

# Northern Mining News

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## From the Executive Director ...

This has been one very exciting and unprecedented month for the Chamber of Mines. It began when the Prime Minister of Canada, the Rt. Honourable Stephen Harper announced Canada's support for the new Chamber of Mines office in Nunavut. While we don't have elephantine memories, we suspect that it's the first time that a Prime Minister has signaled that kind of support for our Chamber, and we are very grateful. The reason for his announcement can be linked to his visit at Nunavut's only gold mine, and the recognition that Nunavut is on the cusp of a significant economic opportunity as mining projects advance.

The Conference Board of Canada released their Summer Territorial Outlook which confirmed Nunavut's economic strengths, and also reminded us of economic difficulties in the NWT associated to a maturing mining industry.

And dirigibles are back on the radar!

Happy reading!

... Tom Hoefler, Executive Director

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

## **Prime Minister Announces Support for Chamber of Mines**

On August 24, during a visit to Nunavut’s Meadowbank gold mine, the Right Honourable Stephen Harper, Prime Minister of Canada announced Federal Government support for the Chamber of Mines.

Through the Canadian Northern Economic Development Agency (CanNor), the Government of Canada is partnering with the Nunavut Territorial Government on a three-year pilot project that will increase the capacity of the Chamber of Mines to both represent mining interests in Nunavut, and to work with governments and communities to help create benefits for Nunavummiut and Canadians.

To help support and promote Nunavut’s sizable mining investment, the Chamber of Mines has established a new office in Nunavut and has appointed a full time General Manager – Nunavut, to administer its affairs in the Territory.

The Prime Minister of Canada’s announcement signals important support for the Chamber and its work to advocate for a strong Nunavut mining industry.

President of the Chamber of Mines, John Kearney said: *“We are very excited to have opened the first ever mining association office in Nunavut. Establishing the office demonstrates the commitment of our Chamber members to the future of the minerals industry in Nunavut.”*

*“We wish to acknowledge the support that this initiative has received from the Government of Canada, through the Canadian Northern Economic Development Agency under the leadership of Minister Leona Aglukkaq, and from the Government of Nunavut through Minister Peter Taptuna, Deputy Premier and Minister of Economic Development and Transportation,”* added Mr. Kearney.

It is intended that at the end of the three year pilot project the Chamber of Mines office in Nunavut will become self-sustaining.



*Prime Minister Stephen Harper announced support for the Chamber of Mines during a visit to Nunavut’s only operating mine, Agnico-Eagle’s Meadowbank gold mine. (Courtesy Agnico-Eagle Mines)*

## **Prime Minister Also Announces Support for GeoScience**

During his visit to Nunavut's Agnico-Eagle Meadowbank gold mine, Prime Minister Harper also announced Federal Government support for GeoScience research and mapping in Nunavut. Nunavut is one of the most under-mapped regions in Canada and the level of geological understanding lags behind southern Canada. Investing in GeoScience is critical to growing a successful minerals industry.

The Prime Minister highlighted that the Government's Geo-mapping for Energy and Minerals (GEM) program is continuing to reveal new information through geoscientific maps and other data that are helping Canadian companies locate rich mineral deposits in northern Canada. This reduces exploration risks and costs and encourages economic development in the North. In the area around Baker Lake alone, the GEM project has released 33 new geophysical maps over the past 12 months. More results are expected in Nunavut and the NWT as ongoing field work is conducted over the summer.

*"The Chamber of Mines welcomes the Federal Government's continued support for the GEM program" said John Kearney, President of the NWT & Nunavut Chamber of Mines. "Geoscience is essentially the Research & Development of the minerals exploration industry. We rely on modern data that Natural Resources Canada and their fellow government geoscience organizations provide through various state-of-the-art studies from airborne geophysics to field observations to laboratory work. For those of us in the exploration business working hard to find new mines, it is crucial."*

The five-year, \$100 million geological mapping program is becoming an important contributor to investment in Nunavut, as it advances and modernizes geoscientific understanding of the North, and provides valuable information to support increased mineral exploration. Evidence shows that government geoscience investment stimulates private sector exploration, and for every \$1 in government spending, the private sector creates \$5 in exploration. It is a critical determinant to growing a successful minerals industry.

## **NTI Also Supports Canada's Investment in Nunavut and Chamber**

In a news release on August 24, Nunavut Tunngavik Inc. President Cathy Towtongie said she welcomed Prime Minister Stephen Harper's announcement of support for the NWT and Nunavut Chamber of Mines. "Mining is, and will continue to be, a critical part of the Nunavut economy. Federal investment in the NWT and Nunavut Chamber of Mines will help ensure Nunavummiut are heard on issues which concern us, such as ensuring there is adequate funding of environmental reviews for mining projects," said Towtongie. Towtongie also commended Prime Minister Harper's commitment to the Geo-mapping for Energy and Minerals Program. "The continued investment in basic mapping of Nunavut, which lags far behind other Canadian jurisdictions, is critical for the future economic development of the territory," said Towtongie.

## **Mining Continues to Drive North – Conference Board**

Ottawa, September 8, 2011 – With minerals in high demand in global markets, the mining sector is bolstering economic growth in Canada's three northern territories, according to The Conference Board of Canada's Summer 2011 edition of Territorial Outlook.

