



# Northern Mining News

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## MINING STATS NWT/NU 2009

**Three diamond and one tungsten mine in operation**

**Value of mineral production (2009) \$1.5 billion**

**Value of mineral exploration (2009) \$218 million**

## Mike Vaydik Retires From Chamber General Manager from 1996-2010

With the retirement of Mike Vaydik, the Chamber's General Manager since 1996, the mineral industry says farewell to its greatest advocate. Born and raised in Yellowknife when it was very much a gold mining town, Mike's early education was in the field working with mining and oil and gas companies, or under the wing of his prospecting father, Chuck, who was a founder of the Chamber of Mines in 1967.

After a 20-year career with the Government, during which he worked and lived in almost every community in the NWT and present day Nunavut, Mike was hired as General Manager of the Chamber. He passionately waved the industry flag as three diamond mines came into production and a new regulatory regime evolved in the Mackenzie Valley.

One of Mike's tasks in the past few years was to voice industry concerns on regulatory improvement. A clear, concise and fair process is necessary if the north is to find success in attracting mineral investment in the NWT. Mike says,

"I think we need to, as



Northerners, get together, work on details and hopefully come up with a more workable act that we can all live with, that will protect the environment, protect Aboriginal rights to land they've been guaranteed in their claims and also encourage industrial development, so that we all have jobs to do and our kids can grow up here and have a happy and useful life."

Mike also promotes education in the northern communities as the first step in creating opportunities. He has been a vocal supporter of trades-based training and was one of the early champions of the Mine Training Society.

Mike will remain in Yellowknife with his wife, Kathi, and where his two children call home. He stays involved with the local mining scene as a director of the NWT Mining Heritage Society and will remain an active community volunteer, including as a volunteer with the Chamber. Friends and colleagues wished him well at his retirement party on June 18, where he was presented with an honorary life-time membership of the Chamber in recognition for his 14-years of service.



**Board and staff honor Mike Vaydik, June 18**



### Northern Gold Projects:

Courageous Lake  
(Seabridge Gold)

Damoti Lake  
(Merc International)

Goose / George Lake  
(Sabina Gold & Silver)

Hope Bay  
(Newmont Mining)

Meliadine  
(Agnico-Eagle)

YK Gold Project  
(Tyhee Development)

*China needs the North's resources and the North needs China's investments.*

## A New Decade For Gold

The worldwide economic recession did wonders for the price of gold in 2009 and 2010, recently breaking a record at \$1,260 per ounce. Investors have flocked to the metal as security against inflation and economic and financial crises. This is good for the NWT and Nunavut where several gold projects are aiming for production.

The Meadowbank gold mine in Nunavut came on stream this year. Owner *Agnico-Eagle* has also acquired controlling interest in the Meliadine gold project outside of Rankin Inlet, formerly owned by *Comaplex*. That company conducted underground bulk sampling in 2008 and a huge gold resource has been identified. *Newmont* delayed a production decision at the Hope Bay gold mine near Cambridge Bay a year ago but is ramping up construction and filling staff positions this summer.

Two gold projects outside of Yellowknife NWT are in the middle of permitting and environmental assessment.

*Tyhee Development* owns several gold deposits north of the city and plans to open pit the

Ormsby and Nicholas Lake zones. *Tyhee* is currently working on a feasibility study and a developer's assessment report. Meanwhile, the company continues to explore several other regional gold claims, primarily at Clan Lake.

*Fortune Minerals* owns the NICO deposit in the Tlicho which is under environmental assessment. This orebody is best known for its cobalt and bismuth mineralization but also contains gold, copper, and nickel. This will be an open pit and underground operation.

Many smaller, early-stage gold projects are being evaluated across the north. In the NWT, *Merc International* owns the historic Damoti Lake gold deposit in the Tlicho, near the community of *Wekweti*. *Zimtu Capital Corp.* is evaluating the old Camlaren mine on Gordon Lake while *Trivello Energy Corp.* owns the old Tom Mine a few kilometers outside of Yellowknife.

The Chamber is encouraged that these projects will lead to a new decade for gold in the NWT and Nunavut.

## Chinese Investments in Mining

When a Chinese mining conglomerate acquired the Wolverine lead/zinc mine in the Yukon in 2008, it started a new trend of international investment in the North's mineral industry. The recession dried up traditional investment sources for Canadian mining companies and Chinese interests have in turn increased their position in the north.

Since 2008, the Chinese have realized the potential, acquiring the Nunavut assets of OZ Minerals (Izok and High Lake), and signing on as a joint-venture partner in the development of Selwyn Resource's massive Howard's Pass lead/zinc deposit on the NWT-Yukon border.

The Chamber spoke with a small delegation of Chinese investors this spring to promote mining in the NWT and Nunavut.

The attractiveness of Chinese investments? Experts say it comes down to four points: China takes a long view on rate of return; interest rates are lower than the West; Chinese banks don't demand hedging of metal prices; and access to Chinese technology. With \$2 trillion dollars committed in foreign reserves to support its 'Going Out' policies, China will likely continue to shop North. Industry and government must be there to welcome them.

