

Baffinland focused on regulations

Mary River project now has backing of the world's largest iron ore company

by Sara Wilson

Northern News Services
Mittimatilik/Pond Inlet

Baffinland's Mary River iron ore project on Baffin Island near Pond Inlet is getting closer to production as the company is progressing through the environmental assessment process.

However, the massively rich iron ore deposit comes with a pricetag of equal size, an estimated \$6 billion to build a railway, port and ore carrying ships.

Developing a rail, the port and also the mine site, it's a big project and it has some significant infrastructure that needs to be developed and obviously we will ... (need) the ore carrying ships ... all together that's where you come up with that \$6 billion figure," said Greg Missal, Baffinland's vice-president of corporate affairs.

This past year brought a major milestone as ArcelorMittal purchased 70 per cent of Baffinland while Nunavut Iron Ore Holdings bought the remaining 30 per cent.

"It was a very important event for the company because Baffinland as it existed as a public company didn't have the financial ability to move forward with a project like this by itself," Missal said. "A large company like ArcelorMittal becoming involved, they have the financial and technical ability to actually develop a project like this."

The project's resources are substantial – approximately 18 million tonnes of iron ore to be shipped each year for 21 years and the scope could grow even further.

"It's a very a robust resource and we're very much looking forward to making our way through the environmental assessment process so we can start with our construction," Missal said.

Currently, the company is in the environmental assessment stage, and opening up the discussion to all interested parties.

Despite the length of the procedures, Missal is encouraged by the co-operation the project has received.

"It's a very big effort, it's a process that takes a number of years to get through but we're making our way through it," Missal said. "We're getting a lot of good co-operation from the reviewers and we want to get past this point and move on to the next stage."

The environmental assessment has received criticism from interest groups, such as the Qikiqtani Inuit Association, stating that the group



NNSL file photo

An aerial view of Baffinland Iron Ore Corp.'s Mary River camp site on April 11, 2008.

couldn't "accept that there will be no negative impacts of any significance from a project of this magnitude either to the environment or Inuit."

"We'll have about 500 to 600 people on the ground."

While there are expressed concerns, Missal explained that the misgivings aren't just indicative of Mary River.

"I think it's all very typical types of questions that are being asked – there are always questions around effects on wildlife, air quality, water

quality," Missal said. "There are caribou on Baffin Island, and they are one of the terrestrial animals that we have to look at and assess and we've done that, those are all things that go into an environmental impact study."

The next phase will open the discussion up to the residents of Pond Inlet and Igloodik, with a series of pre-hearing conferences.

"Of course the reviewers have their own areas of interest that they concentrate on and that's where we saw the questions generated recently as part of the Nunavut's impact review board pro-

cess," Missal said. "We had a very good meeting with the reviewers a couple of weeks ago in Iqaluit and now we are moving on to the pre-hearing conferences, which will be held in Pond Inlet and Igloodik in November."

On a more positive note, in October Baffinland earned Baffin Regional Chamber of Commerce's Business of the Year award, over another mining heavyweight Agnico-Eagle with its Meadowbank operations.

That sort of recognition may help with the recruitment of a workforce in the thousands, during the construction

and production phases of a future iron mine.

"It's going to be closer to 5,000 during construction and (during) operations it will be about 1,000," Missal said. "It's a big project and you have to remember that only about half of those people that will be working at a time. We'll have about 500 to 600 people on the ground at one time during operations. During construction, of course, it's a bigger number because it's intense period of time where a lot of work needs to get done as efficiently and as quickly as possible."

While the company won't

release an estimated percentage of local hires, according to Missal, the company is committed to utilizing services from within Nunavut.

"Our goal is to maximize the local workforce, but of course we need to make sure we focus on things like training, and skill development," Missal said. "There's definitely some skilled labour that's there. There's a group of people in the north Baffin communities that have really good skills when it comes to some of things we're going to need at the mine site and we hope to take advantage of that."

Rail line considered best option

Plans call for three trainloads on a single line twice daily

by Sara Wilson
Northern News Services
Baffin Island

Everything to do with Baffinland's plans for Mary River is on a grand scale, as best exemplified by the proposal to construct a 149-km rail line to transport iron ore out of its \$6-billion iron ore project, located 160 km south of Pond Inlet.

A railway was the most economical method of transport, according to Baffinland, and construction is proposed to take three years to complete.

"Ideas were explored but you quickly come to the conclusion that a rail line is the most feasible option," said

Greg Missal vice-president of corporate affairs with Baffinland. "With iron ore mining for larger projects, the goals is to move a significant volume of iron ore and to move that efficiently and cost effectively, and really the only way to do that is by rail."