*"Both Yukon and Nunavut are entering a period of sustained growth in their mining industries. New mines opened in both territories last year and more are scheduled to start up over the next decade," said Marie-Christine Bernard, Associate Director. "In the Northwest Territories, however, the diamond extraction industry has reached maturity and production is expected to wane over the next four years, limiting economic growth."*

*“The economies of Canada’s territories are prone to sharp rise-and-falls as mining projects move through the assessment, construction, production, and closure phases,” said Bernard. “All three territories face the cyclical nature of growth based on resources.”*

### **Nunavut will post another huge gain**

Following growth of 14.8 per cent in 2010, Nunavut will post another huge gain in gross domestic product (GDP) of 15.7 per cent this year. Rising production at the Meadowbank gold mine, the development of the Hope Bay mine and record levels of mineral exploration spending will drive economic growth in the territory. The public sector will continue to play a major role in Nunavut’s economy, but it will account for a smaller share of overall territorial output over the next 10 years.

### **Yukon’s mining industry entering a new boom**

After nearly a decade of mine development, Yukon’s mining industry is entering a new boom cycle. The mining industry is expected to more than double over the next two years, expanding an incredible 135 per cent. Three mines will be extracting and processing minerals this year. Furthermore, the White Gold, Whitehorse and Mayo mining districts continue to see massive amounts of exploration spending. The resource boom is also driving growth in the territory’s service industry. The retail and wholesale trade, and financial industries are all experiencing a period of rapid expansion. Overall, real GDP in Yukon is forecast to grow 5.9 per cent in 2011.

### **NWT economy to contract by 2.3%**

The Northwest Territories’ economy is forecast to contract by 2.3 per cent this year, due to a significant downturn in the construction sector and minimal growth in the mining industry. Construction output will fall by close to 30 per cent this year as public and private non-residential investment eases. The construction industry is expected to bounce back next year, thanks to spending at Ekati’s Misery open-pit project. However, ***the NWT’s economic performance over the medium term will be restrained by sluggish diamond production as output at Ekati declines.*** [emphasis added]

The forecast is produced as part of the Conference Board’s Centre for the North. Its main purpose is to work with Aboriginal leaders, businesses, governments, communities, educational institutions, and other organizations to provide insights into how sustainable prosperity can be achieved in the North. Over its five-year mandate, the Centre for the North will help to establish and implement strategies, policies and practices to transform that vision into reality.

## **Continued Success at Ekati Mine – 2010 Year in Review**

EKATI Diamond Mine has released its annual report *Unearthing Potential, 2010 Year in Review*, which reports on safety, employment and training, business spend and community investments.

Highlights from the year include:

- A decrease of over 65 per cent in our Total Recordable Injury Frequency Rate (TRIFR) over the past five years (2006 - 2010);
- Highly Commended awards in both the Safety and Environment categories at BHP Billiton Group’s 2010 Health, Safety, Environment and Community (HSEC) awards for our In Control Program (Safety category) and Powerwi\$e Program (Environment category);



- Maintained both ISO 14001 Environmental Management Standard and ISO 9001 Quality Management System;
- Over \$285 million spent in 2010, bringing BHP Billiton’s investment in EKATI Diamond Mine to \$4.564 billion since operations began;
- \$172 million spent on contracts with Aboriginal and Northern companies, including several significant new contracts awarded to Aboriginal corporations;
- 772 person-years of direct employment created at EKATI Diamond Mine over the 12-month period and 457 person-years of contractor employment created;
- 670 person years of employment for Northerners and Northern Aboriginals at EKATI Diamond Mine, which is 15 per cent higher than the predictions in our Environmental Impact Statement (EIS);
- 34 employees in various stages of trades training or apprenticeship programs and 39 employees in the Mineral Processing Plant Technician program;
- Invested extensively in local community programs including a \$125,000 commitment to the YWCA Yellowknife’s “Turn Up The Heat on Homelessness” and \$100,000 towards the construction of a much-needed animal shelter with the Northwest Territories Society for the Prevention of Cruelty to Animals (NWT SPCA).



To learn more, download a copy of *EKATI Diamond Mine 2010 Year in Review* from their website ([www.bhpbilliton.com](http://www.bhpbilliton.com)).

### **Northern Mining Workforce Initiative Partners Conclude Successful Meeting**

The 3 diamond mines and the NWT Government – members of the Northern Mining Workforce Memorandum of Understanding (MOU) Initiative – re-affirmed their commitment to achieving the objectives of the MOU at a productive steering committee meeting held in late August.

The success of training through partnerships, and the need for a continued emphasis on training was identified during the meeting. The GNWT and the diamond mines companies agreed it is important to build on their successes by continuing to work on training, including skills development, leadership, safety, and financial literacy training.



The Steering Committee meeting also gave the partners the chance to review and discuss the efforts that have been made together to attract and retain an NWT workforce. In 2011, the three mines and the GNWT launched a Say Yes campaign to highlight the benefits of living in the NWT by focusing on the personal and career advantages of living in the NWT and profiling mine families who have made the move to the NWT and are glad they did.

