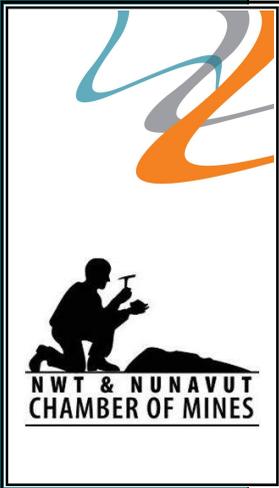


Northern Mining News

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From the Executive Director ...

This month has been one for reports, and you'll find a number of updates from our members on their past year's activities.

One of the big news items, which is a growing crisis, is the difficulty that junior mining companies are finding in raising money to explore. One of our members with 50 years of experience has told us that it's the worst he's ever seen. This will be a challenging year for many of our members.

Avalon has signed the first of its Aboriginal community agreements, and is providing equity participation – that's a unique approach in Canada.

Happy reading!

... Tom Hoefler

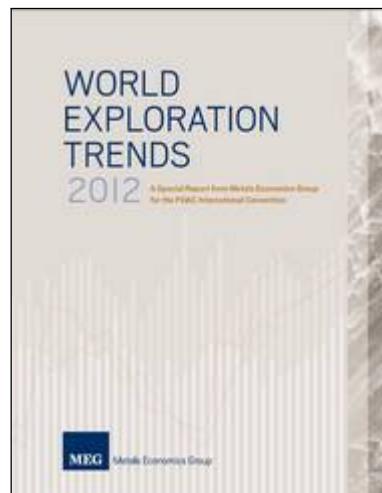
Our Mission: To be the leading advocate for responsible and sustainable mineral exploration and development in the NWT and Nunavut.

Junior explorers suffer worst market conditions

A pall is settling over the junior exploration industry, as market wary/weary investors hang on to their money. Insiders in the industry have said they haven't seen such a cash shortage since the recent recession. The nervousness is stifling junior companies' ability to raise the moneys they need to actively explore.

Predictions made by the Mineral Economics Group earlier this year in their special report to the Prospectors and Developers Association of Canada, appear to be coming true. The report stated: *"Equity markets ... struggled in the second half of 2011, and the pace of exploration financings fell back to the levels of late 2009 and early 2010. Since most of the money a junior spends on exploration in a given year is typically raised between the fourth quarter of the previous year and the middle of the current year, if equity markets fail to improve in the first half of 2012, many juniors may have trouble raising the necessary funds to sustain or increase exploration spending in 2012. In contrast, intermediate and major producers with healthy balance sheets are likely to intensify their efforts to replace reserves by increasing their exploration allocations in 2012. If this scenario plays out in the coming months, the juniors' share of overall exploration spending in 2012 will decline."*

The MEG report also predicts this could lead to interesting developments in the exploration industry. *Juniors with promising projects at current and long-term metals prices, but with insufficient access to equity funding to advance them in the short term, are more open to financing, joint venture, or acquisition discussions with larger players, or may look to consolidate with better financed peers, particularly when both are working in the same exploration camps. In addition, if equity markets do not improve relatively early in 2012, majors and intermediates looking to finance or joint-venture with cash-strapped junior explorers are likely to negotiate far more favorable terms than they would have in 2011.*



The MEG Report is available here:

<http://www.metalseconomics.com/sites/default/files/uploads/PDFs/wet2012english.pdf>

Nunavut Land Use Plan Passes Independent Scrutiny

A third party independent review of the Draft Nunavut Land Use Plan has reached positive conclusions about the work to date.

Dillon Consulting's 118-page report concludes that: *There is no silver bullet for resolving the multitude of interrelated issues that currently affect the planning process and the relationships among the Parties. We are convinced, however, that significant progress has in fact been made by the Parties and that pragmatism and a renewed focus on the common goal of completing and approving a first generation Nunavut-wide land use plan can lead to success.*

The report was delivered to the four Parties: the Governments of Canada and of Nunavut, Nunavut Tunngavik Inc., and the Nunavut Planning Commission.

The purpose of the independent review was to recommend how best to bring about a successful conclusion to the NLUP planning process. Dillon focused their review only on the period since 2007, a turning point in the process when the Parties shifted planning efforts from regional planning to the development of a single Nunavut-wide plan.

Dillon recommended 8 guiding principles and recommended 4 steps intended as practical ways for moving the planning process forward, rebuilding trust and resolving outstanding issues among the Parties.

The Chamber of Mines is encouraged by the report's conclusions and has stated it supports the draft plan be taken for public consultation.



Fingers Crossed as Baffinland's Iron Mine Proceeds through Final Hearings

Since its original discovery in 1962, the Mary River Project, located 1,000 km north of Iqaluit, has been considered the Holy Grail for iron-ore hungry steel producers from around the world. Depending on the outcome of July's final environmental impact hearings, the site could see construction of a mine begin as early as 2014.

The Nunavut Impact Review Board (NIRB) held hearings on Baffinland's Final Environmental Impact Statement in three communities, beginning in Iqaluit on July 16, followed by a similar 3-day session in Igloodik, and concluding in Pond Inlet on July 28.

A large contingent representing the Proponent travelled to all three locations and provided an extensive overview of the project along with its potential impacts. Specialists for Baffinland offered in depth presentations on topics including:

- Operations – Mine Site, Tote Road and Railway
- Shipping and the Marine Environment
- Terrestrial Wildlife and Migratory Birds
- Accidents & Malfunctions Preparedness and Emergency Response
- Socio-Economic and Archaeology

Several Intervenors were on hand to express their views and concerns, primarily in the environmental and wildlife areas. A variety of Federal Government departments participated including Aboriginal Affairs & Northern Development, Fisheries & Oceans, Canada Coast Guard, Environment, Parks, and Transport Canada. The Government of Nunavut conducted a day-long presentation in Iqaluit as well. All three Regional Inuit Associations and the Nunavut Tunngavik Incorporated were represented, as well as Intervenors from Makivik Corporation and the Nunavik Marine Region Impact Review Board.



