

Northern Mining News

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From the Executive Director ...

This past month saw the unexpected announcement that Newmont is putting their Nunavut Gold Project – Hope Bay – on care and maintenance until further notice. The decision brings a reminder that even advanced projects with significant investments made are not sure bets to become mines. Northern Canada is remote and suffers high costs. It is up to all of us – governments, land claimants, industry, and the business community – to find ways to help hopeful miners meet and overcome the challenges if we want to develop a robust northern mining industry.

On a celebratory note, two northern organizations NUNA Logistics and the NWT's Mine Training Society are amongst Canada's national exploration organization's annual awards. Please join us in congratulating their great work!

I hope you enjoy this issue.

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

Newmont puts Hope Bay Project on Hold

In an unexpected announcement on January 31, Newmont subsidiary Hope Bay Mining put their large gold project on care and maintenance for an indefinite period while they evaluate project development options relative to Newmont's other global projects. Development and surface exploration activities will be postponed pending the outcome of the company's strategic review. Hope Bay was working to advance mining of the Doris, Madrid and Boston gold deposits in the Kitikmeot region of Nunavut and had invested over \$500 million into project development.

Hope Bay will conserve spending on all non-essential expenditures, including postponing development and surface exploration activities until further evaluation of potential strategic options for the project is complete. Priorities in the first quarter of 2012 include ensuring regulatory compliance around water, waste and material management, and in so doing Hope Bay will maintain the highest safety standards and environmental and regulatory compliance in putting the project into care and maintenance. It will also complete some key work including the construction of the ice-core dam at the tailing management facility.

Newmont will maintain its Cambridge Bay and Vancouver offices and teams as necessary to support essential work at the site. Employees, contractors, Inuit, government officials and regulatory authorities have been or are being notified.

In statements to CBC News, Chris Hanks, vice-president of Environmental Affairs for Hope Bay Mining stated: "We are not satisfied with the geological package we've put together at this time. As all projects do, we are competing globally for capital, and Newmont has other places it wishes to put its capital right now. So Hope Bay has fallen down the line a little ways."

The move deals a blow to development in the Kitikmeot region by halting plans to expand the project, plans that included hundreds of jobs, construction of a mine and processing plant, all-weather roads and airstrips, and a port.

While there is no doubt there is gold in the Hope Bay volcanic belt, the challenge is to develop a mine around multiple deposits found within the 60-km long belt, to mine it from thin veins (a more expensive proposition) and to do all this in a high cost, remote location, where the company (like all other northern miners) is faced with going it alone in building its own transportation and power infrastructure.

We should appreciate the courage it takes for companies to advance northern mining projects, but also the wisdom to know when to pull back to reconsider your options.

We are very hopeful that in reconsidering the project, the company makes the decision to come back.



Akaitcho request judicial review of Drybones Bay exploration decision

The Yellowknives Dene have requested a judicial review of the Mackenzie Valley Environmental Review Board's decision to approve a 10-hole diamond drilling program proposed by prospector Alex Debogorski in the Drybones Bay area, near the First Nation's community of Dettah.

In an interview with CBC-North, Yellowknives Dene Chief for Dettah, Edward Sangris explained the area is special to his people because it contains "a lot of ceremonial sites and burial sites." According to the Chief, "We have asked the Federal Government from the beginning to put in a land use plan for the area so that some of these areas are protected, and some we feel comfortable for development to occur. The government hasn't done that. We are trying to protect one crucial area for our people and that's why we put in this judicial review to tell the government, listen we need to develop a plan. We haven't received any response."

Regarding their position on mining, Chief Sangris emphasized that "The Yellowknives Dene are not against development. We have three producing mines in our area. [Drybones Bay] is one area that we need to protect."

Last year, the Akaitcho Dene First Nations (of which the Yellowknives Dene are a member), signed a Memorandum of Understanding with the NWT & Nunavut Chamber of Mines to signal their support for exploration. Work is ongoing on that initiative to help advance its goal of *Collaboration Towards Mutually Beneficial Mineral Exploration and Development in the Akaitcho Territory*. A copy of the MOU is available on the Chamber's website here: <http://www.miningnorth.com/wp-content/uploads/2011/05/Akaitcho-Chamber-MOU-Signed-201107084.pdf>

Sabina buys BIPAR data

Sabina Gold and Silver has purchased the as yet unbuilt Bathurst Inlet Port and Road Project (BIPAR) from two Nunavut companies, Nuna Logistics and the Kitikmeot Corporation. BIPAR is a proposal to use a combination of a port in Bathurst Inlet, Nunavut and a road inland to mining operations. It would provide a means for mines in the region to truck mineral concentrate to the port for delivery by ship to distant markets. BIPAR would provide the access required to bring in the fuel and other materials required to construct and operate the mines.

As proposed, the BIPAR port could serve 50,000+ tonne ice-class vessels for the delivery of fuel, bulk cargo and general supplies as well as barges containing fuel and supplies for Kitikmeot communities. The port facilities would include a wharf, laydown and container storage areas, 220 million litre diesel fuel tank farm, accommodations, maintenance shops, airstrip and other site services.

According to Nuna Logistics' website, the BIPAR project is at the Draft Environmental Impact Study stage and is under review by the Nunavut Impact Review Board (NIRB). Sabina has asked NIRB to not make any decision until they assess next steps.

Two northern recipients for national awards

The Prospectors and Developers Association of Canada (PDAC) has announced that two NWT & Nunavut based organizations are among the recipients of its 2012 awards for outstanding contributions to, and excellence in the minerals industry. They will be honoured at the PDAC's awards evening in March.

