Chamber of Mines News Briefs – to July 9, 2015

[**Note**: News headlines are hyperlinked to their stories in this document.]

ARCTIC AND NORTHERN NEWS

1st Polar Medals handed out in Whitehorse

Recipients include team who discovered Franklin Expedition shipwreck

CBC News: Jul 08, 2015

The Governor General of Canada, David Johnston, handed out the new Polar Medals to the first group of recipients Wednesday in Whitehorse.

The inaugural presentation ceremony of the newly created medals was scheduled for 10:30 a.m. PT at the MacBride Museum of Yukon History.

The Polar Medal has incorporated and replaced the Northern Medal, which recognized people who made contributions to the identity and culture of Canada's North. The new medal has added scientists, polar explorers and defenders of Canada's Northern sovereignty to the list of eligible recipients.

This year's recipients include the team that discovered the underwater shipwreck of the Franklin Expedition ship HMS Erebus last year near Gjoa Haven, Nunavut.

Community volunteers

The new medal still recognizes community volunteers, including Inuvik's Gerry Kisoun, who is being recognized for environmental work and coaching youth in Arctic sports.

"It is a small circle," Kisoun says of the award's recipients. "Another one was my mother, Bertha Allen, Sheila Watt Cloutier... by golly, those are pretty high end names, and to be standing in that circle is pretty neat really."

It also recognizes Second Lieutenant Dorothy Tootoo, who has been sustaining the cadet program in Rankin Inlet, Nunavut.

Scientist thrilled

Another recipient is Marianne Douglas, who has been a professor at University of Alberta and University of Toronto, and now lives in Yukon.

She has more than 25 years of experience doing field work in remote regions of the Arctic — often for weeks at a time.

"It's a huge surprise and a great honour to be picked out. I can think of a large group of people who are equally or more deserving of this medal," she says.

"My mind is like, 'Why me?' I'll have an enormous smile on my face. The North is an incredible place and it's been a privilege to be working here."

More medals to be awarded

Only nine Northern Medals had been distributed in ten years.

Annabelle Cloutier, with the Governor General's office, says the new medal will be awarded more frequently to encourage people to nominate community members and keep the award in the public eye.

"We know there is a lot of work being done in all territories and up to the Arctic region by many people who deserve this recognition," she said.

The 10 recipients are:

- Michel Allard, Quebec City (scientist)
- Marianne Douglas, Whitehorse (scientist)
- John Geiger, Ottawa (Royal Canadian Geographic Society)
- Ryan Harris, Ottawa (archeologist)
- Louie Kamookak, Gjoa Haven, Nunavut (historian)
- Doug Stenton, Iqaluit (Nunavut director of heritage)
- Shelagh Grant, Peterborough, Ont. (Nunavut historian)
- Gerald Kisoun, Inuvik, N.W.T. (elder, volunteer)
- Anne Morgan, Whitehorse (health advocate)
- Dorothy Tootoo, Rankin Inlet (cadet leader)

The medal bears an image of the St. Roch, the RCMP ship that patrolled the Arctic in the early to mid-20th century, with a portrait of the Queen on the other side.

NWT NEWS

Conference Board cuts 2 N.W.T. mining projects from economic forecast

Two other advanced-stage projects look uncertain, says think tank

By Guy Quenneville, with files from Kate Kyle, CBC News: Jul 08, 2015

The Conference Board of Canada has dropped two N.W.T. mining projects from its latest Northern economic outlook and says two other projects probably won't be included in its next forecast unless the conditions for raising money improve.

Tyhee N.W.T. Corp.'s Yellowknife gold project and Fortune Minerals' NICO base metals project didn't make the cut in the think tank's latest forecast of future GDP growth in the territory, which will be released next week, says Marie-Christine Bernard, a forecaster with the conference board.

Avalon Rare Metals' Nechalacho rare earth development project and North Amerian Tungsten's Mactung tungsten project likely won't be included in the conference board's next forecast either, added Bernard.

"When a project is just too far from obtaining financing, we take a second look [to see] if we postpone the project or pull it from the outlook altogether," she sacid.

"Metal and mineral prices remain quite low. The financing environment globally is not very good. We look at all of these factors."

With diamond production at the Ekati and Diavik diamond mines expected to decrease this year, the overall economic outlook for the territory is "a lot less positive than we were thinking just a few months ago," said Bernard.

Vacated camps, bankruptcy, financing issues

The companies behind three of the four projects dropped by the conference board have recently shown signs of difficulty.

On May 28, Tyhee told regulators it shut down the Yellowknife gold camp and wouldn't draw any further water samples from the site — a condition of its water licence.

On June 9, North American Tungsten announced it was going under bankruptcy protection and that it would have to temporarily lay off 80 workers at its producing Cantung mine.

And last week Fortune Minerals said it had defaulted on a loan from a company that had given it money to buy a silver mine in Colorado. Fortune had purchased the silver mine to give itself producer status, which Fortune thought would make it easier to raise financing for NICO, which has its key permits in hand.

