

MINING

2013



It's turning around

but

it's a big ship that's slowly making that turn... I think we're on the right path.



Tom Hofer,
Executive Director
for the NWT and
Nunavut Chamber
of Mines.

A7 Baffinland to break ground on \$4 Billion mine project



A9 Devolution to put millions in NWT pockets



A21 Diavik moves underground



Waiting on the upswing

On the right track to revitalized mining sector, says Chamber of Mines

Northern News Services
NWT/Nunavut

The Northern mining industry is waiting on an upswing in commodity prices and the global economy, but it doesn't look like it's here just yet.

"It's turning around but it's a big ship that's slowly making that turn," said Tom Hoefer, executive director for the NWT and Nunavut Chamber of Mines. "It may well be that it takes a couple years to really get up and humming again like it was before, but I think we're on the right path."

The Conference Board of Canada released its Territorial Outlook this fall, predicting the NWT will wrap up the year with no real GDP growth, the weakest economic showing of all Canada's provinces and territories.

The report predicts a modest GDP rise in 2014 of 1.3 per cent, 2.5 per cent in 2015, and continued improvement over the next five years as new mines reach production and the NWT's two largest diamond mines remain in operation.

Ekati diamond mine, which is currently slated to close in 2019 unless plans go ahead to develop the Jay Pipe, is responsible for approximately 10 per cent of the NWT's GDP, Hoefer said. If the Jay Pipe is brought to production, it could extend the life of the mine by 10 to 15 years.

Nunavut spending levels off

The conference board predicts a humble 1.6 per cent GDP increase in 2013 for Nunavut, which pales in comparison to the 16 per cent growth the territory saw in 2012.

The Territorial Outlook report attributes Nunavut's slowed economic growth to lower production from the territory's only producing mine, Meadowbank gold mine, and an overall decrease in exploration investment.

The board predicts Nunavut will see improvements in 2014 as well, with GDP potentially increasing to 3.7 per cent. Baffinland's massive Mary River iron mine will be a significant contributors to economic growth in the region in 2014.

Exploration spending stalled

Exploration investment was lacklustre in both territories this year.

This year was the first since the 2009 crash where spending hasn't increased over the year before.

The NWT is expected to see \$81 million invested in exploration work in 2013, according to Natural Resources Canada. That total is almost 30 per cent less than 2012 and 45 per cent less than 2008, prior to the start of the recession.

Exploration includes both on and off site field work, engineering, and studies pertaining to the project's economic viability, such as prefeasibility studies.

Nunavut felt the impact of 2009 as well as the NWT but recovered more quickly.

Nunavut, which Natural Resources Canada expects

will see \$312.7 million invested in exploration work this year, is also expecting a 30 per cent drop in 2013 over 2012, but exploration investment in Nunavut is only down 27 per cent from investment in 2008.

It's unlikely we'll see exploration investment levels recover in either territory until economic conditions improve worldwide. Metals and minerals prices and access to capital, both of which drive resource development, depend on the world's major economic players seeing some stable economic growth.

Attract future investors

The result of low exploration activity is simple: It means fewer projects are embarking on the multi-year journey to development.

The best thing the territories can do for now is make sure they're ready for when investors start getting hungrier for investment opportunities, which the North has in abundance, said Hoefer.

He said regulatory reform, renewed funding for the Geoscience and Energy Mapping program, and new funding for mine training are some steps territorial and federal governments have taken in the right direction in recent years.

Increasing aboriginal involvement

Both the Sahtu Secretariat and the Tlicho Governments finalized land use plans in 2013, signalling they're ready to take on resource management at the highest level.

The Tlicho Government exercised its right to regulate projects located on Tlicho land alongside the federal government with the approval of Fortune Minerals' NICO gold-cobalt-bismuth-copper project.

"That's the whole idea of self-governing," said Chief Alfonz Nitsiza of Whati, who spoke about the new role on behalf of the Tlicho Government in February. "It's really a government-to-government relationship."

Denendeh Investments Inc. is seeking to become Canada's first aboriginal-owned company to develop a producing mine with the purchase of 24,000 hectares of land near Great Bear Lake through its wholly-owned subsidiary Denendeh Exploration and Mining Company this fall.

To the east, Nunavut Tunngavik continues a strong partnership with Kivalliq Energy Corp. with the Agilak uranium project, located 235 kilometres southwest of Baker Lake. The property boasts the highest grade uranium deposit outside the Athabasca Basin in Saskatchewan.

Inuit of Nunavut began receiving resource royalty payments from the territory's only producing mine, Agnico Eagle's Meadowbank gold mine, last year.

In the 2011-2012 fiscal year, the payment from Agnico-Eagle amounted to \$2.3 million.

The money goes into a specially created Resource Royalty Trust fund managed by Nunavut Tunngavik Inc. after first passing through federal hands.

Eyes will be on the GNWT next spring as the responsibilities of land and resource management are devolved from the federal government in April 2014. The government asserts the change will mean more responsive management and the NWT will see more royalty dollars staying in the North.

One of the challenges to making the change a positive one will be ensuring the right staff and processes are in place in time for the switch.