A diamond drill perched on the top of Deposit #1 at Baffinland Iron Mines' Mary River iron project. The final hearings for the project are now completed. (*@Baffinland Iron Mines, Photographer Marc Pike, July 2012*)

The proposed open pit mine with a railway and port has five known deposits of high grade iron ore and a potential mine life of 21 years. For Nunavut, the timely development of the Mary River Project would generate significant training, employment, and business opportunities for Inuit. Igloolik Mayor Nicholas Arnatsiaq agrees. According to a July 24th CBC interview Arnatsiaq is fully behind the Baffinland project. "It's a growing community," he said. "We now have 2,400 people, and there is virtually no economic base in this community."

The NIRB has 45 days to render its final decision upon conclusion of the hearings.

Positive Feasibility Study for Courageous Lake Gold Project

On July 24, Seabridge Gold released the results of its first Preliminary Feasibility Study (PFS) for its 100%-owned Courageous Lake gold project north of Yellowknife, NWT. The study demonstrates that Courageous Lake is an economic project at the current gold price while also offering substantial leverage to higher gold prices.

Commenting on the study, Seabridge Chairman and CEO Rudi Fronk said: "Our business plan from inception has been to grow gold resources and reserves while minimizing equity dilution. With an estimated 6.5 million ounces of newly defined proven and probable reserves at Courageous Lake, combined with the 38.2 million ounces of gold reserves estimated at our KSM project, we now report total proven and probable gold reserves of 44.7 million ounces. Not only does this rank Seabridge among the top ten companies in the world with respect to gold reserves, but with only 43.4 million common shares outstanding, we provide our shareholders

with more than one ounce of gold reserves per common share outstanding. Furthermore, this entire reserve base is located in Canada, one of the safest and most mining-friendly jurisdictions in the world.” Proven and probable reserves at KSM are estimated at 2.2 billion tonnes grading 0.55 grams per tonne gold, 0.21% copper and 2.74 grams per tonne silver.

The Courageous Lake PFS is based on a single open-pit mining operation with on-site processing. A base case scenario was developed for the project incorporating an estimated 91.1 million tonnes of proven and probable reserves at an estimated average grade of 2.20 grams of gold per tonne feeding a 17,500 tonnes per day operation (6.1 million tonnes per year annual average throughput). This yields a projected 15 year operation with average estimated annual production of 385,000 ounces of gold at a projected life of mine average cash operating cost of US\$780 per ounce recovered (US\$674 in years one to five). Start-up capital costs for the project are estimated at US\$1.52 billion, including a contingency of US\$187 million.



The PFS also identifies several opportunities that could significantly improve the overall project economics. First, the current design incorporates a combination of diesel and wind generated power resulting in a projected power generation cost of Cdn\$0.184 per kilowatt hour which is nearly 40% lower than power generation by diesel fuel alone. Seabridge is evaluating nearby potential hydro-electric sources which would also provide reliable, sustainable and lower-cost clean energy source and significantly reduce the requirement for diesel fuel at the site. Secondly, access to the project under the current design is by winter road which is limited to less than three months per year. It is during this period that almost all of the project’s supplies are transported to site. The Tibbitt to Contwoyto Winter Road Joint Venture proposes extending the winter road seasonal use by at least another month with a 150 km extension from the permanent road access at Tibbitt Lake to Lockhart camp. While this would result in some reduction in both operating and capital costs for Courageous Lake, an all-season access road from the Bathurst Inlet would provide considerably more benefit to Courageous Lake economics. Seabridge will continue to investigate these options as the project moves forward.

Mr. Fronk noted that Seabridge will continue to optimize the Courageous Lake project. “We believe the most cost effective way to improve project economics is to add to reserves. We are now drilling some highly prospective targets which could be accessed easily by the operation proposed in the PFS.”

Tetra Tech Wardrop prepared the PFS and the Executive Summary can be found at www.seabridgegold.net/CL_ExecSum_2012.pdf. The complete PFS will be filed at www.sedar.com within 45 days.

De Beers Releases Annual and Snap Lake Socio-Economic Reports

In late June, De Beers Canada released *2011 Year in Review and Snap Lake Mine Socio-Economic Report*, summarizing the company's performance in the areas of operations, finance, sustainability and contributions to Canada and the communities in which they operate. For the first time, it also includes the Snap Lake Socio-Economic Report, which details De Beers' commitments specific to the Northwest Territories.

The 2011 Year in Review captures key information about the company's Snap Lake Mine in the Northwest Territories, the Victor Mine in northern Ontario, the Gahcho Kué Project in the Northwest Territories, Exploration Division and social investment in Canada.

De Beers Canada President & CEO Tony Guthrie said the success in 2011 can be attributed to the commitment of employees, business partners and community partners to safe, secure, profitable and sustainable production. "It is inspiring to see the way our team works together to achieve remarkable results, while improving our overall safety performance," said Guthrie. "We will continue to focus on the sustainable growth of our Canadian assets through clear objectives and aggressive targets, both at our operations and in the field, which will position De Beers Canada for the next twenty years and beyond."



