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GRAYS BAY ROAD AND PORT
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ROUTE ET PORT À GRAYS BAY



Nunavut Resources Corporation Pre-Budget Consultation Submission

Introduction

Nunavut Resources Corporation (NRC) appreciates the opportunity to provide this submission to the House of Commons Standing Committee on Finance's Pre-Budget Consultations. As you will see, the project proposed by NRC strongly supports economic growth and Canada's competitiveness, both for Canada as a whole and in economically deprived areas of the North. Further, as a project led by an Inuit proponent, support for the project would be a significant effort toward reconciliation and investment in economic and social well-being in western Nunavut.

The Grays Bay Road and Port Project (GBRP) is a transformational, nation-building transportation network that, once completed, will connect the rich mineral resources of Canada's Slave Geological Province, straddling Nunavut and the Northwest Territories (NWT), to arctic shipping routes. The project is led by NRC, which is wholly owned by the Kitikmeot Inuit Association (KIA).

The GBRP consists of a 227km all-season road, linking the northern terminus of the Tibbitt-Contwoyto Winter Road, to a deep-water port at Grays Bay on the Northwest Passage. Once completed, this transportation system will support mining exploration and economically move resources from the Kitikmeot region of Nunavut to global markets for the benefit of all Canadians. The port will further serve as Canada's first and only deep-water port in the Western Arctic.

As a result, the GBRP will:

1. Deliver the infrastructure that will stimulate investment in resource development in the mineral rich geological formation known as the Slave Geological Province;
2. Create the first overland connection between Nunavut and the rest of Canada;
3. Provide tangible evidence of the Federal Government's commitment to reconciliation with Indigenous peoples; and
4. Assert Canadian sovereignty in the North through the establishment of a deep-water arctic port, strategically located at the mid-point of the Northwest Passage.

The benefits of the GBRP were recognized in the Canada Transportation Act (CTA) Review Report, tabled in the House of Commons by the Minister of Transport in 2016, which recommended immediate support for the Grays Bay project as the first phase of the development of the strategic 'Yellowknife – Coronation Gulf Corridor'.

The enhanced competitiveness generated by the infrastructure means that the project will generate significant, ongoing revenue from commercial users in the mining sector. The CTA Review Report



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estimated that development of the corridor's infrastructure could leverage 21 times the amount invested¹.

The GBRP project will see the expertise and capital of private sector (foreign and domestic) investors, leveraged by local Inuit leaders and federal government investment to develop a trade and transportation corridor in the Canadian arctic that will greatly benefit the economies of Nunavut, the NWT, and Canada. The effect will be transformational, resulting in important resource development, well-paying jobs, significant revenues to government and a ground-breaking Canadian presence on the Northwest Passage. The project is supported by both the Government of Nunavut and the Government of the Northwest Territories.

Project Overview

According to mining industry research, a mining project in very remote areas can cost almost three times higher, with the lack of infrastructure being a significant cause of the cost disparity.² Without the means to transport metal concentrates to overseas markets or to processing facilities in a cost-effective manner, most of the wealth of minerals known to be in the Slave Geological Province will remain undeveloped. The GBRP is aimed at providing the infrastructure necessary to attract mining investment in western Nunavut.

The GBRP is the most advanced trade corridor project in Nunavut. Project design is in the final stages and the environmental assessment process is underway. It is expected to be shovel ready in 2020 and in service by 2024. NRC is requesting federal funding of \$415 million (75% of total investment).

At a project cost of \$550 million (port \$110M, road \$440M), with an additional \$300 million in shared infrastructure from private sector partner MMG Ltd, the principal components of the GBRP Project involve the construction and operation of:

- a 227km all-season controlled access road from Grays Bay to the Jericho Mine site;
- a deepwater port at Grays Bay suitable for commercial shipping;
- a small craft harbour at the Grays Bay Port;
- airstrips (both temporary and permanent) near Grays Bay Port;
- materials storage, staging and handling facilities at Grays Bay Port;
- bulk fuel storage facilities at Grays Bay Port;
- watercourse crossing structures;

¹ *Cost-Benefit Estimates For Investments In Northern Resource Corridors, CTA Review Report: Volume One, Page 65, http://www.tc.gc.ca/eng/ctareview2014/CTAR_Vol1_EN.pdf*

² *Levelling The Playing Field: Supporting Mineral Exploration and Mining In Remote and Northern Canada; http://www.pdac.ca/docs/default-source/priorities/securities/levelling-the-playing-field---final.pdf?sfvrsn=8b46a798_2*