NNSL Senior
**BUSINESS
Writer**
Lyndsay Herman

fact file

The numbers behind potential mines

Nunavut mines

Capital Investment – more than \$10 billion

Jobs at peak – more than 7,000

Total person years of employment – nearly 100,000

Expenditures over total life of projects - \$35 billion

NWT mines

Capital investment – about \$2 billion

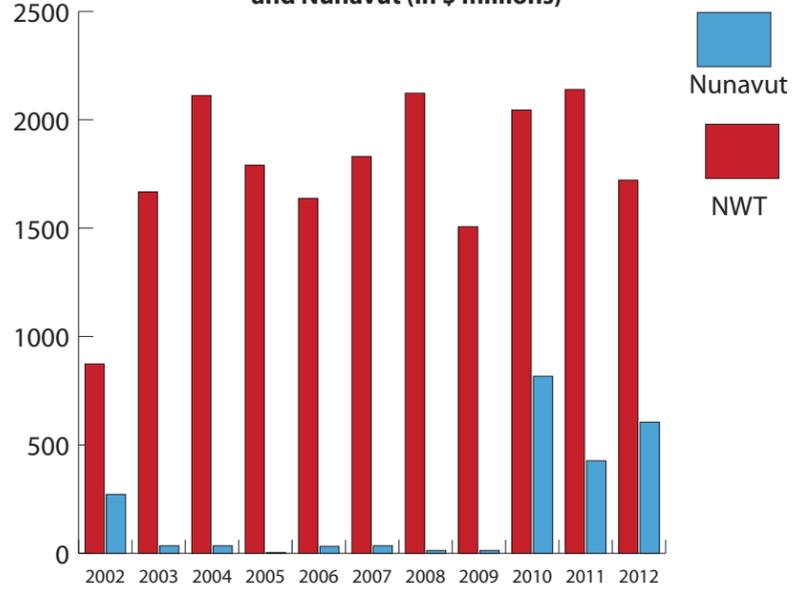
Jobs at peak – about 1,650

Total person years of employment – about 25,000

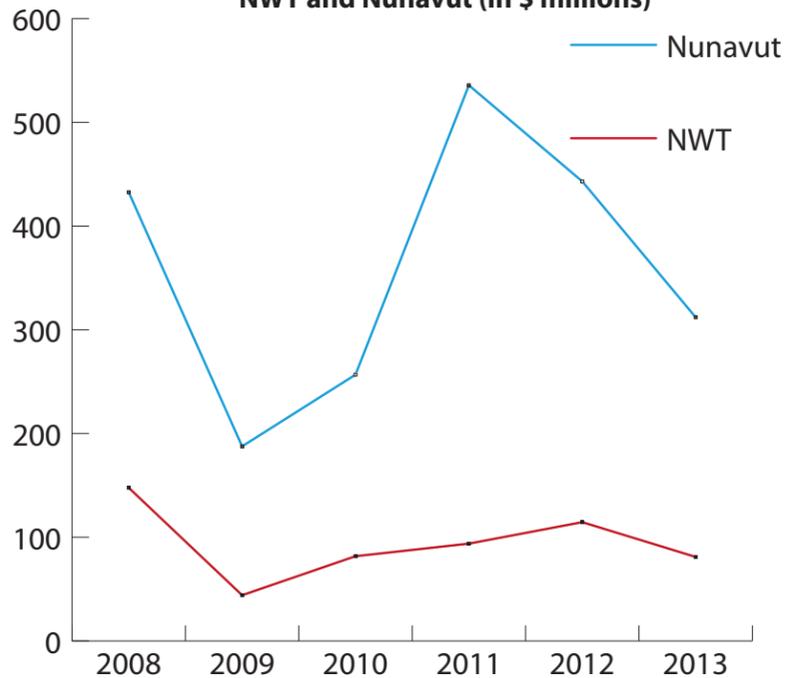
Expenditures over total life of projects – about \$12 billion

Source: NWT and Nunavut Chamber of Mines

Mine production in the NWT and Nunavut (in \$ millions)



Mineral exploration investment in the NWT and Nunavut (in \$ millions)



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A SECTION COVER PHOTO

photo courtesy of Agnico Eagle Mines Inc.
Agnico Eagle's Meadowbank Mine is the company's first gold project in Nunavut.

B SECTION COVER PHOTO

photo courtesy of Fortune Minerals Inc.
Fortune Minerals NICO Mine is located 50 kilometres north-east of Whati, NWT.

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New regulatory timelines

Federal changes expected to improve efficiency and enforcement

by **Lyndsay Herman**
Northern News Services
NWT/Nunavut

Those calling for regulatory change in the North got their wish this summer.

On June 19, the federal government passed legislation setting regulatory time lines for Nunavut and establishes a dispute resolution board in the NWT.

The bill, called the Northern Jobs and Growth Act by Ottawa, creates an NWT Surface Rights Board and will come in to force June 19, 2015. The board is to settle disputes between surface and sub-surface rights-holders who have hit an impasse at other levels of negotiation.

In the past, the federal government had authority over all lands but now with the settled land claims, that has changed, according to John B. Zoe, senior adviser for the Tlicho Government.

"After claims and developing claims, even future claims, we have more than

one authority over large tracks of land," Zoe said. "There is potential conflict, especially when you're dealing with sub-surface rights."

The board will only hear disputes over projects which already have a land use permit and water licence.

Nunavut regulatory process

Bill C-47 includes the Nunavut Planning and Project Assessment Act, setting time lines for various steps and parties to the approval process as conducted by the Nunavut Impact Review Board (NIRB).

The time limits don't differ from what is in place now but does require the Aboriginal Affairs and Northern Development Canada Minister to respond to board decisions and reports within a certain amount of time.

Companies looking to invest in Nunavut can rely on time lines described in the act and know exactly what is



Current Nunavut Impact Review Board executive director Ryan Barry -- technical services director when this photo was taken -- answers questions for people attending a meeting hosted by the review board in 2011. Bill C-47, passed in June, gives the review board more authority, the ability to own lands, and addresses issues not covered by the Nunavut Land Claim Agreement.

expected from them at certain points in the process. The legislation also gives the Nunavut Impact Review Board more teeth to deal with developers who don't hold up

their end of the bargain.

"The Act also ... makes the provisions of NIRB screening decisions and project certificates enforceable, with prohibitions such as fines and

jail time for violations of the Act," explained board executive director Ryan Barry in an e-mail.

The act is expected to take about a year to implement and

it will only apply to future projects or those which have been on hold for at least five years from the time the act comes into force.



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Baffinland breaks ground on \$4 billion mine project



photo courtesy of Baffinland Iron Mine Corp.

An estimated 400 to 600 workers will be needed to build the Mary River project.

Further approvals needed for Mary River but corporate decision is made

by Lyndsay Herman
Northern News Services
Baffin Island

Baffinland Iron Mines Corporation is still working on getting its plan for the Mary River Project approved, but in September the company formally announced its decision to build the massive project.

"Our work at Mary River and Milne Inlet will focus on construction activities that are currently approved through the environmental assessment process," stated president and chief executive officer of Baffinland Tom Paddon in a news release.

"As further approvals are obtained in the coming months our construction activities will encompass development required to achieve our early revenue phase and allow for eventual shipment of ore."

In preparation for the coming work, 33 million litres of Arctic diesel, 2.1 million litres of Jet A fuel, and 32,700 tonnes of cargo were transported during the 2013 sealift season, which wrapped up in October.

Meanwhile, Baffinland is re-working its way through environmental regulation after proposing substantial changes to its project plan originally approved in January 2013.

Present plans call for construction of camp and fuel storage facilities, setting the stage for more construction as approvals are obtained.

The project certificate issued in January granted federal and regulatory approval, allowing Baffinland to move forward on securing a water licence and other required permits.

Shortly after the certificate was issued, Baffinland

announced its intention to adopt what it calls an "early revenue phase" to the project which would allow them to mine iron and help finance a \$4-billion construction plan which includes a deep water port at Steensby Inlet and a 150-kilometre long railway.

The company said a poor global economic climate made it difficult to secure total financing for the ambitious construction plan.

The new plan, which has a goal of production by 2015, will still require an investment of over \$700 million, according to the Conference Board of Canada.

Baffinland, 50 per cent owned by project operator Arcelor Mittal and 50 per cent owned by Nunavut Iron Mines Inc., has maintained its intention to build the project up to its maximum scale within four years.

