



Challenges and opportunities in the NWT & NU or ... Why you should come invest!

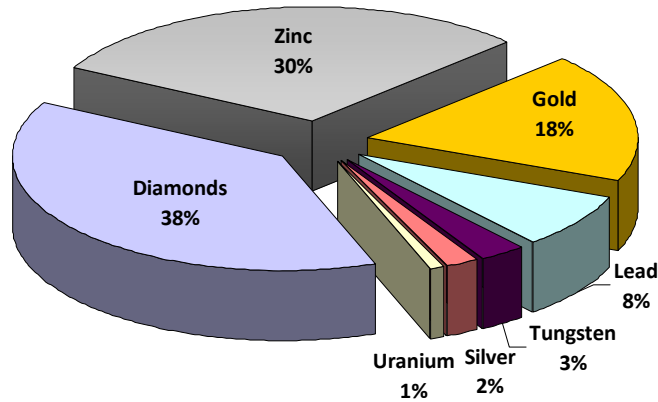
- *Cross-country check up of exploration and development success and potential problems*
- Tom Hofer: PDAC, March 3, 2013

Key Messages

- Mining is the North's economic strength
- We have very high mineral potential
- We have world class mines and world class opportunities
- We have challenges, but we are taking action to support investment certainty
- We are building our capacity for mining



Updated: NU and NWT mineral production – Over \$60 billion mined since 1932 –



Current & Past Producing Mines: Ekati • Diavik • Snap Lake • Meadowbank • Con • Giant • Lupin • Polaris • Nanisivik • Pine Point • Cantung • Discovery • Rankin Nickel • Rayrock • Outpost Island • Supercrest • Eldorado • Ruth • Terra • Norex • Silver Bay • Colomac • Tundra • Camlaren • Contact Lake • Ptarmigan • Tom • Mon • Cullaton Lake • Salmita • Hope Bay • Negus • Thompson-Lundmark • Rich • El Bonanza • Rycon • Bullmoose

Mining has contributed to Infrastructure

- Highways, eg, to Yellowknife, Pine Point & Ft. Resolution
- Railway (to Hay River & Pine Point)
- All 3 NWT hydro-electric facilities
- Microwave communications
- Ports (at Nanisivik and Polaris)



Creative new technologies too

- Energy
 - High efficiency diesel power
 - Leading wind
- Engineering
 - Dikes
 - Ice roads



