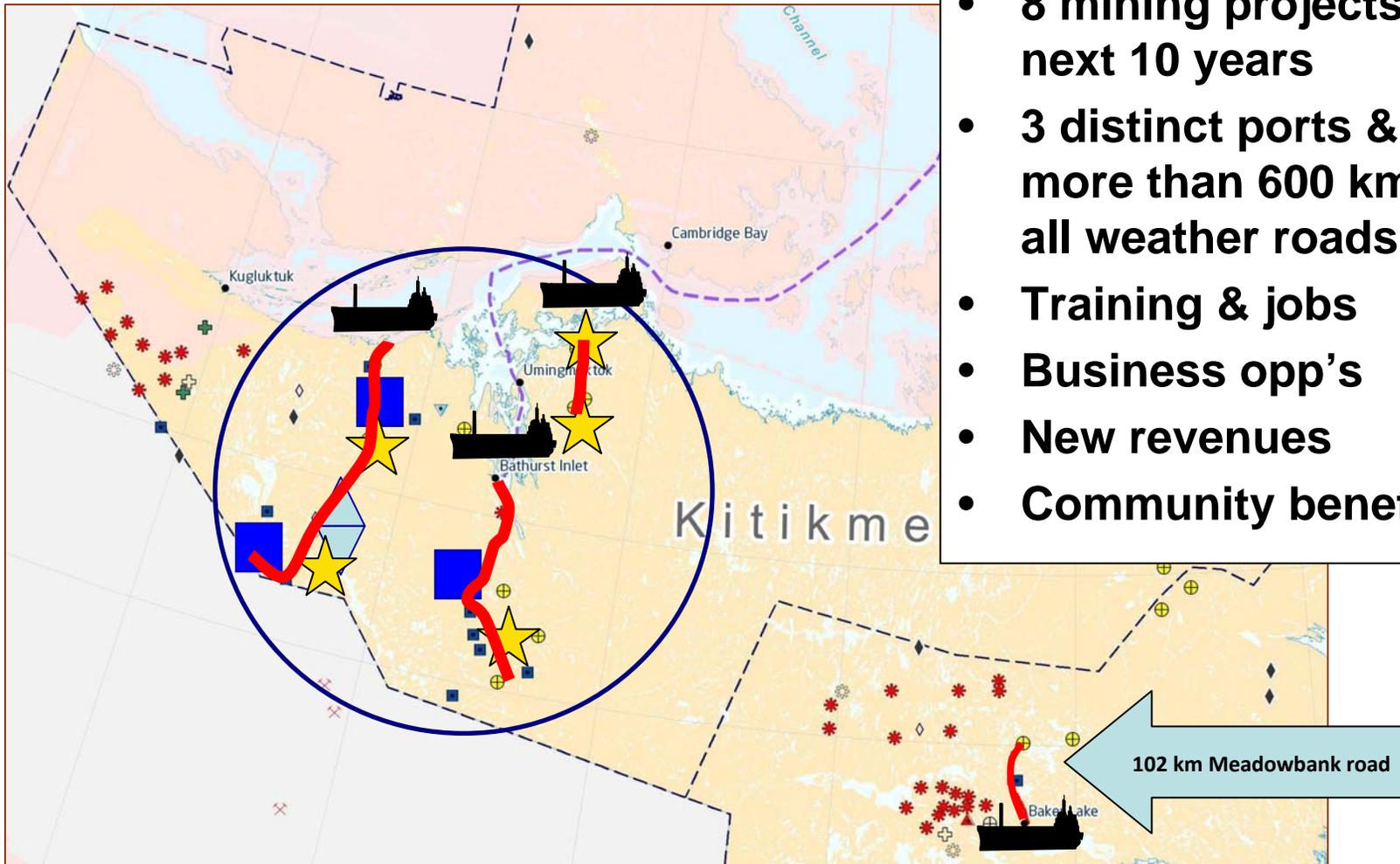


Mining & Infrastructure in the Kitikmeot

– Making the Most of Opportunities –

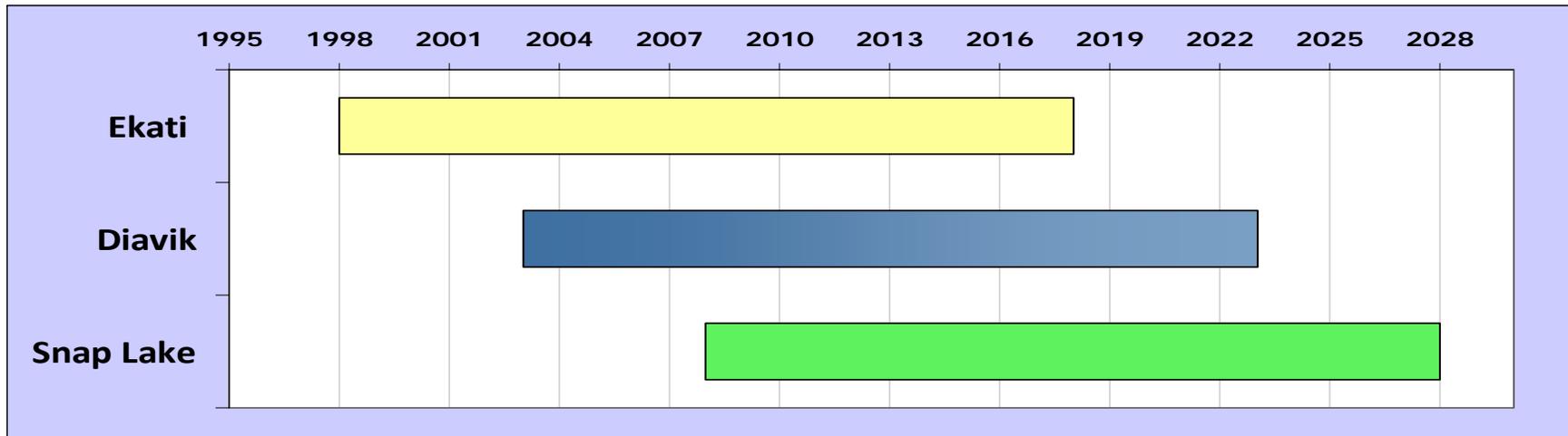
Tom Hoefer, Kitikmeot Trade Show
Cambridge Bay, February 15, 2011