Under the early revenue phase plan, the project is projected to produce a greater volume of iron at peak production than under the original plan. Under the new plan, the production rate is expected to start at 3.5 million tonnes, reaching 21.5 million tonnes per year in the future.

The original plan expected a peak in production at 18 million tonnes per year.

The Early Revenue Plan was submitted as an addendum to the project's Environmental Impact Statement on June 20.

The Nunavut Impact Review Board was accepting comments on the submission until Oct. 18 and Baffinland is scheduled to have its responses submitted by the tentative date of Nov. 15.

Years of work and negotiations culminated in a signed Inuit

fact file

Mary River highlights

Commodity: Iron

Location: 160 kilometres south of Pond Inlet

Employment: estimated at 400 to 600 people during construction and 210 during operation

Mine Life: 21 years

Current stage: Project certificate granted but changes to the project made by Baffinland are under review

Source: Baffinland Iron Mines Corp.

Impact Benefit agreement for the Mary River Project on Sept. 9.

The agreement was struck between the Qikiqtani Inuit Association and Baffinland Iron Mines Corp., the project's operator, and will be in place for the duration of the mine's life.

"This is a historic deal for Inuit of the Qikiqtaaluk region and for all of Nunavut and has the potential to positively change the economic and social fabric of the territory," states the association's president Okalik Eegeesiak in a Sept. 6 news release announcing the conclusion of negotiations. "We are satisfied with the terms and conditions of the agreement which maximizes benefits while minimizing impacts."

Measures relating to employment, training, environmental stewardship, and finances are included in the agreement.

Devolution to put millions into NWT

Implementation set for April 2014

by Lyndsay Herman
Northern News Services
NWT

Devolution of lands and resources to the GNWT as of April 2014 means changes to mineral development in the territory.

The Northwest Territories Lands and Resources Devolution Agreement was signed on June 25 and addresses the transfer of responsibility for public land, water and resource management in the NWT from Aboriginal Affairs and Northern Development Canada to the GNWT.

"Companies now instead of dealing with the federal government, they'll be dealing directly with the territorial government," said Industry, Tourism, and Investment Minister David Ramsay. "This government of course is accountable to the residents here and we will have the ability to respond to concerns much faster than people dealing with the federal government. We're hoping that it'll make legislative and also public policy development more responsive when we're dealing with issues that come up."

Along with authority and responsibility, devolution will put 50 per cent of revenues collected from resource development on public land into the GNWT's pocket, to a maximum of five per cent of the GNWT's gross expenditure base.

To put these figures into perspective, this arrangement would have put \$69 million

into the GNWT in the 2012-2013 fiscal year.

Aboriginal governments will share up to 25 per cent of what the GNWT takes from resource development revenues.

The funds will be split between the governments based 70 per cent on population and 30 per cent on the cost of living.

Aboriginal governments get cash

Bob Simpson, director of intergovernmental relations for the Inuvialuit Regional Corporation, said the corporation is looking forward to implementation getting underway.

"The (Inuvialuit Regional Corporation) has undertaken to do a review of all their priorities in terms of what they feel needs to be done," said Simpson. "We hope to work closely with the GNWT to start addressing some of the social, cultural and economic deficiencies in the region. The IRC is getting a little bit out of the revenue as well through a sharing agreement with the GNWT so we're doing some research, program development and undertaken to approach the GNWT in doing some joint effort in the next few months."

The Gwich'in, Sahtu, and Tlicho governments are already allocated a share of resource revenues generated from projects on their settlement lands.

The Gwich'in and Sahtu receive 7.5 per cent of the



Prime Minister Stephen Harper, left, shakes Premier Bob McLeod's hand shortly after the premier signed the NWT's devolution consensus agreement.

first \$2 million of resource revenues or \$150,000 and 1.5 per cent of revenues generated beyond \$2 million.

The Tlicho are entitled to 10.429 per cent of the first \$2 million of resource revenues collected from projects in their settlement region, or \$208,580, and 2.086 per cent of any additional revenues.

The Dehcho First Nations receive 50 per cent of their full entitlement since their land claim agreement is not fully completed. When it

is, the First Nation will be entitled to 12.25 per cent of the first \$2 million in revenues, or \$245,000 and 2.45 per cent of any additional revenues.

New department

The GNWT has had to make changes to its staff. Overall, devolution is expected to create 259 new positions.

Changes have also been made to the departments of Industry, Tourism, and Investment, Environment, Municipal and Community Affairs,

and Natural Resources along with the creation of a new Department of Lands.

"(The Department of Lands) is going to be a very important department because we're going to be taking on responsibility for the management of all Crown Land in the NWT," Ramsay said. "It's a big undertaking and something that we're going to make sure we have the pieces in place to manage that responsibility."

Guiding industry and communities through aboriginal

consultation requirements and the NWT regulatory system with regards to resource development is the responsibility of the Department of Industry, Tourism, and Investment.

"Probably the most major concern, and I think that for the GNWT is a big challenge, is setting everything up," said Simpson. "The job offers for managers have gone out, so we're hoping that we'll have a fairly good staff complement for April 1."

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Ghidliak Project, May 2011, Baffin Island, Nunavut, Canada

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Millions for mine training

Staggering need for trained mine employees expected by 2017

fact file

Breakdown of Northern mine employment

Diavik Diamond Mine - As of June 30, 1,101 employees of which 518 are northerners and 243 are Aboriginal. Estimates from 1998 pegged Northerner employment at 264 and aboriginal employment at 160.

Ekati Diamond Mine - Approximately 1,600 employees

Snap Lake Diamond Mine - 757 person years total, with 149 NWT residents and 126 NWT aboriginal

Meadowbank Gold Mine - employs 1,200 people of which 38 per cent, or 456, are Inuit from the Kivalliq region.

Source: Dominion Diamond Corp., De Beers Canada and Agnico Eagle Mines Inc.

by **Lyndsay Herman**
Northern News Services
NWT/Nunavut

Estimates peg the number of mining-related jobs expected to materialize in the NWT at 14,000 by 2017. To help Northerners compete for those jobs, the Mine Training Society was given \$5.8 million by the federal government.

The Society predicts nearly 5,000 of those jobs will be in direct mining positions. Nine thousand will be in related service jobs, such as expeditors, caterers, and fuel handlers. All the openings will need to be filled in just four years.

"(The mines) are going to be able to draw on a lot of skilled individuals that have been training in the area of heavy equipment operating, geoscience field assistant, and underground mining," said Mine Training Society general manager Hilary Jones when the funding was announced.

Minister of Natural Resources Canada Joe Oliver pointed to the lack of skilled labour as "one of the key potential impediments to

development" in the North during the Energy and Mines Ministers Conference held in Yellowknife this summer.

National labour shortage

The strain on the skilled labour pool isn't just being felt in the North.

