



ᐱᓚᓕᓕᓲᓪᓵᓕᓕᓂᓂᐅᓕ ᐃᓃᓯᓱᓱᓵᓕᓂᓂᐅᓕᓂ
 Pivalliyuliqiyikkut Ingilrayuliqiyitkullu
 Department of Economic Development and Transportation
 Ministère du Développement économique et des Transports

Consultation Guide Towards a Nunavut Mineral Exploration and Mining Strategy

April, 2005



Table of Contents

Letter of Transmittal

| | Page |
|--|-------------|
| 1. Introduction..... | 3 |
| 2. The Nunavut Context | 4 |
| 3. Mission, Principles, Vision | 6 |
| 3.1 Mission | 6 |
| 3.2 Principles | 7 |
| 3.3 Vision..... | 7 |
| 4. Strategic Themes..... | 10 |
| 4.1 Strategy Theme 1 - Government of Nunavut Capacity Development | 11 |
| 4.2 Strategy Theme 2 - Environmental Stewardship and Sustainability..... | 12 |
| 4.3 Strategy Theme 3 - Community Participation and Capacity Development..... | 14 |
| 4.4 Strategy Theme 4 - Infrastructure Development..... | 15 |
| 4.5 Strategy Theme 5 - Business Development..... | 17 |
| 4.6 Strategy Theme 6 - Development of an Effective Approval Process | 18 |
| 5. Next Steps | 20 |

List of Figures

| | |
|--|---|
| Figure 1. ED&T Mission, Principles and Vision..... | 9 |
|--|---|



ᐱᑭᑦᐸᐸᐸᐸᐸᐸᐸᐸᐸ ᐸᑭᑦᑭᑭᑭᑭᑭᑭᑭᑭᑭ
 Pivalliyuliyikkut Ingilrayuliyitkullu
 Department of Economic Development and Transportation
 Ministère du Développement économique et des Transports

- providing substantive and sustainable benefits to people and affected communities;
- providing respect and support for traditional cultures;
- supporting confidence, self-reliance and self-determination for Nunavut and its communities and individuals; and
- being economically profitable.

Thus, the final Strategy should be one that supports and encourages companies and individuals to meet GN’s sustainable development expectations. The GN will hold its mineral exploration and mining industry partners accountable to high environmental and socio-economic standards at all stages of the mining cycle.

To date, the development of this Consultation Guide has involved the following steps:

1. Desk-top research and analysis of the Nunavut context;
2. Formation of a Steering Committee for the strategy development process;
3. Development of strategic themes in a multi-stakeholder workshop in Iqaluit in December, 2004;
4. Compilation of a working document and presentation of a Workshop Report to EDT; and
5. Construction of this Consultation Guide.

It is important to note that, while this document has been developed as a result of initial consultations between a number of stakeholders, the creation of the final Mineral Exploration and Mining Strategy for Nunavut requires further input and comment to ensure that it reflects the wishes and needs of all stakeholders. All interested parties, therefore, are encouraged to comment on the ideas put forward herein, and to offer suggestions for improvements and/or additions to the final Strategy document.

2. The Nunavut Context

The existing backdrop for mineral exploration and mining activities in Nunavut appears to present a complex picture of interests, jurisdictions and regulations. This section briefly describes the current situation in the territory.



ᐱᑦᑦᑦᑦᑦᑦᑦᑦ ᐱᑦᑦᑦᑦᑦᑦᑦᑦ
Pivalliyuliyikkut Ingilrayuliyitkullu
Department of Economic Development and Transportation
Ministère du Développement économique et des Transports

The NLCA forms the basis for resource management in Nunavut. Under the Nunavut Act, which flows from the NLCA, the Territory of Nunavut was created, with a public government that has a direct interest in wildlife management, conservation, health and social services, education, infrastructure development, land administration and tourism. The federal government retains direct accountability for the approval of mineral exploration and mining projects in terms of policies, priorities and legislative responsibilities.