The northern winners and their awards are:

- **NUNA Group of Companies** is the winner of the *2012 Skookum Jim Award for Aboriginal Achievement*. NUNA, which was formed in 1993 to provide mining and construction services to companies operating in northern Canada, is 51% Inuit-owned and has a 600+ workforce. NUNA built and maintains the 567-kilometre ice road from Yellowknife to Lupin, Nunavut, which provides access to northern mining sites throughout the winter.
- The NWT's **Mine Training Society (MTS)** is the recipient of a *Special Achievement Award* for its work. The MTS provides Aboriginal people in the Northwest Territories with opportunities to develop job skills that can be used in the mining industry. The MTS's services also include providing mining companies with access to a much-needed pool of skilled workers in the North. Over the past seven years, the Yellowknife MTS and its partners have trained 854 individuals, and 600 people have been placed in the northern mine and mine services sector.

The Prospectors and Developers Association of Canada (PDAC) is a national association representing the mineral exploration and development industry. Additional information about the PDAC and their awards is available on the PDAC website:

<http://www.pdac.ca/pdac/programs/awards/index.html>

Chamber recommends boundary for Ramparts Candidate Protected Area

As a participant in the NWT Protected Areas Strategy, the Chamber of Mines has submitted its recommendations that important mineral resources in the 10,000 square kilometre *Ts'ude niline Tu'eyeta*, or *Ramparts* area of the Northwest Territories be protected for its future development potential. The area is located near Fort Good Hope in the Sahtu land claim region.

Geoscience studies reveal that large parts of the Ramparts area have the potential to host deposits of zinc, lead, copper, diamonds and oil & gas that could create socio-economic opportunities for the K'asho Got'ine people, for the Sahtu region, and for the Northwest Territories. To maximize the opportunities, the Chamber recommends that the moderate to high mineral potential areas not be included under any protected area designation that blocks development forever. Further, the Chamber recommends that the Sahtu Land Use Plan be the tool used for protection. It can be modified by future generations to accommodate their needs, it provides a more flexible approach to balancing environmental values and economic development, and it provides more control to local communities.

"Mineral deposits rich enough to mine are rare and hard to find, being found where Mother Nature put them, not necessarily where we might prefer they be located," says Pamela Strand, President of the Chamber of Mines. "Given the rarity of high mineral potential lands, and their

importance to creating future economic opportunities, we believe they should remain open for development.”


The exploration investment climate in the NWT has suffered significantly over the past five years and the NWT is one of the few jurisdictions globally that is suffering a downturn in exploration investment in the face of a global exploration boom. The Chamber of Mines is urging public and Aboriginal governments and communities to take steps to re-invigorate the investment climate, including reassessing the need to protect large areas of the territory from development forever, as is being considered for the Ramparts or *Ts’ude niline Tu’eyeta* area.

The Chamber of Mines submission can be found on the Chamber’s website www.miningnorth.com under Library, Protected Areas. The full *Ts’ude niline Tu’eyeta Recommendations Report* is found on the NWT Protected Areas Strategy site at: <http://www.nwtpas.ca/>

Prairie Creek Mine goes to regulatory phase

On December 8, 2011 the Mackenzie Valley Environmental Impact Review Board (the Review Board) issued their Report of Environmental Assessment (the Report) EA0809-002 Canadian Zinc Corporation Prairie Creek Mine. The Review Board concluded, pursuant to paragraph 128(1)(a) of the Mackenzie Valley Resource Management Act (MVRMA), that the proposed development as described in the Report is not likely to have any significant adverse impacts on the environment or to be a cause of significant public concern.

As of December 18, 2011 the above noted files have been reintroduced to the regulatory process. The Mackenzie Valley Land and Water Board is requesting Canadian Zinc Corporation submit a Consolidated Project Description by February 10, 2012 at which time staff will review the document for completeness. Once the document is to the satisfaction of the staff, it will be sent for review to and the distribution list for comment. Board staff will prepare a work plan which will also be distributed for review and comment.



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NWT Government re-launches Prospector Grubstake Program

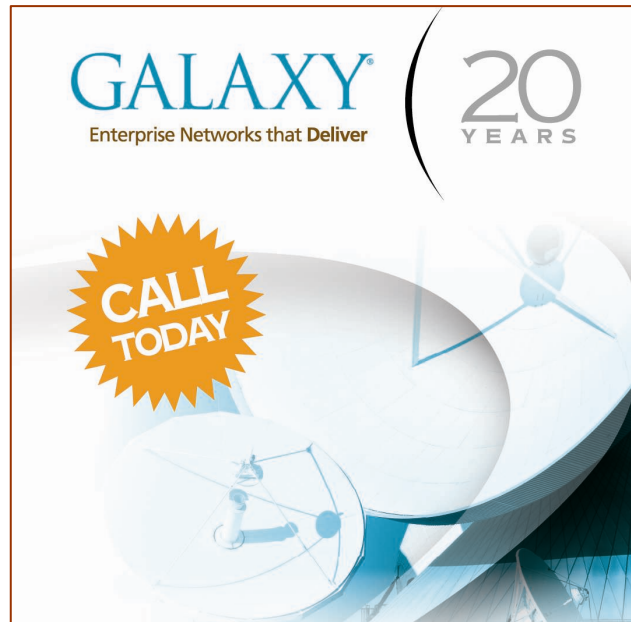
The Chamber of Mines congratulates the NWT Government's Ministry of Industry, Tourism and Investment for the announcement late last week that the Prospectors Grubstake Program would be re-launched after a 5-year absence.