The Mining Industry Human Resource Council released a report this summer which predicts Canada's mining industry will be looking to fill 34,500 jobs in 2015 and 145,870 by 2023.

Even in the event economic conditions don't improve as expected, the council's report predicts the sector will need to fill 19,770 jobs by 2015 and 116,850 by 2023.

The \$5.8 million pledged by Prime Minister Stephen Harper during his Northern Tour this summer will come from Human Resources and Social Development Canada and will fund the Mine Training Society's *Mining the Future Program*.

Remaining funds will come from aboriginal governments, the GNWT, Kitikemot Inuit Association, Diavik Diamond Mine, De Beers Can-



photo courtesy of the Mine Training Society

Senior Underground Mine Training Instructor Pat Tymchatyn, right, assists Wanda Sabourin of Fort Providence, left, in assembling her breathing apparatus as part of her training under the Mine Training Society's Underground Miner Training Program.

ada, Dominion Diamond Corporation, Avalon Rare Metals Inc., and Canadian Zinc Corp.

The program will provide skills training and help seek criminal records suspensions

for potential mine workers from the NWT and Nunavut's Kitikmeot Region. The goal of the program is to break down barriers for aboriginal residents.

"We want to make sure we open the doors to the great treasure (in the territory) for Northerners, and to see it benefit all people in the North," said Prime Min-

ister Stephen Harper while announcing the funding in Hay River in August.

"The mining sector is already the biggest private employer in the territory."



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Geoscience Forum draws more than 800



The 2010 Geoscience Forum attracted 779 delegates. Part of the three-day event is a trade show at one of Yellowknife's high schools where students can pursue career opportunities in fields related to geoscience.

Diamonds, space rocks, and Northern energy among topics on the agenda

by **Lyndsay Herman**
Northern News Services
Yellowknife

Attendance has surpassed 800 at the Yellowknife Geoscience Forum for two years in a row and the event has lost no momentum coming up on its 41st year.

The event is hosted by the NWT and Nunavut Chamber of Mines in Yellowknife annually.

This year's keynote

speaker is Professor Graham Pearson of the Department of Earth and Atmospheric Sciences at the University of Alberta, who will speak about the geology of the Canadian Shield in Canada's Arctic and what it has meant for development of diamonds in the region.

Dr. Gordon Osinski of the Department of Earth Sciences and Physics and Astronomy at the University of Western

Ontario will give this year's Charles Camsell Talk, which is open to the public and designed to be accessible to lay-people.

The talk is titled From Pole to Pole: A tale of exploring other worlds by exploring our own. It looks at how studying meteorites and craters on Earth, particularly in the Arctic and Antarctica, can give insight into the development of life on earth and the pos-

sibility of life elsewhere in the universe.

Other topics on the event's agenda include devolution, infrastructure and ice road research, geoscience outreach, energy sources and potential in the North, as well as the state of diamond industry in the NWT.

This year's Geoscience Forum is scheduled to run from Nov. 19 to 21 in venues around Yellowknife.

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Discovery extends Ekati's production

Promising second quarter results for Dominion's recently acquired mine

by Lyndsay Herman
Northern News Services
Ekati/Lac de Gras

fact file

Ekati highlights

Commodity: Diamonds
Location: 310 kilometres northeast of Yellowknife
Employment: 1,600
Mine Life: at least 2029
Current stage: Production

Source: Dominion Diamond Corp.

Ekati has brought good news to Dominion Diamond Corp. since purchasing the mine in April for over US \$553 million.

Between April 10 and Sept. 30 Ekati produced 805,000 carats of diamonds from processing 1.621 million tonnes of ore, at an average grade of 0.50 carats per tonne of ore.

In September, Dominion announced the discovery of a new kimberlite called the Jay Pipe, extending Ekati's estimated life by 10 to 15 years, at least until 2029.

The Jay Pipe can't be developed until it receives full regulatory approval, since it's not already approved under Ekati's project certificate. CEO Robert Gannicott said the company expects to file a project description for the pipe by the end of October.

"One thing we can predict is that the other pipes are finished in 2019 so it's obviously very important that we can get started mining at Jay at that time, otherwise we have to shut the mine down and have to lay everybody off, that kind of thing. We're trying very hard to avoid that. I know that the regulators will be sympathetic to trying to help us meet that."

The past year has meant a new name, a new mine, and a new direction for Dominion Diamond Corp.

Dominion, previously known as Harry Winston Diamond Corp., sold its lux-

ury jewelry business, Harry Winston Inc., to Swatch Group Ltd. for \$1 billion, including \$250 million in assumed net debt, early this year. The Harry Winston name was included in the sale and resulted in the new company name, Dominion Diamond Corp.

Sorting facility contemplated

In April, Dominion finalized the purchase of BHP Billiton's 80-per-cent stake in Ekati, including diamond sorting facilities in Yellowknife and Antwerp, Belgium, and other diamond marketing operations.

Dominion's top management has relocated to Yellowknife and the company has started moving diamond sorters into town, Gannicott said.

Dominion obtained floors in Yellowknife's Precambrian Building as well as a diamond sorting and handling facility near Yellowknife airport in its purchase of Ekati.

"We would prefer to have everything under one roof so we're trying to think about whether we should do a custom-built building," said Gannicott.

"If we're going to do that

in Yellowknife we would need to construct something of our own, so we're looking at doing that."

Lac de Gras

On Dominion's 2013 to-do list is exploration work at the Lac de Gras project which is owned by North Arrow Minerals Inc.

Dominion has the option to earn a 55 per cent interest in the 307,000 acre property by investing \$5 million in exploration work on the project by September 2016.

"We've already done one big program there," said Gannicott. "We've probably already spent more than half of that \$5 million. We are producing some interesting anomalies there but these are early days yet."

Dominion funded a \$3-million exploration project this year which wrapped up in early October, the results of which were expected by the end of October.

The Lac de Gras project is located within 10 kilometres of the Diavik Diamond Mine. Both the Diavik and Ekati geological trends extend into the property, with the Diavik trend projecting through the centre.



file photo courtesy of BHP Billiton

The addition of the Jay Pipe could extend the life of Ekati by 10 to 15 years, likely into 2029.

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New course builds on old skills



Tom Akoak stands next to a scoop tram, his favourite piece of equipment to operate, during a course day spent learning hands-on with equipment in Yellowknife.

photo courtesy of Arielle Tiniqui

Cambridge Bay resident uses course to increase his valued skill set

by Lyndsay Herman
Northern News Services
Ikaluktutiak/Cambridge Bay

For Cambridge Bay resident Tom Akoak, the 12-week Underground Miner Training program he's taking through the Mine Training Society is a way to expand on skills he's spent a career developing.

"I like the different types of heavy equipment because they are a challenge to me," said Akoak.

