

Celebrating 50 Years of Mining in the North

Presentation to Nunavut Mining Symposium

April 2017

NWT & Nunavut Chamber of Mines

Mission:

To provide leadership on, and advocate for, responsible and sustainable mineral exploration and development in the NWT and Nunavut

Vision:

A strong minerals industry that benefits the Peoples of the North



The Time Machine – 50 Years Ago

- Vietnam war; First heart transplant; first ATM
- Top song "The Letter"; Top movie "The Graduate"
- Bands CCR, Genesis, Fleetwood Mac
- Toronto Maple Leafs won 13th (and last!) Stanley Cup
- PM Lester Pearson; Order of Canada
- Yellowknife became capital of NWT; GNWT relocated from Ottawa; Commissioner of NWT – Sivertz/Hodgson
- Canadian economy at an all time high level of prosperity and quality of life



We have 50+ years of mining history

1950s - Rankin (nickel)

1970s - Nanisivik (zinc)

1980s - Polaris (zinc-lead), Lupin (gold), Cullaton Lake (gold)

2000s - Jericho (diamonds)

2010s - Meadowbank (gold), Mary River (iron)



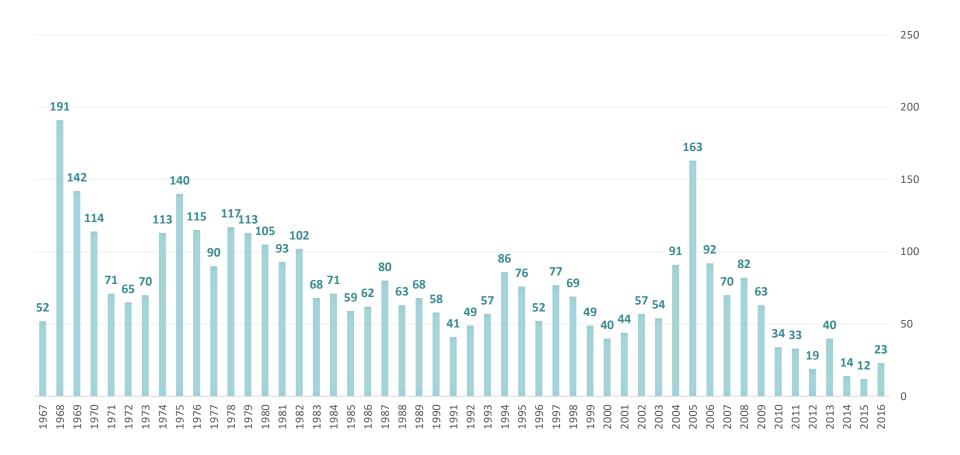








Mineral Exploration Assessment Reports filed in Nunavut from 1967 to 2016



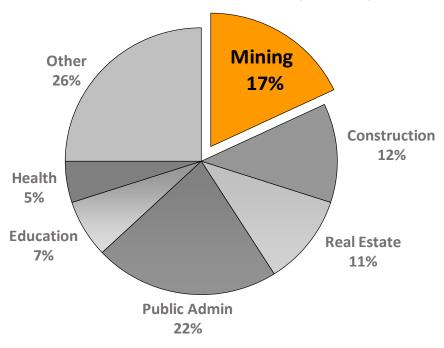


Data courtesy of Peregrine Diamonds

Mining – largest private sector contributor

Mining's contributions are even larger with spending in other sectors of the economy, e.g. construction, transportation, real estate, trade, etc.

NUNAVUT GDP (2015)





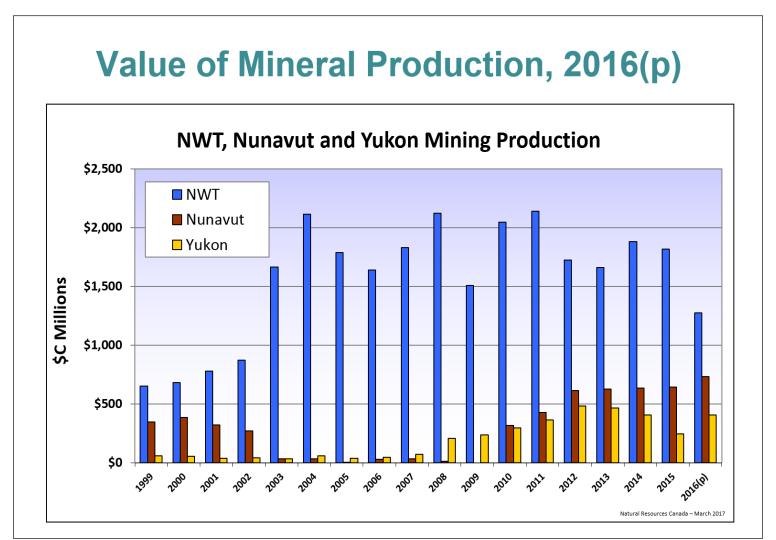
Mining – Nunavut's Major Player

Nunavut has an active minerals sector and extensive resources; however, as in all mining regions, it is subject to changes in market and resource demands

