

Northern Mining News

VOLUME 2, ISSUE 2

APRIL 2009

INSIDE THIS ISSUE:

Aboriginal-Industry Forum	1
BHP Ten-Year Video	1
Species at Risk Act	2
News from the Industry	3
News From Edehzhie	3
Grubstake Funding Sources	3
Extreme Survival at Ekati	4

MINING STATS NWT/NU :

- Three diamond mines in operation and one tungsten mine
- Value of mineral production (2007)
\$1,525,300,000
- Value of mineral exploration (2007)
\$500,700,000

Building Relationships Aboriginal-Industry Forum

The Chamber of Mines, along with its sister organizations, the Mining Association of Canada and the Prospectors and Developers Association, has been engaged with northern Aboriginal groups in an Industry/Aboriginal Forum in an attempt to bring aboriginal people and the mineral industry closer together. Representatives of the operating mines and several Aboriginal governments began discussion in January and have followed it up with a working group meeting on March 19. Membership will be open to all Aboriginal groups and mining and exploration companies as they wish.

During the initial meetings, discussion focussed on relationship building and developing a more comprehensive common understanding of the industry and aboriginal communities. It was felt that growth of a common knowledge base would aid greatly in building trust and understanding of goals and objectives of the partners.

During the working group meeting some ideas arose for

areas of common interest that the larger group can develop into a vision of goals and objectives with the overall aim to influence public policy. Some of these ideas were to lobby together for better education delivery, particularly as it relates to developing an understanding of resource development processes and opportunities. Industry representatives provided some examples of processes that could be better explained especially the difference between exploration and mining.

A chart showing the small number of exploration projects that ever see production is an early "product" that industry partners will develop. Industry

will press government to publish socio-economic monitoring data for the industry as a whole so that aboriginal businesses can foresee business opportunities provided by the industry. The group also felt there has been some misinformation circulated about the negative environmental effects of mining processes and this needs to be countered with factual and balanced information. The partners called for factual and current information on which to base decision making.

The next meeting of the Forum is scheduled at Dettah on June 10th, which happens in conjunction with NWT Mining Week (June 8 – 13).



Aboriginal-Industry Forum

Video Celebrates 10 Years for BHP-Ekati

BHP Billiton Diamonds Mines released a DVD late last year in conjunction with celebrations commemorating the 10th anniversary of the Ekati mine.

The video looks back on the exciting history of how diamonds

were found in the Barren Lands, the hard work to bring the mine into production, and its success today and plans for the future.

Congratulations on your first 10 years, Ekati!



The GNWT Species at Risk Act

A Risk to Industry?

The GNWT is currently drafting a Bill that will institute an NWT Species at Risk Act, similar to Federal legislation that protects species and their habitat. It is important that the mining industry be aware of this Act and comment on it, as it has the potential to affect the way we do business.

In order to be successful and provide continued benefits to northerners, the mineral industry must operate within a regulatory system that is fair, balanced, and predictable. Industry has identified several deficiencies in the regulatory process. Many of them relate to the original drafting of the Mackenzie Valley Resource Management Act (MVRMA), whose wording has left room for interpretation. In our view, this lack of clarity has sometimes enabled mineral activities to be stalled or stopped for reasons unrelated to the actual environmental assessment of developments being proposed. New legislation, such as the Species at Risk could be used in a similar way, if there is not clarity in the legislation.

The Chamber believes that mineral development and wildlife habitat can coexist, and that government departments and industry can work together to promote sustainable ecosystems and species populations. Northern mines have embraced the principles of sustainable mining, and operate at a pinnacle of regulatory discretion. Wildlife management and monitoring is a requirement under land and water use permits and mining companies have been very successful in mitigating the impacts of their activities on local flora and fauna.

Given the above, one of the first concerns the Chamber wishes to point out is the need for stand-alone, NWT Species at Risk legislation. Federal legislation already exists today that can be used as a tool to assess and mitigate the threats to endangered species in

Canada. The committee that runs this legislation is held to international standards in their assessments and is led by a qualified panel of experts that make decisions based on the best known science.

The Chamber questions the reasoning for an all new board for the NWT. We note that on top of the new legislation, a Species at Risk Committee (SARC) will be created with representatives from governments and resource management boards. The Conference of Management Authorities (CMA) already consists of representatives from the resource management boards. Is the CMA not adequate to make decisions on Species at Risk issues? We feel a SARC will be for the most part a duplication of CMA given a set of designated tasks that will in reality just be carried out by ENR and consultants. We also caution the creation of another committee/board, which will only further the complexity and delay of the regulatory process, especially when community capacity for board appointments is exhausted already, and at a time when the GNWT is in a deficit.