"I like to gain a lot more knowledge and experience. I've always looked for more training. I don't like depending on social assistance."

Akoak, originally from

Gjoa Haven, regards a job away from home better than no job at all.

"In Gjoa Haven, they are having a really hard time with employment," he said. "I know you have to go away from home to make money but it's better than staying home and not working at all."

Akoak is a fan of life on a rotation, particularly when there is the option to pick up an extra week here or there as available.

Six weeks on and two weeks off is his favourite schedule and the longest stretch he's ever worked was 12 weeks in a row.

"At least the money was going into my pocket! And the meals and accommodations were taken care of."

Akoak already has more than 12 years of heavy equipment operator experience under his belt.

His skills have put him to work at mines in both Nunavut and the NWT, with both contractors and the mines themselves.

It was during a shift at the Diavik Diamond Mine that Akoak asked a colleague about different vehicles he saw on site. The worker told him they were speciality vehicles used for underground operations and required additional training, so Akoak looked into it with the Mine Training Society.

One of the biggest challenges for Akoak has been learning to use an underground loader, which places the driver sideways in the cabin. Moving the vehicle forward means the driver is moving to the right and moving backwards means the driver is moving to the left.

"It was a challenge," he said. "But I knew the motions for regular loaders above ground. It's basically the same, it's just that you're sitting sideways."

"My instructors in the field and in the classroom are great people to learn from."

Akoak, who loves to travel, is open to working anywhere the pay is right after his course is finished, whether it's close to home or somewhere abroad. The top priority, he said, is earning money to support his children.

"I'm not picky as to where anyone wants me. If they can offer me a good paying job then OK, sure. I even showed interest in working out of the country," he said.

"(Many) Nunavummiut, they have a hard time staying away from their families. I'm the opposite. I have to make income for my children."



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'I really like driving'

Behchoko youth tackles underground mine training program

by **Lyndsay Herman**
Northern News Services
Behchoko/Rae-Edzo

For Arielle Tinqui, 23, mining is the perfect career to make some money and satisfy her love to travel.

The flexibility of a two-week mine rotation – which gives her two straight weeks off at a time – attracted her to the Underground Miner Training program with the Mine Training Society.

"That's one of the biggest highlights," said Tinqui. "I could even leave the country if I wanted to!"

Tinqui caught the travel bug while travelling to London, South Africa, and Botswana in 2011 with the Northern Youth Abroad program.

She is also trained as a personal support worker and has a passion for helping elders or those in need improve their physical well-being.

A two-week rotation would give her the opportunity to work or volunteer part-time if the opportunity presented itself, she said.

Meanwhile, she plans to use her training to net a job at a mine in the NWT since working close to home is a major priority.

Training, training, training

Tinqui took the first steps toward her mining career a few years ago when she enrolled in the six-week Intro to Underground Mining course, a prerequisite for the Underground Miner Training program, with the Mine Training Society in Behchoko.

After finishing the course she took her memorable trip to Africa and completed personal support worker training when she returned.

When the Mine Training Society announced it was offering the Underground

Miner Training course this year, Tinqui jumped at the opportunity to further her training in the field.

This year's Underground Miner Training program started Aug. 26 and is scheduled to wrap up Nov. 20.

Upon completion of the course, Tinqui will be eligible for an on-site training at NWT mines consisting of six two-week rotations.

She'll also have certificate training in Standard First Aid and CPR 'A', WHMIS, Safety and the Young Worker, and student-level Underground Mine Rescue.

The joy of driving

While a two-week rotation was the initial attraction, operating large equipment is what kept Tinqui most interested in the course.

Tinqui learns to drive both haul and scoop trucks as part of the 12-week Underground Miner Training program in Yellowknife.

Half of her time in the current course is spent doing practical work, such as operating machinery or learning mine safety techniques.

The program split its 12 students into two groups of six so that half get hands-on training and half get classroom training each day. The groups alternated between practical and classroom training daily.

As a result, the group which gets three days of practical training one week will get two days the following week, and vice versa. "I've been getting better and better at (driving the trucks)," said Tinqui, who is on track to complete the course on Nov. 20. "I really like driving."

Excitement and timidity made her a bit tense on the first drive in a haul truck, she remembered, but nerves eased

as she got used to navigating the huge machine.

Tinqui recalled the emotional roller coaster early in the course of having to drive around pylons.

"We were all thinking about hitting the pylons. We had to try to not knock them over but you couldn't see them, so you didn't know if you knocked them over until you drove back around. Whenever we saw that we hadn't knocked any over, we were pretty proud of ourselves."

Communication skills key

Learning communication skills has been a big part of training as well, she said.

During one of the practical training days she had to work with her team to construct and raise the wooden frame for a garage-like structure. It was heavy and precise work with upwards of five people involved at a time.

"Communication was key because we had to learn to work as a team."

The other half of Tinqui's course time is spent in a classroom.

There, students have access to a haul truck simulator, which each student spends about 30 to 45 minutes in on most class days.

With a class size of just five or six students, Tinqui has the opportunity to chat directly with her instructor while other students are in the simulator, a valuable aspect to the course, she said.

While mining is often talked about as a male-dominated industry, Tinqui said the success of other women she knows gave her confidence that she could excel in the industry as well. "I know a couple women who have done it. Seeing others do it makes it less intimidating," she said.



photo courtesy of Arielle Tinqui

Arielle Tinqui stands in front of a haul truck she's learned to drive through the Mine Training Society's 12-week Underground Miner Training program.

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What is going on with gold?

Projects suffer even though price doubles in seven years



Prime Minister Stephen Harper strikes a maple leaf stamp into a bar of gold during a visit to Baker Lake in August, 2011.

photo courtesy of Deb Ransom

by Lyndsay Herman
Northern News Services
NWT/Nunavut

Ambitious gold projects around the North and around the world were scaled back or put on hold when the price of gold fell this year.

Agnico Eagle Mines Inc. announced it was slashing \$80 million from the 2014 capital budget for Meliadine, potentially the company's second gold project in Nunavut near Rankin Inlet.

The cut was part of \$200 million the gold giant shaved from its projects internationally.

Elgin Mining Inc. put a halt to work it was doing to restart the Lupin Mine in April, just a year after the company announced its intention to speed up work and restart the mine earlier than planned.

The price of gold fell to \$1,400 per ounce in April, after sitting at an average of \$1,650 per ounce in the first quarter of 2013.

In June, the price of gold fell to approximately \$1,250 per ounce and hovered around \$1,300 per ounce during the month of October.

Still, to a layperson looking at charts, this price is more than double what it was in early 2006 and begs the question, what is a good price for gold if not one that has more than doubled in seven years?