The rail line will run south toward Steensby Inlet and transport the iron ore from the mine site to Steensby Inlet port site, where it will be crushed, screened and loaded on to ships for transport to Europe.

"The important thing to keep in mind is building rail lines is nothing new – that's known technology. Building a rail line in Northern climates ... that's been done in other

parts of the world," Missal said.

"New challenges are of course dealing with the seasonal conditions in the Arctic and you do have a shorter summer season and doing construction in the winter season is obviously more challenging."

With temperatures in Pond Inlet in January in the -40 C range and 24 hour darkness mid-November through late January, the challenges of building a Northern railway seem extreme.

According to Missal, the rail line could take up to three years to construct and will run three trains up to two trips per day each. As far as cost is concerned, Missal won't speak to the specific cost of the rail line, but said its

price tag is included in the \$6-billion mine construction total.

In conjunction with the company's clean-up plans, the rail line will be dismantled when the project wraps up.

"The catch with any infrastructure like that, is that it needs on-going maintenance to operate safely and given the location and the fact that there is no linkage to communities in the north Baffin, it would be unlikely that someone would have a use for it beyond our use of it," Missal said.

The go-ahead for the construction of the rail line depends on the already submitted environmental assessment. A decision is expected early 2012.

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Selwyn boasts 'largest undeveloped zinc deposit in the world'

Not a question of if, it's a question of when, vice-president says of project

by Sara Wilson
Northern News Services
NWT/Yukon

Despite some regulatory hurdles, management at Selwyn resources remains optimistic about the prospects for its massive zinc and lead deposit on the NWT/Yukon border.

"It's the largest undeveloped zinc deposit in the world, there's few others similar in metal deposits in its class that remain sitting on the shelf," said Jason Dunning, vice-president of exploration on the Selwyn Project.

"Our goal is to work with the local communities."

The Selwyn project, a consolidation of the Howard's Pass Joint Venture lands acquired from Placer Dome and Cygnus mines Ltd., could see Canada return to the playing field in the zinc market.

Selwyn Resources, a Vancouver-based company, and Chihong Canada Mining Ltd., which has Chinese backing, are advancing the massive zinc deposit, which is entering its bankable feasibility study. That process will help guide where and when construction will occur.

The project has 19,294 hectares of mineral claims in the Yukon and 3,373 hectares of wholly-owned claims in the Northwest Territories.

"Because the project for the most part is in First Nations-friendly hands, in a politically stable jurisdiction it's much more amenable that many of our potential counterparts around the world," Dunning said. "So it's a project that, it's not a question of if anymore, it's a question of when it will move through the general stages of exploration and construction and finally production."

The company has learned that the process to develop mineral extraction projects within the NWT can encounter setbacks.

The road to the site, which is grandfathered to Selwyn, was built in the 1970s and is

in good enough condition to support the transport of mining equipment and supplies.

"The road is incredibly good to this day. Its amazing, but through the permit process it took us five years to get our permits (to use the existing road)," Dunning said. "When we were done there is a portion of the road that goes through the expanded Nahanni National Park, so we had to turn around and get some Parks Canada permits to be able to use the roads.

"Our lands are grandfathered in, the road is grandfathered under legislation so they can't take it away from us," Dunning said. "If you read the parks legislation that enacted the expanded Nahanni Park there's actually a clause in the legislation that Parks Canada cannot block access."

On the upside, Selwyn is making strides in working with First Nations on both sides of the border.

"We have a signed agreement with the Sahtu for a socio-economic impact benefits agreement, so we have an agreement with the First Nations group and we are in line with them, and they are very supportive of our project," Dunning said. "Whenever we do work in the NWT in their traditional lands we try and involve them as much as we can, but it's been a very slow process."

As far as the workforce numbers are concerned for the cross-border venture, Dunning said the best people for the job will be the ones awarded the contracts.

"Our goal is to work with the local communities to enhance the project so that they benefit from the infrastructure and whatever opportunities will be presented, but we try not to tie it to a ratio or anything like that," Dunning said.

"Opportunities are opportunities. You want the best

people and you want everyone to benefit. It's a nice way of doing instead of hardwiring it into an agreement and then everyone points back to the agreement and starts pointing their finger and saying 'what about this?'"

While there are some obligatory conditions to any work in the North, Dunning says the company is in favour of incorporating the skilled labour that already exists in the surrounding communities.

"Some of the best equipment operators I've ever worked with are in Tulita and Norman Wells," Dunning said.

"There are great people and you have to find the opportunities that best suit the calibre and resources around you and then target that."

As far as the future is concerned, Dunning said Selwyn is hopeful for a road-block-free future, but admits that the company is factoring setbacks into the equation.