Highlights of the report include:

- De Beers Canada employed 1,023 people and injected over \$500 million directly into the Canadian economy.
- Social investment totalled \$4.9 million through cash, in-kind donations and staff time, with a primary focus on literacy, education and skills training for the communities near our mine sites.
- At Snap Lake, \$161 million was spent on goods and services; \$110 million (68 per cent) of this was supplied by northern businesses, and \$40 million (36 per cent) of this total were provided by Aboriginal suppliers.
- At Victor Mine, \$101 million was spent on goods and services and \$57 million (57 per cent) was supplied by Aboriginal businesses.
- In July 2011, the 11,000 page Gahcho Kué Environmental Impact Statement submitted by De Beers Canada was deemed in conformity with the Terms of Reference issued by the Gahcho Kué Environmental Impact Review Panel.

The full [2011 Year in Review](#), including [photos](#) and [audio clips](#), can be downloaded from www.debeerscanada.com/files_3/publications.php.

De Beers has been active in Canada for nearly 50 years and is the only diamond company in Canada with two operating mines and a proposed third mine. The Snap Lake Mine is located in the Northwest Territories and is Canada's only fully underground diamond mine. The Victor Mine in northern Ontario is an open pit mine and the first and only diamond mine in the history of Ontario. De Beers Canada is also a joint venture partner in the Gahcho Kué Project in the Northwest Territories. Advanced exploration is currently underway at the Victor Mine, targeting a cluster of 15 previously identified diamond-bearing kimberlite pipes. De Beers Canada Exploration is also active across the country.

Diavik releases 2011 Sustainable Development Report

Diavik Diamond Mines Inc., operator of the Diavik Diamond Mine, has released its 2011 Annual Sustainable Development Report, which provides a detailed summary of Diavik's annual training, employment, and business initiatives.

Since 2000, Diavik has generated over 6,000 person years of northern employment and spent \$3.8 billion with local businesses, or 72 per cent of their total business spend of \$5.2 billion.

Socio-economic highlights include:

- **Employment:** In 2011, northern employment averaged 642 people, of which 313 are Aboriginal. As Diavik transitions to an underground mine they require new workers and skills. In 2011, Diavik hired 60 underground mining staff, of which 42 were northern workers. Of the northern hires, 24 are Aboriginal.
- **Business:** Also in 2011, 69 per cent of Diavik's spending was with local business, equalling \$302.7 million. Total northern and Aboriginal employment and total northern spending are well above feasibility study predictions of the late 1990s.
- **Training:** At year-end, Diavik supported 34 trades apprenticeships; all were northern and 19 were Aboriginals. These numbers are significantly above Diavik's apprenticeship commitment of eight to 18. In 2011, four Diavik apprentices completed apprenticeship training, achieving journeyman designation. Since 2003, 31 people have successfully completed their apprenticeships at Diavik.



Visit www.diavik.ca for more details and a copy of the report.

And ... Diavik releases 2012 mid-year Socio-Economic Report

Diavik Diamond Mines Inc. has also just released its 2012 mid year socio-economic monitoring report, which provides a detailed summary of Diavik's annual training, employment, and business initiatives.

Highlights include:

- **Training:** At mid year, Diavik and its contractors employed 36 apprentices; all are northern and 21 are Aboriginal. Over the past two years, Diavik has doubled the number of Diavik apprentices. Since 2003, 32 Diavik apprentices have successfully achieved journey person certifications.
- **Employment:** At June 30, the Diavik operations workforce averaged 1,165 people. Of these, 642 (55 per cent) were priority hire Aboriginal and non-Aboriginal northern workers.
- **Business:** During first half 2012, Diavik's combined capital and operating expenditures were CDN \$237.6 million. Of this, \$146.7 million (62 per cent) was with northern business. Of the northern expenditures, \$61.7 million was with Aboriginal business. Northern cumulative spending is \$3.8 billion, of which \$2.1 billion is with Aboriginal businesses and their joint ventures.
- **Benefits to local communities:** During the first six months of the year, Diavik's employee donations committee supported over 40 local initiatives with funding of approximately \$125,000.

The full report is available here:

http://www.diavik.ca/documents/2012_mid_year_socio_economic_monitoring_report.pdf

In landmark deal, Nechalacho mine could become 10% Aboriginal owned

Avalon Rare Metals Inc., the owner of the Nechalacho rare earth metals project located southeast of Yellowknife, NWT has entered into an agreement with the Deninu K'ue First Nation from Fort Resolution whereby the First Nation will become a 3% equity owner of the project.

In addition to signing the agreement with the Deninu K'ue, Avalon is negotiating agreements with the Yellowknives Dene First Nation and the Lutsel K'e Dene First Nation. If successful, the Nechalacho mine could become 10% Aboriginal owned. The project is currently undergoing an environmental assessment and is preparing to secure the capital funding to eventually build the mine. It could start production as early as 2016.

World demand for the minerals which make up the Nechalacho deposit is growing due to their importance to the development of green energy technologies such as wind generators and rechargeable batteries and other high-tech electronic applications.

New NPMO database tracks northern project reviews

To help manage more efficient environmental review and regulatory processes in northern Canada, the Northern Project Management Office has launched its *Tracker* web-based application.

Tracker gives real time information on the status of major resource development and infrastructure projects as they navigate through the regulatory system in Yukon, the Northwest Territories and Nunavut. Project proponents, regulatory bodies, governments and the public can access the NPMO Tracker database, ensuring common information is available to all. The Tracker helps improve the accountability and transparency of federal regulatory activities and increase certainty for industry. The NPMO Tracker currently contains information on projects undergoing environmental assessment. In future, it will expand to include projects in the regulatory phase, and will incorporate project-specific federal milestones and tasks.