When it comes to the mineral exploration and mining industry, there are five major stakeholders, the first of which is the Nunavummiut – the People of Nunavut. The other four stakeholders are GN, federal government departments, the mining industry, and Designated Inuit Organizations (DIOs) that are led by Nunavut Tunngavik Inc. (NTI). Inuit organizations have significant influence on the composition and operation of public boards and agencies dealing with mining projects. The federal government retains the final authority for mining approvals in Nunavut. The environmental assessment process in Nunavut is administered and coordinated by the Nunavut Impact Review Board (NIRB).

Under the NLCA a new land ownership regime was established in Nunavut, with three principal landowners: The Inuit (who control Inuit Owned Lands or IOLs), the federal government (which controls federal crown lands), and the GN (which controls Commissioner’s Lands, the land within the limits of Nunavut’s municipalities). Under this regime the principal DIO, NTI, holds mineral title to all Inuit-owned subsurface rights land – a total of 38,000 square kilometres. Regional Inuit Associations, or RIAs, have been delegated responsibility for the management of the surface rights on Inuit-owned land – approximately 356,000 square kilometres.

INAC has a strong leadership role in Nunavut in managing natural resources, given its long operational and policy history and the responsibilities associated with managing both surface and subsurface rights on federal crown lands in the territory (and the Nunavut Settlement Area prior to April 1, 1999). In addition to this, the INAC Minister has the ultimate responsibility for natural resources management in Nunavut in terms of board appointments and for regulatory approvals such as water licenses. It should be noted that the federal Government’s recent Northern Strategy has indicated its commitment to achieving devolution of many of INAC’s authorities in Nunavut, including its responsibility for management of mineral resources, by 2008.

Other federal departments such as the Department of Fisheries and Oceans (DFO), Coast Guard, Environment Canada and NRCan have direct legislative responsibilities in Nunavut that can impact the approval of mining projects. Additionally, NRCan (in partnership with INAC and the GN), plays an important role in constructing and maintaining geological databases for the territory.



ᐱᓄᓕᓕᓐᓇᓇᓇᓇᓇᓇᓇᓇᓇᓇ ᐃᓄᓇᓇᓇᓇᓇᓇᓇᓇᓇᓇ
Pivalliyuliyikkut Ingilrayuliyitkullu
Department of Economic Development and Transportation
Ministère du Développement économique et des Transports

Through the NLCA a number of public Boards and Commissions have been established that deal with environmental matters. Under the NLCA, the Nunavut Planning Commission (NPC) will, in conjunction with the territorial and federal governments, establish broad policies, objectives and goals for the territory. Based upon these, the NPC is charged with the responsibility to establish Land Use Plans. To achieve this, the NPC has divided the territory into 6 planning regions. To date, the Land Use Plans for only two of these regions, North Baffin and Keewatin, have been completed and approved by the federal and territorial governments.

At present there is no comprehensive policy relating to the creation of protected areas in the territory. To address this, the GN will evaluate the need for the development of a Nunavut Protected Areas Strategy.

The *Nunavut Wildlife Management Board* oversees the harvesting and conservation of wildlife. Responsibility for the management and regulation of water falls to the *Nunavut Water Board* and special land matters are under the jurisdiction of the *Surface Rights Tribunal*. *NIRB* is responsible for environmental assessment of exploration and mining projects.

3. Mission, Principles, Vision

Fundamental to the development of the Strategy is the establishment of Mission, Principles and Vision to provide a blueprint for managing minerals resources in Nunavut. These are directions from the Minister that form the basis of actions and will be used to measure success.

3.1 Mission

The Mission Statement is intended to reflect the commitment of the GN to a course of action with respect to the exploration and mining industry. The Mission Statement for the Strategy is as follows:

To encourage the creation of a sustainable mining industry that protects the environment and benefits and contributes to all Nunavummiut.