But the silver mine has not started producing, and the terms of an agreement-in-principle with the lender — which may be finalized within the next week — would see Fortune lose ownership of that silver mine.

Only one new advanced-stage mining project not currently under construction, the lead-zinc Prairie Creek property owned by Canadian Zinc, made it in the conference board's outlook, joining De Beers' Gahcho Kue diamond project (currently under construction) and planned expansions of the Diavik and Ekati mines.

"Gahcho Kue is a real lifeline for us," said Dave Ramsay, the minister of industry, tourism and investment. "It's going to put five million carats on the market every year."

The construction of De Beers' second N.W.T. mine, estimated to cost between $600 million and $650 million, is contributing to what Statistics Canada expects will be a 26 per cent increase in capital spending in the N.W.T. this year.

Bernard said that estimate of capital spending wasn't released in time for the conference board's outlook, but said it will likely temper the decrease in the N.W.T.'s GDP caused by lower diamond production.

The conference board is currently predicting the territory's GDP will contract by two per cent this year.

Tyhee director steps down

Karen Ho, Yellowknifer, July 8, 2015

Tyhee Gold Corp. director Hans Black has stepped down from the company's board of directors on July 6 following a complaint filed by the U.S. Securities and Exchange Commission against him.

The commission alleges that "since at least 2010, (Black and Interinvest) engaged in a scheme to funnel Interinvest client assets into four financially troubled Canadian penny stock companies which have collectively paid an entity controlled by Black at least approximately $1.7 million (CAD)."

The commission has also charged Black with conduct that "has resulted in unrealized losses of more than $12 million in Interinvest client accounts," according to court documents.

In a news release, Tyhee chairman Denis Taschuk said, "As a board, we take the SEC's filing extremely seriously, although we note that, at this point, this is only a complaint, the validity of which has yet to be proven. Because Hans is intimately and actively involved in the advanced stages of trying to help us raise the necessary funds we need to advance our plans, we feel that, as an advisor maintaining his contacts, commitment and expertise, he will be of great assistance in this time sensitive effort."

The company is currently not trading on the Toronto Venture Exchange since it failed to have sufficient funds to pay its auditors. A cease trade order was executed on June 4.

Fortune Minerals defaults

Karen Ho, Yellowknifer, July 8, 2015

Fortune Revenue Silver Mines has received noticed from its capital financing company, Lascaux Resource Capital Fund LP, that it has defaulted on its loans.

In February, Lascaux lent Fortune an additional $5 million (USD) after already providing two loans totalling $42 million (USD) for the acquisition of a silver mine in Colorado as well as operating funds. As a result of the settlement, Fortune's NICO gold-cobaltbismuth-copper project in the Tlicho region near the community of Whati, all related permits as well as shares of Fortune NWT will be transferred to a new subsidiary of Fortune called Newco.

Canterra Announces $1 Million Financing

(News Release) Vancouver, BC – Canterra Minerals Corporation (CTM-TSX.V) (the “Company” or “Canterra”) announces a non-brokered placement offering (the “Offering”) to sell flow-through share units (“Flow-Through Units”) at a price of $0.08 per Flow-Through Unit and common share units (“Common Share Units”) at a price of $0.06 per Common Share Unit, for aggregate gross proceeds of up to $1.0 million.

Each Flow-Through Unit shall consist of one flow-through common share and one-half of one common share warrant ("Non Flow-Through Warrant"), with each such whole warrant entitling the holder there to acquire one non flow-through Common Share of the Company at a price of $0.10 per Common Share for a period of twenty-four (24) months following the closing of the offering (the "Non Flow-Through Warrant Expiry Date"), provided however, that in the event the Common Shares trade at a closing price on the TSX Venture Exchange (the "TSX-V") of greater than $0.15 per Common Share during any twenty (20) consecutive trading-day period at any time after the expiry of the four month hold period, the Company may accelerate the Non Flow-Through Warrant Expiry Date by giving notice to the holders thereof and in such case the Non Flow-Through Warrants will expire on the twenty-first (21) business day after the date on which such notice given to the holders by the Company.

Each Common Share Unit shall consist of one common share of the Company (a "Common Share") and one-half of one common share warrant ("Common Share Warrant"), with each whole warrant entitling the holder thereof to acquire one Common Share at a price of $0.08 per Common Share for a period of twenty-four (24) months following the closing of the Offering (the "Common Share Warrant Expiry Date"). However, in the event the Common Shares trade at a closing price on the TSX-V of greater than $0.15 per Common Share during any twenty (20) consecutive trading-day period at any time after the expiry of the four month hold period, the Company may accelerate the Common Share Warrant Expiry Date by giving notice to the holders thereof and in such case the Common Share Warrants will expire on the twenty-first (21) business day after the date on which such notice given to the holders by the Company.

A maximum of 16.67 million units are issuable under the Offering, which assumes that the maximum gross proceeds are raised through the issuance of Common Share Units only.

