



# Strengthening Nunavut's Competitiveness Through Regulatory Reform

***NWT & Nunavut Chamber of Mines***

*Nunavut Mining Symposium, April 17, 2012*

# Role of the Chamber of Mines

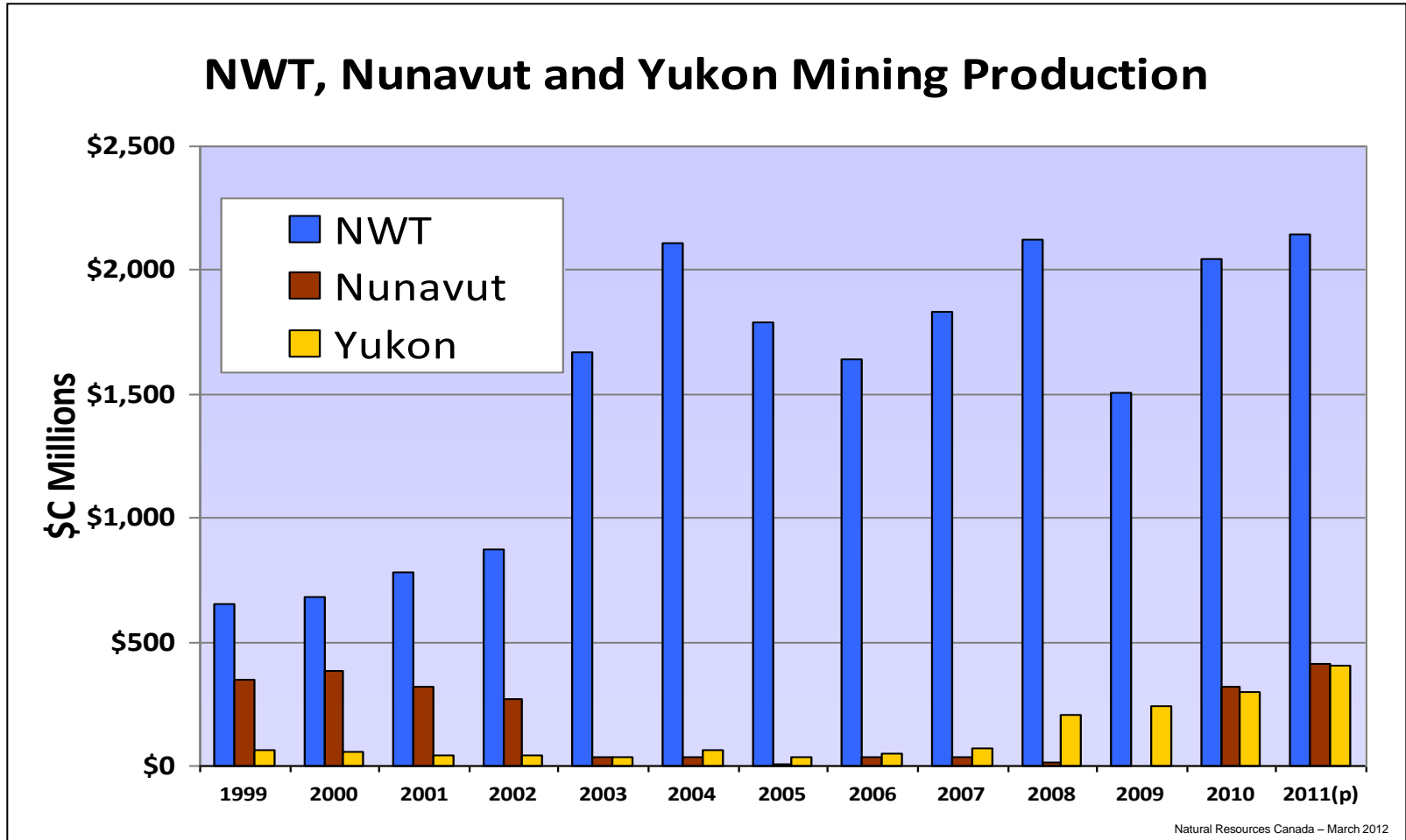
## 2 Main functions

- Education, advocacy
- Window for government to seek input on policy

Establishment of  
Nunavut office - 2011

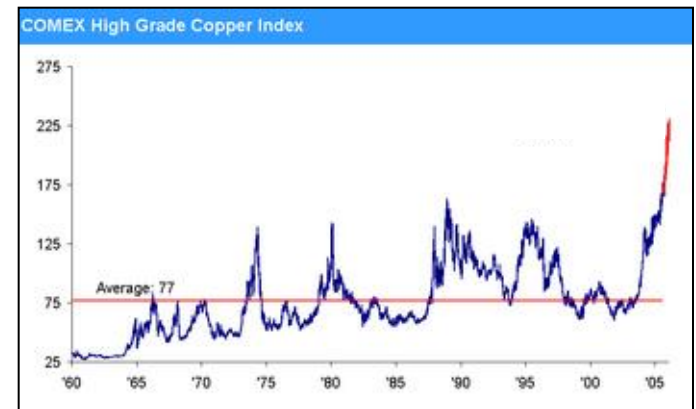
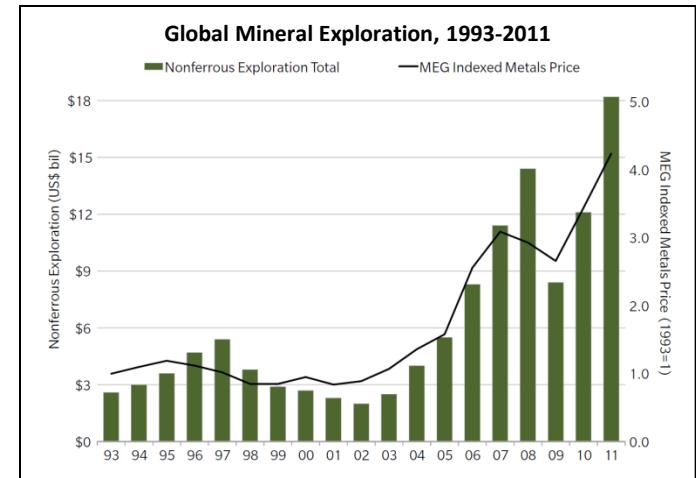


# Mining's growing importance



# Competition & Timing

- Hot global market place right now
- Window of opportunity
