

# A tale of two territories



NNSL file photo

**The lack of a road network, ports and harbours, paved runways, geology maps and topographic maps makes exploration and mineral development in Nunavut much more expensive and at a higher risk than in other Canadian jurisdictions, a recent Nunavut government report has acknowledged.**

## While NWT flounders, there is the potential for 10 more mines in Nunavut this decade

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Twelve years since its inception, Nunavut is experiencing economic growth that is predicted to surpass its western neighbour – the Northwest Territories – within the coming years.

With as many as 10 mines that could come online within the next 10 years, mineral resources locked under the territory's two million square kilometres of land are up for development. That is, if Nunavut can help dispel the stigmas around mining in the North, something the NWT has struggled to do.

"Given the challenges of being so remote and the higher cost of doing business up here, you want to attract companies," said Tom Hoefer, executive director of the Chamber of Mines NWT and Nunavut. "You want to say, 'How can we make sure that this is attractive for them to come?' The geology is there, but ... its not enough."

According to Hoefer, systematic changes need to be put in place in order for the NWT to pull itself out of its current downward trend.

"NWT has a tremendous job to do, companies are going elsewhere," Hoefer said. "Because there are hurdles on the regulatory side and land-claim side and they (companies) get nervous. We have companies that say, 'Yeah were going to try and raise money in Vancouver,' and as soon as you mention NWT ... they say they aren't interested, the risk is too high."

The downward trend within a 'booming' global market is cause for alarm as the NWT's neighbours are experiencing the opposite effect.

"Hopefully we're at the bottom and we're turning around," Hoefer said. "I mean our neighbours on either side with similar environments, similar jurisdictions, not a lot of information on geology, both of them (are) booming like crazy. Clearly there is something wrong in the NWT."

The key to progress, according to Hoefer, is a collective effort to change, and an understanding in the mining industry of what the problems are and offering solutions.

"Recognition that there is a problem. If we don't recognize it then we have our heads in the sand," Hoefer said. "Secondly saying, 'OK this is where we have issues ... and what can we do to fix that?' Everybody has a role to play, it's not just the guys you vote for... (you have to) say, 'What is it that I can do to help, if I really care?'"

With experience working in both territories, Hoefer describes what he sees the Nunavut advantage when it comes to mineral exploration and mine development.

Progressive thinking and collective planning could be the key to Nunavut's success within the mineral extraction industry.

"If you look at Nunavut they have a mineral strategy (put in place) in 2003, they also have a single land

claim region too, which makes its a little easier," Hoefer said. "They've taken the approach to put their hands on it and say, 'This is what our beliefs are and here's how we're going to support it.'"

Agnico-Eagle's Meadowbank gold mine has injected a jolt into Nunavut's economy, contributing to nearly 15 per cent of Nunavut's GDP.

The mine, located outside of Baker Lake, employs nearly 450 people.

"(There is a) population boom in Nunavut, that's the driver behind a lot of it," Hoefer said. "NWT's population is flat, so you have all

these kids that are growing up and ... what do you do with all those kids? If you don't do anything what happens is all the social problems in communities continues to get bigger and bigger. You have to deal with that growth by providing opportunity for it."

According to statistics, the government of Nunavut recorded a 1.5 per cent growth rate for the territory between 2010 to 2011.

Hoefer believes a "need to become self-reliant" plays an important part in the longevity of both territorial economies.

"These territories live in sort of a never-never land when it comes to economics," Hoefer said. "We get big support from the federal government, and (with) southern taxpayers dollars coming back to support the economies up here, we're the

furthest from self-reliance in the country.

"We practically have an obligation to the rest of the country to become self-reliant."

Nunavut isn't in the clear just yet, as a lack of infrastructure, difficult climate and lack of mapping are hurdles the young territory is attempting to overcome.

The Parnautit report put out by the Nunavut Government acknowledges these potential hurdles.

It states that "Nunavut's infrastructure in every area is far behind any other part of Canada. The lack of a road network, ports and harbours, paved runways, geology maps and topographic maps make exploration and mineral development in Nunavut much more expensive and at a high risk than in other Canadian jurisdictions."

These are challenges Hoefer identifies as barriers to further development in the North.

"We have a huge area, it's a challenging area to work in," Hoefer said. "First of all, the lack of infrastructure, how remote it is, the climate, the permafrost, there are lots of challenges that come with it (mining in the North)."

Challenges that companies are starting to accept, at least in Nunavut, given the potential cash rewards.

"Just a couple of years ago, the NTGO (Northwest Territories Geoscience Office) did some interesting work in the mountains to the west of Norman Wells and Fort Good Hope and the information they released already attracted companies to stake

claims," Hoefer said.

"If you look at Baffin Island, I don't think anybody would have guessed that there would be diamonds there, they would have said you're nuts. That was sort of no-mans-land, it was an under-explored area, and low and behold these guys go in there and find diamonds on the ground."

Creative engineering and a willingness to explore the North are pushing Nunavut into the future, with major projects such as Baffinland's Mary River Project, and the potential Agnico-Eagle's Meliadine project, that could help grow Nunavut's economic wealth and stability in the coming years. Hoefer said. "Right now if you look at NWT and Nunavut it is the most under-mapped, the least amount of knowledge known from a geoscience perspective in Canada," Hoefer said. "As soon as we learn more, hopefully the probability for success will be far greater."

As far as NWT's future in concerned, Hoefer is hoping for change, but admits it may slowly be coming.

"I think there could be a shift coming, there are other regions as well in the NWT that companies are starting to work in ... there are at least three new companies coming in, up around Lac Le Gras, that bodes well," Hoefer said.

"I'm hopeful that we'll turn things around. That doesn't mean that we don't have a lot of work ahead of us. Identifying the problems are one but solving them is a lot of work too."