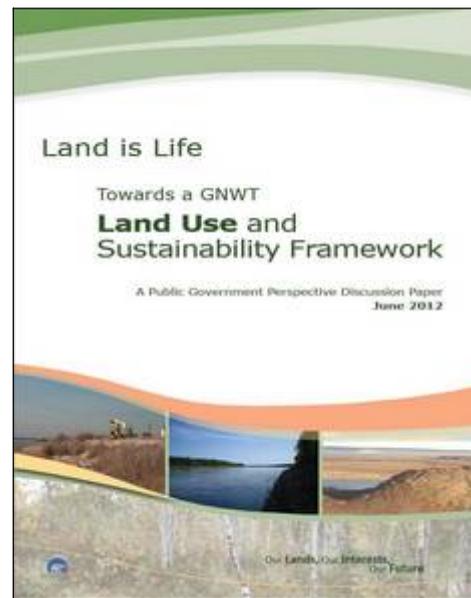
To use *Tracker*, visit: <http://npmo-bgnp.cannor.gc.ca/NPTracker/home-accueil.aspx>

NWT Government Launches Land Use & Sustainability Framework

The NWT Government is seeking comments on a draft Land Use & Sustainability Framework designed to help GNWT prepare for devolution and its transfer of land management responsibilities. It proposes a Vision, Guiding Principles, and Strategic Directions to guide how land management decisions will be made.

The Chamber is seeking members' input to develop an industry position.

The government is requesting comments from the public by September 30, 2012. Copies of a pamphlet, Executive Summary and the Discussion Paper are available here: <http://www.executive.gov.nt.ca/initiatives/>.



Economic ‘Supercycles’ and the forecast for this one

An interesting report has been released by Standard Chartered Bank (SCB) and their Global Research Team on economic “supercycles”.

In a short video clip here: http://www.standardchartered.tv/index.html?id=2_27&type=video, the bank’s Chief Economist & Group Head of Global Research, Gerard Lyons discusses the key themes from their major report ‘The Super-Cycle’.

SCB believes there have been three global supercycles to date: the first from about 1870 to the first world war was the result of the Industrial Revolution; the second came about with rebuilding after the second world war, and the third began about 10 years ago with the emergence of China. They project this current supercycle out to at least 2030.

The effects of this supercycle already have seen the world economy double in size over the past 10 years. While the emerging markets of China, India and others comprise only 1/3 of the global economy, they have accounted for 2/3 of global growth. India and China will continue to be the leaders.

According to SCB, the winners in this supercycle will be those countries that have cash, commodities and creativity. This bodes well for Canada as a commodity rich nation, and could bode well for northern Canada, particularly if we show the creativity required to take advantage of this significant economic opportunity. We won’t be the only ones in the running.

BEAHR Programs “Bear” Success in the Kivalliq

Building Environmental Aboriginal Human Resource (BEAHR) Training Programs are a series of culturally relevant, skills-based environmental training opportunities for Aboriginal learners (First Nation, Métis, and Inuit). The program is the result of a successful partnership between the Aboriginal Human Resource Council (AHRC) and Environmental Careers Organization (ECO) Canada. Each course is community-based and inclusive of Aboriginal culture and local knowledge.

Recently, a component of the program was delivered in Rankin Inlet by Sakku Investment Corp’s affiliate company Nunami Stantec. Six students graduated and are now moving into positions provided by AREVA, Agnico-Eagle Mines, Kivalliq Energy, and Cameco.

By design, BEAHR Programs are short-term and employment focused. They integrate local knowledge and offer practical field experience. Along with Environmental Monitoring, the curriculum includes:

- Environmental Site Assessment
- Contaminated Sites Remediation
- Solid Waste
- Land Use Planning
- Local Environmental Coordinator
- Certificate of Applied Environmental Techniques
- Certificate of Environmental Planning and Administration

In a recent article in Northern News Services, Rankin Inlet graduate Craig Beardsall summed up the students' point of view. "Right now a lot of people are just looking at it as a job...But we're going to have so much mining in Nunavut in the future, we're going to need people doing a good job at environmental monitoring to keep it safe."



Successful graduates of the BEAHR training course in Rankin Inlet accompanied by their instructors and by David Ningeongan (President of Kivalliq Inuit Association) and Patrick Tagoona (President of Sakku Investments Corporation).

NWT Government revises Species at Risk info

The 2012-2017 schedule identifying species to be assessed to determine if they are at risk has been released by the Northwest Territories (NWT) Species at Risk Committee.

Under the NWT Species at Risk Act, the Committee reviews the species status assessment schedule every year and revises it as needed.

Species scheduled for assessment in 2012 are Peary Caribou, Hairy Braya, Polar Bear, and Boreal Woodland Caribou. In 2013, species scheduled for assessment are Barren-ground Caribou, Dolphin-Union Caribou, and Northern Leopard Frog. Species were prioritized for status assessment using a checklist of the following six factors: uniqueness; trends; community concern; rarity; threats; and percentage in the NWT.

More species are scheduled for assessment in 2014-2017.

The Species at Risk Committee, established by the Species at Risk (NWT) Act, is an independent committee of experts responsible for assessing the biological status of species at risk in the NWT. The Committee will use the assessments to make recommendations on the listing of species at risk. The assessment categories are Extinct, Extirpated, Endangered, Threatened, Special Concern, Not at Risk, and Data Deficient.

New Report: Engaging Métis, Inuit, & First Nations Workers in the Workforce

Aboriginal workers can help address the labour and skills shortages that many Canadian businesses face, especially those located in the Northern regions where resource development is creating a growing demand for workers. Yet low levels of formal education and a lack of work experience hinder the success of Aboriginal peoples in Canadian workplaces, according to a new Conference Board of Canada report.

“Soon, Canada will not have enough workers with the right skills to meet its labour needs. The Aboriginal population, including Inuit, Métis, and First Nations, is the fastest-growing cohort in Canada, but it is underrepresented in the labour force compared to the non-Aboriginal population,” said Alison Howard, Principal Research Associate at the Conference Board, and co-author of *Understanding the Value, Challenges, and Opportunities of Engaging Métis, Inuit, and First Nations Workers*.