*“Maximizing opportunities for residents in all NWT communities is a GNWT priority. This MOU is an important initiative that will help us achieve our goals,”* said Minister of Industry, Tourism and Investment Bob McLeod. *“Our focus is always on how we can continue to work together for the betterment of the people of the NWT, and this meeting provided us all with an opportunity to talk about the progress we have made and to lay out priorities to pursue in the future.”*

*“Preparing, recruiting and retaining workers is an issue that affects all sectors in the Northwest Territories,”* said Minister of Education, Culture and Employment Jackson Lafferty. *“It is important to be specific about the mines’ future needs and to prepare our residents for those needs by collaborating together and ensuring they have the tools needed to lead healthy, productive lives.”*

*“Since the discovery of diamonds in the NWT by BHP Billiton, we have provided employment, training and business opportunities for the people of the NWT at EKATI Diamond Mine, at levels rarely seen elsewhere in the resources industry,”* said Paul Harvey, Asset President. *“We are proud of our record, and are committed to continuing to work closely with government and industry partners under the MOU, to ensure that the NWT continues to prosper. Our commitment is to achieve a lasting positive impact in the communities where we live.”*

Diavik Diamond Mines Inc. Acting President and Chief Operating Officer, Alasdair Martin, states that Diavik is fully committed to sustainable northern benefits for all stakeholders from its operations, including maximizing northern recruitment and retention. *“Supporting the MOU initiative is a critical way forward to work together in partnership with the GNWT and the two other diamond operations to evaluate, recommend, and implement actions that will bear benefits to increase northern employment, training, recruitment, as well as addressing retention issues.”* He adds: *“One example is our work to continue to exceed our apprenticeship numbers beyond our 8-18 commitment. We currently have 27 apprentices on our mine site and our overall plan is to bring our total to approximately 100 northerners with trades training skills and journey person certifications during our life of mine. Since opening our mine, 30 individuals have achieved journey person status.”*

*“Developing and keeping the skills we need here in the NWT continues to be a high priority for De Beers,”* said Cathie Bolstad, Director External and Corporate Affairs on behalf of De Beers Canada. *“The diamond industry has been a trail blazer for success models that build community capacity and develop new*

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*sustainable skills here in the NWT. By working together, we have a better chance of success and De Beers remains committed to working with industry partners and government.”*

The MOU was signed in November of 2008. Its members include the Departments of Industry, Tourism and Investment; Education, Culture and Employment; BHP Billiton Canada Inc.; Diavik Diamond Mines Inc.; and De Beers Canada Inc. The purpose of the MOU is to maximize employment opportunities from diamond mining for NWT residents. Through the MOU, the GNWT and the diamond mines are working collaboratively towards two main objectives – develop the skills of NWT workers, and attract and retain a skilled NWT workforce.

### **Federal Funding Announced for Aboriginal Training at Canadian Zinc’s Mine**

In late August, Federal Human Resource and Skills Development Canada (HRSDC) approved a commitment of more than \$3 million dollars over a 3-year period to fund *More Than a Silver Lining*, a program to provide Aboriginal participants with training-to-employment opportunities in a variety of mining-related occupations at the Prairie Creek Mine.

John Kearney, Chairman, President and CEO of Canadian Zinc Corporation stated, *“Canadian Zinc is very pleased to partner with the Government of Canada (HRSDC) ... and the NWT Mine Training Society in this program to help train our aboriginal neighbours for future employment in the mining industry, and specifically in our Prairie Creek zinc-silver-lead mine in the Northwest Territories.”*

The program will be administered by the Mining Training Society in partnership with Canadian Zinc. The Mining Training Society is funded by the Government of Canada through the Skills Partnership Fund program administered by HRSDC. The mandate of the Mine Training Society is to screen, select, train and place northerners in mining jobs and to build a legacy of education and awareness about the employee and skill needs of the mining industry, in co-operation with the communities and education system of the Northwest Territories.

*“In many ways, opportunity begins with giving people the right tools to succeed,”* said Kelly Arychuk, Chair of the Mine Training Society. *“Our mission is to help people find not just a means to an end, but a career that often changes their lives.”*

In addition to Federal funding, the program will receive an additional \$1 million from Canadian Zinc, the Government of the Northwest Territories, the communities of Nahanni Butte, Fort Simpson, Fort Liard, Trout Lake, and Jean Marie River.

This program will train applicants in disciplines such as Mine Administration, Underground Mining, Heavy Equipment Operations, Environmental Monitoring, Medical First Responder, Camp Cook, Safety Training, and Class 5 Drivers License Training. MTS will assess 300 Aboriginal applicants for employment suitability of which, 255 will be invited to participate in the program.

Ultimately 70 individuals will secure employment at the Prairie Creek Mine, when it begins operations, and the partner communities will provide an additional 10 jobs for graduates in administration or heavy equipment operation.

With the Prairie Creek Project moving closer to completing its Environmental Assessment it is timely to prepare the local residents for the career opportunities associated with an operating Prairie Creek Mine. The Mine Training Society has already set the project in motion, searching for a Job Coach, to be based in Fort Simpson, working closely with the Prairie Creek Mine operators to support recruitment, training and placement of applicants from all five communities

*“Maximizing aboriginal employment opportunities for the members of our local communities is a fundamental objective for the successful development and operation of the Prairie Creek Mine. We are convinced that this ground breaking “training-to-employment” program will enable local aboriginals develop the skills to take advantage of a variety of long-term jobs, occupations and careers at the Company’s Prairie Creek Mine and generally in the minerals industry in the Northwest Territories”* added Mr. Kearney.