Kitikmeot opportunities – what's possible



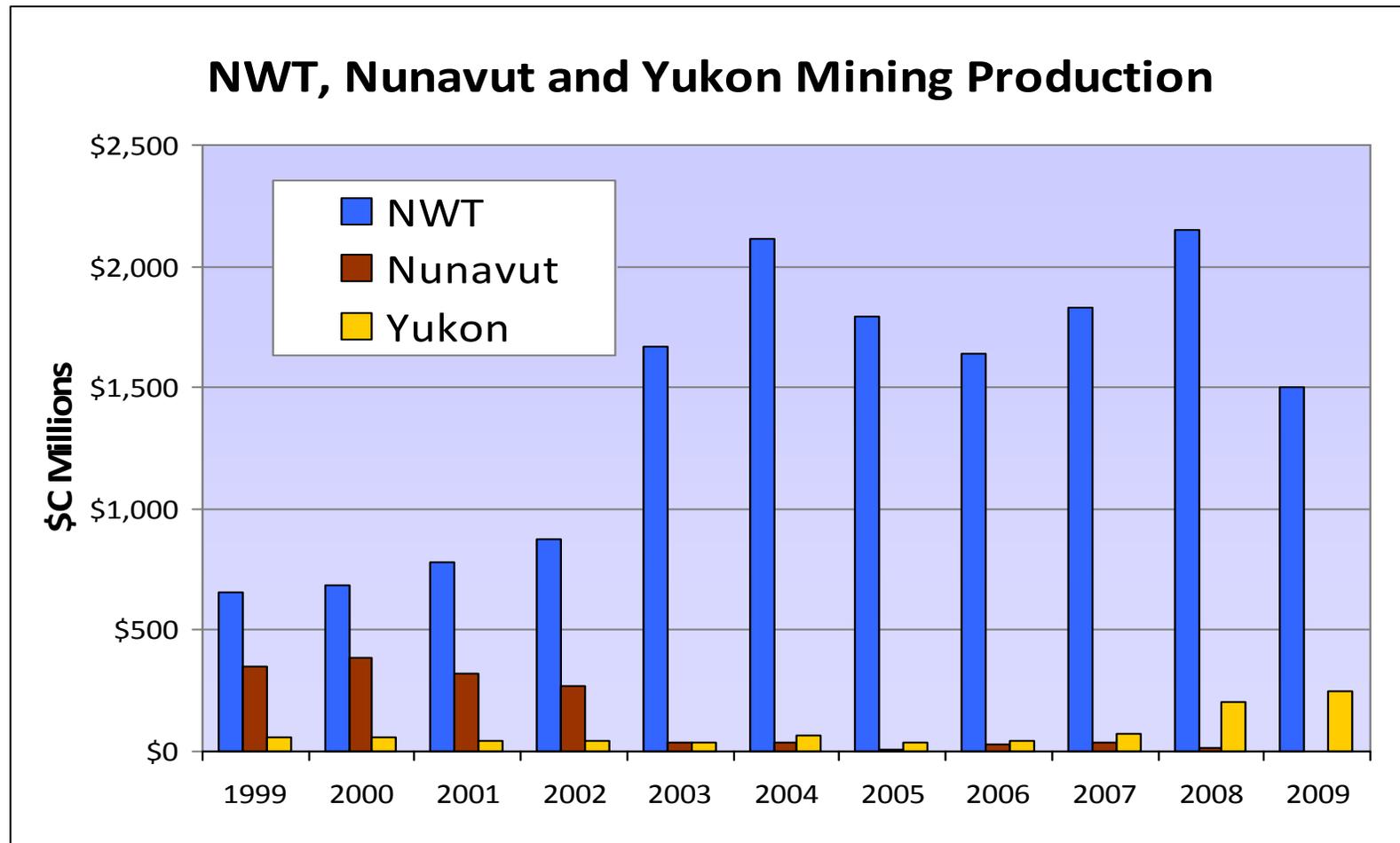
- 8 mining projects in next 10 years
- 3 distinct ports & more than 600 km of all weather roads
- Training & jobs
- Business opp's
- New revenues
- Community benefits