According to Minister Ramsay, the program will provide financial assistance to qualified Northwest Territories prospectors through the Prospectors Grubstake Program, the NWT Government hopes to see additional prospectors search for new mineral occurrences or to reassess previously known occurrences and deposits around the territory.

Healthy and active exploration is the foundation for a sustainable mining industry. It was the persistence and optimism of prospectors Chuck Fipke and Stewart Blusson that resulted in diamonds being discovered in the NWT. This led to the largest staking rush in Canadian history, and most importantly resulted in 3 diamond mines – Ekati, Diavik, and Snap Lake – that have created some of the largest opportunities the NWT has ever seen, particularly in Aboriginal employment and business. It is especially important that the NWT maintain strong and active exploration if we are to replace our mines as they mature and finally close.

"While mineral exploration is robust globally and in other northern Canadian territories, investment has flagged in the NWT in recent years," said Chamber President Pam Strand. "The Chamber of Mines is hopeful that this announcement will add to other steps being taken to reinvigorate mineral investment in the NWT."

The Federal Government is working to amend key environmental legislation, and the northern regulatory boards are working to improve the efficiencies of their processes. There is growing



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recognition too by Aboriginal groups that resource development can provide their communities and land claim beneficiaries with much needed opportunities and benefits. The Chamber looks forward too to the launch of an NWT Minerals Strategy, a priority announced by the new NWT Government. Through coordinated efforts of all northern leaders, the NWT can become a premiere destination for mineral investment.

Diavik awards Tli Cho Air, Denesoline partnership 5-year, \$15 million contract

Tli Cho Air, which is owned by the Tlicho Investment Corporation as well as minority shareholder and Discovery Air subsidiary Air Tindi Ltd., is pleased to announce it has signed a new contract to conduct cargo and passenger flights for Diavik Diamond Mines Inc. in partnership with Denesoline Corporation of Lutsel K'e.

“We are extremely happy to be continuing our relationship with Diavik,” said Tlicho Investment Corp. Chairman Alex Nitsiza. “Diavik’s use of our company will leave a legacy of prosperity for the Tlicho people that will extend well beyond the life of the mine.”

The new five-year, \$15 million deal amounts to approximately eight to nine de Havilland Dash 7 flights per week and includes provisions for multiple extension years following the initial term. Air Tindi, which conducts all flight operations for Tli Cho Air and its partnership with Denesoline, currently operates a fleet of three Dash 7 aircraft.

“Denesoline is extremely proud to be working with partners that possess so much knowledge and expertise in the Northern aviation sector,” said Roy Shields, Chief Executive Officer of Denesoline Corp., the economic development arm of the Lutsel K'e Dene Band. “Collectively our team has a great deal of experience serving the NWT diamond mines across many sectors and this new air transport contract with Diavik is a recognition of the quality service they know they can depend on from our partnership group.”



Tli Cho Air, a company owned by the Tlicho Investment Corporation and minority partner Air Tindi, now has a new 5-year contract to provide passenger and cargo flights for Diavik Diamond Mines Inc. in partnership with Denesoline Corp. of Lutsel K'e. Photo: Jason Pineau, Tli Cho Air.

Under the terms of the new contract, Tli Cho Air is providing passenger, cargo and combination load flights between Yellowknife and the mine as well as passenger flights to and from the many Northern communities in which Diavik workers and contractors reside. The Dash 7 is ideally suited for servicing the Tli Cho and other Northern communities as well as resource exploration and extraction projects in the NWT and Nunavut thanks to its Short Take-Off and Landing (STOL) capabilities. One such aircraft, registered as C-FWZV, was recently purchased by Tli Cho Air.

Diavik releases 2011 annual socio-economic report

Diavik Diamond Mines Inc., operator of the Diavik Diamond Mine, has released its 2011 socio-economic monitoring agreement report, which provides a detailed summary of northern training, employment, and business benefits.

Highlights include:

- **Training:** As part of the mine's continuing commitment to support northerners in developing trade skills, Diavik and minesite contractors supported 34 apprentices in 2011. All are northern and 19 are Aboriginal. Additionally, four northerners successfully completed their apprenticeships bringing the total number of Diavik apprentices to have achieved journey person certification to 31.
- **Employment:** For the year, Diavik's northern workforce averaged 642 people. Aboriginal employment averaged 313 people. These numbers are well above original feasibility projections. In 2011, Diavik hired 60 underground mining staff, including 42 northern workers. Of the northern hires, 24 are Aboriginal.
- **Business:** 2011 spending with northern business totalled \$302.7 million, or 69 per cent of the \$438.1 million total spent. Of the northern expenditures, \$124.8 million was with Aboriginal business. Diavik's cumulative spending with northern businesses since 2000 is now \$3.8 billion, or 72 per cent of the total spent. Over \$2 billion was spent with northern Aboriginal businesses and their joint ventures.

Download the full report here:

http://www.diavik.ca/documents/2011_socio_economic_monitoring_report.pdf and for further information on Diavik, visit the DDMI web site at www.diavik.ca.

Geoscience - Education Connection

NWT ROCKS! ... was a morning of hands-on learning for over 500 teachers, school counselors and students at this year's NWT Geoscience Trade Show in Yellowknife.