Our second concern is the possibility for lack of scientific controls over decisions of the SARC for declaring a species to be at risk. Decisions must be based on good science. The loose definition of "distinct population" (Section 26.2) could allow the SARC to name any population as a species at risk for reasons which might not be scientific. Because declaring a species to be at risk has the potential to halt or seriously delay industry projects, impacting significant industry investments, the decision to declare a species to be at risk must be driven by science and protection of the species alone. To be clear, the Chamber fully supports protecting species that are declared at risk, but that such a declaration be on a scientific basis.

We are also concerned about several clauses in the legislation that could, based on its wording, have a direct impact on the operations of a mining or mineral exploration company. There is discussion of 'compensation' in the legislation. We are unsure how compensation can be measured and paid out successfully to holders of mineral tenure. If a multi-million dollar exploration project has to be cancelled because of an endangered migratory species passing through the property, how will the company which has invested heavily in the north be compensated for its losses? The whole issue of compensation sounds very convoluted and could lead to legal action where companies who have invested feel they have suffered financially as a result of decisions of the SAR committee.

The mineral industry supports the premise behind the Species at Risk Act. Many of the proposed conditions may indeed be warranted if species are indeed under threat, but we need to be vigilant about how this legislation can be used. Our membership has experienced the political use of the MVRMA and its processes to block development even at low impact, exploration stages. They worry that the proposed legislation could create a new avenue for delays, based on matters that are political, not scientific. Industry supports a solid and well balanced piece of legislation, and a system that is based on qualified assessment of real threats to species. If the NWT is to have its own Species at Risk Act, it must be held to the same standards as the Federal Legislation, and the government must ensure that its committee is well-funded, and its members are held accountable for their important decisions and the impact they will have.

For more information on the Act:

www.nwtwildlife.com

News from the Industry

Here is the latest on permitting and environmental assessments of mining projects across the north:

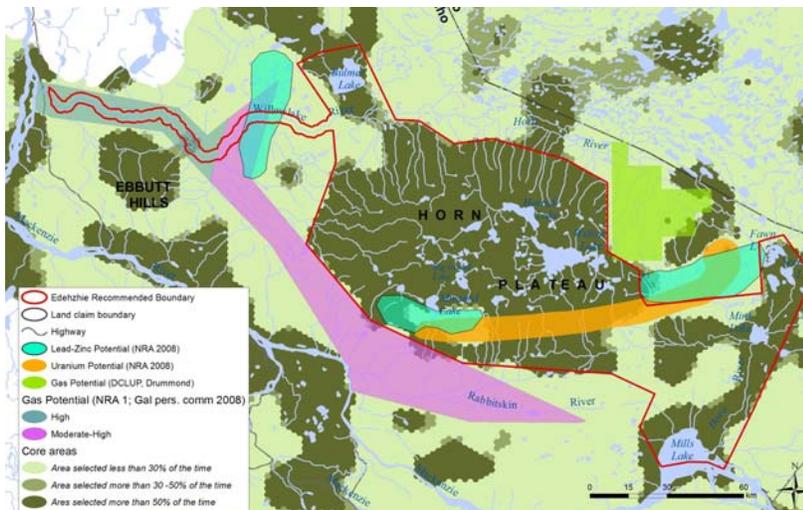
Fortune Minerals' NICO project has been referred to EA.

Tyhee Development has received the terms of reference for its Yellowknife Gold Project near the old Discovery Mine. This is the first stage of the environmental assessment process and determines which issues will be scoped during the assessment.

Canadian Zinc's Prairie Creek project has also been given a ruling on which items will be scoped during its EA. The Review Board faced a difficult job, dealing with a host of public concerns and legal interpretation to find out if certain elements of the project should or should not be given close scrutiny. The Board decided that all parts of the project should be put under the microscope. We will have more on this process as it develops.

WML Exploration BC Ltd. have applied for a permit to explore for nickel, base metals, and gold using ground-based geophysics and diamond drilling at Snowbird Lake in the Akaitcho Region. The application is currently under review.

In Nunavut, **Uravan Minerals** uranium project near Baker Lake is under a full EA and the Nunavut Impact Review Board has requested that the company address the cumulative impacts of uranium mining in the area. It is a small exploration project involving diamond drilling to help define a resource, and the Chamber is unsure why the Board feels a cumulative impact study is something Uravan, a very small company, should do. **Areva Resources** is also in the middle of trying to permit its uranium mine. The Chamber believes that nuclear energy is the way of the future, and we should be embracing the potential of uranium in the north and not trying to shut down every project that is targeting uranium.



Recommended Boundary for the Edehzhie Wildlife Area, 2009

New Source for Grubstake Money?