Integrating more of the Aboriginal population into Canadian workforces will require improving educational outcomes—especially high school completion rates—and providing better opportunities to gain work experience.

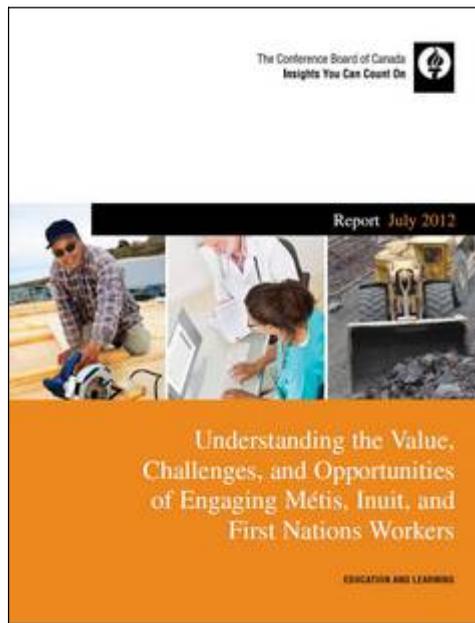
Between 2001 and 2026, more than 600,000 Aboriginal youth are expected to enter the Canadian labour market. This Conference Board of Canada report provides recommendations on the steps that employers, Aboriginal organizations and businesses, as well as policy-makers, can take to ensure that Aboriginal peoples both join the workforce in greater numbers and succeed in the workplace.

“Rather than focusing on the challenges associated with employing Aboriginal workers, businesses should tap into this underutilized source of talent to fill skill gaps and address current and future labour shortages,” said Howard.

Businesses that successfully hire and retain Aboriginal workers benefit in more ways than just finding qualified employees. Employing Aboriginal workers helps organizations build stronger connections and relationships within their local communities. Businesses become more diverse and inclusive when they tap into the talents of Aboriginal workers. And Aboriginal peoples who are successful in the workplace act as role models for others in their communities.

While many Canadian businesses say it is important to bring Aboriginal peoples into their workplaces, challenges remain. High school completion rates are a key area requiring improvement, particularly in Northern and remote communities.

According to the 2006 Census, 34 per cent of the Aboriginal population aged 25 to 64 had not completed high school or obtained another diploma or certificate, compared to 15 per cent of



the non-Aboriginal population. The 2006 Census also found that 44 per cent of Canada's Aboriginal population had completed post-secondary studies, compared with 61 per cent of the non-Aboriginal population.

"Increasing high school graduation rates and encouraging students to take courses that are required for employment is an important step," said Anja Jeffrey, Director of the Conference Board's Centre for the North, which published a report on similar themes, *Building Labour Force Capacity in Canada's North*, in 2011. "It's also important that long-term partnerships between communities, companies, and employment organizations are in place to build a sustainable and productive Aboriginal workforce."

This new report outlines strategies that can help to bolster the recruitment, hiring, and retention of Aboriginal peoples in Canadian workplaces. These include:

- Improve educational outcomes – Beyond high school, Aboriginal workers also need greater access to educational programs that allow them to learn or upgrade basic skills. Employers can offer mentoring, internships, and job-shadowing opportunities.
- Simplify points of contact between Aboriginal organizations and employers – Better coordination among Aboriginal organizations to simplify points of contact for employers would make it easier for them to find and engage potential Aboriginal workers.
- Raise awareness of Aboriginal cultures – Cultural awareness programs can help to overcome negative stereotypes, racism and misunderstandings in the workplace.
- Increase opportunities for the sharing of best practices among Aboriginal employment organizations – Increased opportunities for Aboriginal Skills and Employment Strategy (ASETS) Agreement Holders to share information and best practices among themselves and with other organizations would strengthen their ability to provide services to both workers and employers.

For a copy of the report, visit:

<http://www.conferenceboard.ca/e-library/abstract.aspx?did=4886>

Fortune Minerals Annual Review Released

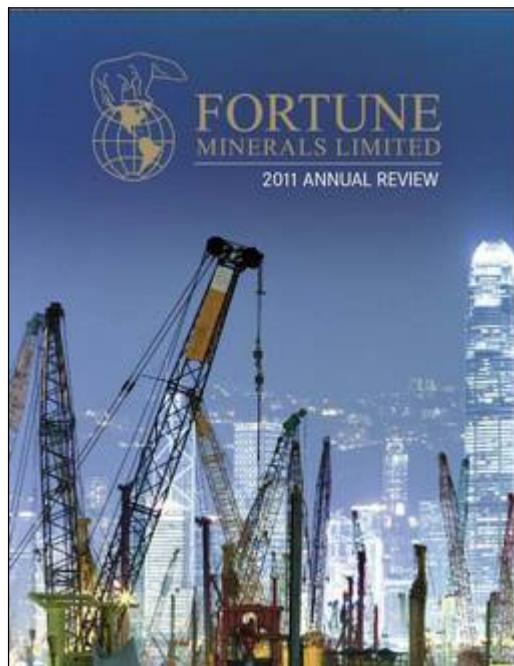
Fortune Minerals has released its Annual Review, describing work on its two major projects, Mount Klappan metallurgical coal in British Columbia and NICO in the Tli Cho region of the NWT.