"We've got a very active partner, Chihong Canada Mining Ltd., that wants to see this built, so we're working on the engineering study, and we're doing everything we can to formulate work programs to make sure that happens," Dunning said.



photos courtesy of Selwyn Resources

Selwyn Resources has faced some regulatory red tape, but has signed an agreement with Sahtu aboriginal leaders. The Selwyn Project, a lead and zinc deposit, overlaps two territorial jurisdictions – the NWT and the Yukon.



Selwyn's project, which has 19,294 hectares of mineral claims in the Yukon and 3,373 hectares in the NWT, is being called the largest undeveloped zinc deposit in the world.

fact file

Company: Selwyn Resources

Location: Located in the eastern Yukon and straddles the border with the NWT

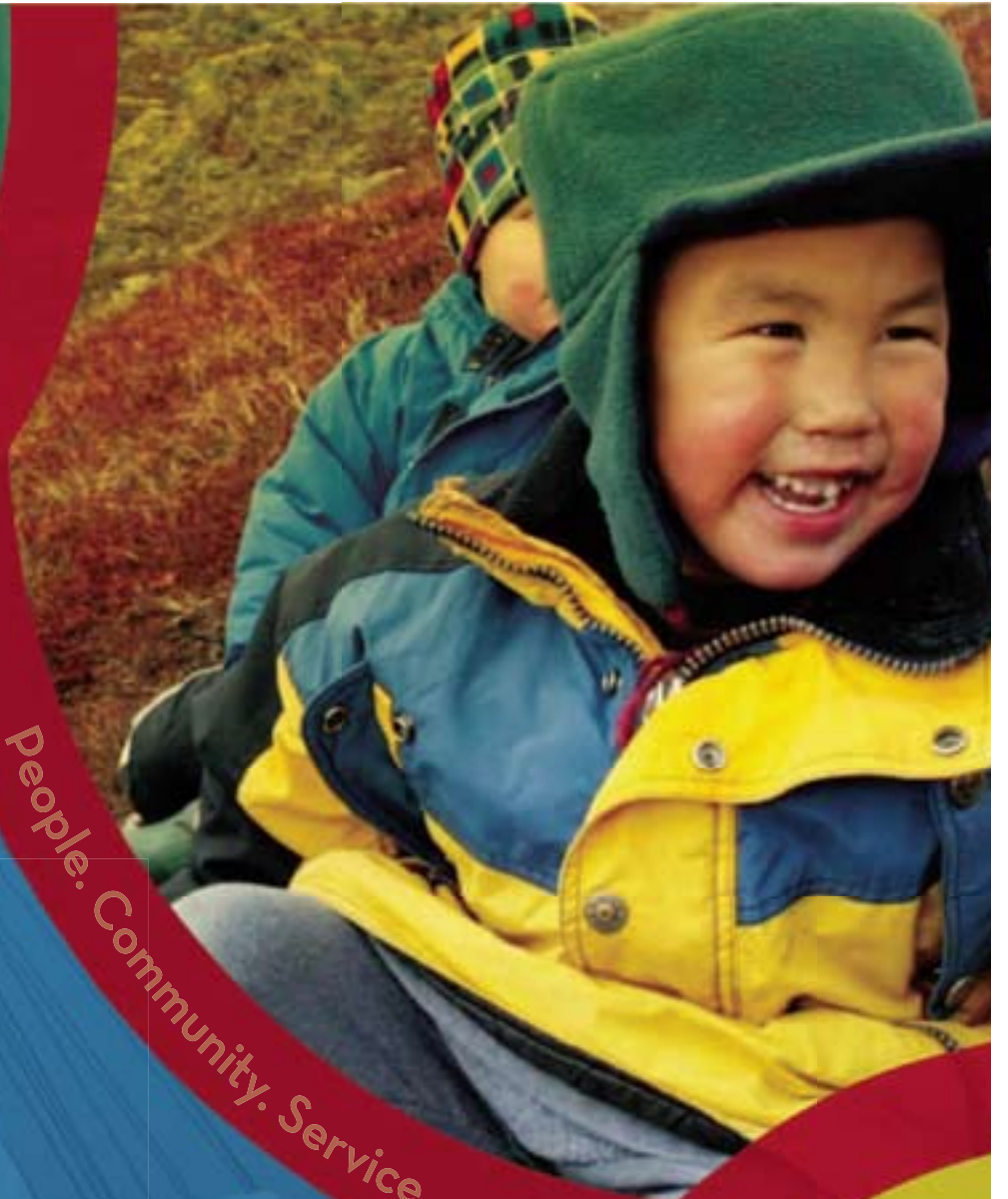
Estimated Resources: 30 billion pounds of zinc

Budget: \$70 million completed in explorations

Status: Entering into a bankable feasibility study



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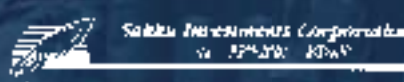
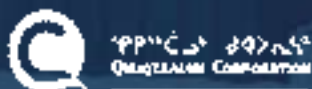
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photo courtesy of North Arrow Minerals

North Arrow's vice-president exploration, Gordon Clarke, checks an airborne geophysical anomaly location at the Lac de Gras Project.