### **Fortune Attracts Former Tli Cho Chief**

Fortune is also pleased to announce that former Tli Cho Chief Charlie Jim Nitsiza has joined the Company as the NICO Project Community Relations Co-ordinator. Mr. Nitsiza, a long-time resident of Whati, was Chief of this closest community to the NICO development for twelve years starting in 1998 until 2009. He was also a member of the Regional Economic Board from 1980 to 2007 that established Nishi' Khon Forest Service, one of the earliest Tli Cho-owned businesses that became the Tli Cho Investment Corporation group of companies. Charlie Jim Nitsiza will continue to be based in Whati and his primary role will be to consult and communicate with the Tli Cho people in all four communities about the impacts and benefits of the NICO Project to local residents.

Fortune’s President and CEO Robin Goad commented that, *“We are very excited to add Charlie Jim to our NICO team. His wealth of experience with his land and his people will be an asset to Fortune as we move ahead with the permitting and development of the NICO project.”*

Fortune proposes to develop the 31 million tonne NICO deposit using a combination of open pit and underground mining methods with ores processed at the rate of 4,650 tonnes per day in a concentrator at the site over an 18-year mine life. Other facilities that are planned at the site include a camp to accommodate employees working on a rotation basis, ancillary buildings and a 27 km all-season access road that will join the site to the proposed Tli Cho Road connecting nearby communities with the highway to Yellowknife. Fortune Minerals plans to be a significant, reliable North American-based supplier of 99.8% cobalt cathode, 99.5% bismuth cathode and 99.99% bismuth ingot, gold doré, and by-product production of copper cathode and nickel precipitate.

### **Chamber Intervenes on Nunavut Water Regulations**

At the recent Public Hearing in Iqaluit, Elizabeth Kingston, General Manger – Nunavut spoke on behalf of the Chamber of Mines, the Prospectors & Developers Association of Canada and the Mining Association of Canada. She offered the simple recommendation that item 2(4) of Schedule 2 of the proposed Nunavut Waters Regulations be amended to an increase from 50 cubic metres per day to 100 cubic metres per day, as is the case in the other northern territories.

Waters Regulations in Yukon and Northwest Territories allow the use of water without a licence at a rate of up to 100 cubic metres per day. If adopted, Schedule 2 of the proposed Nunavut Waters Regulations would establish an upper limit of only 50 cubic metres per day, or one-half of the limit that has long been in place in the other two northern territories.

The adoption of provisions to permit some uses of water in Nunavut without a licence is a positive step, particularly for small scale exploration. However, the higher threshold would better reflect the size and significance of the operation being considered without the risk of adverse impacts on the water resources of the territory. The Chamber is hopeful that the Federal Government’s Aboriginal Affairs & Northern Development Department will agree with the increase to allow even more flexibility.



## Chamber Challenges Nunavut Business - Get Your Share of Major Developments

The Chamber's Executive Director, Tom Hofer addressed delegates of the Nunavut Trade Show and Conference this month, as part of a panel discussion on *"Nunavut: The Next Decade – Getting Your Share of Major Developments."* Tom's fellow panellists included Tom Paddon, President and CEO of Baffinland Iron Mines Corp., Brooke Clements, President of Peregrine Diamonds, Graeme Dargo, Senior Coordinator Economic Development - Nunavut, Agnico-Eagle Mines Inc., and Dr. Charlie Evalik, Chair of the Nunavut Resources Corp.

Tom highlighted 10 major mining developments that are underway in Nunavut and how businesses can position themselves to take advantage of the opportunities, while governments reap the rewards of a healthy minerals industry through a variety of taxes and reduced social welfare costs.

Rising commodity prices have been the major drivers behind mineral investment in Nunavut. Much of this is due to China, which today accounts for 40% of global metal demand. Contributing also are the other growing economies in Brazil, India and Russia. However, Tom cautioned the sold-out audience that the market remains in a state of volatility. *"As recently as last week, we witnessed negative reports of falling commodity prices, but we've also seen positive stories of long term demand fundamentals that analysts believe are still there. Clearly it's a complex economic world today."*

Demand, in particular for steel as well as luxury items such as diamonds, is now being driven by an urbanization process in China, which some analysts believe may take six to nine years before the demand peaks. This places Nunavut in a favourable position to rise to meet those demands, as many of its major projects will hopefully begin construction within the same time frame.

Tom encouraged leaders in business, government, and communities to support industry's success by increasing capacity in business, training, and regulatory regimes. *"Building capacity is an investment with big returns" he said. "We know that Canada has to address its deficit, and our mining industry is especially well positioned to more quickly help by literally digging Canada out of debt. We just need to invest a little to gain those returns."*



Charlie Evalik, Chair of Nunavut Resources Corp. addresses audience at the Nunavut Trade Show in Iqaluit.

The Chamber's full presentation can be found on our website at [www.miningnorth.com](http://www.miningnorth.com).