Consistent cost increases
"I think the problem with

fact file

Price of gold in the last 12 months
(in CAD per troy ounce)

September 2013	\$1,363.5
August 2013	1,471.3
July 2013	1,351.4
June 2013	1,257.5
May 2013	1,441.3
April 2013	1,477.6
March 2013	1,623.7
February 2013	1,633.7
January 2013	1,662.8
December 2012	1,650.4
November 2012	1,714.5
October 2012	1,718.1
September 2012	1,747.5

Source: World Gold Council

that is, like in anything, there is (a good price) but it tends to move around," said Marcus Grubb, managing director of investment for the World Gold Council. "I don't think it's a reflection of where the gold price should be, but if you wanted to point to a price that reflects the all-in production of gold, then pretty much we're on it now with the price having dropped to \$1,300."

Grubb points out that the costs of mining are increasing between five and 10 per cent per year and that a producing mine can stay profitable up to about \$1,300 per ounce of gold, with cutbacks and little money made.

He added new mines would likely need a gold price of about \$1,500 to \$1,600 in order to get the project through years of expensive development and no revenue.

Gold has risen in price almost every year for 12 years and 2013 is likely the first year in more than a decade when the average price will fall significantly, even with demand for gold staying high.

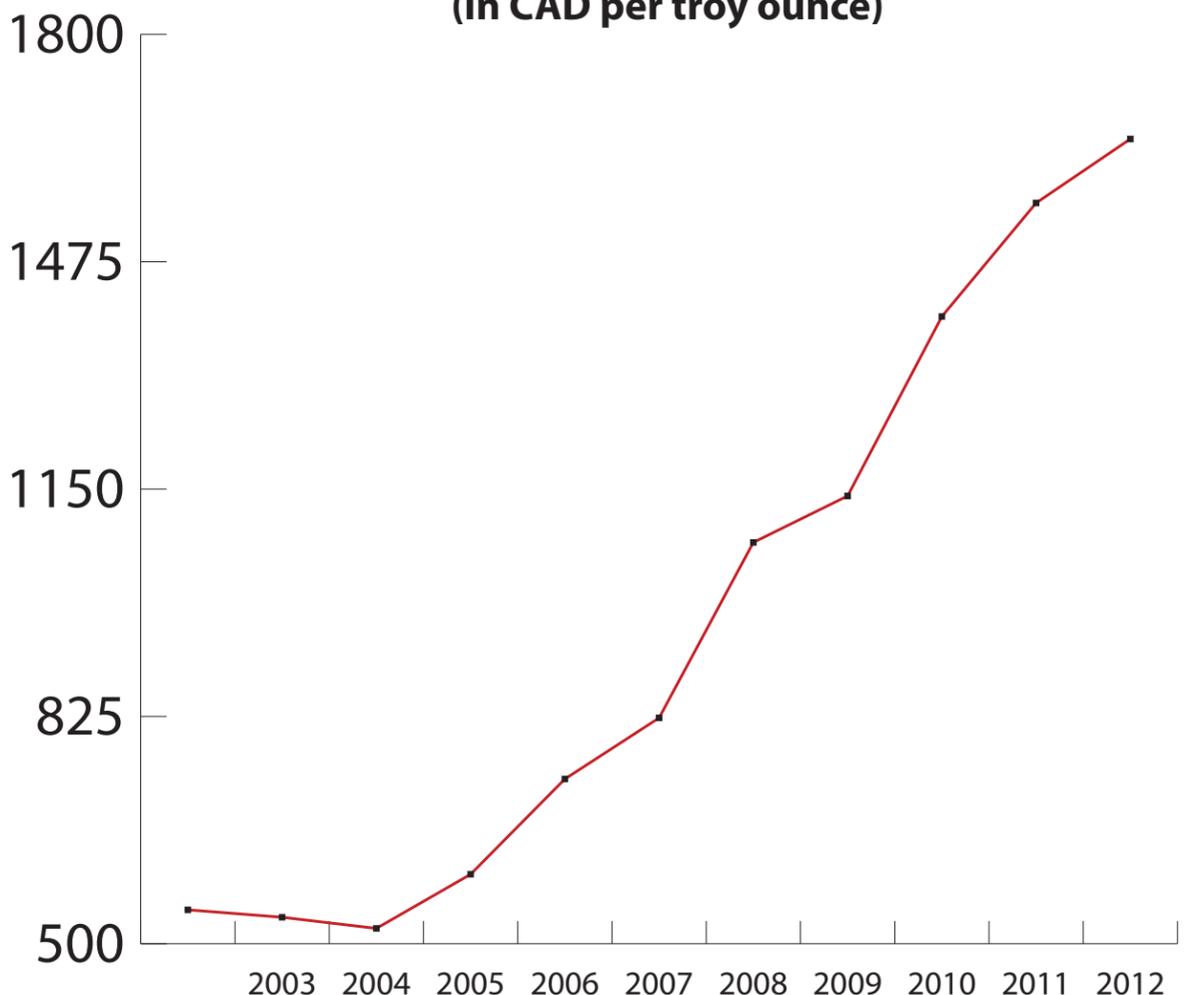
Grubb broke down for us the forces which drove the price of gold up for so long and how those same forces altered the price trajectory this year.

Exchange-traded funds

Exchange-traded funds, or ETFs, are investment funds which can be traded similar to stocks and hold assets such as stocks, bonds, or commodities, such as gold. ETFs were invented in 2002 and, until this spring, held on to approximately 1,900 tonnes of gold, or approximately six

Please see Demand page A17

Price of gold (2002 - 2012)
(in CAD per troy ounce)



Source: World Gold Council

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Demand for gold remains high

What, from A16

to eight per cent of global demand for gold. Since each share needs to be backed by a physical bar of gold, the more ETFs grew the more physical gold they took off the market, increasing demand. This was the story until earlier this year when economies around the world were showing signs of strength and stability. Early this year, many investors let go of the gold they had been holding on to since the 2008 recession hit, introducing about 700 tonnes of gold back into the market.

Emerging economies

That 700 tonnes of gold hasn't been left floating. In growing economies, particularly China and India, demand for gold is high for both cultural and financial reasons. Over the past decade, China, India and other Asian countries have seen increased household incomes and urbanization.

The greater wealth has meant greater consumption of goods across the board, including jewelry. Jewelry, historically the largest category of gold demand, "is also a form of investment in these countries because it's high-carat gold, so it is bullion jewelry, if you will," Grubb said.

As the price of gold fell this spring, buyers in countries such as China and India bought large amounts.

Grubb said there is no one price for gold, it varies by country based on local supply and demand. In Asian countries, there is often a premium of \$20 to \$60 above the London or New York price of

gold, meaning a falling price would still make selling to the East profitable for Western investors.

"What you've seen is, effectively, Western investors have sold, some of them have sold out of the ETFs," said Grubb. "The bars have been sold into the London physical market, refined mainly in Switzerland in smaller bars, and then shipped to China and India this year."

