

Nunavut Opens the Door to Uranium

KAMINAK GOLD MOVES AHEAD WITH THE ANGILAK PROPERTY

By Julie Domville



Landmark agreement: Rob Carpenter, president and CEO of Kaminak (left), and Carson Gillis, director, Department of Lands and Resources for Nunavut Tunngavik Inc., at Roundup 2008. Surface uranium mineralization at the Angilak property (background).

Of the 105 elements in the periodic table, none elicits quite as strong a reaction as does number 92 – uranium. The topic of uranium is universally an emotional hot button and has been since the first atomic bomb was unleashed over Hiroshima in 1945. The topic of uranium mining in the north is a sensitive subject with roots in a shameful period of Canadian history: the Dene, near Great Bear Lake, were hired in the 1940s to mine and haul uranium from the Eldorado Mine, with no knowledge of, or protection from, its potentially lethal effects. From that low point in history, the mining industry and regulating bodies have come far and learned much. Almost 70 years later, the extraction of uranium is heavily regulated and monitored, and governments and industry now work together to protect the workers and public.

In this first decade of the new millennium, uranium is entering a brave new world of renewed interest. The increasing acknowledgement of the effects of global warming caused by carbon gas emissions has created a worldwide awareness of the need to reduce harmful emissions and their impact on the environment. As

the demand for viable, clean, safe power ramps up, nuclear power is increasingly being considered as the answer. The World Nuclear Association says 30 reactors are now under construction, 64 more are planned and another 158 are proposed, and China plans to quadruple its nuclear capacity by 2020. Consumption is already outstripping annual production, the shortfall of which has been covered by civilian and military inventories and, to a certain extent, recycled products. Given the long, difficult process of finding and developing new mines, the shortfall is expected to continue for some time yet.

Nunavut Tunngavik Inc. (NTI) was established to implement the Nunavut Land Claims Agreement on behalf of the Inuit of Nunavut. Formed in 1993, NTI owns the mineral title to more than 3.6 million hectares and has never issued rights to uranium or thorium on Inuit-owned lands. But, due to increasing awareness of the significance uranium plays in the war against global warming, and the highly prospective ground within its domain, NTI wisely decided to develop a policy relating specifically to uranium exploration and development. “As owners

of the main uranium deposits in Nunavut, the writing was on the wall that we were faced with the challenge of finding a way that the Inuit can benefit and participate in this industry while at the same time ensuring the health of our people, wildlife and the environment,” says Carson Gillis, NTI’s director, Department of Lands and Resources. The policy, announced in September 2007, is based on the rationale that encouraging uranium mining and nuclear energy generation will work towards minimizing the impacts of climate change. There are, however, certain caveats. All exploration and mining must be carried out in an environmentally and socially responsible way, and the uranium that results from the mining is to be used solely for peaceful and environmentally friendly purposes.

The announcement of NTI’s uranium exploration receptive policy drew a flood of exploration companies into Nunavut. Many companies now have uranium prospects in the territory, but only one company has a Memorandum of Understanding (MOU) with NTI for the right to explore for uranium on the privately held Inuit-owned land. The historic

document, signed on January 31, 2008, gives Vancouver-based Kaminak Gold Corporation all mineral rights, including uranium, on 7,200 hectares of Inuit-owned land in the Kivalliq District of Nunavut, which includes the historic Lac Cinquante Uranium Deposit. Kaminak now holds tenure on more than 100,000 hectares of ground

comprised of federally issued claims and prospecting permits and the privately held Inuit-owned land.

NTI began to receive expressions of interest on certain uranium properties as early as 2004, says Gillis. "We only engage with companies that have a good track record and are run by people we know. We

decided to go with Kaminak because we knew them and their track record, they had an attractive land position around our parcel and they made a very competitive offer."

Rob Carpenter, president and CEO of Kaminak, has lived and worked in Nunavut, off and on, for 20 years. Having worked for industry and the federal gov-



Craig Finnigan, Kaminak's chief geologist (right) collects a grab sample from a trench at the BOG showing; Kaminak's Carpenter (inset) examines a chlorite- and silicea-altered outcrop; surface copper mineralization (far right).