## WKSS winds down

The West Kitikmeot Slave Study (WKSS) has wound up its work and bank accounts. Created in 1996 as a direct result of the diamond staking rush, its job was to provide an information base necessary to examine the long and short term effects of development in essentially the Slave Geological Province. What began as an initial five-year research program, the initial WKSS research program ended March 31, 2001 but continued to fund several key projects until the WKSS Society was dissolved in 2009.

The WKSS Final Report 1996-2001 can be downloaded from here:  
<http://www.enr.gov.nt.ca/live/documents/content/WKSSFinal.pdf>.

An archive of WKSS project reports and other documents are available on the WKSS website:  
[http://www.enr.gov.nt.ca/live/pages/wpPages/West\\_Kitikmeot\\_Slave\\_Study.aspx](http://www.enr.gov.nt.ca/live/pages/wpPages/West_Kitikmeot_Slave_Study.aspx)

WKSS documents are also available on the *WKSS Legacy Package 1996-2008 DVD* available from the Wildlife Division, Department of Environment and Natural Resources. To request a copy of the Legacy Package DVD, please send an email to: [WKSS@gov.nt.ca](mailto:WKSS@gov.nt.ca).

### **Welcome to the NWT! Three new companies announce intentions**

We are pleased to report that three new companies have announced that they will be exploring in the NWT. They are:

- Platinum Group Metals – purchased claims from Arctic Star Exploration Corp. in the Providence Greenstone Belt prospective for copper, nickel and impressive platinum group metals;
- Emerick Resources Corp. – negotiated an option with GGL Resources Corp. for a 75% interest in claims in the Providence Greenstone Belt prospective for gold, base metals and nickel; and
- Harry Winston Diamond Corporation – has acquired its own claims and has optioned additional from North Arrow and Springbok near Lac de Gras to explore for diamonds.

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## **Prairie Creek Socio-Economic Agreement – Some Highlights**

On August 22, Canadian Zinc and the NWT Government signed a socio-economic agreement describing the commitments made by the company and the government towards ensuring socio-economic success from the Prairie Creek mine. Following are some of the mine's commitments.

### **Employment**

Subject to availability of NWT residents with the required skills, Canadian Zinc and its contractors will use all reasonable steps and good faith to employ:

- 30% NWT Residents during Construction; 60% during Operations; and 75% during Closure.

Canadian Zinc will establish a trades training program and maintain a minimum of six training positions for NWT resident Aboriginal Persons and NWT Residents. The company will also maintain a minimum of six apprenticeship positions for the same category of residents.

Women will be supported and encouraged on an equal basis with men. The minimum education required for entry-level positions will be no higher than Grade 10.

### **Business**

On the business front, Canadian Zinc will secure procurement needs from NWT Businesses as much as possible throughout mine life, and will use best efforts to:

- Purchase at least 30% of goods and services from NWT Businesses during Construction; 60% during Operations; and 70% during Closure.
- Purchasing priorities will begin with IBA communities, followed by Nahendeh Aboriginal Economic Council communities, then Dehcho, then NWT and finally other businesses.

To assist in achieving business success, the company will take a number of measures, including developing a Northwest Territories business policy, designating an employee as Business Liaison, identifying project components that should be targets for a business development strategy, ensuring the size and scope of available contracts matches the capacity of NWT Businesses where feasible, and preparing an annual business opportunities forecast to NWT Businesses.

The agreement can be downloaded from the Chamber website here:

[http://www.iti.gov.nt.ca/Publications/2011/mineralsoilgas/PrairieCreekSEA\\_signed20110822.pdf](http://www.iti.gov.nt.ca/Publications/2011/mineralsoilgas/PrairieCreekSEA_signed20110822.pdf)

## **What is RSS and how can it help me?**

Like all progressive websites, the new Chamber of Mines website now offers you what's called RSS Feed. This stands for a bunch of words that don't really matter, as long as you understand that it's a convenient way to have up to date news sent to you, without you lifting much more than a finger. You can recognize RSS feeds by the orange logo with the white radio waves shown to the right which is now the industry standard for RSS. When you click on the logo, you are offered the opportunity to subscribe to an automatic subscription for news from that website, which can be sent to your email address or to your own website. Much like iGoogle, you may customize it for yourself, or even to your Blackberry or iPhone. Try it, you'll like it.



## State of the Uranium Industry

A recent report by Versant Partners provides an overview of the uranium industry today. Some excerpts:

“Outside of general market weakness, what is the worst that could reasonably happen to the global uranium market?

... Nothing.

This year we have had the most powerful earthquake to ever hit Japan (9.0 on the Richter scale) and subsequent tsunami waves of up to 15m in height trigger the largest nuclear accident since the 1986 Chernobyl disaster. A disaster so great, the International Atomic Energy Agency (“IAEA”) applied the highest rating of “7” on its International Nuclear and Radiological Event Scale

In reaction, countries around the world placed their nuclear programs under review and performed safety checks to reassess safety measures. Germany announced that it intends to exit nuclear power generation by 2020, Italy has cancelled plans on building 10 new reactors and Switzerland has abandoned plans to build new reactors and will not replace its five existing reactors at the end of their respective life spans.