3.2 Principles

Principles are the moral code of an organization. The principles put forward in the following statements are strongly influenced by the tenets prescribed by the Inuit Qaujimagatuqangit (IQ), the underlying code for all activities in Nunavut. The principles upon which the strategy will be built are:

- *Pijitsirniq/Ihumaliukti* - Respect and provide for community, family and individuals;
- *Aajiiqatigiingniq/Pitiakadigiiklotik* - Have regard for the Inuit way of decision-making; employ discussion and build consensus;
- *Pilimmaksarnik/Ayoikyumikatakhimanik* - Enable knowledge and skills to be passed on through observation and practice;
- *Piliriqatigiingniq/Havakatigiikklutik* - Ensure people collaboratively work together for a common purpose;
- *Qanuqtuurunnarniq/Kaujimatukanut* - Encourage people to be resourceful and work to solve problems; and
- *Avatimik Kamattiarniq/Amiginik Avatimik* - In all things have respect for the environment and ensure it is protected.

3.3 Vision

Vision is a statement of success that serves to guide supporting actions in a manner consistent with an organization's principles. A vision must challenge and inspire an organization to excel. The vision that will guide the development of this Strategy is:

A sustainable mineral exploration and mining industry that:

- **provides long term social and economic benefits to Nunavummiut;**
- **contributes to Nunavut's economic goals;**
- **is attractive to investors; and**
- **protects the environment.**

This statement reflects a balance that captures the following points:



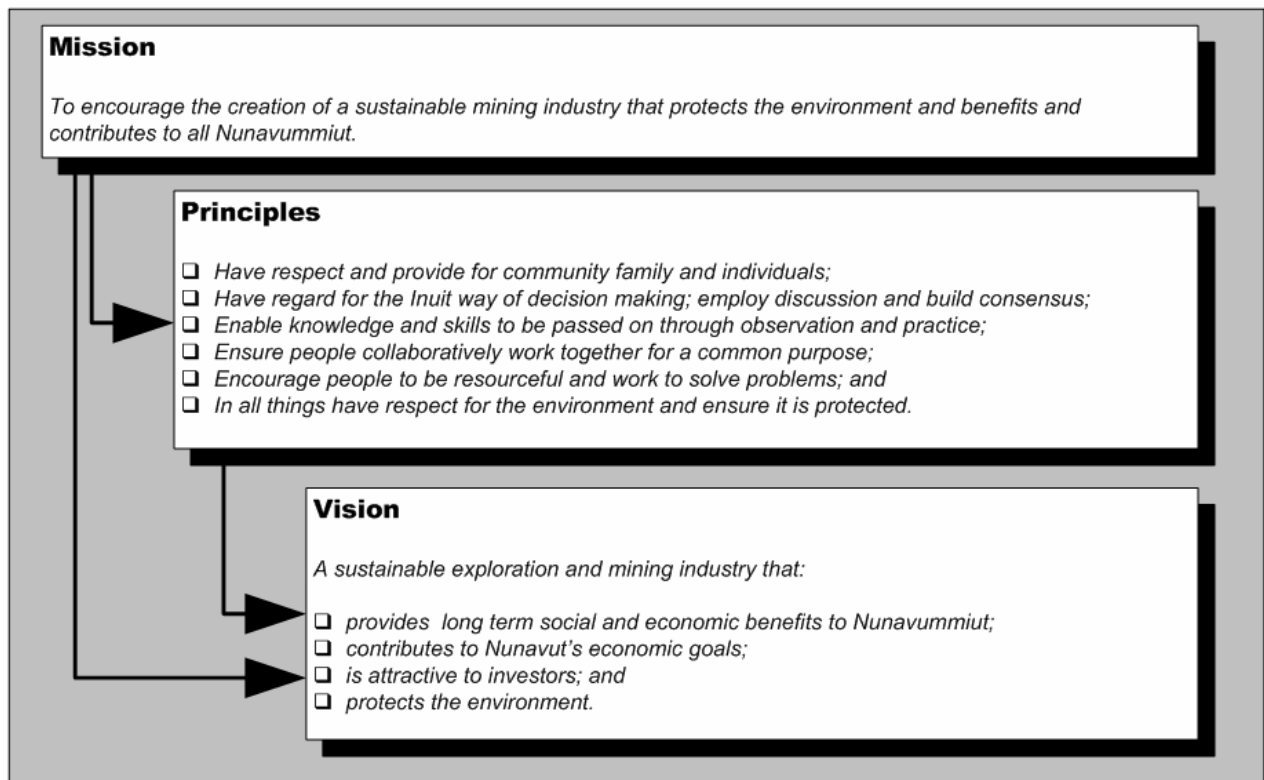
ᐱᑦᑦᑦᑦᑦᑦᑦᑦ ᐱᑦᑦᑦᑦᑦᑦᑦᑦ
Pivalliyuliyikkut Ingilrayuliyitkullu
Department of Economic Development and Transportation
Ministère du Développement économique et des Transports