It is official. The NWT Prospector's Grubstake Program has been cancelled as a result of GNWT budget cuts. The Chamber called for a review of this decision, as the program was one of the best ways to promote mineral exploration in the north. Our research indicates that from 1993 to 2007, the \$1.4 million

program had motivated expenditures of \$16.9 million on grubstaked properties. This is a 16-fold return on investment.

There is some good news to report, however. The GNWT has introduced the SEED program (*Support to Entrepreneurs and Economic Development*), a fund to promote diversification of the economy and promote

News from Edehzhie

At a meeting in Fort Simpson in February 2009, the Protected Areas Strategy working group for the Edehzhie wildlife area came to a consensus on a future boundary. The recommended boundary was a good compromise between conservation and development, excluding a number of resource-rich areas including oil and gas potential and sections of lead/zinc potential. Overall, the boundary was reduced 56% from its original study area, and represents an area 14,249 square kilometers.

The Chamber however remains concerned that the true resource potential of Edehzhie may never be known. The geological work that was performed in the study area suggests a kimberlite ore-body could be located in this area. The work of Olivut Resources in the Dehcho definitely suggests the potential for kimberlite pipes. But where could they be?

If the park is withdrawn from all development, we will never know if a diamond mine could be found here. The Chamber would like to see more discussion about alternate ways to protect Edehzhie and provide opportunity for exploration. One option is land use planning which is more flexible over time. Another option is keeping the subsurface rights open and letting exploration proceed under special permitting.

Dehcho communities have consistently said they do not want development in Edehzhie. The Chamber respects the wishes of communities, but fears they are limiting the full potential of their land for the next generation.

development opportunities in all communities. Financial support for prospectors and junior mining companies may be available through this program. Please visit this link for more information:

www.iti.gov.nt.ca/miningoilgas/grubstake.shtml



Published by the **NWT & Nunavut
Chamber of Mines**

Box 2818
Yellowknife, NWT
X1A-2R1
Phone: 867-873-5281
Fax: 867-920-2145
E-mail: nwtmines@ssimicro.com

www.miningnorth.com

Staff:

Mike Vaydik: General Manager
Ryan Silke: Analyst
Cheryl Wourms: Office Manager

BOARD OF DIRECTORS 2008/2009

President: *Lou Covello*

Vice President: *Pamela Strand (Nunavut),
Trevor Teed (NWT)*

Secretary: *Richard Morland*

Treasurer: *Gord Clarke*

Directors: (NWT) *Cathie Bolstad, Eric Christensen,
Clifford Daniels, Lane Dewar, Danny Gaudet, Robin Goad,
Chris Hrkac, Jon Jaque, John Kearney, David Webb,
Hugh Wilson*

Directors: (Nunavut) *Alex Buchan, Derek Chubb,
Larry Connell, John Laitin, Denise Lockett, Barry McCallum,
Jennifer Pell, Allison Rippin Armstrong, Hamish Tatty,
Eira Thomas*

*Our board sits as representatives from an array of mining,
mineral exploration, and service companies in both territories.*

Extreme Survival at Ekati Diamond Mine

Safety continues to be the priority of all personnel at the Ekati diamond mine. For those conducting outdoor work during winter, heightened awareness of exposure to the cold is critical. Environment staff use snowmobiles to access areas for sampling. The Emergency Response Team (ERT) is on call 24 hours a day. Being prepared before going into the field is a key element in anticipating and preventing unexpected mishaps.

Part of this preparation is ongoing training. In recent years, Ekati staff have participated in Arctic Survival Training, designed to develop essential skills to survive and initiate rescue above the treeline in the winter. This year's participants included seven Ekati staff: Karl Schubert (Safety); Al Reimer, Cody Hopkins, Peter Devolder (all ERT); and, from Environment, Charles Klengenberg, David Bruce and Andrew Nichols. Drawing upon their diverse but complementary backgrounds, the team spent two nights outdoors and dealing with scenarios, including "missing person", "hypothermia" and "rescue plane".



In a "who's who" of quinzhee building, the team built snow shelters as the first step in surviving and maintained them throughout the training. During the exercise, comments such as "hot water never tasted so good" could be heard along quinzhee avenue. On the last morning, the weather took a turn for the worse, with wind chills hovering around -50°C. Returning safely to family members (and hot showers!) is the ultimate outcome from a true survival situation, and Ekati continues to build the capacity for this to happen among staff dealing with extreme winter conditions in the workplace.
(courtesy BHP Billiton Ekati Diamond Mine)

Upcoming Mineral Industry Events

Mark your calendars now for these important industry events and functions:

- **NWT Mining Week ... June 8-13, 2009 ... Yellowknife, NWT**
- **Yellowknife 75th Homecoming ... June 22 - July 4, 2009 ... Yellowknife, NWT**