According to the report, Fortune has valued the two projects by:

- \$1.3 billion in combined base case NPV for our Mount Klappan and NICO projects from bankable feasibility studies
- \$190 million of work invested in our projects to support development
- Canada's only known significant deposit of premium anthracite coal and one of the world's largest undeveloped metallurgical coal projects with 230.9 million tonnes of Measured & Indicated Resources, including In-Situ Reserves of 106 million tonnes

- 31 million tonnes of Proven and Probable Mineral Reserves containing 907,000 ounces of gold, 82 million pounds of cobalt, 106 million pounds of bismuth (~15% of global reserves) and by-product copper credits

Fortune's goal is to become a successful producer of metallurgical coal, gold and specialty metals and unlock the value of our world class Mount Klappan and NICO development projects. Fortune has advanced both assets through comprehensive exploration programs and feasibility studies, while minimizing start-up risk by conducting test mining and pilot plant processing, and acquiring the Golden Giant mill equipment. In 2011, several engineering, permitting and financing milestones were accomplished, and despite volatile capital markets, Fortune looks to 2012 as a transformative year towards achieving production objectives.



Deloitte & Touche Corporate Finance Canada is engaged to help identify strategic partners to finance both Mount Klappan and NICO and minimize dilution from equity financings as the Company advances both projects through environmental assessments and permitting.

Fortune's annual review report can be downloaded from their website:
<http://www.fortuneminerals.com/>.

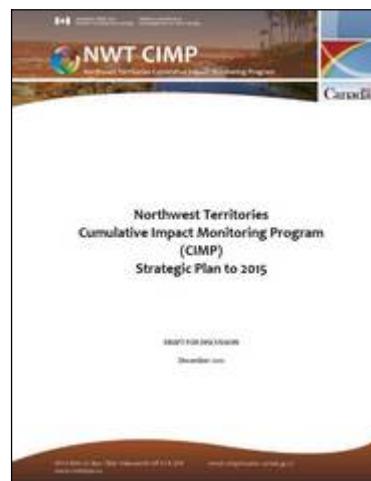
Draft Strategic Plan: NWT Cumulative Impact Monitoring Program

The purpose of this snapshot is to help familiarize our partners with the Northwest Territories Cumulative Impact Monitoring Program (CIMP); to highlight the results of a successful CIMP supported project; and to suggest how the results could be used to enhance environmental monitoring in the NWT.

The goal of CIMP is to support better resource management decision-making and sustainable development in the NWT through the collection, analysis and dissemination of environmental and cumulative impact monitoring information. CIMP funds environmental monitoring and research based on priorities set by local resource management decision-makers.

For more information on CIMP's mandate and goals, follow the link to the NWT Discovery Portal¹:

http://sdw.enr.gov.nt.ca/nwtdp_upload/CIMP_STRATEGIC_PLAN_2010_15.pdf



A Visit to Hall Peninsula Geoscience Project

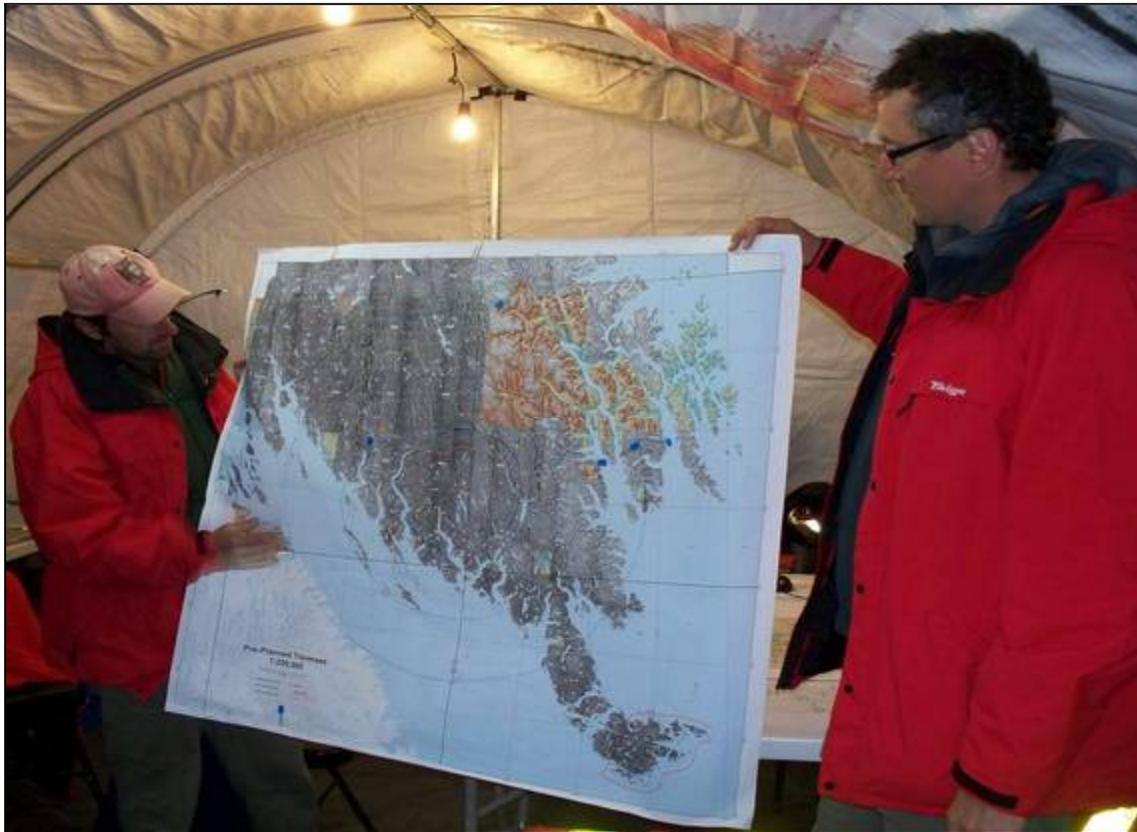
Just a few little white tents dotted along a river bed are home for the Canada-Nunavut Geoscience (CNGO) project at Hall Peninsula this summer. The camp's simplicity belies the impact of the research conducted at the site setting important groundwork for prospecting and exploration in Nunavut.