# Parks: Cutting off the Cordilleran

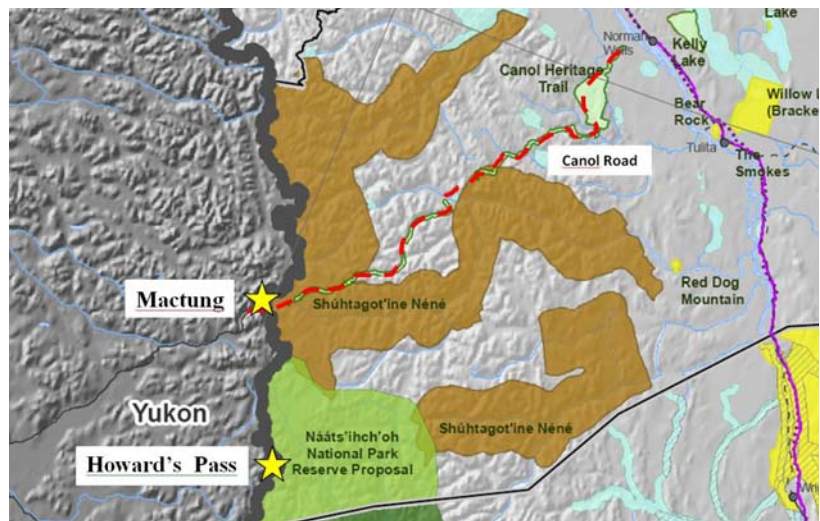
There are two proposed conservation initiatives in the Sahtu that threaten to cut off access to mineral resources. These are Parks Canada's *Nááts'ihch'oh* National Park and the Canadian Wildlife Service's *Shúhtagot'ine Néné* wildlife area. In concert with other land use planning exercises in the Sahtu, these protected areas will alienate the NWT, and all communities along the Mackenzie River, from the areas of high mineral potential along the Yukon-NWT border. Under the current vision, *Nááts'ihch'oh* and *Shúhtagot'ine Néné* will completely isolate a 50 to 150 km corridor between the Sahtu and Yukon.

This buffer may also preclude infrastructure development, such as roads and hydro. The Canol road, the only proven infrastructure corridor through the Mackenzie Mountains, has already been reserved as a future protected area. Sahtu communities risk being

completely shut out from development opportunities in those high mineral potential locations if these protected areas are created. With the development of the Mactung tungsten mine and a rehabilitated Canol road, tungsten concentrates could potentially be trucked down to the Mackenzie River for shipping. In addition, if the huge Howard's Pass zinc deposit can be accessed from the NWT, through the Sahtu by connecting it

to the Canol Road corridor, substantial economic benefits would accrue to the NWT.

There is a long-term risk of NWT isolation and exclusion from economic developments in the high Mackenzie Mountains. The Chamber recommends that an access route be preserved, and urges the GNWT and Sahtu communities to consider these issues as it participates in the Protected Areas process.



Protected areas in the Sahtu may cut off NWT access to minerals.

## More on Protected Areas

The Protected Areas Strategy (PAS) is a multi-step, community-driven process to protect natural and cultural lands and core-representative areas within each ecoregion of the NWT. The PAS is a partnership between communities, governments, environmental groups, and industry to develop a balanced conservation approach.

The Chamber of Mines sits on the PAS Steering Committee and on several Working Groups. *Shúhtagot'ine Néné* (see above) is

just one of the PAS initiatives that the Chamber is tracking the next few years.

*Buffalo Lake, River, and Trails* is located southeast of Hay River in the Dehcho covering about 2,100km<sup>2</sup>. The area has cultural importance to the Hay River bands. It is located above the Great Slave Reef and adjacent to Pine Point. The area holds considerable mineral potential. Unlike many areas of the NWT, the Buffalo Lake, River and Trails has existing infrastructure including a road and rail network and

according to a resource study, has moderate potential for lead/zinc deposits. Future improvements in technology could upgrade the importance of the area.

*Yambahti* (Daring Lake) is another proposed conservation zone north of Lac de Gras right in the middle of the diamond fields.

*Darnley Bay* is a marine protected area at Paulatuk, Inuvialuit which could impact access to exploration of a massive gravity anomaly.



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Application are invited for the position of:

## EXECUTIVE DIRECTOR

Based in Yellowknife, and reporting to the Board of Directors, the Executive Director will ensure the goals and objectives of the Chamber are implemented. The Executive Director will lead and represent the Chamber on matters of importance to its members ensuring an excellent reputation for the Chamber and the exploration and mining industry.

**Applicants for the position of Executive Director should preferably have experience and qualifications in the following:**

- degree in Management, Geosciences, Engineering, Social Sciences
- experience working in industry, government or organizations
- experience related to government policy, regulatory matters or Aboriginal affairs
- awareness of Aboriginal communities and their role in the industry
- strong verbal, written and inter-personal communication skills
- excellent organizational and management skills
- demonstrated experience in leadership

**Interested applicants are invited to send a resumé, with a cover letter in confidence:**

**[chamberminesgm@ssimicro.com](mailto:chamberminesgm@ssimicro.com)**

## Scenes from Mining Week BBQ June 12



## Upcoming Mineral Industry Events

Mark your calendars now for these industry events and functions:

- **Prospects North ... October 5-7, 2010 ... Yellowknife, NWT**
- **Geoscience Forum ... November 16-18, 2010 ... Yellowknife, NWT**



For more events: [www.miningnorth.com/events/](http://www.miningnorth.com/events/)