Milestone at Back River – Minister Approves Part 5 Review of Back River Gold Project in Nunavut** (December 19, 2012) Sabina Gold & Silver Corp is pleased to announced that the Honourable John Duncan, Minister of Aboriginal Affairs and Northern Development Canada has concurred with the NIRB screening decision recommending that the Back River Project in Nunavut, Canada move forward to a Part 5 regional public review. [Click for more](#)
- **Fortune Minerals comments on BC Government restriction of petroleum and natural gas development in Northwest Region** (December 18, 2012) Coal mining unaffected. Fortune Minerals Limited is pleased to acknowledge and comment on the Government of British Columbia's decision to restrict petroleum and natural gas development in the Klappan area of northwestern British Columbia. [Click for more](#)
- **Newmont Signs Letter of Intent with TMAC Resources for Proposed Acquisition of Hope Bay Project in Nunavut** (December 17, 2012) Newmont Mining Corporation of Canada Limited and TMAC Resources Inc. today announced the signing of a binding Letter of Intent to acquire Newmont's Hope Bay Project in Nunavut, Canada. TMAC is a privately held mining exploration and development focused company comprised of the former senior executives of FNX Mining Company Inc. and ... [Click for more](#)
- **Tyhee Amends Royalty Agreement; Thanks Dr. Dave Webb for Long Service to the Company** (December 17, 2012) Tyhee Gold Corp. announces that it has reached agreement with the Company's former President, Director and Chief Executive Officer, Dr. Dave Webb, amending the previous Net Smelter Royalty Agreement on the Yellowknife Gold Project. [Click for more](#)
- **Advanced Explorations Inc. Completes Initial Stage of Tuktuk 2 Framework Agreement** (December 17, 2012) Advanced Explorations Inc. today announced that it has completed a summary report on its Tuktuk 2 Iron Project located 60 km north of its flagship Roche Bay Iron Project. [Click for more](#)

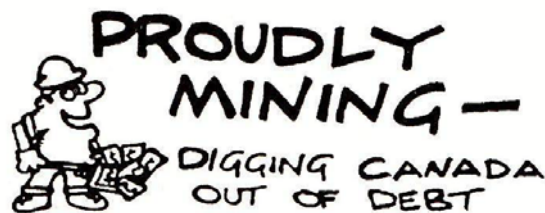
- **Stornoway Receives Transfer of the Certificate of Authorization for the Renard Mine Road** (December 17, 2012) Stornoway Diamond Corporation is pleased to announce that it has received from the Québec Ministère du Développement durable, de l'Environnement, de la Faune et des Parcs the transfer of the Certificate of Authorization for the construction of the Renard Mine Road... [Click for more](#)
- **Commander Completes First Year Review of Its Sabin Cu-Zn-Au Property, Ontario**(December 17, 2012) Commander Resources Ltd. reports that results from this year's soil geochemical sampling program conducted at its Sabin property in Ontario have now been received. [Click for more](#)
- **Copper North and Little Salmon Carmacks First Nation Sign Letter Of Intent** (December 17, 2012) Copper North Mining Corp. is pleased to announce it has signed a Letter of Intent with the Little Salmon Carmacks First Nation with respect to consultation on the Carmacks Copper Project in Yukon, Canada. [Click for more](#)
- **Canada Coal Files New Independent Technical Report for Nunavut Coal Properties**(December 12, 2012) Canada Coal Inc. is pleased to announce that it has filed an updated independent technical report for its Nunavut Coal Properties ... [Click for more](#)
- **Drilling Completed at Strongbow's Shovelnose Gold Property, BC** (December 10, 2012) Strongbow Exploration Inc. is pleased to provide an update on its exploration properties in Canada and the southeastern United States. [Click for more](#)
- **Royal Gold Increases KSM Royalty Option by Acquiring an Additional \$18 Million in Seabridge Common Shares at 15% Premium to Market** (December 13, 2012) Seabridge Gold Inc. announced today that Royal Gold, Inc. has exercised its option to acquire ... C\$18 million in Seabridge treasury share ... [Click for more](#)
- **Olivut Closes Private Placement of Flow-Through Shares for Gross Proceeds of \$325,000** (December 12, 2012) – Olivut Resources Ltd. ("Olivut" or the "Company") (TSXV:OLV) is pleased to announce that it has closed a non-brokered private placement for aggregate gross proceeds of \$325,000 (the "Private Placement"). [Click for more](#)
- **Seabridge Gold plans \$15m drill campaign targeting high-grade at KSM** (December 12, 2012) Seabridge Gold today reported final results from its 2012 drill program designed to search for high-grade core zones underlying its very large KSM gold–copper project. [Click for more](#)
- **De Beers and Mountain Province Diamonds are pleased with support as Public Hearings into Gahcho Kué Project conclude in the Northwest Territories** (December 11, 2012) Economic benefits for the Northwest Territories and Canada, a comprehensive environmental plan and extensive engagement with communities and regulators drew praise from both government and a number of Aboriginal groups ... [Click for more](#)
- **Stornoway Recovers High Value 9.78 Carat Stone From Renard 65 Bulk Sample** (December 11, 2012) Stornoway Diamond Corporation is pleased to announce that during the ongoing processing of the Renard 65 bulk sample ... a 9.78 carat diamond has been recovered ... with a preliminary valuation of \$7,000 per carat... [Click for more](#)
- **Monash signs partnership with MMG** (December 10, 2012) Monash University has formalised its partnerships with MMG Limited ... with the signing of philanthropic gifts to support the establishment of the Division of Mining and Resources Engineering within the Faculty of Engineering. [Click for more](#)

