

The Honourable Peter Taptuna

Minister of Economic Development & Transportation
Government of Nunavut



SPEAKING NOTES

Investing in Nunavut

“How Canada’s Northern House will benefit Nunavummiut”

Sunday, January 17, 2010

Cambridge House
Vancouver, British Columbia

Time: 10 minutes

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Unasakut, Good afternoon.

I am pleased to have this opportunity to speak with you today about the potential the minerals industry in Nunavut holds for our territory, the companies working in Nunavut, and the individual investors who make this possible.

Just this fall our Government released the Tamapta document, this mandate document will guide the Government of Nunavut over the next 4 years. The action plan that accompanied Tamapta strongly endorsed the implementation of Parnautit, our mineral exploration and mining strategy. Our goal in Parnautit is to “Create the conditions for a strong and sustainable minerals industry that contributes to a high and sustainable quality of life for all Nunavummiut.”

Tamapta translates into English as “Building Our Future Together”. We recognize that to achieve the goal set out in Parnautit and the vision of Tamapta we must ensure that Nunavut is seen by mineral exploration companies and most importantly the investors that make this business possible, as an attractive jurisdiction in which to search for and discover economic mineral deposits.

I would like to take a few minutes to outline for you why I believe Nunavut is not only a good place to invest in the minerals industry, but the best place to invest.

In 2007 and 2008, over \$600 million was invested by you and others exploring for minerals in Nunavut. More than 130 projects across the territory were looking for gold, silver, base metals, uranium, diamonds and iron ore deposits. Two thousand nine was a difficult year for companies and investors alike; however even in this historic downturn almost \$200 million was invested.

In the past ten years a healthy number of projects have advanced to development. Agnico-Eagle's Meadowbank Mine is now being commissioned and will produce an average of 350,000 ounces of gold each year. Major projects in gold at Hope Bay, iron ore at Mary River, and uranium at Kiggavik have reached feasibility and are poised to go into development.

Right behind these projects, MMG and Sabina Gold and Silver have world class base and precious metal deposits that are approaching the development stage.

Why has the mineral exploration and mining industry shown such confidence in Canada's newest jurisdiction? I believe the first factor is potential for major discovery. Nunavut contains 2 million square kilometers of the best geology in the world, almost twice the size of Ontario. Much of the Territory is underlain by Archean aged rocks similar to the most

productive geology in parts of Ontario, Quebec, South Africa, Australia, and Brazil.

In Nunavut much of this geology is poorly understood. The Government of Nunavut, in partnership with the federal government through the Canada-Nunavut Geoscience Office, is working to create an understanding of Nunavut's geology that is comparable to other jurisdictions in Canada.

Elsewhere in Canada, government geoscience projects are refining our knowledge of Canada's geology and mineral potential. In Nunavut, recent mapping on Southwest Baffin Island identified previously unmapped and very perspective Archean aged volcanic rocks, and mapping on South Hampton Island discovered that minor previously identified oil shales are now understood to be a single continuous unit that has great potential as a major regional source rock for oil and gas.

This mapping has uncovered and improved our understanding of some of Nunavut's large Archean greenstone belts, and as CBR Gold Corp, Commander Resources, and before them Cumberland Resources and Miramar Mining have found out, there is a LOT of gold in these rocks.

Our increasing understanding of their base metal potential and the broad area where companies have made diamond discoveries underscore that Nunavut has a greater potential for upside discovery success than any other jurisdiction in Canada or perhaps around the world.

We are partnering with the federal government in their Geomapping for Energy and Minerals initiative that is putting \$75 million into new geoscience mapping north of 60. The GEMs initiative will have a number of major mapping projects across Nunavut.

One example is the Thelon project where we are hoping to further our understanding of the Thelon basin, a sister basin to the Athabasca basin in Saskatchewan that produces much of the world's uranium. This area is best known for the Kiggivik project which AREVA is moving toward development, but the tremendous exploration success by Uranium North, Bayswater Uranium, Kivalliq Energy Corp, and Forum Uranium demonstrate that even at this early stage this basin holds the potential to match the Athabasca basin.

The next investor confidence advantage that Nunavut has is our certainty of tenure. The Nunavut Land Claims Agreement guaranteed land ownership rights throughout the Territory. No other jurisdiction in Canada or perhaps the world has this level of stability and certainty of land tenure

This certainty of tenure, coupled with the lack of past exploration activity, have allowed aggressive forward looking companies like those that have sponsored this event, to acquire mineral rights to entire diamond fields, entire greenstone belts, or some of the best uranium potential in the world. This has been challenging for investors and analysts that are not used to

having junior companies owning tenure to such spectacular mineral potential that has had so little past exploration.

Every one of the diamond discoveries by Diamonds North, Shear Minerals, Indicator Minerals, Stornoway Diamonds, and Peregrine Diamonds have been new grassroots discoveries. All of these companies hold mineral tenures to diamond districts that have a high likelihood for future production success. In other jurisdictions each of these districts would be split between multiple companies each carrying on their own exploration activity.

These companies have shown patience and tenacity in exploring their ground, and the discoveries they are now making is only the beginning.

Likewise CBR Gold Corp and Commander Resources that I mentioned earlier, have their own greenstone belts.

Would you invest in a company that held the exploration rights to the entire Kirkland Lake or Timmins greenstone belt? Even if the great ore bodies had not yet been proven? We are confident that these rocks in Nunavut host large economic ore deposits, but it will take aggressive forward looking junior companies to prove them up.

I believe that these companies will find those deposits and that these belts of rocks will prove as productive as the same aged rocks around the world. I

know that the investors that make this exploration possible have the same confidence that I have.

The last and perhaps most important investor confidence advantage that I want to highlight is the local support these companies have for their mineral exploration and development projects.

Our government and the people of Nunavut have demonstrated that they will provide strong support for any resource development project that is:

- economically viable
- can demonstrate that it is not going to damage the environment, and any impacts can be managed and mitigated
- and provides substantive and sustainable benefits to the people and communities of Nunavut

From our smallest communities to the individuals that make up our government, Nunavummiut agree that an economically strong and self-reliant territory will be built alongside a strong and sustainable minerals industry.

The mining industry is famous for its cycles, but for Nunavut this cycle will be different. As investors are coming back into the market the tremendous upside discovery potential, the certainty and stability, and the support mineral exploration and mining has in Nunavut is recognized, and Nunavut

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is being seen as one of the best jurisdictions in the world for mineral exploration and mining investment.

My confidence is greatly bolstered by the investments we have recently seen by Agnico-Eagle and Newmont, who both have said publicly that looking around the world they saw Nunavut as an attractive and stable jurisdiction in which to invest, and a jurisdiction with perhaps unmatched discovery potential.

The minerals industry in Nunavut will be key to Tamapta – Building Our Future Together, whether you are a student still in school in one of our communities, or you are leading one of the dynamic companies that have sponsored this event, or an individual investor looking for opportunities to secure your financial future.

I would like to thank the organizers for inviting me to speak with you today, and I invite you to come to Nunavut to see the future of mining in Canada.

Nakomi, Thank you.