Compare: NWT Diamond Mines



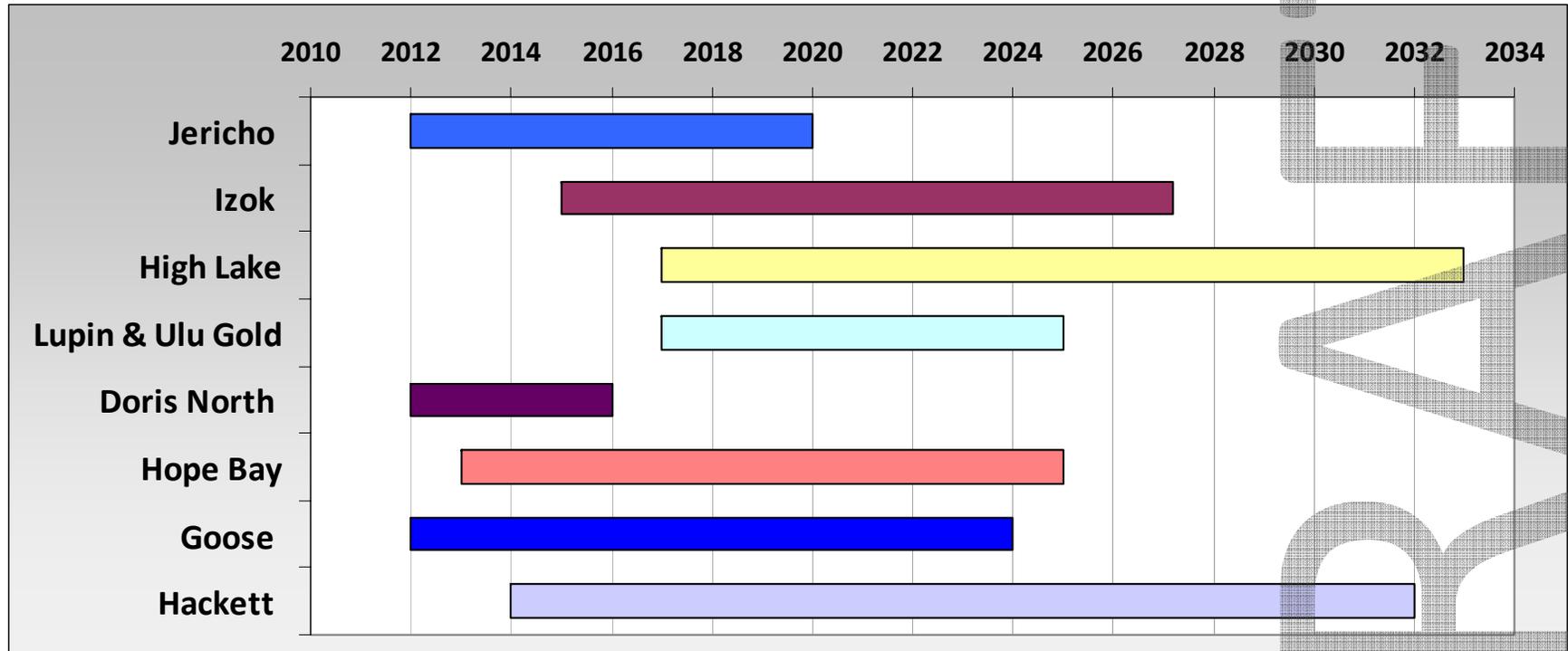
- 3 diamond mines in 10 years
- Significant benefits achieved (to date)
 - 13,000 person years of northern employment – half Aboriginal
 - \$8 billion in northern business, half Aboriginal
 - \$ millions in scholarships, IBAs, community donations & contributions,
 - plus significant taxes and royalties