- **Stornoway Completes Finance Agreement With Québec For Renard Mine Road** (December 7, 2012) Stornoway Diamond Corporation is pleased to announce a Financing Agreement to complete construction of a mining-grade access road to the Renard Diamond Project. [Click for more](#)
- **Stornoway Receives Renard Certificate Of Authorization – Major Permitting Milestone Achieved on Schedule** (December 6, 2012) Stornoway Diamond Corporation is pleased to announce that it has received the global Certificate of Authorization for the Renard Diamond Project from the Québec Ministère du Développement ... [Click for more](#)
- **Assays from Nine Iron Trend Confirm Another New NU Uranium Discovery** (December 3, 2012) Kivalliq Energy Corporation today announced results from 5 diamond drill holes at the Nine Iron Trend in Nunavut. [Click for more](#)

Click here for [older posts](#)

Calendar of Events

- **AME BC Mineral Exploration Roundup 2013**, January 28-31, 2013, Westin Bayshore Hotel, Vancouver, BC. Visit: <http://www.amebc.ca/roundup/overview-2013.aspx>.
- **PDAC 2013 International Convention, Tradeshow, and Investors Exchange**, March 3-6, 2013, Metro Toronto Convention Centre South. Visit: <http://www.pdac.ca/pdac/conv/>
- **Nunavut Mining Symposium**, April 8-11, 2013, Iqaluit, Nunavut. Visit: <http://www.nunavutminingsymposium.ca/>



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Mines & Promising NWT Mine Projects

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

Project Name	Owner(s)	Commodity	Description	Status
Ekati Mine	BHP Billiton, Chuck Fipke and Stu Blusson	Diamonds	Canada's first and largest diamond mine, 310 km NE of Yellowknife. Open pit and underground. Mine life to 2019. Workforce approximately 1,500.	Company announced agreements signed to sell its diamonds business to Harry Winston Diamond Mines Ltd. for US\$500 million.
Diavik Mine	Rio Tinto and Harry Winston	Diamonds	Canada's largest diamond producer, 300 km NE of Yellowknife. All underground as of fall 2012. Mine life to 2023. Workforce approximately 1,000.	Rio Tinto's review of diamonds business is still underway. Diavik's full-year target production is expected to be approximately 7.1 million carats from the mining of 2.1 million tonnes of ore and the processing of 2.0 million tonnes of ore. New wind towers began producing power.
Snap Lake Mine	De Beers	Diamonds	Canada's first all underground diamond mine, 220 km NE of Yellowknife. Mine life to 2028.	Commenced commercial production on January 16, 2008 and the Official Mine Opening took place on July 25, 2008.
Cantung Mine	North American Tungsten	Tungsten, copper	Cantung is in the mountains of western Northwest Territories, ~300 km by road NE of Watson Lake, Yukon. Mine life to 2014.	June news release reports significant new underground exploration results in "Amber Zone".
Nechalacho	Avalon Rare Metals	Rare earth metals	Proposed underground mine 100km SE of Yellowknife. Estimated mine jobs: 200. Target for production start up remains late 2016 with initial product sales anticipated for 2017.	EA Update: responses submitted to Information Requests from Mackenzie Valley Environmental Impact Review Board. First of 3 Aboriginal Agreements signed. Feasibility Study on schedule for completion in Q2 2013.
NICO	Fortune Minerals Ltd.	Cobalt-gold-bismuth-copper	Proposed open pit and underground mine located 50 km NE of Wha Ti. Estimated mine jobs: 150	With public hearings on EA complete, the public registry for the NICO Project closed October 22.
Yellowknife Gold	Tyhee NWT Corp	Gold	Proposed open pit and underground mine of 2 deposits (Ormsby and Nicholas Lake) about 90 km NE of Yellowknife. Est. mine jobs: 238	Positive Feasibility Study announced August 15, 2012. Company has amended its net smelter royalty agreement to help improve project financing ability.
Prairie Creek	Canadian Zinc Corporation	Lead-zinc-silver	Proposed underground mine 120 km west of Ft. Simpson. Estimated mine jobs: 220	Public water license hearings Jan 29-Feb 1, 2013. Preliminary Feasibility Study results issued June 27. Recent exploration returned the highest grades of silver ever reported from a drillhole on the Prairie Creek property
Gahcho Kue	De Beers & Mountain Province	Diamonds	Proposed open-pit diamond mine approximately 180 km ENE of Yellowknife, NT. Estimated mine jobs: 360	Public hearing dates for Environmental Impact Review Nov 30-Dec 8 in Dettah, Lutsel K'e, & Yellowknife.
Pine Point	Tamerlane Ventures	Lead-zinc	Company proposes underground mine east of Hay River, NT using freeze technology for water management. Estimated mine jobs: 225	Company has requested change to adit and decline from shaft to test mine the R-190 deposit. Resource is Defined, Permitted for Construction, Extensive Infrastructure
Courageous Lake	Seabridge Resources	Gold	Proposed open pit mine 240 km northeast of Yellowknife	Positive Preliminary Feasibility Study released July 24 with 6.5 million oz proven and probable reserves. New gold discovery announced at south end of property.
Selwyn Project	Selwyn Chihong	Zinc, lead	Proposed underground mine in Yukon on NWT border and access is through NWT. Agreements signed with NWT (Sahtu) Aboriginal land corporations.	Feasibility study to be done in 2012. Resource updated in August and surpasses 180 million tonnes. In early Sept, Selwyn suspended its Strategic Review Process as it contemplated the effects of "the worst economic times in recent memory" and potential sale of the project.