- the concept of a sustainable mining industry that has a strong long term future and does not limit other long-term uses of the land;
- the fact that mineral exploration and mining should be implemented with long term social and economic benefits to individuals and communities within the territory;
- exploration and mining initiatives should help stimulate the economy of Nunavut for the benefit of all;
- those who make mineral exploration and mining investments in Nunavut are key stakeholders and it is important that their needs be taken into account to create a positive environment that will encourage their participation; and
- the environment is of paramount importance in Nunavut and all activities by the minerals industry must have profound regard for safeguarding its integrity.

A summary of the Mission, Principles and Vision is set out in Figure 1 below.



Figure 1. ED&T Mission, Principles and Vision





4. Strategic Themes

To best describe the strategic directions that the GN wishes to pursue, a series of “themes” have been developed to describe the initiatives that will be undertaken in driving the business of managing mineral resources in Nunavut.

The six themes that form the basis for discussion of the strategy development are:

1. *Government of Nunavut Capacity Development;*
2. *Environmental Stewardship and Sustainability;*
3. *Community Participation and Capacity Development;*
4. *Infrastructure Development;*
5. *Business Development; and*
6. *Development of an Effective Approval Process.*

It should be noted that unlike the first five themes, the GN does not play a lead role in the implementation of the final theme – Development of an Effective Approval Processes. It is included here because it is a critical element for an overall successful Nunavut minerals strategy, and must be acted on with the full co-operation of all stakeholders.



4.1 Strategy Theme 1 - Government of Nunavut Capacity Development

Theme Focus: Institutional strengthening within the Government of Nunavut to effectively work with the mineral exploration and mining industry.

Responds to the Inuit Qaujimatanguit principles of

- *Piliriqatigiingniq/Havakatigiikklutik* - Ensure people collaboratively work together for a common purpose;
- *Avatimik Kamattarniq/Amiginik Avatimik* - In all things have respect for the environment and ensure it is protected;
- *Qanuqtuurrurnarniq/Kaujimatukanut* - Encourage people to be resourceful and work to solve problems; and
- *Pilimmaksarnik/Ayoikyumikatakhimanik* - Enable knowledge and skills to be passed on through observation and practice.

The GN is committed to establishing a more efficient and consistent regulatory process and to providing an integrated regulatory environment. This will give the mining industry a clearer understanding of the government processes and expectations, and encourage investment in the territory. As part of this initiative, the GN will provide comprehensive, up to date and user-friendly public access to all relevant information so that all affected interests can make informed decisions.

The GN is also committed to making long-term investments to improve its ability to assist with management of mineral resources, and to prepare for the devolution of responsibilities from the federal government. There are a number of initiatives that will be carried out to improve the capacity of the GN including:

- in preparation for the devolution of minerals management from the federal government, work toward development of a Nunavut Mines Act; and



ᐱᑦᑦᑦᑦᑦᑦᑦᑦᑦ ᐱᑦᑦᑦᑦᑦᑦᑦᑦ
Pivalliyuliyikkut Ingilrayuliyitkullu
Department of Economic Development and Transportation
Ministère du Développement économique et des Transports

- development and implementation of an integrated public data management system to provide timely access to information relevant to exploration and mining development in Nunavut. This includes geoscientific databases, land use information, subsurface rights information and an integrated regional environmental database.