The *Hall Peninsula Integrated Geoscience Program*, led by David Mate, Chief Geologist with the CNGO is being delivered in collaboration with partners from universities, industry and federal and territorial governments. The study area covers a 120 km radius and comprises all or parts of nine National Topographic Scale (1: 250,000) map sheets north and east of Iqaluit.

The Chamber was pleased to be invited, alongside Patrick Borbey, President CanNor; Robin Aikten, Regional Director General (Nunavut) AANDC and other government staff to visit the camp on July 8th.



Dalhousie University Geologist Mike Young describes a recent sample while Robin Aikten, AANDC looks on.



NRCan Staff Geologist Gabriel Machado and Dave Mate provide an overview of the project site.

NWT Land & Water Boards Clarify Spill Reporting Expectations

The Mackenzie Valley, Gwich'in, Sahtu, and Wek'èzhii Land and Water Boards recently reviewed their roles and responsibilities with respect to spill reporting requirements for surface and underground spills that occur at projects licensed under the *Mackenzie Valley Resource Management Act* (MVRMA).

During the review, the Boards considered correspondence from both the GNWT Department of Environment and Natural Resources and Aboriginal Affairs and Northern Development Canada (AANDC). The Boards also took into consideration the MVRMA, the *NWT Waters Act* and their associated regulations, a legal review, and the *Indian and Northern Affairs Canada Spill Reporting Protocol for Mining Operations in the Northwest Territories*.

The Boards have determined that they require proponents to:

- Maintain records for all spills, whether on the surface or within an underground operation;
- Report all spills greater than 100 litres, whether on the surface or within an underground operation, to the 24-Hour Spill Hotline in accordance with instructions contained in the "NT-NU Spill Report" form, the *Spill Reporting Protocol for Mining Operations* (2004), or subsequent versions; and
- Ensure compliance with all land use permit and water licence conditions related to spill reporting and all applicable legislation and regulations.

It is the expectation of the Land and Water Boards that clarification of these requirements will ensure consistency of their application throughout the Mackenzie Valley.

For more information, the Board Chairs ask that you contact your local Land and Water Board.

Thinking about a career in Mining?

A tremendous resource for information on mining careers has been put together by the Mining Industry Human Resources Council. Mining jobs are identified and explained, along with expected salary ranges. Check it out at: <http://www.acareerinmining.ca/en/index.asp>



Calendar of Events

- **Nunavut Trade Show**, September 25-27, 2012, Iqaluit, Nunavut. Visit: www.nunavuttradeshow.ca
- **Workforce Planning in Mining Conference**, October 25-26, 2012, Toronto, ON. Contact: [http://www.marcusevansch.com/WPN Event](http://www.marcusevansch.com/WPN_Event)
- **Aboriginal Mining Education Forum**, November 20-21, 2012 at the Hyatt Regency, Toronto, ON. For more information and to register go to: www.aboriginalmining.ca
- **2012 Yellowknife Geoscience Forum**, November 13-15, 2012, Yellowknife, NT. Plan to attend the north's largest conference. Visit: www.miningnorth.com/geoscienceforum.
- **Canadian Aboriginal Minerals Association Conference**, November 18-20, 2012, Sheraton Centre Hotel, Toronto. Theme: *Community Gems, Faceted Outcomes*. Visit: www.aboriginalminerals.com.
- **Kivalliq Trade Show**, November 19-22, 2012, Rankin Inlet, NU. Visit: www.kivalliqtradeshow.ca
- **Nunavut Mining Symposium**, April 8-11, 2013, Iqaluit, Nunavut. Visit: <http://www.nunavutminingsymposium.ca/>

 <p>NWT & NUNAVUT CHAMBER OF MINES</p> <p><i>Established 1967</i></p>	<p>Northern Mining News is written and published by the NWT & Nunavut Chamber of Mines for free distribution electronically to those interested in the northern minerals industry.</p>
	<p>For further information contact us at: PO Box 2818, Yellowknife, NT X1A 2R1 Email: info@miningnorth.com Website: www.miningnorth.com</p>

