



Monthly Update for Members

December 2009

Annual General Meeting

The Chamber of Mines held its AGM in Yellowknife on Wednesday, November 18, 2009 and elected a new Board and slate of executive officers. John Kearney, President of Canadian Zinc Corporation, was elected President, with Hugh Wilson of Tyhee Development Corporation as Vice-President NWT and Pam Strand, Shear Minerals Limited, Vice President for Nunavut. Cathie Bolstad, corporate affairs with DeBeers Canada, was elected Secretary-Treasurer.

Directors for 2009/2010 are: Lou Covello, Trevor Teed, Richard Morland, Lane Dewar, Chris Hrkac, Robin Goad, Dave Webb, Erik Madsen, Barry McCallum, Larry Connell, Jennifer Pell, Alex Buchan, Eira Thomas, Denise Lockett, and Sean Willy.

Strategic Plan

A full-day strategic planning session was held in Yellowknife on November 20, attended by Chamber staff and ten of the Board of Directors. A facilitator organized and moderated the session. Based on the results of a survey sent to all members, the Chamber narrowed down its priorities for the next five years and developed a new committee and team structure to deal with the issues. The Chamber will focus its resources on five key issues; Regulatory Improvement and Land access; Aboriginal relationships and engagement; Infrastructure development; Communication and public relations; and Chamber membership and operations. A communications strategy will be developed to better promote the industry's messages, and this will include development of a new website.

Geoscience Forum

The 37th Annual Geoscience Forum was a success in spite of the worldwide economic downturn. Delegate registration was 750 compared to 840 in 2008. Next year's Geoscience Forum will be held November 16-18, 2010.

REGULATORY AND LAND ACCESS ISSUES

Northern Regulatory Improvement (NRII)

The McCrank report on NRII was released in May 2008 and contained several important recommendations, many of which reflected the Chamber's and industry partners' input. Since then, little progress has been made in implementing the recommended changes. Many of the changes envisioned by industry do not require changes to the legislation and could be enacted by the Minister of INAC in consultation with the regulatory boards. The Chamber continues to push for progress on this important issue. We will be seeking meetings with the Regulatory Boards to discuss how some of Mr. McCrank's might be implemented quickly. The Boards have already taken steps to improve some of their internal processes. The Chamber believes that economic recovery of the NWT is contingent on getting the regulatory regime right: that is clear, consistent, predictable and efficient.

Nunavut Land Use Planning and Impact Assessment Act

Chamber staff and members have reviewed two drafts of the proposed Act and attended a workshop in Ottawa Nov 12, along with MAC and PDAC representatives and staff from the northern petroleum industry. At this workshop, a second draft of the legislation was presented. Several industry concerns remain outstanding and industry reps remain convinced the current draft is not ready for presentation to parliament

Given the significant nature of many of these outstanding issues the Chamber has requested a meeting with Minister Strahl of INAC. The Hon. Peter Taptuna, Minister responsible for Mines in Nunavut has also invited the Chamber to a meeting to discuss the proposed legislation at Round-Up in Vancouver.

Nunavut Fuel Guidelines and Lack of Consistency in INAC Inspection Procedures

In March 2009, two new drafts for fuel storage guidelines in Nunavut were released, one for fuel storage on Inuit Owned Lands in the Kivalliq, and one for Federal Lands. The Chamber reviewed both documents and will be providing comments to both authorities. Our position on fuel storage is the promotion of clear and concise guidelines and/or regulations that will be standardized across all lands in Nunavut and eventually the Northwest Territories. Unrealistic stringent guidelines can be a potential detriment to smaller exploration projects, especially when INAC guidelines that theoretically are to mitigate damage to the environment may in fact create an impact worse than the cleanup of a possible minor fuel spill. Some risk management needs to be applied to this issue. The Chamber advocates safe storage of drummed fuel for small programs, as guided by the CSA standards, and supports the use of fuel bladders for advanced projects as an alternative over large steel tank farms. We stress the need for consistency across INAC-regulated northern regions for a standard set of fuel storage and handling Guidelines.

Chamber members are also discouraged by the lack of clarity and consistency by INAC field inspectors in their visits to exploration camps in Nunavut. Some inspectors are reportedly acting outside of the rules of existing permits and placing more stringent requirements on a variety of environmental issues. For example, one company in Nunavut has been instructed to maintain a watchman on its property so long as there is fuel in storage.

Bathurst Caribou Public Hearings

There has been considerable interest and public dialogue about the Bathurst Caribou herd in the Slave Geological Province. The Wek'eezhii Renewable Resource Board (WRRB) is considering new management options on how to conserve the herd in the face of scientific information that suggests the herds have dwindled significantly in the past few years. The GNWT Department of Environment and Natural Resources (ENR), together with the Tlicho communities have made a Joint Submission to the Board and it is proposed that these options will be discussed at Public Hearings to be held by the Board in the Tlicho community of Bechoko from February 9-11, 2010.