The GN will plan and implement a long-term recruitment program to increase technical and management abilities. In addition, the Government will develop a long-term training program to improve current capacities at all levels within the organization. This may also require a review of existing programs that deal with Nunavut's minerals industry to improve service delivery. One example of such a program is the Nunavut Mine Training Partnership, discussed in more detail in section 4.3 below.

The GN will also develop and implement a long-term plan to integrate departmental responsibilities to avoid inter-departmental duplication and streamline the decision-making process. This will require a strong partnership with the federal government to build capacity and an understanding of the challenges in management of mineral resources in Nunavut.

4.2 Strategy Theme 2 - Environmental Stewardship and Sustainability

Theme Focus – Approval of mining proposals based on sustainability and long-term protection of Nunavut's natural resources

Responds to the Inuit Qaujimajatuqangit principles of

- *Pijitsirniq/Ihumaliukti* - Respect and provide for community, family and individuals; and
- *Avatimik Kamattarniq/Amiginik Avatimik* - In all things have respect for the environment and ensure it is protected.



ᐱᓕᓕᐱᓕᓕᓕᓕᓕᓕᓕᓕ ᐱᓕᓕᓕᓕᓕᓕᓕᓕᓕᓕᓕ
Pivalliyuliyikkut Ingilrayuliyitkullu
Department of Economic Development and Transportation
Ministère du Développement économique et des Transports

The GN is committed to working with stakeholders to protect the environmental integrity of Nunavut and ensuring that communities receive long-term socio-economic benefits from mineral developments. There is also a strong commitment to ensuring that the Nunavut minerals industry has a clear understanding of what is expected in terms of operations and reclamation, before they are allowed access to land. This approach assures all Nunavummiut that there will be no permanent or long-term alienation of land or water. This also assures the communities of Nunavut that the Government will safeguard their interests and enhance their quality of life.

The approval of mining projects in Nunavut will be based on the premise of sustainability by providing for the future use of the land or water after the cessation of mining development. The GN believes that mining proponents should use best environmental and engineering practices that are appropriate to the local conditions of a mining development. The GN will require sufficient security to be posted such that a mining development can be fully reclaimed at any stage of the development.

Under the NLCA, Inuit Impact and Benefit Agreements (IIBAs) are negotiated between mining proponents and RIAs. The GN is not currently involved in this process, though the activity it governs will often have direct and significant affect on areas of GN concern (e.g., health, social services, education, etc.). The GN commits to monitoring the effectiveness of IIBAs, and to ensuring that its interests and those of the people and communities of Nunavut are properly protected by the IIBA process. If necessary, proponents may be required to enter into parallel agreements with the GN.

To achieve this approach in approving mining projects, the GN will continue to build capacity through staff recruitment and training. This will enable the GN to work with industry partners to ensure that all exploration and mining activities throughout their life cycle respect the principles of environmental stewardship and sustainability. A strong partnership with both the federal government and private sector investors will be required to ensure that interests are protected and that past practices provide a “lessons learned” vehicle for all stakeholders.



4.3 Strategy Theme 3 - Community Participation and Capacity Development

Theme Focus: Community education, training, and employment program development

Responds to the Inuit Qaujimagatuqangit principles of

- *Pilimmaksarnik/Ayoikyumikatakhimanik* - Enable knowledge and skills to be passed on through observation and practice;
- *Aajiiqatigiingniq/Pitiakadigiiklotik* - Have regard for the Inuit way of decision-making; employ discussion and build consensus; and
- *Piliriqatigiingniq/Havakatigiikklutik* - Ensure people collaboratively work together for a common purpose.

Community participation and capacity development is seen by the GN as a crucial component of building a long term and viable minerals industry in Nunavut. Skills development through education and practical experience through the involvement of local individuals in the minerals industry will provide opportunities to enhance community capacity. These opportunities will maximize local employment and assist with the overall “wellness” of Nunavut communities. It is also important that the Nunavut minerals industry develop an understanding of the skills that are available at the community level and an improved overall understanding of the communities that could be potentially impacted by a mining development. Given all of the above, the GN commits to planning and implementing long-term community training initiatives and a skills capacity assessment for the benefit of both Nunavummiut and the Nunavut minerals industry.