A finder's fee may be payable on a certain portion of the Offering. A finder's fee, where applicable, will be payable in cash equal to 6% of the proceeds raised from the Offering. In addition, the Finders' will receive compensation warrants ("Compensation Warrants") exercisable for non flow-through common shares equal to 6% of the total number of Flow-Through Units and Common Shares Units sold. The Compensation Warrants will be exercisable at a price of $0.10 per share for a period of twelve (12) months after the closing of the Offering.

The net proceeds from the Offering will be used by the Company for the upcoming field programs which are being finalized to follow-up on several target areas warranting additional exploration in the Northwest Territories. Field work is expected to include detailed till sampling, ground geophysical surveying and drilling.

Closing of the Offering is subject to receipt of applicable regulatory approvals including the approval of the TSX Venture Exchange. The securities issued will be subject to a standard four month hold period.

NUNAVUT NEWS

Areva to Valcourt: reject Nunavut board’s Kiggavik decision

Company says NIRB did not use "available remedies" to deal with uranium project’s unknown start date

Nunatsiaq News, Sarah Rogers, July 07, 2015

Areva Resources Canada's office in Baker Lake. The mining company asked the federal government July 3 to reject a recommendation not to approve its Nunavut uranium project. (FILE PHOTO)

Areva Canada has asked the federal government to reject the Nunavut Impact Review Board’s final report, which recommends the company’s proposed uranium project not go ahead because of the company’s inability to provide a firm start date.

After a lengthy environmental assessment process that began in 2009, the NIRB said this past May that Areva’s Kiggavik uranium project “should not proceed at this time.”

The absence of a project start date raises too many questions about the future environmental and social impacts of the mine and makes it too difficult to accurately assess those impacts, the NIRB said.

The NIRB delivered that report to Bernard Valcourt, the minister of Aboriginal Affairs and Northern Development, who now must decide to accept or reject it.

In a July 3 letter penned by Vincent Martin, the president and CEO of Areva Resources Canada Inc., the company encourages Valcourt to do the latter, saying it’s “disappointed” in the board’s recommendation.

“It is our view that in making its recommendation to the minister, the board did not use the [Environmental Assessment] process in the Nunavut Land Claims Agreement as a planning tool, nor did it utilize existing and available remedies to address the project’s lack of firm project start date,” the letter said.

“To deny the project approval in the absence of significant, unresolvable issues is inconsistent with current economic strategies and development policies that speak to responsible resource development that can contribute to self-reliance and improved quality of life.”

Areva goes on to say that all participating federal agencies, including Aboriginal Affairs, Environment Canada and the Canadian Nuclear Safety Commission, found there were no outstanding or unresolvable issues that would prevent the project from being approved.

The NIRB held final public hearings on the Kiggavik proposal this past March in Baker Lake, where numerous government agencies, non-governmental organizations and Baker Lake residents weighed in on Areva’s 10,000-page environmental impact statement.

Opponents of the proposal, such as the Nunavummiut Makitagunarningit group, said the Kiggavik proposal poses a serious risk to the long-term viability of the Kivalliq region’s caribou herds and that its environmental risks outweigh its economic benefits.

The Baker Lake Hunters and Trappers Organization went on to say that Areva’s uncertain start date for the project means the environmental review in March was essentially a waste of time.

But Areva has touted its uranium project as a major economic boost for the territory, capable of employing hundreds of people through its construction and operation phases.

“With few other sources of economic development on the horizon, the mining industry forms a cornerstone of the North’s economic and social development plans…,” the letter said.

Areva argued that the NIRB report fails to recognize the legislative intent of EAs across Canada, which is to use them as planning tools.

Having start date uncertainty is not unique to the Kiggavik project, Areva said, pointing to the Hope Bay Gold project in the Kitikmeot, which TMAC Resources hopes to revive this year.

“We believe the board erred by failing to consider existing and available remedies to address the concerns associated with lack of a firm project start date,” Areva said.

Areva said, once rejected, the final report should be returned to the NIRB for re-consideration, including “appropriate terms and conditions that should be attached to project approval.”

The Kiggavik scheme, which would have been located at two sites, Kiggavik and Sissons, comprised four open pits and one underground operation, with an estimated lifespan of about 12 years.

During the March hearings in Baker Lake, the company said it envisioned the project could be operating by some time in the 2020s or 2030s.

Areva isn’t the only company appealing to Ottawa to reject a made-in-Nunavut decision; Baffinland Iron Mines has also approached Valcourt to overturn the Nunavut Planning Commission’s land use plan ruling, so it can send its expanding shipping project straight to the NIRB instead.

Click here for: Areva Canada response to Nunavut Impact Review Board

Areva urges minister to reject Nunavut board's disapproval of uranium project

CBC News Posted: Jul 08, 2015

The company that wants to eventually open a uranium mine near Baker Lake, Nunavut, is asking the federal government to reject a territorial regulator's recommendation that the project not be approved.

In May, following a multi-year environmental impact review, the Nunavut Impact Review Board (NIRB) said Areva Resources Canada's Kiggavik project should not be approved because it doesn't have a construction timeline attached to it.

