NWT & NUNAVUT CHAMBER OF MINES

NEWS RELEASE

Chamber Challenges Nunavut Business Leaders on How to Get Share of Major Developments

September 30, 2011 (Iqaluit, Nunavut)

Tom Hoefer, Executive Director of the NWT & Nunavut Chamber of Mines addressed delegates of the Nunavut Trade Show and Conference in Iqaluit this week, as part of a panel discussion on "Nunavut: The Next Decade – Getting Your Share of Major Developments." Mr. Hoefer spoke about the 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.

Nunavut's mining industry is on the rebound, says Hoefer. Along with the Meadowbank gold mine, in operation since early 2010, investment in mineral exploration is rising again since the recession to $325 million this year, placing Nunavut in fourth place for minerals investment in Canada. Mr. Hoefer highlighted 10 projects that could become mines over the next 10 years: "Hopefully, the time has come for some of these projects, the majority of which are more than 20 years old. In southern Canada these projects would have been mined long ago. But miners are optimists. If commodity prices stay strong, if capital is available, if regulatory approvals go smoothly, that bodes well for these projects to finally come into production."

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, Mr. Hoefer cautions that there is volatility in the marketplace. "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.

Mr. Hoefer described how leaders in business, government, and communities can support industry's success by increasing capacity in business, training, and regulatory regimes. "Building capacity is an investment with big returns" says Hoefer. "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."

The presentation has been posted on the Chamber's website, www.miningnorth.com where additional information on the NWT and Nunavut mining industries can be found. For more information, contact Tom Hoefer, Executive Director at Tel: 867-873-5281 or email: executivedirector@miningnorth.com.