The GN also commits to the development of a community awareness program for both Nunavummiut and the minerals industry including education in the Inuit way of life through Inuit Qaujimagatuqangit. The GN is committed to working with all stakeholders to provide community education and training programs targeted at the development of local skills to ensure community participation in mining projects. This will require a partnership of departments within the GN, including Regional and Community Development Organizations and the mining industry, and some work along these lines has already been initiated.



For example, the GN-led Nunavut Mine Training Partnership (NMTP), composed of representatives from industry, federal and territorial governments and Inuit regional training bodies, has been formed to help identify, develop and monitor training activities in support of mine-related exploration and development. The goals of NMTP are to:

- maximize the mine-related skills development for Inuit;
- provide job opportunities for Nunavummiut at various stages of mine operations;
- enhance transferability of job skills and employment sustainability; and
- encourage and actively pursue Inuit training for supervisory/management jobs.

4.4 Strategy Theme 4 - Infrastructure Development

Theme Focus: Infrastructure strengthening and development

Responds to the Inuit Qaujimajatuqangit principles of

- ***Qanuqtuurunnarniq/Kaujimatukanut* - Encourage people to be resourceful and work to solve problems; and**
- ***Pijitsirniq/Thumaliukti* - Respect and provide for community, family and individuals.**

The aim of infrastructure development is to provide adequate and cost-effective access for mineral exploration and development. Infrastructure development will ensure that communities are better prepared to support the development and operation of mining projects, and will provide for potential local economic growth and employment opportunities. It will also provide immediate benefits to the local community through project-associated improvements in infrastructure.

Examples of infrastructure development include improvements in local transportation such as roads, airstrips and harbours and communication networks such as high speed internet services. These are seen to be basic requirements for effective business development in Nunavut. In addition, the development and maintenance of local community infrastructure and services is required to support construction, mining operations and servicing of mining locations.



ᐱᑦᑦᑦᑦᑦᑦᑦᑦ ᐱᑦᑦᑦᑦᑦᑦᑦᑦ
Pivalliyuliyikkut Ingilrayuliyitkullu
Department of Economic Development and Transportation
Ministère du Développement économique et des Transports

Despite fiscal restraints, the GN is committed to the development of key infrastructure to build business opportunities across the territory. To meet the goal of improving Nunavut's infrastructure, therefore, the GN must enter into partnerships with communities, Inuit Organizations, the federal government and the private sector to acquire and put in place capital equipment, support personnel and community-based infrastructure in support of mining projects. Recognizing this need, the GN has already positioned itself as a strong member of the Nunavut Economic Forum (NEF), a formal alliance of key players in the Nunavut economy which includes both levels of government, NTI and other Inuit organizations, the Chamber of Commerce and Association of Municipalities. In defining its mandate, the NEF followed the dictates of the 2001 and 2002 Conference Board of Canada Nunavut Economic Outlook Report, which resulted in its developing the Nunavut Economic Development Strategy in 2003. This strategy highlights the importance of mining to the long term economic health of Nunavut

As part of the 2004 federal budget a \$90 million strategic investment fund was announced for the three northern territories. Mining is one of the key sectors targeted by the strategic fund, and the NEF is currently prioritizing projects to optimize the benefits this money will yield to Nunavummiut.

A fundamental aspect of infrastructure development with respect to mining is the long-term growth in the Nunavut Geoscience database. In places, the Nunavut geoscience database is poor, with out of date geological mapping and limited geochemical and geophysical coverage. The GN is committed to long-term stable funding for the Canada-Nunavut Geoscience Office.



4.5 Strategy Theme 5 - Business Development

Theme Focus: Economic opportunities and business development

Responds to the Inuit Qaujimajatuqangit principles of

- *Pilimmaksarnik/Ayoikyumikatakhimanik* - Enable knowledge and skills to be passed on through observation and practice;
- *Pijitsirniq/Ihumaliukti* - Respect and provide for community, family and individuals; and
- *Qanuqtuurunnarniq/Kaujimatukanut* - Encourage people to be resourceful and work to solve problems.