Mines & Promising Nunavut Mine Projects

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

Project	Owner(s)	Commodity	Description	Status
Meadowbank Gold Mine	Agnico-Eagle Mines	Gold	In operation since 2010. Open pit mine located in the Kivalliq Region, 300 km west of Hudson Bay and 70 km N of Baker Lake. Mine jobs: 450. Gold production estimated at 90,000 ounces per quarter for 2012.	Latest IIBA agreement signed October 23, 2012. Q3 Financial Results released October 24, 2012.
Mary River	Baffinland Iron Mines	Iron	Proposed open pit mine with railway and port; 936 km N of Iqaluit with 5 known deposits. Estimated construction jobs: 3,500 – 5,000 Estimated mine jobs: 715	Project Certificate awarded December 28, 2012; Type A Water License Technical Meetings (Pond Inlet) scheduled for January 16, 2013.
Kiggavik	AREVA Resources	Uranium	Proposed uranium mine 80 km W of Baker Lake. Estimated Construction jobs: 750 Estimated mine jobs: 600	Areva anticipates submitting response to DEIS IR's by January 31, 2013.
Jericho Diamond Mine	Shear Diamonds Ltd.	Diamonds	Project to reassess viability of reopening the former diamond mine, 255 km SSE of Kugluktuk. Estimated mine jobs: 150-200	Shear suspends stockpile production due to low diamond prices, September 4, 2012.
Meliadine Gold	Agnico-Eagle Mines	Gold	Possible gold mine, 5 deposits, the largest of which is the Tiriganiaq deposit, 25 km NE of Rankin Inlet. Estimated construction jobs: 600 Estimated mine jobs: 750	Plan to complete feasibility study in 2013; Construction of all-weather road expected to wrap up in 2013. Overall project to undergo environmental impact review.
Hackett River	XStrata Zinc Canada	Zinc, Silver, Copper, Lead	Proposed open pit mine. One of largest undeveloped VMS massive sulphide deposits in the world. 104 km SSW of Bathurst Inlet. Estimated construction jobs: 800 Estimated mine jobs: 500	Pre-feasibility Study initiated in September, 2012; Submission of DEIS scheduled for Q3, 2013.
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	Minister refers Part 5 Review to NIRB on December 14, 2012.
Izok Corridor Project (with High Lake)	MMG Resources Inc.	Copper, Zinc, Gold, Silver	(High Lake) 1710 hectare, copper-zinc-silver-gold property, 190 km ESE of Kugluktuk. Estimated mine jobs: 500 (Izok) High-grade zinc-copper-lead-silver deposit, 255 km SW of Kugluktuk. Estimated construction jobs: 1,140 Estimated mine jobs: 710	Based on 2011 Feasibility Study, Izok Corridor Project Proposal submitted to NIRB. Deadline for public comments is December 7, 2012.
ULU & Lupin	Elgin Mining Inc.	Gold	Located 285 km SE of Kugluktuk. Lupin mine: past production; 3.7 million oz. ULU deposit: indicated mineral resource; 751,000 tonnes	Elgin plans to complete updated preliminary economic assessment in 2013. Mine's water licence up to date.
Roche Bay	Advanced Exploration	Iron	Over 500 mt of Indicated Resources within 6 km of a natural deep water harbour at Roche Bay. Estimated construction jobs: 450 Estimated mine jobs: 370 - 380	Positive Feasibility Study announced August 10, 2012. Confirmed NPV of \$642M.
Chidliak	Peregrine Diamonds Ltd.	Diamonds	Located 180 km S of Pangnirtung. Contains 59 known diamond-hosting formations.	Peregrine announced option for Joint Venture agreement with DeBeers, September 5, 2012.
Doris North/ Hope Bay	Newmont Mining Corp	Gold	Proposed gold mines 130 km S of Cambridge Bay; covers the majority of the Hope Bay Greenstone Belt. Estimated mine jobs: 300	Newmont signed Letter of Intent with TMAC Resources for acquisition of Hope Bay on December 17, 2012.

Project Maps