But whether the project can proceed is ultimately up to Aboriginal Affairs and Northern Development Minister Bernard Valcourt. Areva has written Valcourt asking him to send the recommendation back to NIRB and direct NIRB to "consider the inclusion of appropriate terms and conditions to a project approval."

The company says it disagrees that the lack of a firm construction date is an unresolveable issue preventing the project from being approved.

Mining company [Sabina] sheds portion of Nunavut gold mine, for now

Sabina simplifies its project to simplify the regulatory process

NUNATSIAQ NEWS, July 08, 2015

On the heels of what they described as a “very compelling” feasibility study for the Back River gold project in western Nunavut, Sabina Gold and Silver Corp. says it hopes to have a final environmental impact study done by this November.

That, along with other updates from the Canadian mining company, was contained in a July 3 letter to the Nunavut Impact Review Board from Matthew Pickard, the company’s vice-president of environment and sustainability.

But before that final EIS is written, Sabina continues to shed parts of the project and simplify the regulatory process.

In its recent letter, for example, Sabina says it will remove the George mine development from the final EIS. The George site lies northwest of the main Goose property.

“Should Sabina consider to advance George at a later date (likely during operations) Sabina will re-engage the NIRB and others,” Pickard wrote.

Sabina is proposing a gold mine complex about 400 kilometres south of Cambridge Bay, just south of Bathurst Inlet, that would produce 300,000 to 400,000 ounces of gold per year, possibly starting in 2017.

A map included in Pickard’s correspondence to the NIRB, shows four main mining pits and a winter ice road about 150-km long that would connect the main Goose Lake property to the marine laydown area on a peninsula in Bathurst Inlet, which would provide shipping access to Coronation Gulf.

The entire Goose property occupies an area roughly 53 square kilometres in size.

Sabina is also pulling out of a parallel NIRB-Nunavut Water Board process that would have allowed the company to include a Type A Water License Application in the final EIS.

But the company plans to drop that for now rather than, “undertake a significant and expensive 2015 engineering and field program,” Pickard wrote. Instead, they’ll apply for the water licence later, after the NIRB process is complete, he said.

By dropping the George exploration property and the water license application, Sabina can shed a number of items from its final EIS.

The company had hoped to further streamline its approval process earlier this year by requesting the NIRB exempt some early development work from the final EIS report. The NIRB rejected that request.

Sabina has also addressed a number of concerns raised in the NIRB’s Pre-Hearing Conference Decision Report with what it calls a list of “project enhancements.”

Those enhancements include simplifying the port facilities, rearranging and consolidating facilities at the Goose property, increasing power generation and changing how the company plans to mine for gold, use water and manage waste.

Sabina has requested the NIRB provide feedback on its new final EIS scope amendments.

Auryn Resources to acquire North Country Gold

The Northern Miner, Jul 2, 2015

If the past is any guide, Shawn Wallace has a knack for spotting good projects. Last year, the mining executive sold a company that he co-founded called Cayden Resources to **Agnico Eagle Mines** (TSX: AEM; NYSE: AEM) for a tidy $205 million. And today, a second company he co-founded, called **Asanko Gold** (TSX: AGX; NYSE: AKG), is busy building a gold mine in Ghana.

So when Wallace says that **North Country Gold**'s (TSXV: NCG) Committee Bay project in Nunavut is probably the most prospective land package he has ever come across in his 25-year career in the business, investors may take notice.

In March, Wallace's **Auryn Resources** (TSXV: AUG; US-OTC: GGTCF) completed a joint-venture deal with North Country to earn a 51% interest in Committee Bay by spending $6 million by September 2017. This week, Auryn announced it has entered into a letter of agreement to acquire all of the North Country shares it does not already own in an all-share deal worth $20 million.

The Committee Bay project in the eastern Arctic includes 66,160 hectares along the Committee Bay Greenstone Belt, about 180 km northeast of Agnico Eagle Mines' producing Meadowbank mine, and about 150 km north of Agnico's Amaruq project.

"When we entered into the joint venture with them, we had done a bunch of due diligence to get to the point where we wanted to commit to that extent," Wallace says in a telephone interview from Vancouver. "Since then we've done a whole prospectivity study ... and as we got more into the data, and brought in a whole suite of experts, it was apparent to us that this belt was much more prolific that we had believed it was."

"Most of us feel it's probably the most prospective opportunity to find gold that most of us have had in our entire careers," he continues. "The rationale for doing this is that we're going to find multiple deposits here."

Currently North Country has defined a resource on its Three Bluffs deposit at the Committee Bay project with an indicated resource of 4.32 million tonnes grading 4.91 grams gold per tonne for 683,000 oz. of contained gold, and an inferred resource of 5.52 million tonnes grading 5.43 grams gold for 965,000 oz. of contained gold. But Wallace says he's more interested in exploring the four other targets on the property than on adding incremental ounces at Three Bluffs.