- We need to build Nunavut mines now to weather the inevitable price decline



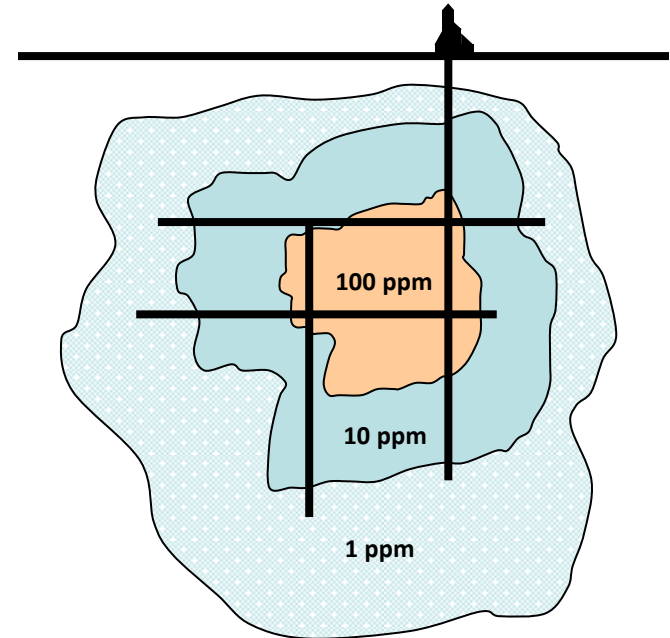
# For many projects, their time may have come

Project Name (Operator)	Commodity	Discovery dates
High Lake (MMG)	Copper, zinc, silver, gold	1956
Lupin & Ulu (Elgin)	Gold	1961 / 1988
Mary River (Baffinland)	Iron	1962
Hackett (Xstrata)	Zinc, lead, copper, silver	1969
Izok (MMG)	Zinc, copper, lead, silver	1974
Kiggavik (Areva)	Uranium	1977
Meliadine (Agnico-Eagle)	Gold	1989
Hope Bay (Newmont)	Gold	1991-95
Jericho (Shear Diamonds)	Diamonds	1995
Back River (Sabina)	Gold	1992, 2009-10