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"I think Kaminak was chosen as the initial recipient of the rights to explore for uranium because our team has quite a bit of experience in the north – we understand and respect the people and culture. In exploration, success is never a guarantee. NTI has adopted a uranium policy and they want to ensure it is successful, so they don't want their first ever deal to be with a fly-by-night company," continues Carpenter. "We began negotiations with NTI right after they approved their policy, and we signed the agreement at Roundup in January. It was never a sure thing, and I found out later that there were several other exploration companies bidding for the same property at the same time. This MOU is innovative; it's the first of its kind and is a landmark for Nunavut and our industry. For me personally, it's very exciting. The geologist in me is eager to get out there and see what these rocks have to say."

Kaminak began quietly acquiring crown land around the Angikuni-Yathkyed region even before NTI announced its policy. Carpenter has long been intrigued by the diverse types of occurrences of the Crown

land portion of Kaminak's holdings. "The geology and mineral deposit types on the property are very diverse, and in general these are positive indications. There is a known uranium deposit on the property but it is historic in nature; therefore, it is not National Instrument 43-101 compliant. We are at a very early stage with this property. We are preparing an initial program this summer, and, if everything goes accordingly, then we will do the bulk of the diamond drilling in 2009. We have to get all of our permits and approvals in place first. Just because NTI is our partner, it does not mean permitting is a slam dunk. Exploration for uranium is very heavily regulated, much of which is governed by the Canadian Nuclear Safety Commission."

Kaminak has renamed the property Angilak, which is an Inuit word for "biggest." Subject to regulatory and shareholder approval, Kaminak intends to spin out its uranium assets into a new publicly traded company called Kivalliq Energy Corp. This new company will focus on the Angilak property, and Carpenter will sit as chairman. As part of its agreement,

ernment, he is familiar with the issues and concerns from both sides of the table. "NTI is a very progressive group," says Carpenter. "I think they view uranium exploration and mining as potentially bringing positive impacts to their territory. Exploration and mining provides a means for the people to build sustainable skills to take back to their communities. Skills such as carpentry, welding, catering, construction, mechanical training are all learned along the way when a mine is built."



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NTI will also be issued shares in Kivalliq Energy.

According to a Kaminak news release, "The most significant prospect known to date on the Inuit-owned land is the Lac Cinquante Uranium deposit. This deposit was discovered by Pan Ocean Oil Ltd. in the late 1970s and was later acquired by Aberford Resources Ltd. The 1982 Aberford annual report states that the deposit 'contains approximately 11.6 million pounds of uranium oxide with grades averaging 1.03 per cent.' No additional information was available in the annual report. Very little geological assessment information is available in the public government archives; however, a researcher from the Geological Survey of Canada published a description of the deposit geology in the mid-1980s based on a study of outcropping surface mineralization and diamond drill core.

"[The Geological Survey of Canada] described the deposit as a vein-type hydrothermal system that resembles the classical veins of the Beaverlodge District in Saskatchewan. Mineralization consists of a steeply dipping series of fractures and veins, one to three metres wide, that contains variable amounts of pitchblende and sulphide minerals accompanied by hematite, carbonate, albite and silica alteration. The host structure is at least 1,100 m long and the mineralized portion measuring about 400 m in length. Mineralization extends from surface to at least 265 m in depth and remains to be fully delineated."

Uranium mining is returning to the north, albeit in a remarkably different scenario. NTI, the Kivalliq Inuit Association and the hamlets of Whale Cove, Baker Lake, Repulse Bay, Arviat, Kugluktuk and Rankin Inlet have all passed resolutions in support of uranium mining in principle, which attests to how well industry and Inuit are working together in Nunavut. The partnership between NTI and Kaminak is an example of how industry, the private sector and communities can work together to develop projects that benefit all. As Gillis says: "Today, uranium mining in Nunavut has a brighter outlook than any other jurisdiction, outside of Saskatchewan." ■

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