The GN is fully committed to encouraging business development throughout Nunavut and will continue to work with key partners and other stakeholders to encourage promotion of a positive investment climate. Mineral exploration and mining activity represents a significant additional private sector investment to Nunavut, and should give opportunities for local businesses to develop and supply improved support services to the minerals industry and to the community in general. Local employment will be an important benefit of this new business activity as well. The goal for the GN is to help people in the communities take advantage of current opportunities, such as those which come from exploration activity or the development of a mine, and to build a stronger economic base to the long term benefit of the community. This stronger economic base in a community will, in turn, help attract more investment.

The GN commits to developing a marketing and business development plan to encourage future industry investment in the territory. To encourage and expand business development investment in Nunavut, partnerships between government, industry and communities must evolve in an atmosphere of co-operation.

There has been much discussion as to the role of government in creating down-stream value-added industries that may flow from mining developments. An example of this would be the establishment of a local industry involved in secondary processing (sorting, grading, cutting and polishing) of Nunavut



ᐱᑦᑦᑦᑦᑦᑦᑦᑦᑦᑦ ᐱᑦᑦᑦᑦᑦᑦᑦᑦᑦᑦ
Pivalliyuliyikkut Ingilrayuliyitkullu
Department of Economic Development and Transportation
Ministère du Développement économique et des Transports

produced diamonds, or a jewelry industry using Nunavut gold and/or diamonds. The GN commits to encouraging such industries where they can be shown to be economically viable.

Prior to devolution, the GN will conduct a thorough review of Nunavut's mineral royalty structure to ensure that it is competitive and fair to all parties, and will consider the implementation of fiscal incentives that promote and encourage ongoing industry investment.

Another area where government will play a leading role is through training programs to encourage an entrepreneurial culture. As with other themes, the investment and distribution of public information such as geoscience will assist in business investment in Nunavut.

A discrete area particular to Nunavut is the research, development and promotion of technologies and practices for arctic environments. This is seen by the GN as an exportable skill for use in other national and international jurisdictions.

4.6 Strategy Theme 6 - Development of an Effective Approval Process

Theme Focus: Institutional strengthening

Responds to the Inuit Qaujimajatuqangit principles of

- *Qanuqtuurunnarniq/Kaujimatukanut* - Encourage people to be resourceful and work to solve problems; and
- *Avatimik Kamattiarniq/Amiginik Avatimik* - In all things have respect for the environment and ensure it is protected.

A number of excellent mineral projects in Nunavut have led to substantial investment to date, and the geological prospectiveness of the territory is very high. However, to encourage explorers to look for the next generation of mineral deposits, the Strategy should recognize that the regulatory regime must be attractive to them. This will require that procedures for environmental assessment and regulatory approvals can be carried out in a manner that is transparent, effective and competitive with other



ᐱᑦᑦᑦᑦᑦᑦᑦᑦ ᐱᑦᑦᑦᑦᑦᑦᑦᑦ
Pivalliyuliyikkut Ingilrayuliyitkullu
Department of Economic Development and Transportation
Ministère du Développement économique et des Transports

5. Next Steps

This Consultation Guide should be considered a starting point for further discussions and consultations with all stakeholders and Nunavut communities based on six themes:

1. ***Government of Nunavut Capacity Development;***
2. ***Environmental Stewardship and Sustainability;***
3. ***Community Participation and Capacity Development;***
4. ***Infrastructure Development;***
5. ***Business Development; and***
6. ***Development of an Effective Approval Process.***

The next steps in the development of the Strategy will be as follows:

1. Carry out consultations with all stakeholders, including communities, Inuit Organizations and the mining industry;
2. Incorporate input from these consultations into finalization of the Strategy;
3. Presentation of the Strategy as a GN Policy Document to drive work planning for minerals management; and
4. Acceptance of the Strategy as effective GN policy.