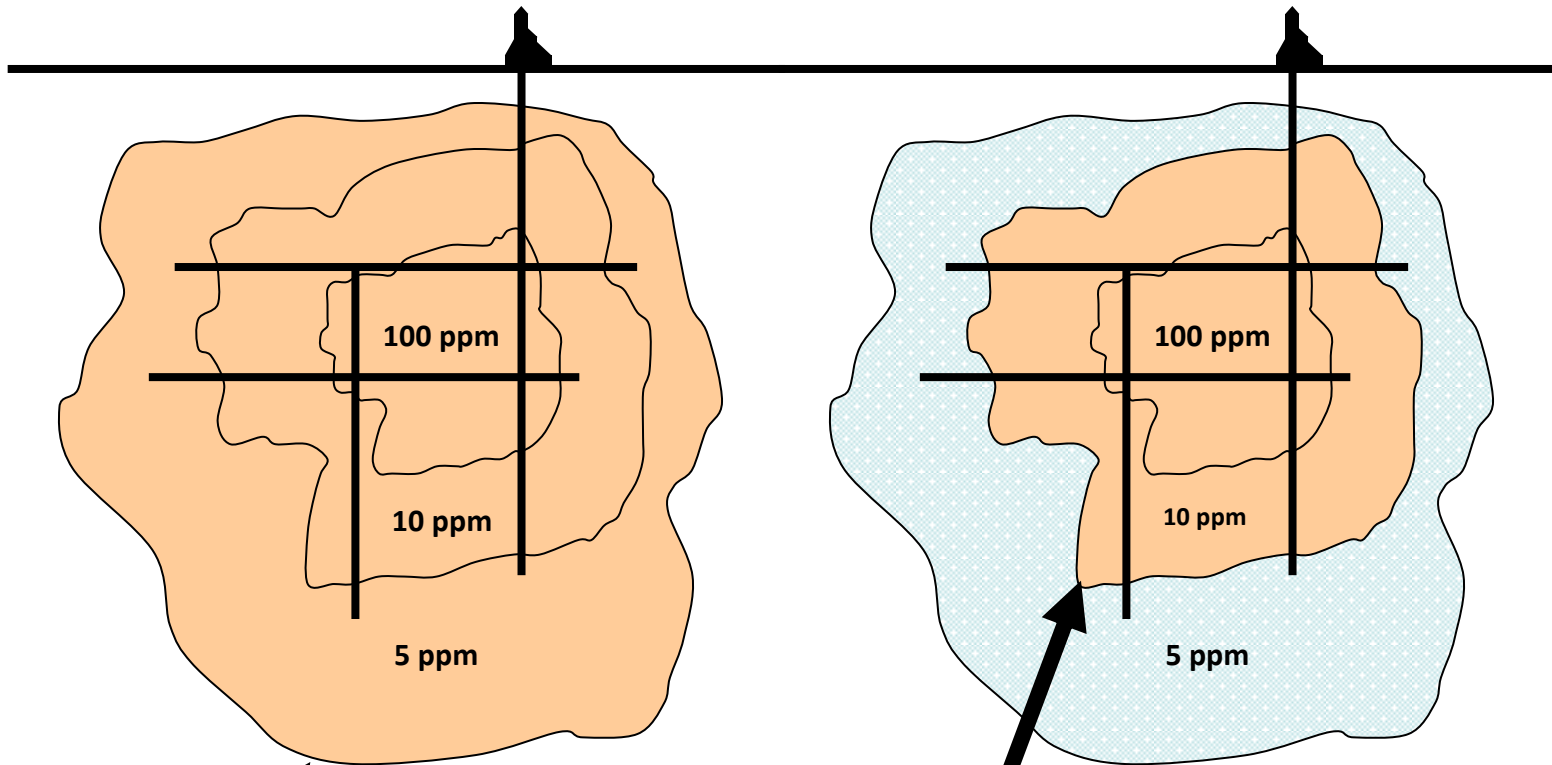
Majority of projects were discovered more than 20 years ago, with some older than 40 years. Challenge has been cost of access.

# Mineral Deposits Are Complex

- Complicated shapes
- Mineral concentration varies
- Not all of the minerals can be economically mined and separated from the waste rock