Diamonds now hugely important to NWT



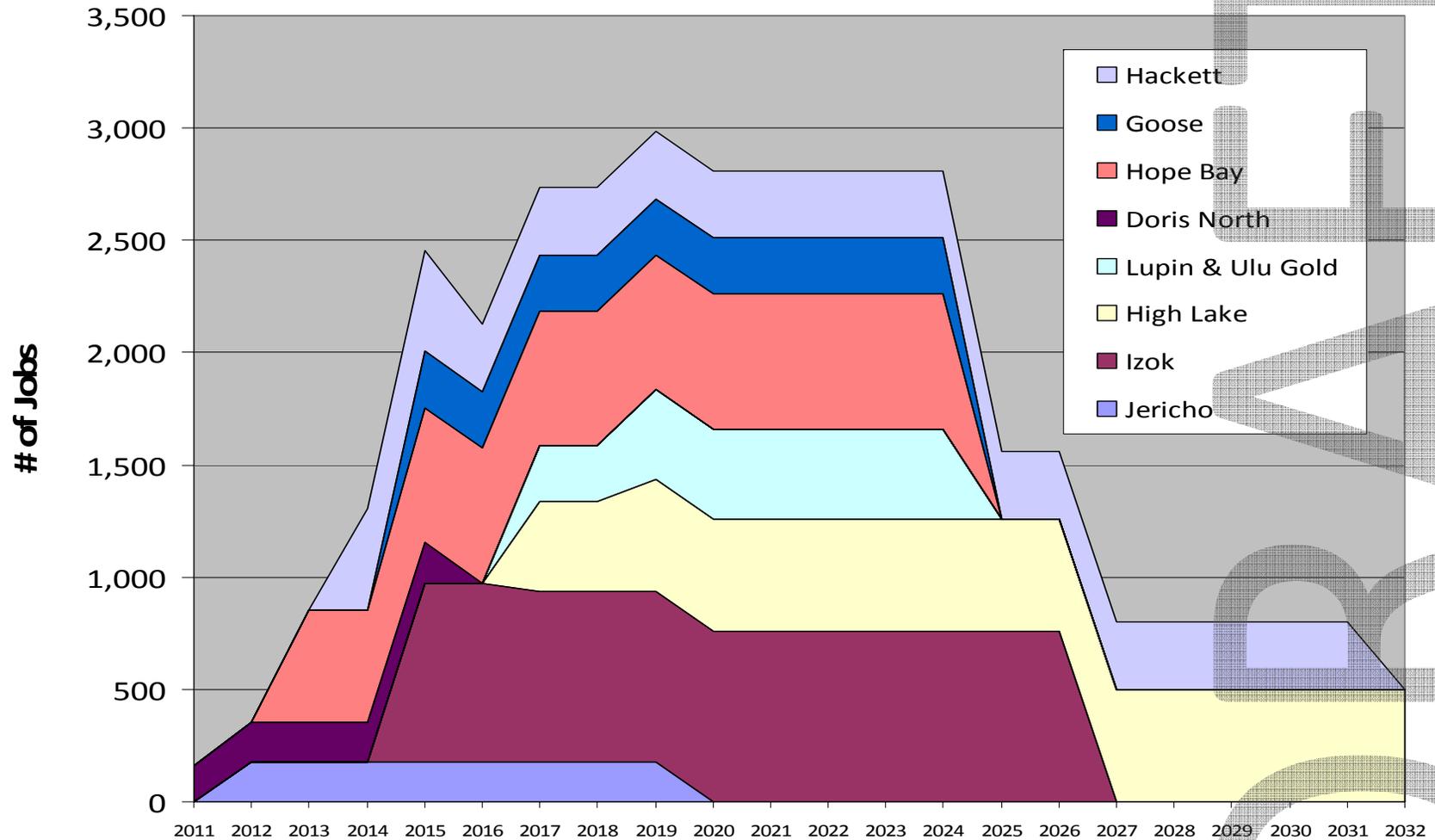
- The contribution of diamond mining to the NWT economy is significant.