Central banks

Prior to 2007, central banks sold about 400 to 500 tonnes of gold to the market each year, which represents about 10 per cent of the 4,400-tonne global gold market. This situation changed with the world economy after 2007 and central banks began buying rather than selling between 300 and 500 tonnes per year, a net change of between 700 and 1,000 tonnes, and are still buying at similar volumes.

"It's sort of an 800-tonne swing in the last five or six years," Grubb said. "That has continued to have a very positive effect on the gold market."

Stagnant mine production, amidst all this increasing demand, has also bolstered the price of gold over the last decade. Grubb estimates mine production has increased by between seven and eight per cent over the past 15 years. "There are very few metals in that situation," he said. "Although some regions have risen in production of new gold, some have fallen. So, for about 10 to 15 years, production has been hovering around 2,800 tonnes per year. It's basically economics 101 when you get a sudden increase in demand and no change in sup-

fact file

Price of gold in the last 10 years (in CAD per troy ounce)

2012	\$1,650.4
2011	1,558.9
2010	1,396.6
2009	1,140.1
2008	1,073.7
2007	822.9
2006	735.5
2005	599.3
2004	521.9
2003	537.9
2002	548.5

Source: World Gold Council

ply."

But how can global demand for gold be around 4,400 tonnes if mines are only producing about 2,800 tonnes of gold per year? The answer is recycled gold, Grubb said. He estimated recycled gold accounted for approximately 36 per cent of gold supply in 2012, about triple what it was 10 to 12 years ago. However, with the price of gold dropping, the number of those interested in recycling their gold is also likely to drop, shrinking this supply source until prices rebound.

Futures market

The four previous forces drive the price of gold over the long-term but one of the strongest forces impacting the price of gold in the short-term is the futures market, said Grubb.

The futures market, or futures exchange, is where people can trade amounts of a commodity or other assets at a specific price with delivery set at a specific date. Investors working on the futures market



photo courtesy of Aboriginal Affairs and Northern Development Canada

Newly poured gold bars are polished by an Agnico Eagle Mines Ltd. employee at the company's Meadowbank Mine.

essentially try to predict what will happen to the price or value of what they are trading over certain periods of time.

With the economy stabilizing, gold ETFs being sold, the U.S. rumoured to be cutting back on stimulus spending, and other factors, many investors predicted the price of gold would fall.

"As sentiments started to become more positive about the economy, you have more speculative traders coming to the futures market, which is every day involved in determining the gold price, and more so actually than the physical demand in the short-run," explained Grubb.

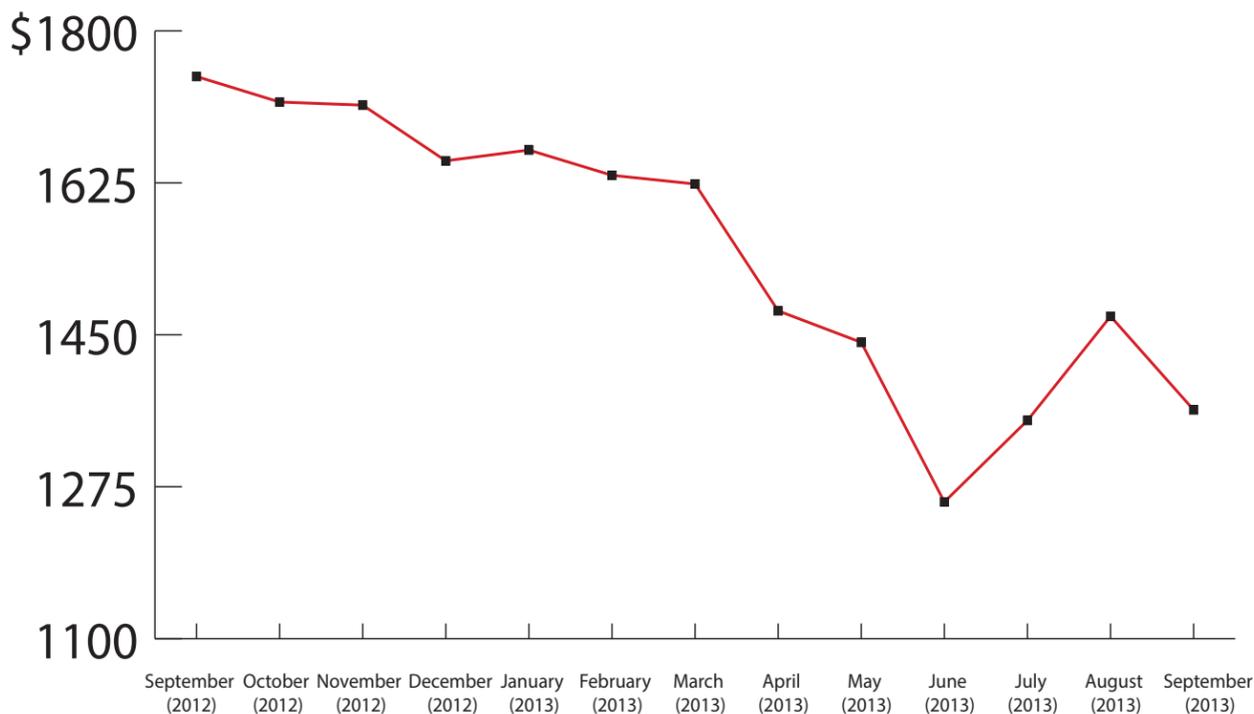
But the pessimists were disappointed. Washington did not cut back on stimulus as expected and demand for gold has stayed strong so people began changing their predictions on gold price.

"This year we have had a dichotomy in the market," said Grubb. "The physical demand has been very strong even though you've had the ETFs coming back into the market, but you have more shorts (people who predict the

price of gold will fall) coming in to the futures ... Some of the shorts who were so sure that gold was going down, they came out during the late summer. They were less confident that gold was going to go down further. At the moment, that's still where we are."

Grubb added it's been difficult to judge were the market was at in October with Washington shut down, leaving a selection of economic statistics unpublished.

Price of gold over the past 12 months (in CAD per troy ounce)



Source: World Gold Council

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New life for CanTung mine



The CanTung Mine site is located just inside the NWT border, 4.5 hours north of Watson Lake, Yukon.

Results from 2013 exploration program expected by the end of the year

by Lyndsay Herman
Northern News Services
Nahanni/Deh Cho

Coming up on 2014, North American Tungsten is working on developing a

longer-term plan for CanTung instead of closing up shop.

As recently as 2011, the company had plans to close the mine in 2014, but new discoveries, particularly the Amber Zone, opened the possibility of extending the life of the mine.

Results from surface diamond drilling exploration are expected by the end of this year.