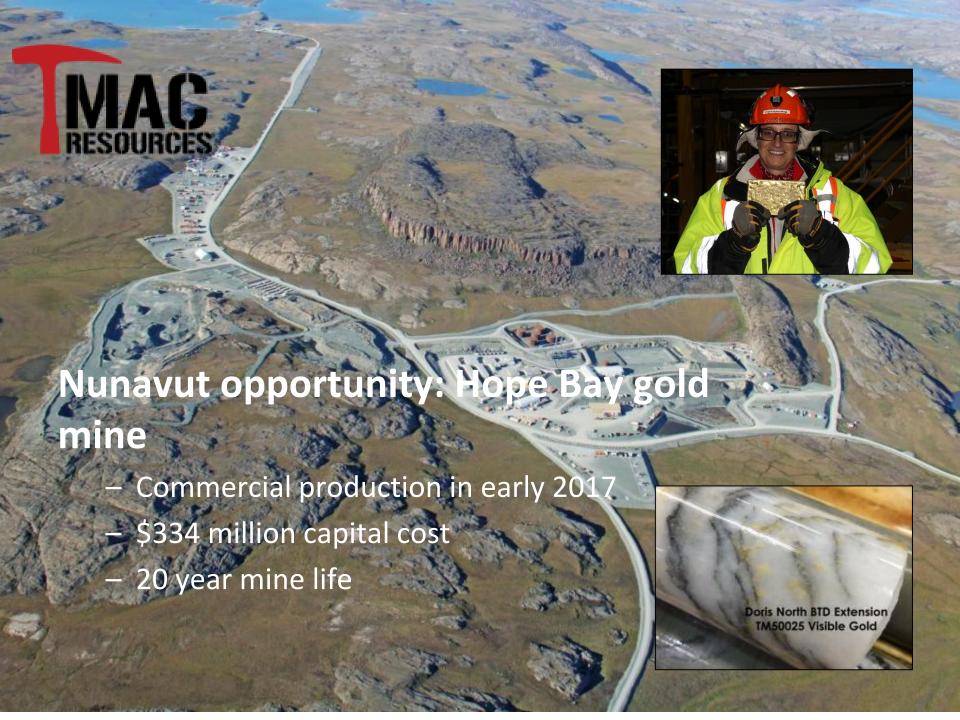




Mines Create Significant Value

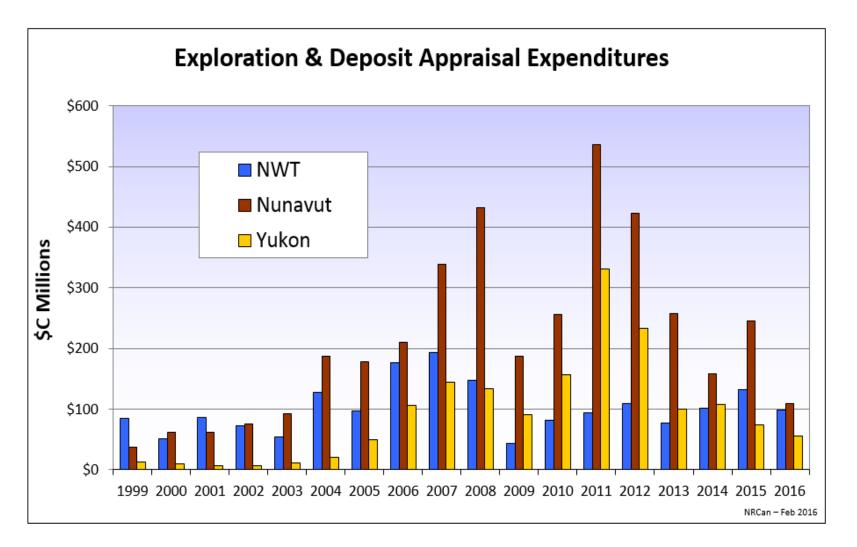








Mineral Exploration – the Life Blood of our Industry





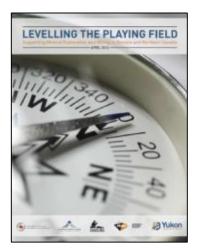
Nunavut Exploration

- Chidliak (Diamonds) Peregrine Diamonds
- Izok Corridor, High Lake (Zinc and copper) MMG
- Back River (Gold) Sabina Gold & Silver
- Luxx/Mel/Qilalugaq (Diamonds) North Arrow Minerals
- Angilak (Uranizum) Kivalliq Energy
- Committee Bay (Gold) Auryn Resources
- Coppermine River (Base Metals) Kaizen Discovery
- Hood River/Muskox (Diamonds) Crystal Exploration