The Chamber of Mines reviewed documents produced by ENR and the WRRB in late November and concluded that the specific points in the Joint Proposal necessitated industry involvement in these hearings. However, our application to be granted intervener status was submitted beyond the specified deadlines and was refused. Subsequently, the hearings were delayed from early January to mid February and the Chamber has reapplied for intervener status.

It is the opinion of the Chamber that the activities of the mining and exploration industry cannot account for the reported drastic declines in the caribou populations. Recent surveys by operating mines also indicate that numbers of caribou may have been under reported in past surveys. The Chamber will make a submission at the hearings. Our submission at these hearings will outline current mitigation strategies

used by member companies to limit the impact of any mining activities in the caribou migration ranges, and to offer to the Board, communities, and governments the industry's willingness to work towards a strategy and management plan that does not limit or ban mineral activity in the Slave Geological Province.

ABORIGINAL RELATIONSHIPS AND ENGAGEMENT

Akaitcho Exploration Agreements

The Chamber believes that the Akaitcho Exploration Agreement should reflect the existing rules and requirements of the various regulators and the realities of grassroots exploration and has offered to reopen dialogue with the Akaitcho.

Progress has been impeded as the Yellowknives and Lutselk'e Dene commenced a Judicial Review Proceeding against INAC and North Arrow Minerals challenging the issuance by the Mackenzie Valley Land and Water Board of a Land Use Permit for a minor exploration project. The Chamber is maintaining a watching brief on this litigation. It is difficult to further engage the Akaitcho with regard to the proposed Exploration Agreements until this litigation is resolved.

INFRASTRUCTURE DEVELOPMENT

Today, Arctic Sovereignty is at the forefront of Canadian policy and the Chamber believes that economic development in the NWT and Nunavut, led by the exploration and mining industry is key to achieving this. Infrastructure development is a key part of the Chamber of Mine's strategy.

The Chamber received considerable media attention this summer when it distributed a map showing a vision for infrastructure development across the three northern territories. The map was compiled by Lou Covello for discussion purposes and to stimulate debate. The NWT and Nunavut are endowed with mineral deposits, most of which are rendered uneconomic by lack of infrastructure- roads, rail, or power. The map is a vision for what could be done to help open up our vast geological basins to development. Obviously, the map is a discussion document and the suggested ideas will require the participation and cooperation of all levels of governments and billions of dollars to accomplish. The vision has been presented at a transportation conference in Iqaluit, the Aboriginal Business Forum and the Infrastructure Symposium in Yellowknife. The map is available for download at the Chamber of Mines website, <http://www.miningnorth.com/>.

The Chamber intends to work on an Infrastructure Plan that highlights the needs of the north's mining industry. This document will include an outline of several infrastructure initiatives such as the Taltson Hydro project, the Bathurst Inlet Port and Road (BIPAR), an all-weather road up the Slave Geological Province and from Manitoba into the Kivalliq, and alternative nuclear power options. It will include an assessment of the known mineral deposits in the north that would benefit from road, port and hydro development. The next phase is to develop a fairly detailed cost/benefit report that shows the benefits of developing the north's mineral wealth. It is the Chamber's hope that the three territorial governments could be brought on board as plan supporters. The infrastructure plan will be presented to the Federal government as a unified plan from all northern territories and Aboriginal governments.

COMMUNICATION AND PUBLIC RELATIONS

On November 19, Chamber President John Kearney and Vice President Hugh Wilson appeared at hearings before the House of Commons Standing Committee on Northern Development and Aboriginal Affairs and made presentations on industry matters. The Committee visited Yellowknife and Iqaluit to get

first hand evidence of matters and issues of concern to Northerners. Brooke Clement of Peregrine Diamonds also addressed the same committee in Iqaluit.

On November 24, 2009, Chamber President John Kearney took part in the Mining Association Of Canada's annual Mining Day on the Hill in Ottawa and was part of a small delegation which included Jim Gowans, President of DeBeers Canada, that met with the Hon. Chuck Strahl, Minister of Indian Affairs and Northern Development and senior INAC officials. Topics discussed included: regulatory improvements; the new CanNor agency and Northern Development Office: the proposed Nunavut Planning and Project Assessment Act and infrastructure development. Discussions also took place with the Hon. Lisa Raitt, Minister of Natural Resources and with Alan Latourelle, Chief Executive of Parks Canada at which the proposed further expansion to the northwest of the Nahanni National park and the proposed development of the East Arm National park were discussed.

On November 25, 2009, Chamber President John Kearney met with the Hon. Bob McLeod, Minister of Industry Tourism and Investment, and the Hon. Michael McLeod, Minister of Transport, and their senior officials and discussed cooperation between the Chamber and the GNWT to promote the mining industry in the NWT.

On Behalf of the Board,

A handwritten signature in blue ink, appearing to read 'John Kearney', with a stylized flourish at the end.

John Kearney, President
NWT & Nunavut Chamber of Mines