On November 17th, over 500 students, teachers and school counselors experienced "hands on" geoscience and explored career options at this year's annual Yellowknife Geoscience Forum during the Trade Show's public access hours.

Organizers were pleased to see participation up from last year's successful pilot program with its 350 attendees.

Once again this year, the education program offered two components: hands-on geoscience activities for three pre-registered classes, and career exploration for confirmed students, teachers and school counselors from Behchoko (Tlicho Community Services Authority), Yellowknife Catholic Schools, and Yellowknife Education District No. 1.

The NWT ROCKS! education program was made possible through a partnership between the NWT & Nunavut Chamber of Mines, the NWT Geoscience Office, GNWT Education Culture and Employment and the Northwest Territories Teachers' Association (NWTTA). NWT ROCKS! was created to actively engage students, teachers and school counselors in learning more about geoscience and careers in the North's non-renewable resource industries.

The contributions of the many people and organizations helped to make this successful NWT ROCKS! program possible (see Page 9 for a complete list):

- Trade Show exhibitors volunteered to help students answer pre-selected questions provided in a Career Passport Booklet
- Teachers and school counsellors encouraged their students to learn more about geoscience and careers in the resource industries
- Volunteers helped to keep things running smoothly during the 2-hour event; and
- The NWT Geoscience Office donated NWT ROCKS! T-shirts!

“The North's economy is built on our non-renewable resources,” says Tom Hoefler, Executive Director of the NWT and Nunavut Chamber of Mines. “The more we educate students and educators about our industry, the greater our success in having them take advantage of the wealth of opportunities it provides. Everyone benefits. We are very thankful for the work that the Education Committee is doing, and for the many trade show exhibitors who are helping.”

David Reid, NWTTA President, sees value in this type of partnership, “Educators are life-long learners and this will provide them a great opportunity to learn more about the NWT's non-renewable resource industry and its career potential for their students. For students, having a field trip to this large industry trade show where they become active participants in their own learning is the type of lesson that has a long-reaching impact.”



Bathurst Caribou Survey Planned

The GNWT is planning a new population survey of the Bathurst caribou herd this summer. Many are hoping that this will be a real test of the herd's health, which government biologists reported suffered a major decline in the past 5 years.

Communities and big game outfitters will be particularly interested in the results, as their ability to hunt caribou was affected when the NWT government shut down the annual caribou hunt, much to their objections. Industry is also interested as there are some who try to link caribou herd fluctuations to industry activity.



Caribou graze around Lupin during mining operations.

This past year saw another herd – the Beverly herd in the Kivalliq region of Nunavut – make a “comeback” as biologists reported that the missing caribou had been found. It turns out that the herd had simply shifted its calving grounds north from the central barrens near Baker Lake to the coastal regions around Queen Maud Gulf.

New Report: *Responsible Mineral Development Initiative*

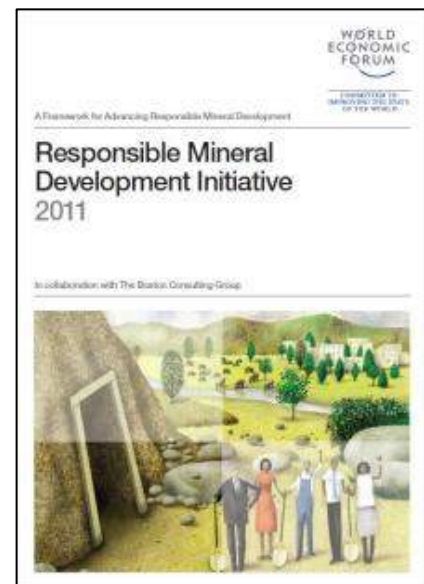
The development of mineral resources is a key driver of global economic growth. It has the potential to transform economies and societies, including some of the world's poorest nations, provided development is responsible and sustainable.

The ‘Responsible Mineral Development Initiative’ report for 2011, produced by the World Economic Forum in partnership with BCG, offers a pathway towards fulfilling this potential. It offers a series of realistic, practical building blocks for creating the stable operating environment - founded on trust, dialogue and transparency between companies, governments and other stakeholders – essential to a responsible, sustainable future.

The six building blocks are supported by 22 initiatives and case-studies which epitomize good practice. They were developed with the input of more than 400 stakeholders and workshops held across six continents.

In plain English, the building blocks identified are:

1. create tailored training programs and sharing knowledge;



2. making sure people are informed about the benefits and costs of mineral development;
3. develop collaborative process for stakeholder involvement throughout mining projects;
4. provide transparency;
5. commonly agreed compliance and monitoring combined with the enforcement of commitments; and
6. effective mechanisms to resolve disputes.

The report also identifies some of the countries with the greatest potential for transformation and discusses the usage of Mineral Development Agreements. Download the report here: <http://www.weforum.org/reports/framework-advancing-responsible-mineral-development>

Northern Vision: Northern Development during the Diefenbaker Era

At the inauguration of John G. Diefenbaker's 1958 election campaign, the Prime Minister announced his 'Northern Vision,' a bold strategy to extend Canadian nationhood to the Arctic and develop its natural resources for the benefit of all Canadians. In some ways, the 'Northern Vision' was a political platform, an economic platform as well as an ideological platform.

Not since the Diefenbaker era has the North seen such a focus from the Canadian Federal Government. And perhaps never before has the time been so right for it. The commodity demands of China, India and other developing countries has unleashed a global demand for minerals, and other resources – a commodity super-cycle.