"Outside the Three Bluffs deposit, which is where the bulk of the capital has been spent, there are only sixty drill holes outside of that on a 300-km belt and what drew us to it was that almost every time they stepped out, they made another discovery. We haven't spent a whole bunch of time analyzing Three Bluffs ... Our focus is going to be defining new deposits ... We think the most value will come from getting this district-scale."

Wallace adds that Auryn is taking a "full belt approach" and this summer's exploration program will focus on the southern third of the Committee Bay land package. "Our crews are mobilizing up there right now," he says. "The other thing we've done is we've staked some additional ground and will continue to do so."

Wallace also notes that part of the rationale for acquiring all 100% of North Country, rather than continuing under the joint-venture structure announced in March, were the practicalities and limitations of working as a joint venture. In addition to the extra layers of bureaucracy a joint venture typically brings, he says, there also would be constraints in terms of work windows in the Arctic and the compressed nature of how you explore in the north. More importantly, in depressed capital markets where raising money can be difficult, a joint-venture format would introduce an element of execution risk.

“There would be execution risk in a joint venture where two sides have to finance, and in challenging markets, who knows, maybe they wouldn’t be able to finance or we wouldn’t be able to finance, and we couldn’t have this systematic approach,” he explains.

At the end of the day, however, it all boiled down to being confident that the project was superior to every other project Auryn has looked at.

“Our review team was way down the road in terms of evaluating other assets, but this one was superior,” he says. “For us to make an acquisition, it has to be a district-scale opportunity, it has to have grade, and it has to be in a good jurisdiction, and those are three difficult boxes to check, but this one checked all of them.”

“It’s head and shoulders superior to anything we’ve reviewed at Auryn, taking into consider the location, the type of mineralization, the tenure system, the grade — all those variables.”

Under the terms of the arrangement, North Country shareholders will receive one Auryn share for each ten North Country shares they own. The deal represents a 65.5% premium to the volume weighted average price of North Country’s shares for the 20-day period prior to June 30, and a 48% premium to North Country's June 29 closing price.

“It’s challenging for any junior to raise money in this market, so as a company we had to look at what is best for our shareholders,” says Brian Budd, North Country’s president. "Over the last 24 months we were looking for partners who could add value to our shareholders in this market, and we believe we delivered on that.”

Budd notes that North Country has grown the resource significantly since 2010. The current resource is open to strike and depth with high-grade mineralization from surface to depth.

“We have high-grade from surface to about 500 metres of depth and getting high-grade,” he says. “We’ve always thought grade is king, and that the ounces will come, so we keep driving forward.”

In addition, Budd notes that the strides Agnico has made in the Eastern Arctic at Meadowbank, one of Agnico's top producing assets, along with its new discovery Amaruq and pre-production Meliadine projects, also in the region, have helped generate more enthusiasm for projects in the Arctic. Agnico Eagle, he adds, is investing at least $20 million into new discoveries there this year.

“Auryn saw an opportunity,” Budd says. “This is a world-class asset. And in this market we believe we have delivered good value to our shareholders, and the story goes on.”

North Country Gold and Auryn Resources initiates exploration and commences drilling on the SW region of the Committee Bay Gold Project

(News Release) July 8, 2015 Edmonton, Alberta – North Country Gold Corp. (NCG: TSXV, “**North Country**”), and Auryn Resources Inc. (TSX-V: AUG, OTCQX: GGTCF “**Auryn**”) are pleased to announce the initiation of a $4 million 2015 summer exploration program at the Committee Bay Gold Project (“Committee Bay”) located in Nunavut, Canada. The 2015 exploration program will focus on existing drill-ready targets as well as new areas identified through a recently completed prospectivity analysis on the southwest region of the Committee Bay belt.

The completion of geological, geophysical, and geochemical analysis on the existing data from the Committee Bay project has resulted in the identification of several targets that are collectively considered as potential deposit “footprints” (please see Figure 1). These targets will be the focus of North Country and Auryn’s near-term exploration efforts in the Committee Bay belt. Further analysis across the central and northeast regions of Committee Bay are expected to be completed by Q4, 2015.

The focus of the summer program is to bring an innovative exploration approach to the Arctic with the goal of maximizing operational efficiencies to reduce the cost of drilling and regional exploration work. The exploration program will be comprised of 3,000 to 5,000 metres of rotary air blast (“RAB”) drilling utilizing a light weight mobile drill, drone aerial imagery acquisition at 10 cm resolution across the entire project area, 60 line km of IP geophysics, structural mapping, and a till sampling program utilizing bulk cyanide leach methodology.

Brian Budd, President of North Country stated, "We are pleased to recommence joint exploration at Committee Bay where North Country’s past exploration successes have established its significant gold endowment. Through collaboration with our partners we look forward to testing new and existing areas, methods and technologies during the 2015 campaign in order to unlock the full potential of the belt in 2016 and beyond.”

Shawn Wallace President and CEO of Auryn stated, “The results of the comprehensive analysis completed to date further confirms the high prospectivity for gold exploration at the district scale Committee Bay project. This study reinforces our belief that this is an area that is vastly underexplored with numerous additional targets to be identified.”