Kitikmeot mining – what is possible



- NOTE: PROJECTIONS ARE SUBJECT TO CHANGE.

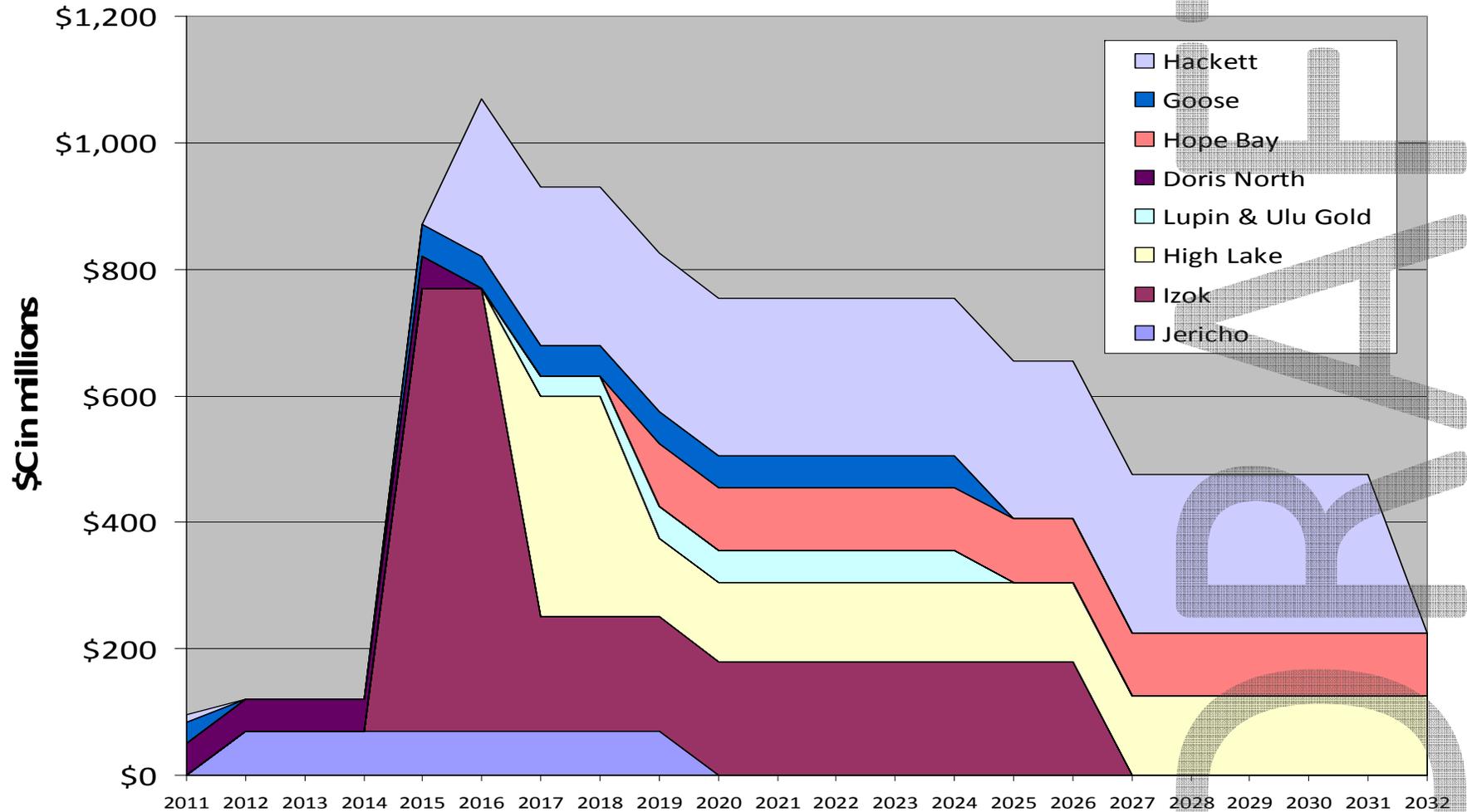
Job opportunities



- **Challenge: Diamonds achieved about 60% northern employment and 32% Aboriginal employment. What could the Kitikmeot do?**