Heat recovery on Diavik diesels



Diavik wind turbines © ENERCON GmbH

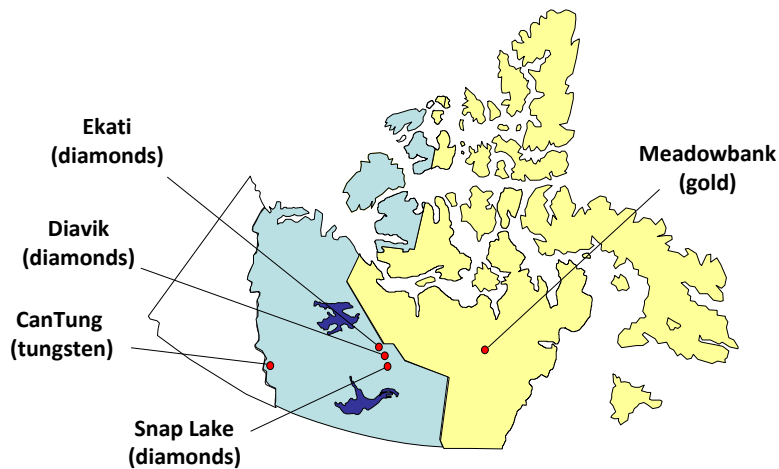


National award winning Diavik dikes



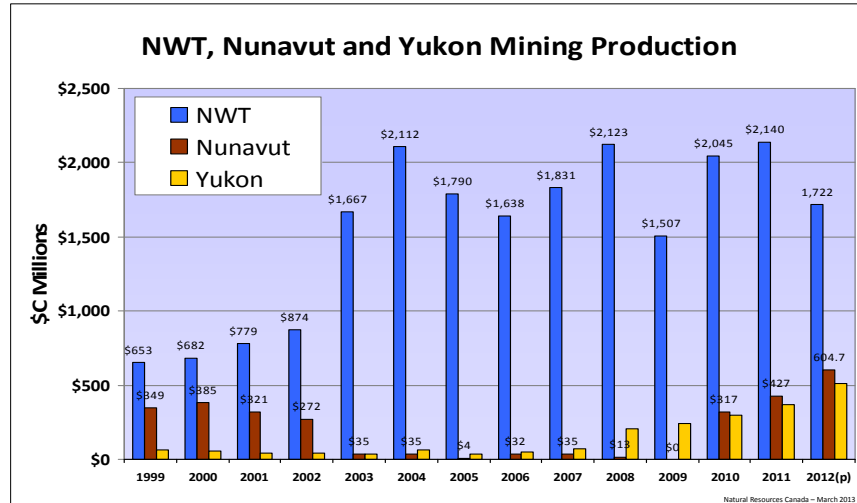
Engineered Ice road "highways"

Current production from 5 mines



- **Past Producing Mines:** Con • Giant • Lupin • Polaris • Nanisivik • Pine Point • Cantung • Discovery • Rankin Nickel • Rayrock • Outpost Island • Supercrest • Eldorado • Ruth • Terra • Norex • Silver Bay • Colomac • Tundra • Camlaren • Contact Lake • Ptarmigan • Tom • Mon • Cullaton Lake • Salmita • Hope Bay • Negus • Thompson-Lundmark • Rich • El Bonanza • Rycon • Bullmoose

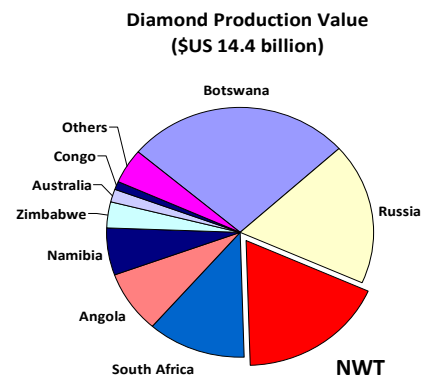
Mining is important to each territory



- 3 diamond mines and a tungsten mine create huge value to the NWT
- Nunavut potential as large or larger

9

Canada's Global Diamond Position (2011)



- NWT by itself is world's 4th largest diamond producer
- NWT by itself is world's 3rd most valuable diamond producer



10

Mining benefits – a community game changer

- From 1998 – 2010, diamond mines contributed:
 - More than 17,000 person years northern employment
 - Nearly 9,000 (more than 50%) Aboriginal
 - Over \$8.5 billion in northern business
 - Nearly \$4 billion is Aboriginal
- Nunavut’s gold mine is creating similar local benefits
- Mining is the largest employer of Aboriginal people



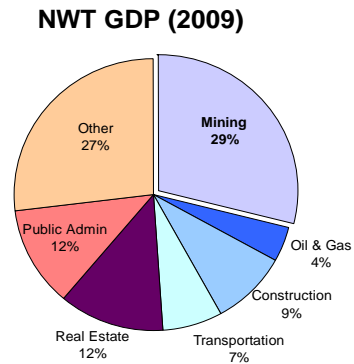
Huge Aboriginal business growth & success

- Selection of new Aboriginal companies in past 15 years

- | | | |
|---------------------------------|--|---|
| • Ekati Services | • Det'on Cho Earth Energy | • Akaitcho Helicopters |
| • I&D Management Services Ltd. | • Det'on Cho DNX | • Dene-Emco Ltd. |
| • Tli Cho Logistics | • Bouwa Whee | • Denesoline/Aboriginal Engineering Ltd. |
| • Tli Cho Landtran | • Det'on Cho Foraco | • Denesoline/Air Tindi Joint Venture |
| • Tli Cho Cement | • Det'on Cho Hazco | • Denesoline/Arcan Constructio |
| • Tli Cho Air | • Det'on Cho Nahanni Construction | • Denesoline/De Beers Labour Contract |
| • Denesoline Western Explosives | • Det'on Cho New North | • Denesoline/Discovery Mining Services – Logistics Expediting |
| • Metcon | • Det'on Cho NUNA | • Denesoline/Deton Cho/Procon |
| • Tli Cho Explosives | • Det'on Cho Pure Earth Elements Environmental Solutions | • Denesoline/Deton Cho/Ledcor |
| • Kete Whii Ltd. | • Det'on Cho Scarlet Security | • Denesoline/Dyno Nobel |
| • Kete Whii Procon | • Det'on Cho Stantec | • Denesoline/ESS Compass |
| • Sodexho Alliance | • Det'on Cho Training and Conference Centre | • Denesoline/McCaw Drilling and Blasting |
| • Exploration Medical Services | • Det'on Cho Logistics | • Denesoline/Nuna Logistics |
| • Kitikmeot Cementation | • Det'on Cho Medic North | • Denesoline/Tlichu Logistics |
| • Lac De Gras Constructors | • Det'on Cho Mining Supplies | • Lutsel K'e Air Services |
| • Nishi Khon SNC Lavalin Inc. | • DICAN / ADG | • A.T.B. Construction |
| • North Slave Logistics | • Kete Whii / Ledcor | • Trinity Helicopters |
| • Nuna Logistics | • Kete Whii / Procon | |
| • SecureCheck | | |
| • Lac De Gras Constructors | | |
| • Nishi Khon / SNC Lavalin Inc. | | |