With the change of plans, in 2012 North American Tungsten invested \$25.2 million to improve the mill, tower systems, underground ore access, and staff apartment buildings.

The company is also preparing to reprocess tailings from past production by upgrading current tailings ponds, enhancing the waste water treatment plant, and developing a long-term storage facility for tailings.

A mill process improvement project to increase mill throughput to 1,350 tons per day and improve metallurgical recovery, started in the third quarter of this year and is to continue into the second quarter of 2014.

Prices recover

The end of 2012 was rough on tungsten prices, dropping to US\$295 per tonne in December 2012 from US\$450 per tonne in the same month the year before.

The price of tungsten has since been making a comeback, reaching US\$398.5 per tonne in June 2013 and US\$417.5 per tonne in August 2013.

As of Sept. 13 North American Tungsten put the price of tungsten between US\$395 and US\$420 per tonne.

Expanding plans for CanTung means the company has spent a lot of time this year settling what debts it can and finding financing options to keep CanTung growing. "It really is a testament to all of our personnel and stakeholders that we have not only weathered the recent, rather severe, pricing drop, but have continued to push ahead with continued improvements to our operation," stated then-president and chief executive officer Stephen Leahy, who stepped down from his role in June.

"Now that Tungsten prices are again moving upwards, we look forward to not only improved production but also continually improving financial results."

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Diavik moves underground

Rio Tinto decides to stay in diamond mining

by Lyndsay Herman
Northern News Services
Lac de Gras

Diavik passed two significant milestones in September 2012 – flicking the on-switch for wind power and completing full transition to underground mining.

"We are an all-underground mine," said Doug Ashbury, spokesperson for Diavik. "Interestingly enough the wind farm came on line in the same month that we completed our transition to an all-underground mine. That's when mining ore in the open pit completed."

Diavik had been preparing for underground operations since 2007. It took about three years to build the necessary infrastructure, including an expansion of the mine's power plant and a back-fill plant.

"We actually doubled our power plant to prepare," Ashbury said. "We knew we were going to need more power, so the wind farm is another aspect to that as well. It offsets some of it."

The underground mining techniques used at Diavik produce less waste rock than open pit mining. It also means crews and equipment work in a controlled climate instead of having to endure extreme winter temperatures.

In the first half of 2013, Diavik Diamond Mine produced 3.5 million carats from 1.0 million tonnes of ore whereas over the same time period in 2012 the mine produced 3.4 million carats from 1.1 million tonnes of ore, according to a news release issued in July.

The increase was attributed to higher grade kimberlite pipes. The average grade of



Diavik diamond mine switched to fully underground operations in 2012.

photo courtesy of Diavik Diamond Mine

ore processed in the first half of this year was 3.41 carats per tonne whereas the average grade in the first half of 2012 was 3.18 carats per tonne.

Diavik added a fourth pipe to the life-of-mine plan in Aug. 2012. The mine is now expected to produce to 2023.

Rio hangs on to diamonds

A 15-month strategic review resulted in Rio Tinto deciding to maintain its global diamond business, including the Diavik Diamond Mine.

In March 2012, Rio Tinto had announced it was considering selling its 60 per cent stake in the mine, along with other diamond interests around the world, as part of a strategic review of its global diamonds business. Dominion Diamond Corp. owns the remaining 40 per cent of Diavik.

At the time, BHP Billiton was also looking for a buyer for its 80 per cent stake in the Ekati Diamond Mine, choosing to focus on other aspects

of its portfolio.

Dominion Diamond Corp., which ended up purchasing the majority stake in Ekati, had expressed interest in buying out Rio Tinto's portion of Diavik. Rio Tinto announced its decision to keep Diavik in late June.

"What it does mean is we've got certainty," president and chief operating officer for Diavik Diamond Mines Inc. Neils Kristensen told News/North at the time.

"It has been a difficult per-

iod for our people. A period of uncertainty, even for some of our external stakeholders.

What (Rio Tinto's decision) does is provide everyone with certainty about the future."

fact file

Diavik highlights

Commodity: Diamonds

Location: 300 kilometres northeast of Yellowknife

Employment: 1,101 employees as of June 30 with 518 northern, of which 243 are aboriginal.

Mine Life: 16 to 22 years, approximately until 2023

Current stage: Production

Source: Rio Tinto, Dominion Diamond Corp.

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De Beers turns down Chidliak

Peregrine left to find funds for feasibility study

by Lyndsay Herman
Northern News Services
Baffin Island

Good news this summer was followed by bad news in the fall for Peregrine's Chidliak project.

De Beers Canada had until the end of the year to decide if it wanted to get on board with an earn-in joint venture with Peregrine for Chidliak, which would ultimately have given De Beers operator status and 50.1 per cent ownership.

De Beers was required to invest \$58.5 million in Chidliak, with a minimum work commitment of \$37 million, to take part in the agreement.

The company would also pay for any work required to complete a bankable feasibility study on the project, such as exploration work and environmental impact studies, with Peregrine repaying any costs beyond \$58.5 million accrued by De Beers.

Now Peregrine will need to find the \$58.5 million from another source as De Beers has chosen to opt out of the project.

Further information on

De Beers' decision and Peregrine's plans for the project were not available as of press deadline.

Geologists find more pipes

The Chidliak project covers 748,000 hectares on the south end of Baffin Island, approximately 120 kilometres from Iqaluit. There are seven kimberlites on the property which are considered to have economic potential and 64 kimberlites discovered so far.

Three of those 64 kimberlites were discovered during this summer's exploration program run by De Beers. De Beers geologists were responsible for the discovery of two of the kimberlites while geologists from the Canada-Nunavut Geoscience Office found a kimberlite dyke during a bedrock and superficial mapping program over a portion of the Hall Peninsula.

"After five years of some real rigorous exploration, this property continues to deliver new discoveries," said Tom Peregoodoff, executive vice-president of new business development for Peregrine, in September.



photo courtesy of Peregrine Diamonds Ltd.

Bulk sample bags of CH-6 kimberlite are prepared for transportation to Iqaluit in April.

De Beers has approximately 470 wet tonnes of bulk sample material from a priority kimberlite at its dense media separation facility in Sudbury, Ont., according to a news release issued by Peregrine Sept. 9.

Peregrine is processing approximately 250 wet tonnes of this material, still funded

by De Beers, with diamond valuations and other final results expected in the second quarter of 2014.

The company also owns the Qilaq project adjacent to Chidliak. Exploration work was conducted on the 76,237 hectare property in 2011 when three diamond-bearing kimberlites were found.

fact file

Chidliak highlights

Commodity: Diamonds

Owner: Peregrine Diamonds Ltd.

Location: 120 kilometres northeast of Iqaluit

Status: Exploration

Source: Peregrine Diamonds Ltd.



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