The planned exploration program will focus on known and newly identified targets in the West Plains and Raven areas. Previous drilling highlights from these areas are listed in Table 1 below. The RAB drilling will focus on expanding known mineralized trends along strike as well as testing newly identified targets areas. Ground IP geophysical surveys and till sampling will be conducted across newly identified target areas prior to drill testing.

Table 1 Committee Bay Greenstone Belt – West Plains and Raven Drilling Highlights1

	Hole ID	**Depth from (m)**	**Depth to (m)**	**Length (m)1**	**Grade (g/t Au)**
West Plains	05WP004*2	56.85	65.58	8.73	14.76
West Plains	06WP006*3	109.00	117.00	8.00	13.14
Raven	05RV001*4	102.38	107.79	5.49	12.60
Raven	05RV002*4	38.81	41.24	2.43	36.22

Notes: 1 Drill hole intersections are recorded as down the hole lengths. True thicknesses of intersections are unknown.

Frozen in time: Iqaluit sealift delayed by dense pack ice

"The only real way to assess ice is to go through it"

Nunatsiaq News, David Murphy, July 08, 2015

The CCGS Pierre Radisson, pictured here when it first came into Iqaluit in early July of 2014, can’t get into Iqaluit right now because of condensed ice conditions in Frobisher Bay. (PHOTO BY DAVID MURPHY)

Though the first week of July has already passed, Iqaluit might have to wait at least another week before the first sealift vessels can offload cargo into town.

It’s been a cold spring and now there’s so much compact ice in Frobisher Bay that a Canadian Coast Guard icebreaker can’t escort sealift ships to shore.

Right now the CCGS Pierre Radisson, a class medium Arctic icebreaker, lies outside Frobisher Bay playing the waiting game.

“She’s attempting to get in,” Michel Desormeaux, superintendent of the Canadian Coast Guard’s regional operations centre in Montreal, told Nunatsiaq News.

“It’s been three weeks of packing out there, the ice is under a lot of pressure in Frobisher Bay right now,” he said.

According to ice specialists in Montreal, there’s another week of southeast wind for the Frobisher Bay area, Desormeaux said.

“As soon as the wind can alleviate, then if the pressure comes off the ice, it is probably going to start deteriorating, and especially if temperatures stay above 0 C,” Desormeaux said.

But he’s “not making promises,” meaning it could take longer than a week.

Good news is, according to a June 7 Environment Canada projection, the temperature will not, in fact, sinks below 0 C over the next seven days.

So now it’s just a matter of watching how the ice evolves in the bay.

“Depending on conditions, and if appropriate, the helicopter will go out and assess the ice ahead. But the only real way to assess ice is to go through it. And that’s what the Radisson is doing now.”

Recently the Radisson tried escorting a Woodwards oil tanker into Iqaluit, but it couldn’t get through the dense ice.

Usually the Coast Guard starts the shipping season by escorting boats in at the beginning of July. But this year, sealift companies have been forced to rearrange schedules.

“So all we can do now is continue with our programs as well as assisting the sealift where possible, and just wait for conditions to improve,” Desormeaux said.

The Radisson itself has a few things it needs to offload in Iqaluit, including fuel for the Polar Continental Shelf Program.

It also has technicians on board waiting to open Killinek, the Marine Centre and Traffic Services centre — or radio transmitter towers — in Iqaluit.

The MCTS centre helps with vessel traffic and marine weather information.

“Without Killinek we don’t have MCTS services in the eastern Arctic,” Desormeaux said.

“The first ship north usually opens Killinek and that was the Radisson’s job this year.”

The Canadian Ice Service’s 10-day animated map of ice conditions in Canadian waters shows lots of ice left in Frobisher Bay.

Another ice chart from July 6 shows high concentrations of ice blocking a route into Iqaluit.

It’s a different story in western Hudson Strait, however. The CCGS Terry Fox is already escorting ships into communities, Desormeaux said.

Other than being stuck on ice, the Radisson was busy this past week.

The ship just returned from a four-day mission to Salluit, Nunavik, where the Coast Guard helped locate and rescue three hunters.

Nunavut property owners owe nearly $3.3M in tax arrears

About half of that is owed by Shear Minerals for its abandoned Jericho diamond mine

By Kieran Oudshoorn, CBC News: Jul 08, 2015

Property owners in Nunavut owe the government nearly $3.3 million in property tax arrears, according to a list released this week.

The list encompasses all property taxes in arrears in Nunavut communities other than Iqaluit.

Jeff Chown, comptroller general for Nunavut, says publishing this list is one of the ways they're looking at improving the collection of outstanding debt.

"Up until recent times we have not charged interest on our property taxes," he said. "But we do charge interest now and our current rate is 4.25 per cent."

Not everyone thinks the government's list of arrears is correct. According to the GN, Aziz Kheraj owes more than $26,000, including $1,900 for a property in Arctic Bay and $3.100 for a property in Pond Inlet.

Kheraj says that's not possible.