The development of northern resources has largely been held back by insurmountable infrastructure challenges. If ever there was a time that the planets' alignment might allow these resources to be developed, it is now in this anomalous commodity super-cycle.

Graduate student Philip Isard's thesis evaluates Diefenbaker's political platform, the development of the 'National Development Policy,' and the regional outcomes of key northern development projects initiated by Diefenbaker's administration.

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Landmark decision: Diamond mines reclamation plans approved

(Courtesy: Newsletter of the Land and Water Boards of the Mackenzie Valley, FEBRUARY 2012 VOLUME II, ISSUE 1)

For the first time in the history of the Northwest Territories, two operating mines completed the approval process for their closure and reclamation plans in collaboration with the stakeholders of the Mackenzie Valley.

The Mackenzie Valley Land & Water Board reports that both the BHP Billiton Canada Inc. (BHP) and Diavik Diamond Mine Inc. (Diavik) have type A water licences (administered by the Wek'èezhìi Land and Water Board (WLWB) that allow them to construct, operate, and close their respective mines.

BHP went through an extensive closure planning process which involved a multi-stakeholder working group whose efforts have subsequently helped shape the closure planning process for projects throughout the NWT. Following a series of interviews conducted by the Land and Water Boards of the Mackenzie Valley (which resulted in an interim set of guidelines), Diavik helped to incorporate the lessons learned from BHP's experience and further refined the closure planning process for large-scale mines.

As a result of the efforts of both BHP, Diavik, and other industry and federal, territorial and Aboriginal government representatives, First Nations, and regulators, the Land and Water Boards of the Mackenzie Valley and Aboriginal Affairs and Northern Development Canada are close to releasing *Guidelines for the Development of Closure and Reclamation Plans for Mines and Mineral Exploration Projects within the Northwest Territories*.

These guidelines are a tool that ensures everyone is on the same page with respect to closure and reclamation planning, and that we are doing everything possible to clarify our expectations and to employ all means necessary to properly close and reclaim disturbed sites.

The collaboration exemplified by BHP and DDMI has paved the way and made it easier for future companies with similar requirements to prepare their closure and reclamation plans.

The De Beers diamond mine is currently undergoing a renewal of its type A WL which will include requirements for closure and reclamation. During the recent public hearing, most parties agreed that the Snap Lake Closure and Reclamation Plan is anticipated to be updated in accordance with the guidelines. This is a significant step forward as we all have an interest and responsibility to ensure that projects are cleaned up so the land, water, and wildlife can be enjoyed by future generations.

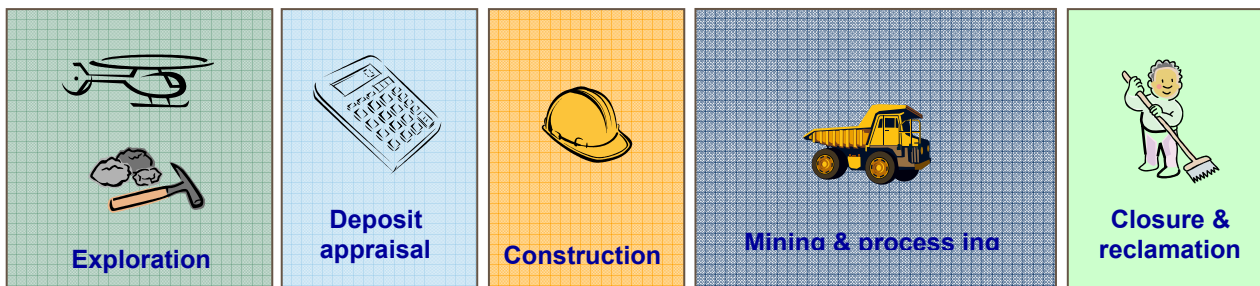


Open pits at the Diavik (left) and Ekati (right) diamond mines.

Creating value through the mining cycle

The Mining Recorder's Office informs us that the total area of the NWT occupied by mineral tenure is only 4.25%. For the most part, these are lands in mineral claims that see virtually no impact from exploration activities, but with luck and investment might reveal a hidden ore body underlying them. But it will take millions of dollars of investment over a number of years to prove if there is an ore body that can be mined economically or not. The odds of success are against you, and as a result the vast majority of exploration projects don't become mines.

Many would find it surprising to learn that we can treat mineral exploration as a renewable industry. No kidding! This is because we are always learning more about geology and where mineral deposits might be found. We are always developing better technology that will help reveal hidden deposits beneath our feet, and we are always searching for different commodities. This means that industry will often explore over the same areas. And each time that we convince companies to come and explore those areas, we create opportunities for training, for employment and for business ... and of course we generate taxes for governments during that whole process.



Should faith and perseverance actually reveal a mineable deposit, the size of the impact is quite small. But what tremendous benefits can accrue if it's a great deposit! Diavik's a great example.

A mine like Diavik will occupy approximately 12 square kilometres of footprint. Through mining, the company will convert the diamonds hidden in the ground into northern hiring preference of 500+ jobs (with potential for more), northern training that includes at least 8-18 apprenticeships annually, provide an adult learning centre and an Aboriginal Leadership Development Training Program to prepare workers for better jobs, provide tens of other training programs (HEO, process plant, etc) that will train hundreds of workers. It will provide multi-year scholarship payments worth several million dollars, and will do business worth hundreds of millions to even several billions of dollars with northern and Aboriginal companies. It will provide annual cash payments to Aboriginal groups through benefit agreements and it will generate several billion dollars through various tax payments to governments, from income to corporate to fuel to property to royalties. At the end of its 20 year mine life, the mine owners will reclaim the land and return it to government in good condition.