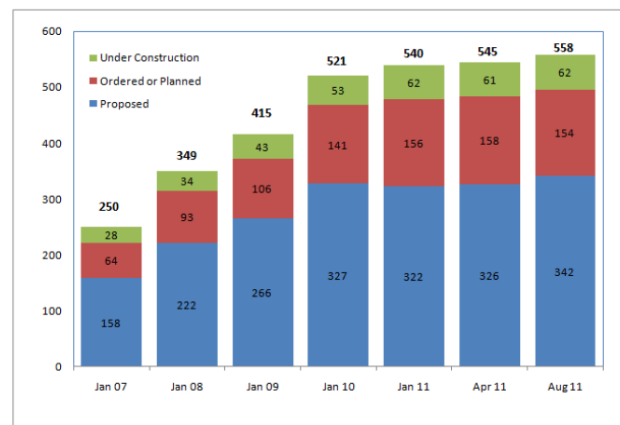
However, outside of Germany, Italy and Switzerland, there does not appear to be any other countries seriously considering a negative course change with respect to nuclear power. In fact, reports have been positive. The China Nuclear Energy Association announced in mid-August that it completed a nationwide safety inspection of nuclear plants on August 5th – a month ahead of schedule. This has led to speculation that the Chinese intend to resume nuclear plant approvals, which were suspended in the wake of the Japanese disaster. We view the current scenario as the point of maximum pessimism for nuclear and the uranium industry. Outside of global economic weakness, there does not appear to be a foreseeable negative catalyst for yellowcake. Germany, Italy and Switzerland have made their decisions while the Fukushima Da-Ichi plant is under control (with no fatalities). There is nothing to cause the next leg down.

The fundamentals for the nuclear and the uranium market remain largely unchanged. Of the 440 nuclear reactors that are currently operable, Germany’s 17 reactors account for only 3.9% and Switzerland’s 5 plants account for just 1.1%. Notably, 62 nuclear power reactors are currently under construction, which is a 14.1% increase from the current state.

For a copy of the report, visit:

[http://kivalliqenergy.com/resources/20110825Uranium\\_Versant\\_Industry\\_Update\\_Featuring\\_KIV.pdf](http://kivalliqenergy.com/resources/20110825Uranium_Versant_Industry_Update_Featuring_KIV.pdf)

Exhibit 2. Global Nuclear Reactors Under Construction, Planned or Proposed



Source: World Nuclear Association



## **Has technology's time finally come? Not just another blimp on the radar**

Discovery Air Innovations (DAI), a wholly-owned subsidiary of Yellowknife based Discovery Air Inc. and British company Hybrid Air Vehicles Ltd (HAV) have signed a preliminary agreement which could completely change the way remote development projects in the North are supplied.

DAI is proposing to use Lighter-Than-Air (LTA) vehicles made by HAV, to supply remote projects in the North. The LTAs will fly by using a hybrid of aerodynamic lift and helium buoyancy; helicopter style thrusters will allow it to manoeuvre for takeoff and landing.

The vehicles will need only a fraction of the fuel required by current supply aircraft and will be able to take off and land with only one pilot on land, water or un-groomed terrain – which will completely negate the need for runways or helicopter pads.

Capable of reaching speeds up to 185km/h, the LTAs are intended to provide a cost effective and efficient means of moving up to 50 tonnes of materials to remote development projects.

The combination of increased payload, coupled with its fuel efficiency and its ability to land anywhere, the LTAs are well positioned to lead a renaissance in developing the North's resources and infrastructure.



## **Geological Resource DVD Released to Schools**

The NWT Mining Heritage Society and the Department of Education, Culture and Employment (ECE) have partnered to advance geological education in NWT schools. Using funding from their Walter Gibbins Memorial Trust Fund, the Heritage Society has purchased site licences, DVD's and teacher support materials from The Nature of Things series, Geological Journey I.

This DVD resource was produced by the Canadian Broadcast Company (CBC), and chronicles the geological history of Canada and fosters greater understanding of geological processes in Canada. With the Heritage Society's support, the NWT Government is making this resource now available to every school in the Northwest Territories and Nunavut. Teachers from Kindergarten to grade 12 can use it to support many of the geological concepts prescribed in the K-12 science curricula, especially with high school programming in the Experiential Science program.

This series was chosen because it features Canadian geology, exploration, geological history, career opportunities and the importance of mining to our country and economy. It is intended to give students a new appreciation for our land and spark an interest in pursuing careers in geology, the earth sciences or mining. Hopefully the students and teachers enjoy it and make good use of this educational program.

The Walter Gibbins Memorial Trust Fund was set up after Walter's passing in 1992. He was a government geologist who looked after the Arctic Regions of the NWT and Nunavut. The money from this fund is used to promote geological awareness.





## Diavik Mine Rescue Team Wins Regional Competition

Yellowknife, NT – Diavik Diamond Mines Inc., operator of the Diavik Diamond Mine, is pleased to announce our mine rescue team has won the overall underground competition at the 10<sup>th</sup> National Western Regional Mine Rescue Competition held every two years in Fernie B.C. With the win, Diavik has successfully defended its 2009 title.

This world-class competition, held September 9 and 10, hosts teams from northern and western Canada and the northwestern United States. This year, 20 teams competed including 11 surface and nine underground teams.