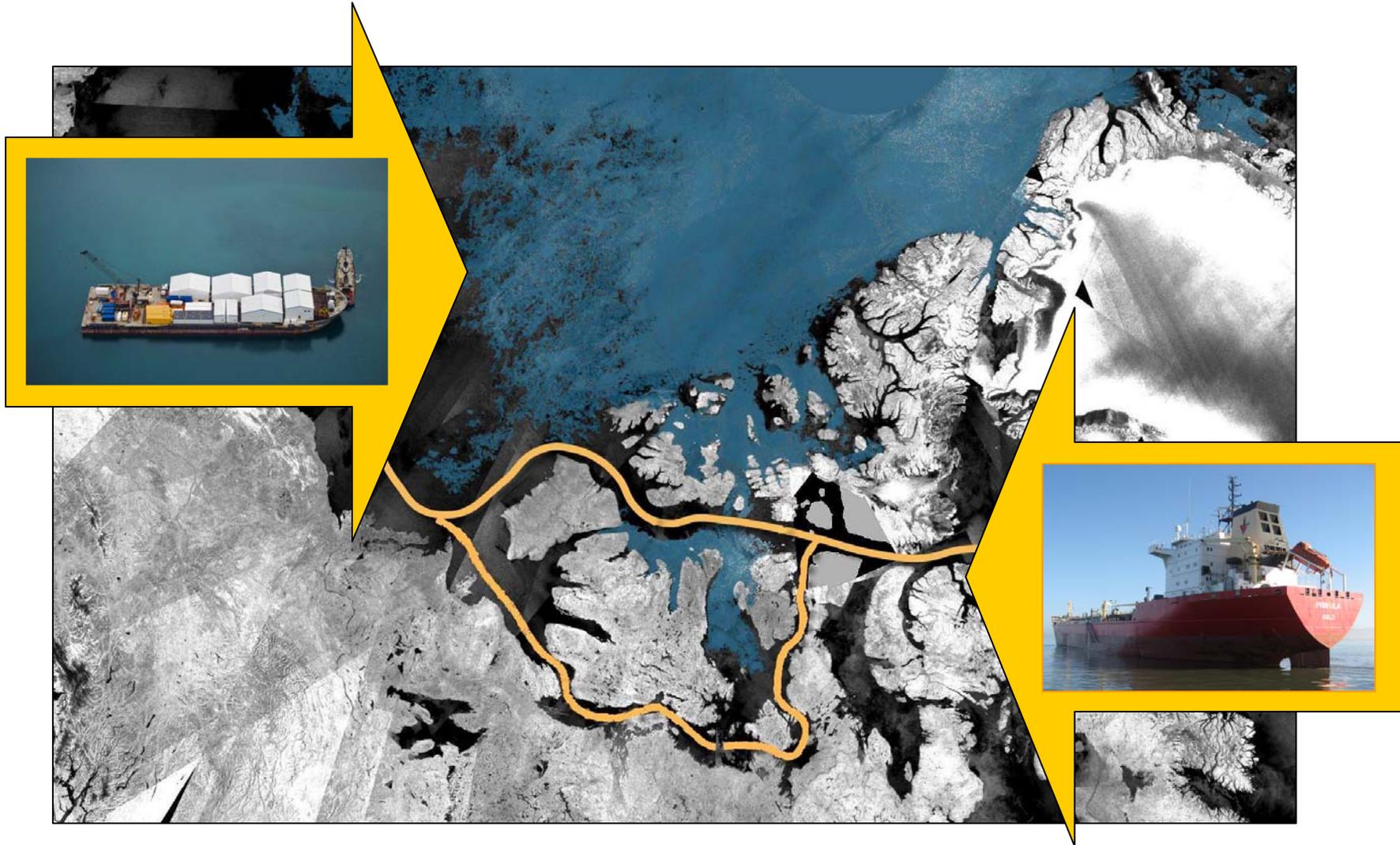


Business opportunities



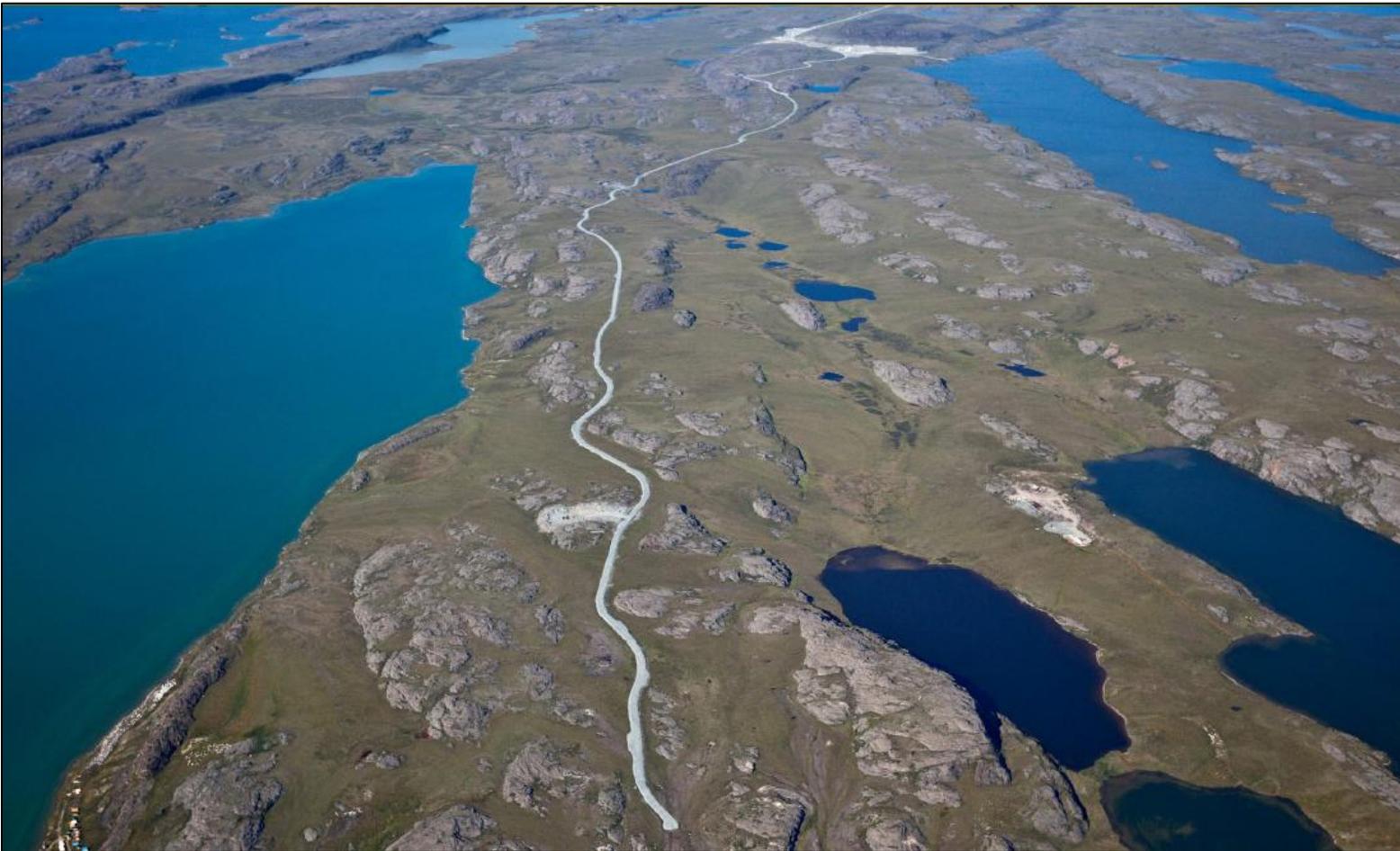
- **Challenge: Diamonds achieved 70% northern purchasing and half Aboriginal. What could the Kitikmeot do?**

Cheaper shipping opportunities



- **New east / west shipping adds capacity, reduces costs to mines and to communities too.**