Aziz Kheraj says the properties in Pond Inlet and Arctic Bay on which the Government of Nunavut says he owes tax arrears were sold to new owners 20 years ago. (CBC)

"They had us listed for properties in Pond Inlet and Arctic Bay which we haven't owned in 20 years," he said. They've all been sold."

Compared to Shear Minerals, Kheraj is small potatoes.

The mining company owes more than $1.5 million in property tax arrears on its abandoned Jericho Diamond Mine.

Chown says the government will be keeping the Shear Minerals debt on the books.

"At this point the GN is taking a wait and see approach regarding Shear Minerals. The federal government could potentially find a private partner to take over the property, in which case the property tax debt would transfer to that property owner."

Overall, Chown says 88 per cent of property owners in Nunavut are in good standing on their taxes, and nearly half those in arrears owe less than $1,000.

By comparison Iqaluit has more than $3 million in unpaid property tax from 72 properties.

RESOURCE DEVELOPMENT NEWS

China panic crushes mining stocks

Billions wiped from mining sector as gold, silver prices fall and copper, iron ore prices plummet to 2009 levels amid Chinese stock market collapse

Frik Els | July 7, 2015, mining.com

The value of base and precious metal miners and the diversified giants all fell on Tuesday as commodity prices dropped to fresh multi-year lows hit by the triple whammy of a stronger dollar and turmoil in the eurozone and China.

In New York trade on Tuesday copper for delivery in September dropped as much as 6% to a low of $2.39 per pound or around $5,260 a tonne, the lowest since July 2009 and down 16% so far this year.

Despite a rebound in late trade, base metals prices ended the day at multi-year lows. Nickel lost as much 9% hitting $10,637 a tonne, tin ended 4.4% lower at $13,700 a tonne while zinc gave up 3.7% to $1,934 a tonne.

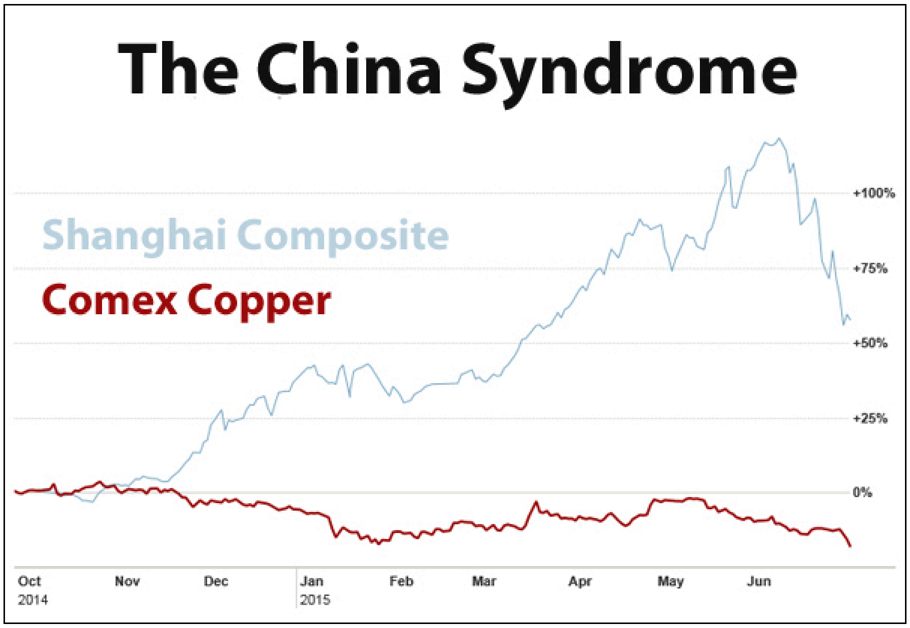
Lead prices dropped more than 2% to $1,722 a tonne entering a bear market with a 20% decline since its May high. The same fate befell aluminum which declined 1.7% to $1,666 a tonne, more than 20% below its September highs. Crude oil despite a slight gain late in the day is now back into bear territory.

The price of iron ore continued its losing streak with the steelmaking raw material crashing through $50 a tonne to barely $3 above record lows hit in April. The Chinese import price for 62% iron content fines at the port of Tianjin fell 4.4% to $49.70 a tonne, after nine straight down days.

Forging almost as much steel as the rest of the world combined, China represents more than 70% of the seaborne trade in iron ore and imports roughly 40% – 50% of the world's base metal production.

While slowing growth in China has been a drag on commodity prices over the past three years, the latest rout is the result of a severe stock market correction in Shanghai and Shenzen which has wiped more than $2 trillion off the value of listed stocks there.

Chinese stocks have declined by a third since hitting a peak mid-June and panic stricken officials halted trade in a fifth of all counters on Tuesday to stop the losses.



Source: FT

More than 90 million Chinese are invested in stocks with a whopping 80% of investors buy and sell stocks using their own accounts compared to just 14% in the US.

Many arrived at the rally late and used debt to finance share purchases, creating a dramatic knock-on effect on consumer confidence in the world's second largest economy.