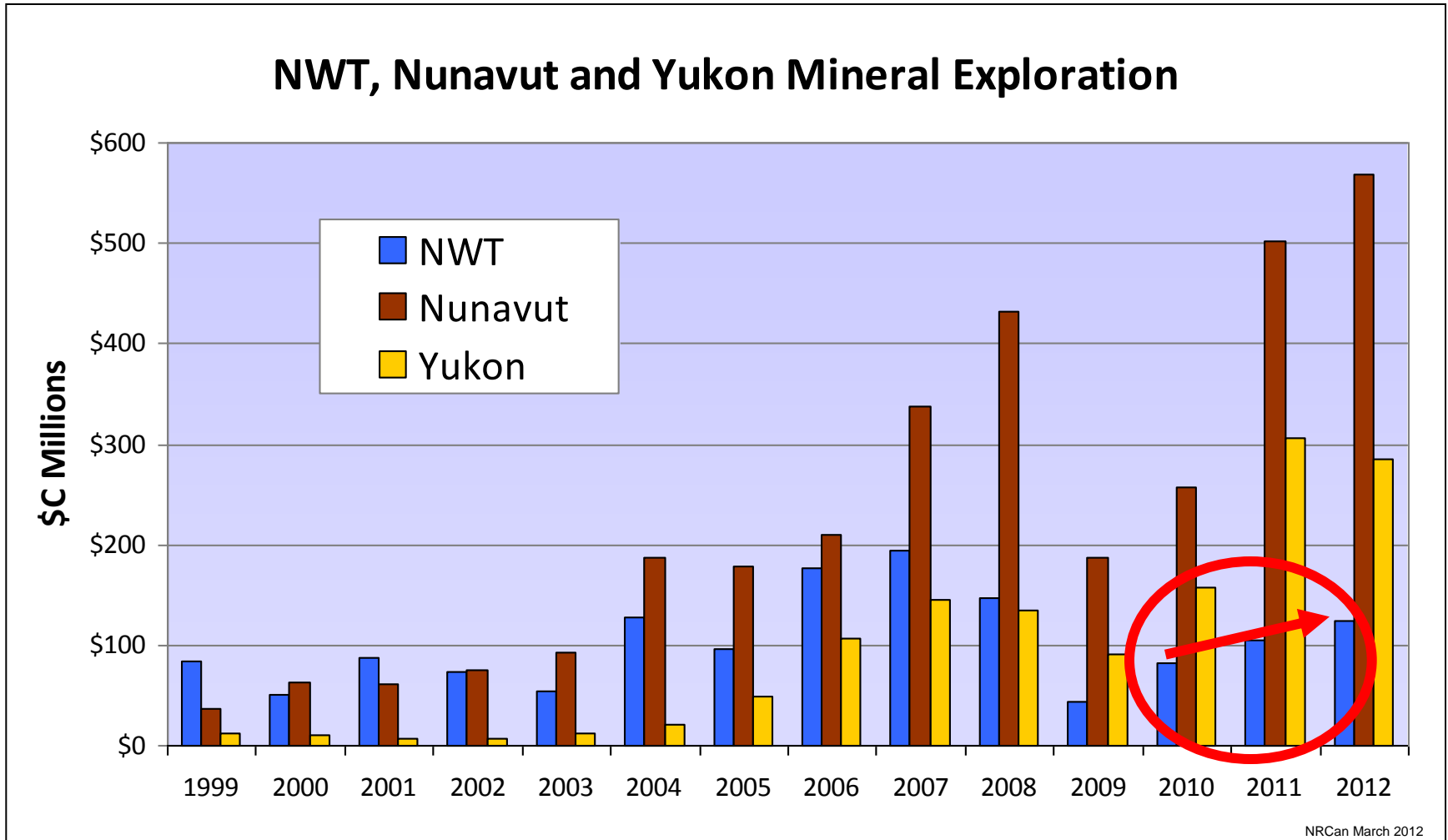
# Ore in Ontario is NOT ore in Nunavut



- In Ontario, ore body is larger because costs are lower. Mine life can be longer.

- In Nunavut, ore body is smaller because costs are higher. Mine life is shorter.

# Least we think we have no influence





# Worrisome analysts' comments about Nunavut

- “... Meadowbank, with lower-than-expected production and higher-than-expected costs ... is a sober reminder that developing a mine in Canada's far north is often more difficult (read expensive) than a similar endeavour in a more benign climate.” ... *Dundee Capital, Jan 30, 2012*
- “... We argue that the company’s big bet on the Arctic, where it now has over half of its reserves, is not a good one because operating costs there are turning Agnico into the highest-cost producer in the sector.” ... *Veritas Investment, Jan 10, 2012*
- “The last few weeks of Sabina trading has seen some significant pressure on our share price. In our view, this seems to be the culmination of negative market sentiment regarding two Arctic projects that have been experiencing challenges with their operations.” ...*Sabina News Release, March 5, 2012*
- “... development of [Sabina’s] Back River ... is a sober reminder that developing a mine in Canada's far north is often more difficult (read expensive) than a similar endeavour in a more benign climate.”  
... *Dundee Capital, Jan 30, 2012*