Not all that bad a proposition, we suggest.

Nunavut's Premier supports economic development, devolution

Following are some of the key comments made by the Honourable Eva Aariak, Premier of Nunavut during her Keynote Address at the Northern Lights Trade Show & Conference Ottawa on February 4, 2012

One of the things that is very clear to me is that healthy communities in Nunavut go hand in hand with a healthy economy.

Every day we hear about the tough challenges Nunavut faces as a young territory with a small population. And yet look around you. The success of the Northern Lights Trade Show and the growing number of people it attracts tells a different story. All of you are talking about new opportunities for investment, new opportunities to create jobs, new opportunities to engage our youthful population in the global economy.

Things are moving in the right direction. Employment was up in 2011, capping a year where Nunavut's GDP grew at 11 percent – the fastest in the country. Average weekly earnings also increased by 6 percent.

My government and the Ministers that sit around the Cabinet table are very focused on the need for greater economic development.

A more robust private sector is needed, not only to create jobs but to build a self-reliant territory.

Together, government and the private sector should be seizing the opportunities and tackling the challenges as joint investors. As partners, we can pool our limited resources. We can spread

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the risks. We can benefit from each other's strengths. Ultimately, we will share in the dividends – a lower cost of living, a lower cost of doing business, a strong, diverse economy that, in turn, attracts new investment.

Agnico-Eagle gives us an example of what is possible. They have 650 people working on the Meadowbank gold deposit estimated at 3.5 million ounces. And 38 percent of those workers are Inuit – a figure that far surpasses the Government of Canada's achievements in Nunavut.

This takes more than just putting up a 'help wanted' sign and hoping local workers will apply. Nunavut's young workforce is still developing and private sector investment has an important role to play in matching training programs to the skills that employers are seeking.

Agnico-Eagle recognizes that too few of their Inuit employees are working in skilled jobs. So, they have put in place a strategy to work with schools to increase interest in mining jobs. They are working to create the co-op programs that will combine trades training with practical experience at the mine site.

So - down the road - a local skilled worker will be able to replace the southern worker who is flown in and out of Nunavut as needed at great expense. This helps in two ways. Firstly, it will ensure that more of the benefits of resource development stay in Nunavut and support our families and communities. It will mean fewer individuals on income support. But just as importantly, a locally-based skilled workforce brings down the cost of doing business for everyone. This, in turn, will make more projects financially viable and will help propel greater economic development. One example of healthy communities and healthy economy going hand in hand.

Nunavut is, in fact, a generator of wealth for all Canadians. And Nunavummiut and Canadians could be enjoying more of those benefits were it not for an important obstacle in our economic path.

In southern Canada, it is taken for granted that the natural resources of each province are owned and managed by the people who live there for their well-being.

Not so in Nunavut, where the federal government continues to administer our resources on our behalf.

This matters. We only have to look to Quebec, Newfoundland or Alberta where control over resources was the key to unlocking their economies and unleashing a wave of development that enabled them to catch up to the rest of the country.

Control of resources is a fundamental principle that helped build the Canadian Federation. It is one that must be extended to the territories.

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WE
Engage. Innovate. Inspire.

With a devolution agreement in place, investors will sit across from the very people who will be making decisions about new projects. You will know right away whether a project is feasible and what kind of support it will have locally. With clear and simple rules in place, decisions will be made quickly and planning will become a much cheaper process.

Where development is desired, the Government of Nunavut will give projects the utmost of support and attention. It is - after all - our future that is on the line.

Devolution is the next necessary step in the building of Nunavut. A place where we are in control of our economic and political future. A completion of confederation from sea to sea to sea. A place where our young people can realize their dreams. ... Qujannamiiraaluk.

NEW Mining Book by local northern author – *High Grade Tales*

Yellowknife-born historian Ryan Silke has announced the release of a new book on the important legacy of mining in the Northwest Territories, told in part by some of his mining elders.

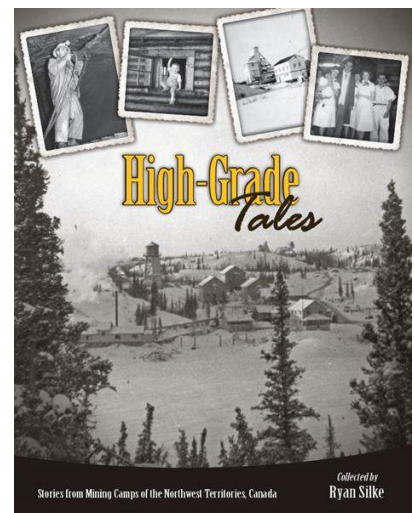
Silke has spent over a decade studying the history of the north's mineral industry and has traveled extensively to document and preserve the memories that remain, including the tales from those that are still around today and remember with fondness the days of living, working, and loving in a mining camp North of 60.

“High-Grade Tales: Stories from Mining Camps of the NWT” explores the cultural impact of mining in the Northwest Territories on its early pioneers. Important events in NWT history are examined and given depth by personal experiences. The boom and bust mining cycle, the influx of Italian immigrants in the 1950s, the allure of the mining town, the participation of aboriginal people, and the excitement of a rich gold find...the book documents the groundbreaking achievements of the common man and woman in the industry.

Fully illustrated from rare photographs never before published and stories never before told, “High-Grade Tales” is a testament to the rich mines that carved a modern Northwest Territories and the industrious pioneers, our mining elders, who made it all possible.