The Diavik mine rescue team included Captain Kelsey Loessl, Vice Captain Nathan Pitre, Cody Gagne, Andrew Furlong, James Venera, Brent Karstad, Coordinator Alex Clinton, and Coach John Arnold. The team is drawn from our larger emergency response team which includes over 60 volunteers from all departments across our mine site.

*“This is an extremely challenging competition and one which provides an excellent venue for members of our emergency response team to test their skills and we at Diavik are very proud of our team’s efforts,”* said Diavik Diamond Mines Inc. Acting President and Chief Operating Officer Alasdair Martin.

The regional underground mine rescue competition includes smoke/search, obstacle and recovery, practical skills, first-aid, fire, and written tasks.

Diavik qualified for the regional competition after a successful showing at the 54th annual Workers’ Safety and Compensation Commission mine rescue competition held in Yellowknife in June. This northern event included Diavik, Ekati, and Snap Lake teams from Northwest Territories, Meadowbank Mine team from Nunavut, and Minto Mine team from the Yukon. Three NWT/NU mines were represented in Fernie, including Ekati surface and underground, Meadowbank surface, and Diavik underground.




## Interested in Advertising?

There is a growing interest in advertising in our newsletter. Our distribution is also growing, and our newsletter is reaching more and more decision makers in industry and in the North.

If you are interested in advertising in our monthly newsletter, please contact Cheryl Wourms our office manager at: [officemanager@miningnorth.com](mailto:officemanager@miningnorth.com).

## Calendar of Events

- **Northern Aboriginal Business Association Conference**, October 11-13, 2011, Yellowknife, NT. The 2011 NWT Aboriginal Business Conference has transferred from Denendeh Development Corporation to the Northern Aboriginal Business Association. Group registration rates available. Visit: [www.northernbusinessconference.ca](http://www.northernbusinessconference.ca).
- **Conference Board of Canada's Centre for the North Presents: *Canada's North Beyond 2011***. October 11 – 13, 2011, Edmonton Marriott at River Cree Resort, Edmonton, Alberta. Visit: <http://www.conferenceboard.ca/conf/11-0136/agenda.aspx>
- **Aboriginal Entrepreneurs Conference and Tradeshow**: Hosted by the Canadian Council for Aboriginal Business, the event will be held in Ottawa, October 24-25. To register, visit: <https://secure.brentmoore.com/ei/cm.esp?id=100&pageid=3AH0Y7XQG>
- **Canadian Aboriginal Minerals Association (CAMA)**. 19<sup>th</sup> Annual Conference, November 6-8, Vancouver. Theme: *Meeting Minds, Making Mines*. Visit: [www.aboriginalminerals.com](http://www.aboriginalminerals.com) or [www.canadaforum.com](http://www.canadaforum.com), click *Upcoming Conferences*.
- **Kivalliq Trade Show**, November 7 – 10, 2011, Rankin Inlet, NU. Theme: *Focus on the Future*, the trade show will focus on the future of the Kivalliq Region, which hosts a wealth of opportunity for its various business sectors as well as for today's youth. Visit: <http://www.kivalliqtradeshow.ca/>
- **39<sup>th</sup> Annual Geoscience Forum**, November 15-17: Yellowknife, NT. To register for the North's largest mining and exploration conference. Details to be posted to NWT & NU Chamber of Mines website as they are confirmed: [www.miningnorth.com](http://www.miningnorth.com).
- **29<sup>th</sup> Mineral Exploration Roundup 2012**, January 23 – 26, Westin Bayshore, Vancouver. Theme is *Celebrating our First Century of Global Discovery* to align with AME BC's 100 year birthday. Details to be posted to AMEBC website as they are confirmed: <http://www.amebc.ca>
- **PDAC 2012, International Convention Trade Show and Investors Exchange**, March 4-7, 2012, Toronto. Visit: <http://www.pdac.ca/pdac/conv/>
- **7<sup>th</sup> Learning Together Aboriginal Conference**, March 29 - 30, 2012:, Dettah, NT, just outside of Yellowknife, NT. Contact: Natalie Waboose, Project Manager at: [natalie@learning-together.ca](mailto:natalie@learning-together.ca) or visit their website for more details at: [www.learning-together.ca](http://www.learning-together.ca).
- **2012 Nunavut Mining Symposium**, April 16-19, 2012, Frobisher Inn and Conference Centre, Iqaluit, NU. 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.	Annual sales from EKATI represent approximately 3% of current world rough diamond supply by weight and 5% by value.
Diavik Mine	Rio Tinto / Harry Winston	Diamonds	Canada's largest producer of diamonds, 300 km NE of Yellowknife. Open pit and underground.	Projected to produce over 100 million carats of diamonds over a mine life of 16 - 22 years, with expected annual diamond production peak of ~ 10 million carats.
Snap Lake Mine	De Beers	Diamonds	Canada's first all underground diamond mine and De Beers' first diamond mine outside of Africa. 220 kilometres NE of Yellowknife.	Commenced commercial production on January 16, 2008 and the Official Mine Opening took place on July 25, 2008.
Cantung Mine	North American Tungsten	Tungsten	Cantung is in the Nahanni area of western Northwest Territories, ~ 300 km by road NE of Watson Lake, close to the Yukon border.	Cantung suspended operations in October 2009 and resumed production in October 2010.
Nechalacho	Avalon Rare Metals	Rare earth metals	Proposed underground mine 100km SE of Yellowknife. Estimated mine jobs: 200	Developer's Assessment Report (DAR) submitted May 20, 2011. The Review Board is now conducting a conformity review to ensure the DAR meets the requirements of the Terms of Reference.
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	The Review Board MVRB has completed its conformity check on the DAR and no deficiencies were identified allowing the Environmental Assessment to advance to the next phase.
Yellowknife Gold	Tyhee NWT Corporation	Gold	Proposed open pit mine 88 km NE of Yellowknife. Estimated mine jobs: 238	DAR submitted on May 11, 2011. The Review Board is conducting a conformity review to ensure the DAR meets the requirements of the Terms of Reference.
Prairie Creek	Canadian Zinc Corporation	Lead-zinc-silver	Proposed underground mine 120 km west of Ft. Simpson within the Nahanni National Park. Estimated mine jobs: 220	Parties are submitting their technical reports. Public hearings scheduled for June 22-24, 2011.
Gahcho Kue	De Beers & Mountain Province	Diamonds	Proposed open-pit diamond mine approximately 180 km ENE of Yellowknife, NT. Estimated mine jobs: 360	On June 14, project owners: <ol style="list-style-type: none"> <li>1. Approved the Gahcho Kué feasibility study with agreed revisions and clarifications;</li> <li>2. Approved the execution of the necessary development work for the Gahcho Kué project; and</li> <li>3. Mandated the Gahcho Kué project operator to prepare a plan and budget for the development of the Gahcho Kué mine.</li> </ol> The plan and budget, once approved by the JV partners, will serve as the basis for a final investment decision, which is expected to be made once the partners have clarity on the progress of the environmental review currently underway.
Pine Point	Tamerlane Ventures	Lead-zinc	Proposed underground mine east of Hay River, NT. Estimated mine jobs: 225	Company has requested change to adit and decline from shaft to test mine the R-190 deposit.
Courageous Lake	Seabridge Resources	Gold	Proposed open pit mine 240 km northeast of Yellowknife	\$16 million program to generate data required to complete a Preliminary Feasibility Study (PFS)