New player in diamond project

by Sara Wilson
Northern News Services
Lac de Gras, NWT

Harry Winston stakes claim to Lac de Gras project

The Lac de Gras diamond play has seen another major player enter into the field, with Harry Winston Diamond Corporation staking claim to 55 per cent interest in a joint venture with North Arrow Minerals and Springbok Holdings Inc.

Labelled aptly enough the Lac de Gras diamond project, the property is 290 kilometres northeast of Yellowknife, a scant 10 kms from the Diavik Diamond mine on Lac de Gras, in which Harry Winston holds a 40 per cent interest.

Harry Winston's share of the joint venture property covers 226,000 acres and borders the 81,000 acres held by North Arrow and Springbok.

"It is with special pleasure that Harry Winston begins its own exploration initiative with a joint project with Gren Thomas who was central to the Diavik discovery and early development," Robert Gannicott, chairman and CEO said in a press release.

"Earlier exploration on

the joint property now being explored was confined to surface sampling before the quarternary sediments were properly understood. We now have the benefit of better understanding to properly explore this attractive acreage directly on trend from some of the world's richest diamond ore bodies."

North Arrow and Springbok will own equal shares of the remaining 45 per cent stake. The companies also said a systematic basal till sampling program is slated to begin in early 2012.

The decision to bring in Harry Winston Diamond Corporation was an easy one, according to North Arrow, as the company has plans to focus on its southern portfolio.

"North Arrow, right now, (is) focusing on our southern assets and looking at acquir-

ing some properties in Chile, and we're also looking at some exploration properties in Columbia so we've been re-focusing with the new management," said Julie Hajduk, corporate communications with North Arrow Minerals.

"Brian McEwen came on as the president last spring and the idea was that he would re focus the company down south."

Splitting the interest in the project allows

North Arrow to pass the exploration duties onto its larger counterpart.

"We've joint-ventured all our properties in the Northwest Territories. It's a great thing because we're offsetting the risk by having a partner in Harry Winston come in," Hajduk said. "That is the ideal partner for there, they've committed of making expendi-

tures of \$5 million over a five year period. We'll still maintain partial control of it as well without us having to spend our money."

Next year will see a drilling program start, but efforts to explore the property have been minimal in the past.

"Compared to the exploration of other kimberlite fields, such as for example in Africa, the joint venture property to date has been significantly under-explored," said Brian McEwen, president and CEO of North Arrow Minerals.

"Harry Winston has the financial resources and a corporate commitment to diamond exploration and discovery that will result in a thorough, methodological and systematic approach to the exploration of the property."

The drilling will see crews come up against a thick blanket of glacial sediment, which has hampered previous exploration.

"Traditional kimberlite

exploration practises involve using a shovel to collect a sample of the top accessible layer of till to test for the presence of indicator minerals (minerals specific to kimberlite bodies that can become entrained in the till during glaciation)," McEwen said. "The presence of these minerals can be used to define indicator trains that can be followed back to the source kimberlite."

Geologic mapping has identified the glacier sediment is quite thick – three to 15 metres deep.

"By only sampling the surface of the till it is possible that indicator mineral trains have previously been missed," McEwen said.

"For this reason Harry Winston will use a track-mounted reverse circulation drill capable of collecting a continuous sample from surface to the bottom of the till cover. Samples will be taken in a systematic grid pattern

over the property and sampling is slated to begin in early spring of 2012. It is anticipated that results from the sampling can be used to define future diamond drill targets."

Under the terms of the joint-venture, the two properties collectively will form a joint-venture property.

Harry Winston is to carry out exploration on North Arrow's property at the same time as its own, making expenditures of a least \$5 million over five years.

A required legal survey of 32 of the project's claims were completed in July 2010. As well, ground checks of 79 kimberlite airborne geophysical targets were carried out and prioritized for follow-up ground geophysical surveys.

The Mackenzie Valley Land and Water Board issued a land use permit, which allowed for drilling on the property.

Ground geophysical surveys, including magnetic and electromagnetic surveys were conducted in the fall of 2010 on 30 targets.