As the names of the north's famous northern mining camps fall off the maps and the ruins eradicated from the landscape, “High-Grade Tales” preserves for all time the important story of how the north developed.

The book is to be launched in Yellowknife during Heritage Week, on February 20 at 6pm, at the Prince of Wales Northern Heritage Centre. A presentation and storytelling event will begin the sale of the book at a price of \$20, with half of the proceeds going in support of the NWT Mining Heritage Society who is constructing a mining museum in Yellowknife. The book will also be available at the Yellowknife Book Seller and through the NWT Mining Heritage Society.



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There is a growing interest in advertising in our newsletter. Our distribution is also growing, and our newsletter is reaching more and more decision makers in industry and in the North.

If you are interested in advertising in our monthly newsletter, please contact Cheryl Wourms our office manager at: officemanager@miningnorth.com.

What is RSS and how can it help me?

Like all progressive websites, the new Chamber of Mines website now offers you what's called RSS Feed. This stands for a bunch of words that don't really matter, as long as you understand that it's a convenient way to have up to date news sent to you, without you lifting much more than a finger. You can recognize RSS feeds by the orange logo with the white radio waves shown to the right which is now the industry standard for RSS. When you click on the logo, you are offered the opportunity to subscribe to an automatic subscription for news from that website, which can be sent to your email address or to your own website like iGoogle that you may have customized for yourself, or even to your Blackberry or iPhone. Try it, you'll like it.



Calendar of events

- **Northern Lights 2012**, February 1-4, 2012, Ottawa Convention Centre. The event is a joint venture of the Labrador North Chamber of Commerce and the Baffin Regional Chamber of Commerce. Visit: www.northernlightsottawa.com/
- **PDAC 2012, International Convention Trade Show and Investors Exchange**, March 4-7, 2012, Toronto. Visit: www.pdac.ca/pdac/conv/
- **7th Learning Together Aboriginal Conference**, March 29-30, 2012:, Dettah, NT, just outside of Yellowknife, NT. Contact: Natalie Waboose, Project Manager at: natalie@learning-together.ca or visit their website for more details at: www.learning-together.ca.
- **2012 Nunavut Mining Symposium**, April 16-19, 2012, Frobisher Inn and Conference Centre, Iqaluit, NU. Visit: www.nunavutminingsymposium.ca/
- **Coal Association of Canada National Conference**, June 3-5, 2012, Vancouver, BC. Visit: www.coal.ca, email: conference@coal.ca.
- **2012 Yellowknife Geoscience Forum**, November 13-15, 2012, Yellowknife, NT. Plan to attend the north's largest conference. Visit: www.miningnorth.com/geoscienceforum.

Welcome New Members!

On behalf of all of our members, we would like to welcome the following new members to the Chamber of Mines. We encourage your support of their businesses. Please join us in a warm welcome to the following:

Calm Air International is one of the oldest airlines operating in Nunavut and today services the Territory with Dornier jet and ATR, Saab 34B and Hawker Siddeley turboprop aircraft.

Visit: www.calmair.com.

Canada Coal Inc. has coal properties in Nunavut. Their new website is under construction here: www.canadacoal.com or contact Bruce Duncan, Director at rbduncan@sympatico.ca.

Commercial-NDS Ltd. of Yellowknife can be reached by calling Ricky Boucher at: Ricky@NLCLtd.ca.

Ducharme, McMillen & Associates (DMA) is North America's choice for corporate tax solutions, and with offices across Canada, is Canada's choice for property tax solutions.

Visit: <http://dmainc.ca/>.

Galaxy Broadband Communications Inc. specializes in providing satellite Internet Solutions for consumers, business, government and enterprises throughout Canada. Galaxy owns and operates its own Hub offering a Canadian-based enterprise class Satellite Internet service. Visit: <http://www.galaxybroadband.ca/about-galaxy-broadband.html>

Kudlik Construction Ltd. of Iqaluit, with their extensive northern expertise and their massive equipment fleet, has the ability to handle all project sizes in diversified activities including road, runway, water and sewer distribution, wharf, blasting, crushing, concrete, pavement, bridge and institutional building. Visit: <http://www.kudlik.biz>.

LOOKNorth is a Canadian Centre of Excellence for Commercialization and Research hosted by C-CORE at Memorial University (St. John's, NL). Its purpose is to validate and commercialize monitoring technologies that support safe and sustainable resource development in Canada's North. Visit: <http://www.looknorth.org/>.

Weatherby Trucking Ltd. of Yellowknife supplies heavy equipment for mine reclamation, for loading aircraft, and for ice road exploration supply. Contact Blair Weatherby at: weatherby@ssimicro.com.

Wolseley Engineered Pipe is the largest distributor of High Density Polyethylene Pipe (HDPE) and accessories in Canada. They provide large diameter polyethylene pipe, the latest in sewage and water treatment equipment, supply required fusion services, and offer technical support to project consultants. Visit: www.hdpe.ca.