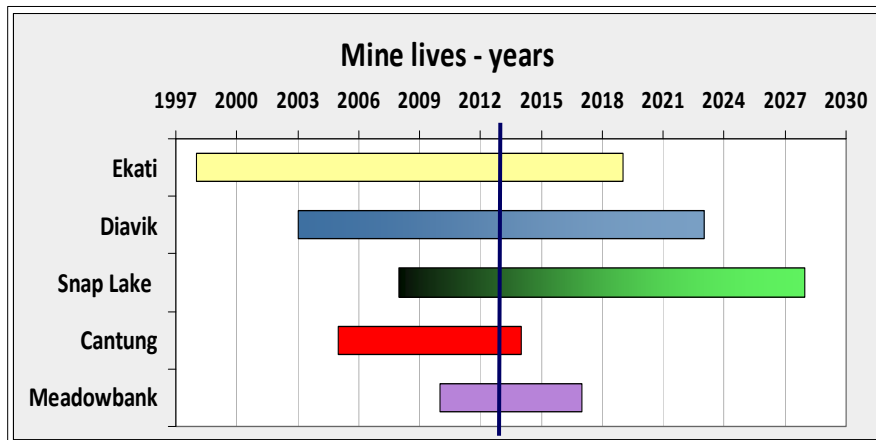
Mining is the largest private sector contributor

- NWT Mining's direct economic contribution exceeds all other private sectors
- And mining contributes to other sectors, eg, real estate, transportation and construction
- Nunavut's one mine is already contributing ~ 20% of GDP