Challenge - Infrastructure

- We suffer an infrastructure deficit industry study
- Higher mining capital costs
 - Up to 2.5 times higher for base metal mines
- Higher exploration costs
 - Up to 6 times that of the least remote project
- We need help to "Level the playing field"



Industry Study: Levelling the Playing Field, May 2015





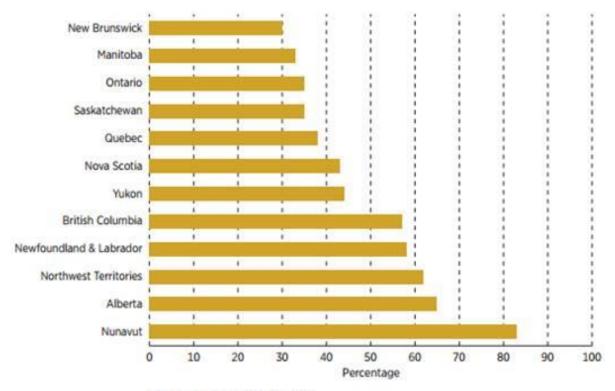




Mines must supply their own expensive transportation and power infrastructure.

Challenge – Regulatory Uncertainty and Slow Permitting Processes

Figure 9: Percentage of respondents who indicated that uncertainty about the administration, interpretation, and enforcement of existing regulations is a deterrent to investment in Canada, by province and territory, 2016

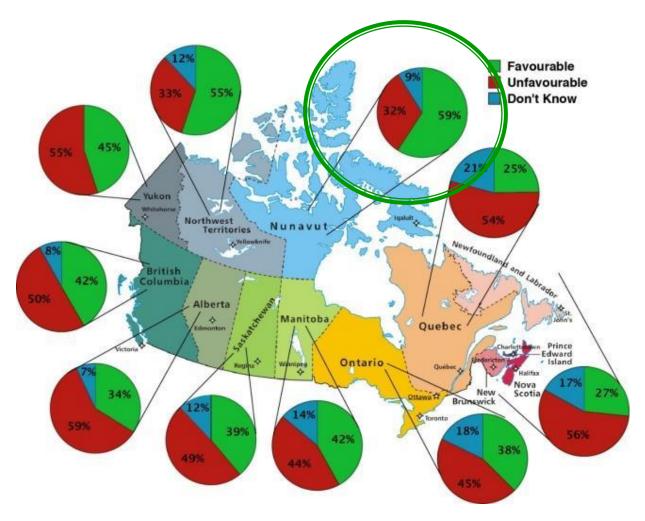


Source: Jackson and Green, 2017.



Aboriginal Support for Mining

The highest approval rating for mining is in Nunavut





Aboriginal Canadians and Their Support for the Mining Industry: The Reality, Challenges and Solutions:

PR Associates, 2014: www.prassociates.com

Mining Benefits to Communities

HOPE BAY, TMAC Resources

Status: 20 year IIBA and land tenure agreement signed

- KitlA owns 1.5% of TMAC
- Inuit employment targets to be set with KitIA
- Total projected employment = 1,822 person years until 2021

BACK RIVER, Sabina

- 50% of workforce = Inuit as of 2014/15
 - Just over \$2M in wages paid since 2013

MARY RIVER, Baffinland Iron Mines Corp.

Status: In production; seeking expansion

- 21% of all person days worked by Inuit/27,000 working days
- \$7,831,382 = total wages to Inuit in 2013/14
- 2014-15, QIA received roughly \$4.9M for land lease and water usage and \$2.5M in IIBA fund

CHIDLIAK, Peregrine Diamonds Status: Pre-feasibility

- Estimates 8.57 million carats of diamonds
- \$90M spent on goods and services in South Baffin over the past 7 years

MEADOWBANK, Agnico Eagle Status: In production

- \$80M in direct wage income since 2010
- Over \$4M in training programs annually
- 265 (34%) of all employees Inuit workers

AMARUQ, Agnico Eagle

Status: Pending, 50 km from Meadowbank

 Major drilling program planned and is exploring potential of Amaruq bridging the production gap between the end of production at Meadowbank and potential start at Amaruq

MELIADINE, Agnico Eagle Status: IIBA signed July 13, 2015

- · Goal of 50% Inuit workforce
- First financial payment to KIA paid with signing of IIBA = \$1.5M



Overcoming challenges: Some Ideas

- Invest in infrastructure
- Advance clear and certain land use plans
- Reduce growing protected areas
- Increase Federal regulatory certainty
- Reduce the northern cost of living
- Continue to increase public awareness and support for mining in our economies
- Work with Inuit governments



Thank you!