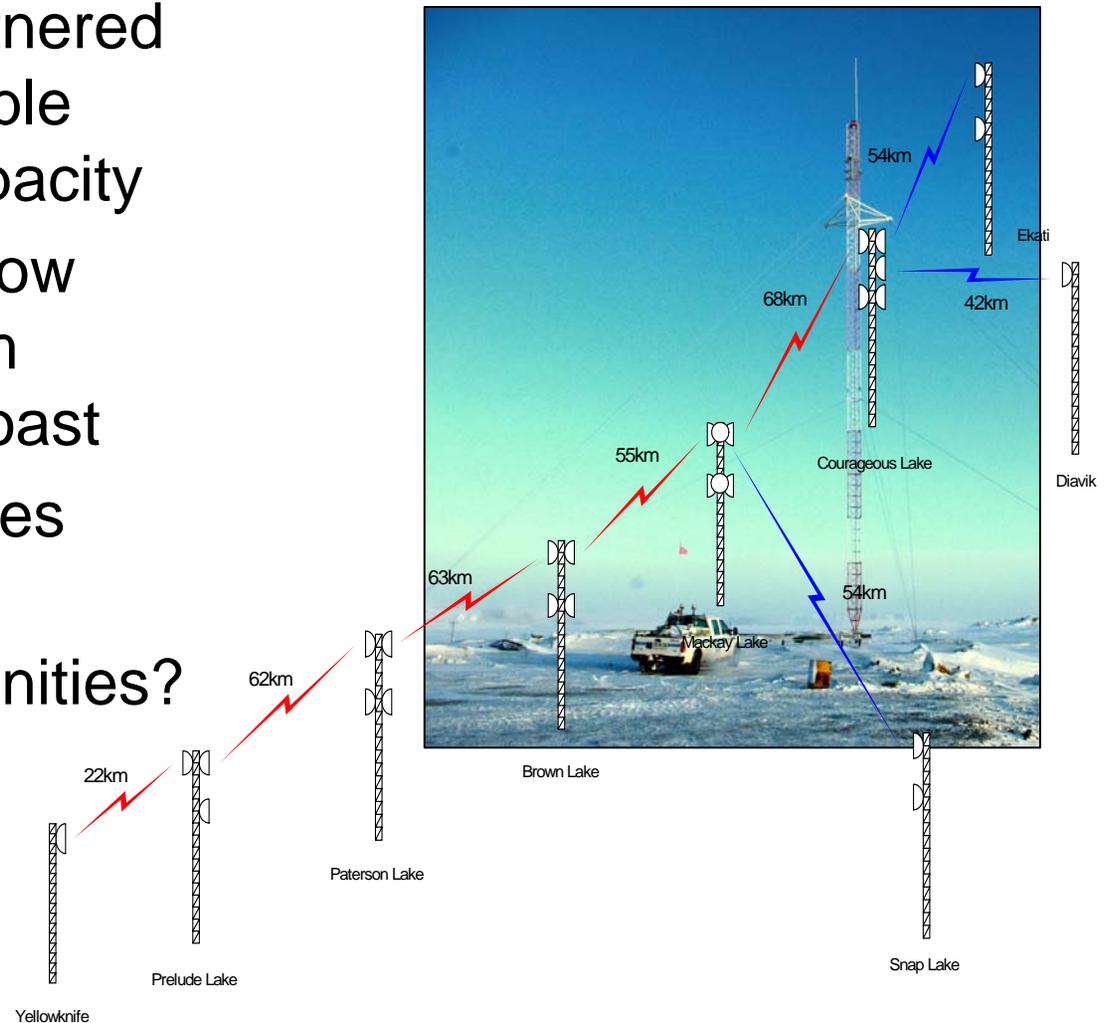
600 km of roads & port opportunities



- What other opportunities can this offer?
Construction, maintenance, operations?

Communications opportunities

- Diamond mines partnered with NWTel for reliable communications capacity
- Microwave towers now extend half way from Yellowknife to the coast
- Could Kitikmeot mines partner, and link in?
- AND benefit communities?



Other opportunities

- Various revenues
 - Government savings in reduced income support costs
 - Government revenues in income, corporate, fuel taxes, etc.
 - Royalties – government and Inuit
- Community contributions
 - Scholarships
 - Donations & sponsorships



Tremendous opportunities ... BUT

- We must identify and address challenges
 - Markets favourable now, but can change
 - Regulatory capacity inadequate
 - Community readiness to maximize socio-economic opportunities
 - Community acceptance of development
 - Infrastructure hurdles

Strength in working together

- To successfully develop 8 mining projects will require
 - Vision
 - Coordination
 - Cooperation not competition
 - Communication
 - Strengthened capacity
 - Human and financial resources
- Stakeholder cooperation
 - Industry, GN, Canada, NTI, KIA, others

Recommend: Creation of Kitikmeot Mineral Development Partnership

- 8 mines in 10 years is a huge task
- Proposal: Create a *Kitikmeot Mineral Development Partnership*
 - Unique, regional development planning partnership
 - Senior level representation
 - Members: Industry, GN, Canada, NTI, KIA, others

Kitikmeot Mineral Development Agreement

- Craft a Kitikmeot Mineral Development Agreement that will:
 - Confirm commitment and participation
 - Align and bind parties to clear, agreed upon objectives
 - Demonstrate trust to facilitate cooperation
 - Magnify power and influence greater than any one party's
 - Demonstrate a powerhouse that can get the job done
 - Maximize positive outcomes for each party

Create legacy through partnership

- By working together in a coordinated and cooperative approach EARLY, we can make the most of mining development opportunities in the Kitikmeot
- We can create the best legacy – a future of healthy communities and a more self-reliant Nunavut

Koana



Photo credit: Diavik Diamond Mine