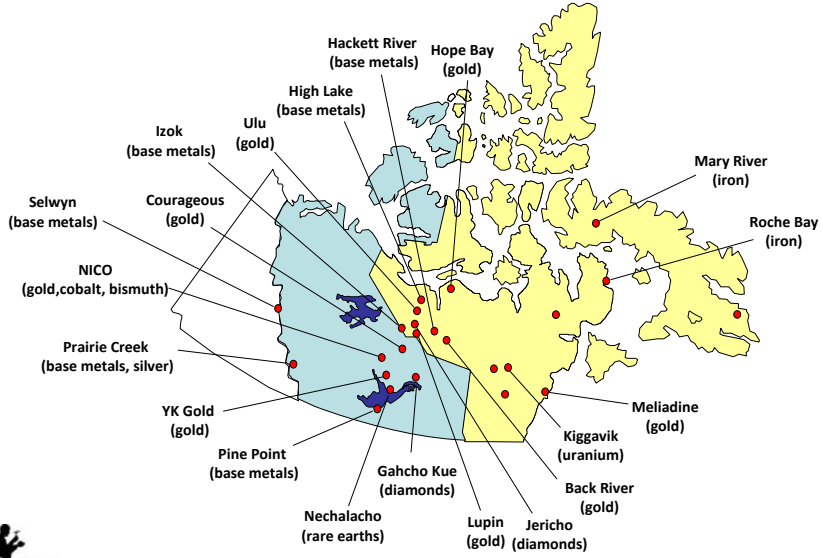
13

Unfortunately, mines don't last forever

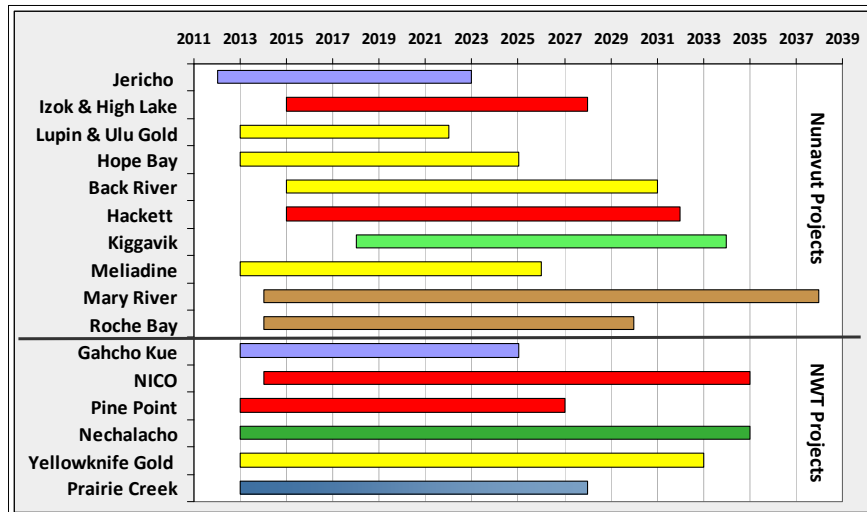


14

Advanced projects may be mines of tomorrow

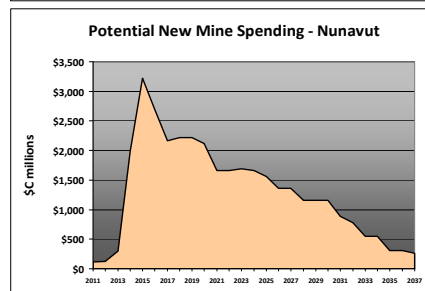
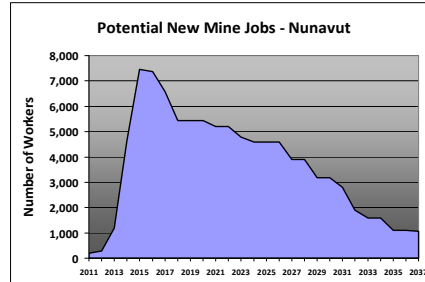


New mine lives = strong future



New mine benefits stack up

- Training & jobs
- Business expenditures
- Government benefits
 - Royalties, tax revenues, social assistance savings
- Aboriginal revenues
 - direct royalties
 - shared resource revenues

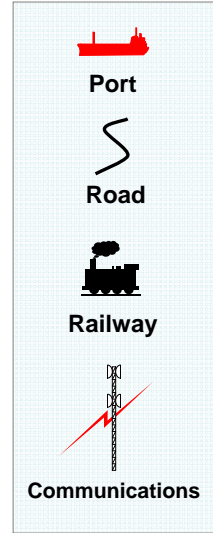
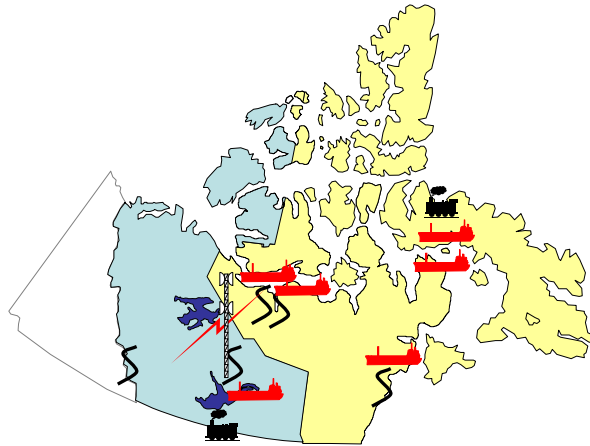


Total opportunity value is significant

- Nunavut mines – potentially 10 new mines
 - Capital investment – over \$10b
 - Jobs at peak (overlap) – over 7,000
 - Total person years employment – nearly 100,000
 - Total life of project expenditures – \$35b
- NWT mine – potentially 6 new mines
 - Capital investment – about \$2b
 - Jobs at peak – about 1,650
 - Total person years employment – about 25,000
 - Total life of project expenditures – about \$12b