# Increasing Cost Pressures

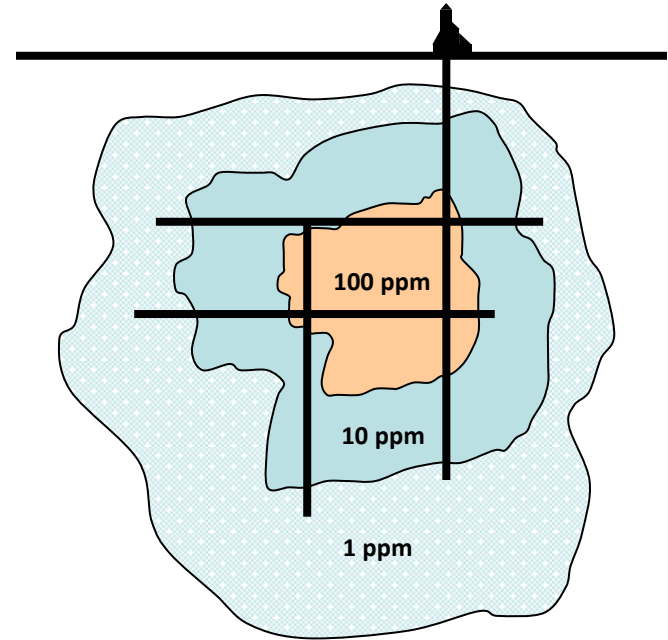
- Already high capital and operating costs
  - Remoteness and lack of infrastructure adds to development cost
- Unnecessary duplication of costs through “Double Bonding”
- Tax Incentives
  - Will GN maintain attractive fuel rebate program?
- Royalties on quarry rock
- Community pressures
- Community Tipping Fees
- Impact & Size of Private Land Owner Costs
  - IIBA

# Regulatory Complexity & Uncertainty

- Accelerate NUPPAA
- Allow phasing of predevelopment work
- Focus assessment on key environmental and social issues
- Scope creep
- Improve public and community consultation processes
- Capacity issues in the Northern Boards and in the other federal regulatory agencies
- Increase technical expertise of NIRB and NWB Boards

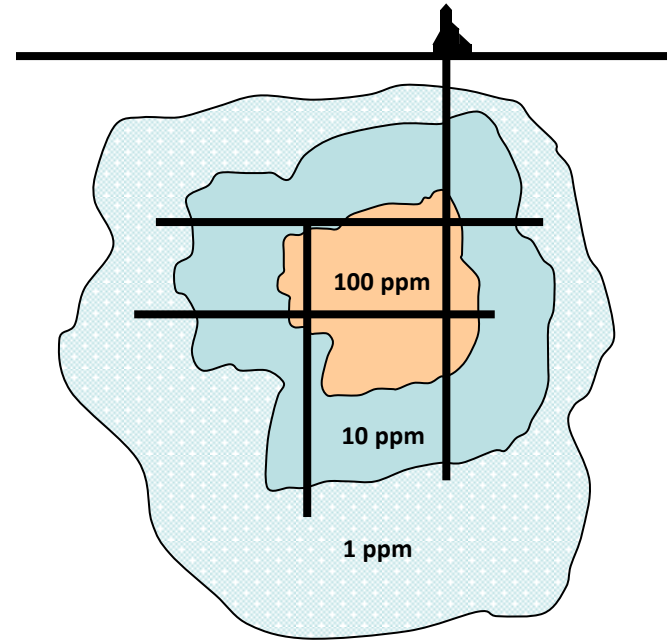
# Reduce Costs & Increase Ore Body Size

- We cannot change global commodity prices
  - *But we can influence ore body size*



# Increase Certainty

- We cannot change global commodity prices
  - *But we can increase certainty*



# Where to find us...

## **NUNAVUT**

P.O. Box 1019

Unit 116, Astro Hill Complex (8-story)

Iqaluit , NU X0A 0H0

Tel (867) 979-5291

## **NORTHWEST TERRITORIES**

P.O. Box 2818

Suite 103, 5102 – 50 Avenue

Yellowknife, NT X1A 2R1

Tel (867) 873-5281

[info@miningnorth.com](mailto:info@miningnorth.com)

[www.miningnorth.com](http://www.miningnorth.com)

Twitter @MiningNorth