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. | Annual sales from EKATI represent approximately 3% of current world rough diamond supply by weight and 5% by value. |
| Diavik Mine | Rio Tinto and Harry Winston | Diamonds | Canada's largest producer of diamonds, 300 km NE of Yellowknife. Open pit and underground. | Projected to produce over 100 million carats of diamonds over a mine life of 16 - 22 years, with expected annual diamond production peak of ~ 10 million carats. |
| Snap Lake Mine | De Beers | Diamonds | Canada's first all underground diamond mine and De Beers' first diamond mine outside of Africa. 220 kilometres NE of Yellowknife. | Commenced commercial production on January 16, 2008 and the Official Mine Opening took place on July 25, 2008. |
| Cantung Mine | North American Tungsten | Tungsten | Cantung is in the Nahanni area of western Northwest Territories, ~ 300 km by road NE of Watson Lake, close to the Yukon border. | Cantung suspended operations in October 2009 and resumed production in October 2010. |
| Nechalacho | Avalon Rare Metals | Rare earth metals | Proposed underground mine 100km SE of Yellowknife. Estimated mine jobs: 200 | Developer's Assessment Report (DAR) submitted May 20, 2011. The Review Board is now conducting a conformity review to ensure the DAR meets the requirements of the Terms of Reference. |
| 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 | DAR submitted on May 20, 2011. The Review Board is conducting a conformity review to ensure the DAR meets the requirements of the Terms of Reference. |
| Yellowknife Gold | Tyhee NWT Corporation | Gold | Proposed open pit mine 88 km NE of Yellowknife. Estimated mine jobs: 238 | DAR submitted on May 11, 2011. The Review Board is conducting a conformity review to ensure the DAR meets the requirements of the Terms of Reference. |
| Prairie Creek | Canadian Zinc Corporation | Lead-zinc-silver | Proposed underground mine 120 km west of Ft. Simpson within the Nahanni National Park. Estimated mine jobs: 220 | Parties are submitting their technical reports. Public hearings scheduled for June 22-24, 2011. |
| Gahcho Kue | De Beers & Mountain Province | Diamonds | Proposed open-pit diamond mine approximately 180 km ENE of Yellowknife, NT. Estimated mine jobs: 360 | On June 14, project owners: <ol style="list-style-type: none"> 1. Approved the Gahcho Kué feasibility study with agreed revisions and clarifications; 2. Approved the execution of the necessary development work for the Gahcho Kué project; and 3. Mandated the Gahcho Kué project operator to prepare a plan and budget for the development of the Gahcho Kué mine. The plan and budget, once approved by the JV partners, will serve as the basis for a final investment decision, which is expected to be made once the partners have clarity on the progress of the environmental review currently underway. |
| Pine Point | Tamerlane Ventures | Lead-zinc | Proposed underground mine east of Hay River, NT. Estimated mine jobs: 225 | Company has requested change to adit and decline from shaft to test mine the R-190 deposit. |
| Courageous Lake | Seabridge Resources | Gold | Proposed open pit mine 240 km northeast of Yellowknife | Preliminary Feasibility Study due in May 2012. New resources nearly 8 million oz. |

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. Mine jobs: 450 | Mill began commercial production in March, 2010. Paid first royalty payment to NTI. |
| 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: 3,500 Estimated mine jobs: 715 | Submitted application for Type B Water Licence; Class A Land Use Permit and; 2012 Work Plan on January 12, 2012. |
| Kiggavik | AREVA Resources | Uranium | Proposed uranium mine 80 km W of Baker Lake. Estimated Construction jobs: 600 Estimated mine jobs: 500 | Draft EIS submitted on December 21, 2011. |
| Doris North/ Hope Bay | Newmont Mining Corp | Gold | Proposed gold mines 130 km S of Cambridge Bay; covers the 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. |
| Jericho Diamond Mine | Shear Diamonds Ltd. | Diamonds | Project to reassess viability of reopening the former diamond mine, 255 km SSE of Kugluktuk. Estimated mine jobs: 150-200 | Recovered first 200 carats of diamonds from mine. |
| 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. |
| 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 | Sabina announces sale of Hackett River to XStrata, June 2, 2011. |
| Back River | Sabina Gold & Silver Corp. | Gold | Approximately 60KM from Hackett River; adjacent to the Wishbone Greenstone belt. Consists of the George and Goose Lake deposits and holds significant gold resources. | Goose camp anticipated to open early February, 2012; anticipated that 8 core drills will be in operation at Back River and Wishbone. |
| High Lake | MMG Resources Inc. | Copper, Zinc, Gold, Silver | 1710 hectare, copper-zinc-silver-gold property, 190 km ESE of Kugluktuk. Estimated mine jobs: 500 | NIRB requires that MMG provide a comprehensive project update by January 6, 2012. |
| Izok Lake | MMG Resources Inc. | Copper, Zinc, Gold, Silver | High-grade zinc-copper-lead-silver deposit, 255 km SW of Kugluktuk. Estimated mine jobs: 760 | Plan to advance to full feasibility study and permitting phase by end of 2012. |
| ULU & Lupin | Elgin Mining Inc. | Gold | Located SE of Kugluktuk. Lupin mine: past production; 3.7 million oz. ULU deposit: indicated mineral resource; 751,000 tonnes | Elgin purchased both properties from MMG Resources in July, 2011. Winterization of work camp at Lupin; Phase 1 drilling later this year. |
| Roche Bay | Advanced Exploration | Iron | Indicated resource of 323 million tonnes located next to a natural deep water harbour on the east coast of the Melville Peninsula. | Completed Tuktuk 1 drill program. Plan to enter feasibility study by end of 2012. |
| Chidliak | Peregrine Diamonds Ltd. | Diamonds | Located 180 km S of Pangnirtung. Contains 59 known diamond-hosting formations. | Peregrine purchased remaining 51% participating interest in Chidliak from BHP. Preliminary bulk sampling delayed. |

Project Maps