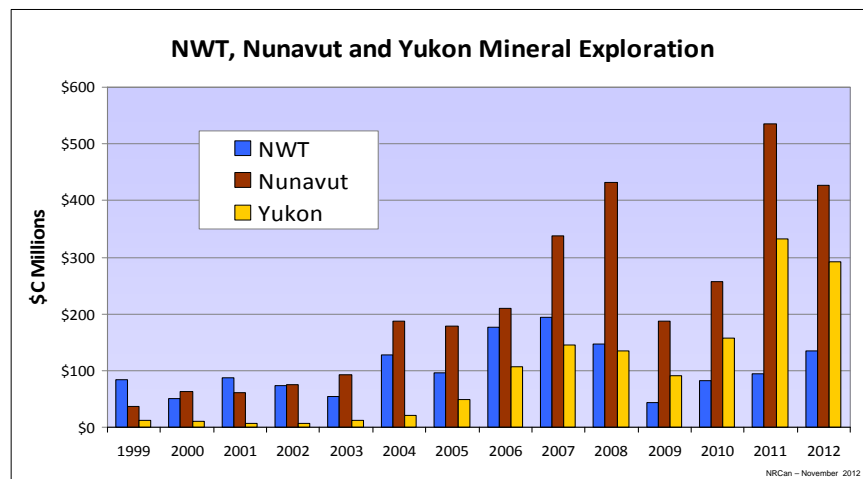


Infrastructure opportunities, too



19

Continued investment will maintain momentum



- Exploration strong in Nunavut & Yukon
- Catching up in NWT
- Investment will help maintain project momentum



20

Providing investment certainty

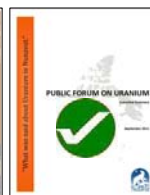
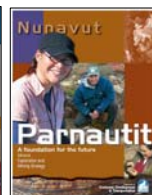
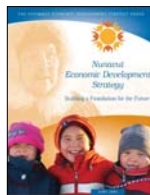
- *Northern Regulatory Improvement Initiative*
- In legislature today: Federal Bill C-47:
 - NWT Surface Rights Board Act
 - Nunavut Planning & Project Assessment Act
- In process: Amendments to NWT's Mackenzie Valley Resource Management Act, including:
 - 2-year timelines
 - Life of mine water licenses
 - Ministerial policy direction
 - Regulatory Boards' efficiency and capacity



21

Providing Policy Certainty – Nunavut

- 2007: *Mineral Exploration & Mining Strategy*
- 2012: Reinforced supportive *Nunavut Uranium Policy*
- Underway: *NU Economic Development Policy*
- Underway: *Nunavut Land Use Plan* (Poverty reduction)
- Devolution discussions are in early stage



Adding more certainty – NWT

- Tli cho land claim region – *Kwe Beh Working Group*
 - Single point of contact for minerals industry
- In process: *Akaiicho-Mining Industry MOU*
 - Creates new *Akaiicho – Mineral Industry Support Office*
- In process: *NWT Mineral Development Strategy*
 - Will support sustainable mineral development in the NWT
 - Encourage your speedy input – see *Discussion Paper*



Adding landlord certainty – NWT

- Devolution in process for April 1, 2014
 - transfers mining, oil & gas and lands to NWT Government
 - provides local control over resource development
 - will further increase Aboriginal resource revenue sharing
 - NWT Government promises to be equal or better landlord
 - Yukon devolution in 2003 increased industry investment



Other investment enablers

- Project facilitation
 - CanNor & its Northern Project Management Office
- Building community employment & business capacity
 - CanNor, NWT Government, Nunavut Government
 - Territorial Mine Training Societies & partnerships
- Investing in Geoscience
 - NTGO, CNGO, GSC & newly funded programs



27

Conclusion

- Mining is the North's economic strength
- We have very high mineral potential
- We have world class mines and world class opportunities
- Many actions underway to support investment certainty
- We are building our capacity for mining

- We value willing partners



28

Prime Minister Stephen Harper, 2012:

That great national dream – the development of northern resources – no longer sleeps.

The North's time has come my friends.

Conference Board of Canada, 2012:

Economic growth in the Canadian territories is forecast to outpace the country as a whole for several years to come.

New mine developments, and favourable global demand for metals suggests that Canada's mining potential is bright over the next decade – particularly in the territorial North.



Come on Up – Invest in the North!