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. Mine life to 2019.	2011 Year in Review report released. BHP Billiton is conducting review of diamonds business and potential sale.
Diavik Mine	Rio Tinto and Harry Winston	Diamonds	Canada's largest diamond producer, 300 km NE of Yellowknife. Open pit and underground, but will be all underground in 2012. Mine life beyond 2020.	1 million tonne underground production reached in May. Investigating potential to add A21 pipe to mine plan. Rio Tinto is conducting review of diamonds business and potential sale. The plan for calendar 2012 foresees production of ~ 8.3 million carats from mining 2.0 million tonnes of ore and processing of 2.2 million tonnes of ore.
Snap Lake Mine	De Beers	Diamonds	Canada's first all underground diamond mine. 220 kilometres NE of Yellowknife. Mine life to 2028.	Commenced commercial production on January 16, 2008 and the Official Mine Opening took place on July 25, 2008.
Cantung Mine	North American Tungsten	Tungsten, copper	Cantung is in the mountains of western Northwest Territories, ~ 300 km by road NE of Watson Lake, Yukon. Mine life to 2014.	June news release reports significant new underground exploration results in "Amber Zone".
Nechalacho	Avalon Rare Metals	Rare earth metals	Proposed underground mine 100km SE of Yellowknife. Estimated mine jobs: 200	EA Update: Mackenzie Valley Review Board is reviewing responses to information requests. Avalon and the Deninu K'ue First Nation have signed Accommodation Agreement
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	Various documents and technical reports are being filed for the environmental assessment process so as to support 5 days of public hearings in July.
Yellowknife Gold	Tyhee NWT Corporation	Gold	Proposed open pit mine 88 km NE of Yellowknife. Estimated mine jobs: 238	Brian Briggs appointed full-time president, CEO and Director. Feasibility study expected in August. Environmental Review underway.
Prairie Creek	Canadian Zinc Corporation	Lead-zinc-silver	Proposed underground mine 120 km west of Ft. Simpson. Estimated mine jobs: 220	Project in permitting and licensing. Preliminary Feasibility Study results issued June 27.
Gahcho Kue	De Beers & Mountain Province	Diamonds	Proposed open-pit diamond mine approximately 180 km ENE of Yellowknife, NT. Estimated mine jobs: 360	EA Update: Developer and parties preparing responses to January 2012 information requests responses. De Beers anticipates submission by end of March 2012. Technical sessions tentatively scheduled for May.
Pine Point	Tamerlane Ventures	Lead-zinc	Company proposes underground mine east of Hay River, NT using freeze technology for water management. Estimated mine jobs: 225	Company has requested change to adit and decline from shaft to test mine the R-190 deposit. Resource is Defined, Permitted for Construction, Extensive Infrastructure
Courageous Lake	Seabridge Resources	Gold	Proposed open pit mine 240 km northeast of Yellowknife	Positive Preliminary Feasibility Study released July 24 with 6.5 million oz proven and probable reserves. 2012 exploration budget of \$8.5 million. Annual report released in May.
Selwyn Project	Selwyn Chihong	Zinc, lead	Yukon project, but mineralization extends into NWT, and access is through NWT. Agreements signed with NWT (Sahtu) Aboriginal land corporations.	Production scheduled for 2015. Feasibility study to be done in 2012.

Mines & Promising Nunavut Mine Projects

The following table describes a number of leading mineral development projects in Nunavut. Very preliminary estimates have been provided for workforce size if the projects were to become mines.

Project	Owner(s)	Commodity	Description	Status
Meadowbank Gold 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. Mill began commercial production in March, 2010. Mine life through 2017. Mine jobs: 450	NTI received first royalty payment in 2012. July Q2 reports record quarterly gold production of 98,403 ounces.
Jericho Diamond Mine	Shear Diamonds Ltd.	Diamonds	Project to reassess viability of reopening the former diamond mine, 255 km SSE of Kugluktuk. Currently produced 34,007 carats from old kimberlite stockpiles. Estimated future mine jobs: 150-200	In July, Shear delivered its second parcel (13,908.31 carats) to Taché, Shear's diamond marketing partner, for sale into end markets.
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: over 3,500. Estimated mine jobs: over 1,000.	Public hearings for Environmental Assessment completed in July, 2012.
Kiggavik	AREVA Resources	Uranium	Proposed uranium mine 80 km W of Baker Lake. Estimated Construction jobs: 600 Estimated mine jobs: 500	IIBA negotiations begin January 27, 2012; Submission of Information Requests to NIRB regarding Draft EIS extended to June 18, 2012.
Meliadine Gold	Agnico-Eagle Mines	Gold	Possible gold mine, 5 deposits, the largest of which is the Tiriganiaq deposit, 25 km NE of Rankin Inlet. Estimated construction jobs: 600 Estimated mine jobs: 350 - 400	Plan to complete feasibility study in 2013; NIRB approved EA exemption to construct All Weather Road to site from Rankin Inlet. Road is located on Inuit Owned Lands.
Hackett River	XStrata Zinc Canada	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	Camp opened February 20, 2012; Pre-feasibility study team being assembled.
Back River	Sabina Gold & Silver Corp.	Gold	Approximately 60KM from Hackett River deposit, comprises Llama, Umwelt, Goose and George deposits. Open pit & underground mining proposed. Positive Preliminary Economic Assessment released May 29. Pre Feasibility Study expected by H1 2013.	2012 exploration budget approved at \$60m. Project Description submitted to NIRB in July to trigger mining Environmental Assessment.
High Lake /Izok Lake	MMG Resources Inc.	Copper, Zinc, Gold, Silver	(High Lake) 1710 hectare, copper-zinc-silver-gold property, 190 km ESE of Kugluktuk. Estimated mine jobs: 500 (Izok) High-grade zinc-copper-lead-silver deposit, 255 km SW of Kugluktuk. Estimated mine jobs: 760	High Lake/Izok/Grays Bay now being permitted as one project. Proceeding with Feasibility Study; Fieldwork planning underway – data collection, environmental baseline work, and exploration.
ULU & Lupin	Elgin Mining Inc.	Gold	Both projects located SE of Kugluktuk. Lupin mine: past production of 3.7 million oz. ULU deposit: indicated mineral resource; 751,000 tonnes @ 11.7 grams per tonne.	Elgin purchased both properties from MMG Resources in July, 2011. Winterization of work camp at Lupin; Drilling at Ulu began April, 2012. New CFO appointed.
Roche Bay	Advanced Exploration	Iron	Over 500 mt of Indicated Resources within 6 km of a natural deep water harbour at Roche Bay.	Feasibility study due by end of 2012.
Chidliak	Peregrine Diamonds Ltd.	Diamonds	Located 180 km S of Pangnirtung. Contains 60 known diamond-hosting formations.	Peregrine announced discovery of 60 th kimberlite at Chidliak in July.
Doris North/ Hope Bay	Newmont Mining Corp	Gold	Proposed gold mines 130 km south of Cambridge Bay; covers majority of the Hope Bay Greenstone Belt. Estimated mine jobs: 300	Work postponed indefinitely while project under review; Company has approved "Care and Maintenance" funding for the Hope Bay site.

Project Maps