## 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 Mine	Agnico-Eagle Mines	Gold	Open pit mine located in the Kivalliq Region, 300 km west of Hudson Bay and 70 km N of Baker Lake. Mine jobs: 450.	Mine began commercial production in March, 2010
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 Estimated mine jobs: 715	Technical Meeting/Pre-Hearing Conferences Oct. 18 – Nov. 10, 2011. Expect Environmental Impact Statement (EIS) guidelines January, 2012
Kiggavik	AREVA Resources	Uranium	Proposed uranium mine 80 km W of Baker Lake. Estimated Construction jobs: 600 Estimated mine jobs: 500	Expect draft EIS to be submitted by November 30, 2011.
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	Type A water license amendments exempted from further assessments by Nunavut Impact Review Board, January 2011.
Jericho Mine	Shear Diamonds Ltd.	Diamonds	Reassessing viability of reopening the former diamond mine, 255 km SSE of Kugluktuk. Estimated mine jobs: 150-200	Public Hearing scheduled for October 12, 2011 in Kugluktuk.
Meliadine	Agnico-Eagle Mines	Gold	Possible gold mine, with 5 deposits 25 km NE of Rankin Inlet. Estimated construction jobs: 600 Estimated mine jobs: 350 - 400	All weather road proposal to NIRB returned to AEM for clarification.
Hackett River	XStrata Zinc	Zinc, silver, copper, lead and gold	One of largest undeveloped VMS massive sulphide deposits in the world. 104 km SSW of Bathurst Inlet. Estimated mine jobs: 300	Sabina announces sale of Hackett River to XStrata Zinc, June 2, 2011.
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.	2011 focus is to extend and expand new deposits at Llama and Umwelt, and identify potential new deposits on the Goose claims and elsewhere on property.
High Lake	MMG Resources Inc.	Copper, Zinc, Gold, Silver	1710 hectare, copper-zinc-silver-gold property, 190 km ESE of Kugluktuk. Estimated mine jobs: 500	NIRB requires that MMG provide a comprehensive project update by Jan. 6, 2012.
Izok Lake	MMG Resources Inc.	Copper, Zinc, Gold, Silver	High-grade zinc-copper-lead-silver deposit, 255 km SW of Kugluktuk. Estimated mine jobs: 760	MMG believes project will advance to full feasibility study and permitting phase by the end of 2012.
ULU & Lupin	Elgin Mining Inc.	Gold	Located SE of Kugluktuk. Lupin Gold mine: past production; 3.7 million oz. ULU Gold deposit: indicated mineral resource; 751,000 tonnes	Elgin purchased properties from MMG Resources in July, 2011. Winterization of work camp at Lupin; Phase 1 drilling later this year.
Roche Bay	Advanced Exploration	Iron	Indicated resource of 323 million tonnes next to a natural deep water harbour on east coast of the Melville Peninsula.	Completed first round of geotechnical drilling for port development study.
Chidliak	Peregrine Diamonds Ltd.	Diamonds	Joint venture with BHP hosts more than 50 diamond-bearing kimberlite rock formations. 180 km S of Pangnirtung.	Seven large (> 1ha) kimberlites discovered.

Project Maps