Precious metals also pulled back on Tuesday with August gold trading below $1,150 ounce near its 2015 lows as the yellow metal fails to capitalize on safe haven buying.

Silver for delivery in September also fell sharply to exchange hands at $14.72 an ounce, down 6.6% before clawing back some of its losses trading just below $15 in late afternoon trade. Silver is down 18% since hitting 2015 highs in January.

Troubles in Europe, the biggest buyer of platinum used in autocatalysts saw the precious metal shedding 2.3%, to $1,040 an ounce, the lowest since the first half of 2009. September palladium lost nearly 4% to $649 an ounce, the lowest in two years and down from highs above $900 an ounce in September last year.

The bleak outlook for the sector prompted investors to look for exits, resulting in billions of lost market value among heavyweights.

The Big Three iron ore producers were particularly hard hit. World number one BHP Billiton (NYSE:BHP) fell again in New York, bringing its losses since Friday to more than 8% before some late buying limited some of the damage.

The Melbourne-based company which relies on oil and iron ore for the bulk of its earnings is down 45% over the last year with a market worth that dipped briefly below $100 billion on Tuesday. BHP peaked at a market cap of $280 billion in 2011.

Down 1.5% South32 (LON:S32), recently spun off from BHP, were spared some of the carnage, but the Perth and Johannesburg-based firm is trading nearly 20% below its May listing value.

The rout in the shares of Vale (NYSE:VALE) continued with the Brazilian company tanking 4% to a decade low on Tuesday. The globe's top iron ore miner has lost 34% of its market value in 2015.

The globe's second largest miner based on revenue Rio Tinto (NYSE:RIO) which relies on copper and iron for nearly 80% of its earnings dropped 4% in heavy volume. The Anglo-Australian giant's stock has been swinging wildly this year and is down more than 18% since its February peak.

Glencore (LON:GLEN) was the worst performer on the day, falling 6.9% in London to trade at a record low. The $50 billion company is now worth 56% less than at the time of its flotation in May 2011. The Swiss mining and trading giant relies on copper for 38% of its earnings (vs some 20% at BHP Billiton and only half that at Rio Tinto) so it has a lot riding on the outlook for the red metal.

Anglo American (LON:AAL) shares fell as much as 6% in New York while Canada's Teck Resources (TSX:TCK) was the best performer among the diversified heavyweights, managing to end the day up 3% after a late surge. Volumes of shares traded in the coal and base metal company were more than double usual daily average, perhaps an indication of impending corporate action.

Copper and gold giant Freeport-McMoRan (NYSE:FCX) ended Tuesday down 3.3% after being beaten down as much as 10% earlier in the day. More than 44 million shares in the owner of the iconic Grasberg mine in Indonesia exchanged hands on Tuesday – triple the usual daily volume.

$24 billion Southern Copper Corp (NYSE:SCCO) managed to limit losses to 0.5% at the close after falling 5% in morning trade while investors in fellow South American copper producer Antofagasta's (LON:ANTO) also limited the downside.

Gold and silver's weakness spilled over into the stocks of top miners with global number one Barrick Gold Corp sliding 4.8%, while losses at fellow Canadian counter Goldcorp (TSX:G), at $14.1 billion the world's most valuable gold miner, were a modest 0.5%.

World number two gold producer in terms of output, Newmont Mining (NYSE:NEM) shed 5.6% and number three Anglogold Ashanti declined by a similar proportion.

Vancouver-based gold and silver streaming firm Silver Wheaton (TSE:SLW) was pummelled, losing more than 10% in value on Tuesday. Other Canadian producers faired better but only on a relative basis with Yamana Gold (TSE:YRI) and Agnico Eagle Mines (TSE:AEM), losing 2.1% and 4.8% respectively.

$6.2 billion-valued Randgold Resources (NASDAQ:GOLD) lost 4.3%, pushing the Africa-focused miner back into the red in 2015.

Further down the market cap list the weakness were also pronounced with Canadian mid-tier companies IAMGold (TSE:IMG) hammered down 4%, Eldorado Goldcorp (TSE:GLD) losing 2.7% and Kinross Gold (TSE:K) shedding 2.4% after recovering from steeper losses earlier in the day.

Iron Ore Slumps To Lowest Since At Least 2009 In China

by Jasmine Ng, Bloomberg News, July 8, 2015

Iron ore retreated to the lowest level in at least six years as a rout in China's stock markets threatened to hurt demand in the largest buyer just as the biggest producers plan to raise output.

Ore with 62 percent content delivered to Qingdao sank 10 percent to $44.59 a dry metric ton on Wednesday, according to Metal Bulletin Ltd. That's the lowest price on record dating back to May 2009, the data show. The raw material was until the past several years traded predominantly through annual benchmark prices. Compared with those benchmarks, this would be the lowest since 2005, data compiled by Clarkson Plc show.

Commodities from metals to crude slumped earlier this week on concern demand is stalling in China, where authorities tried to stem equity losses, and investors confronted the prospect Greece may quit the euro zone. Iron ore's decline validates bearish forecasts from Goldman Sachs Group Inc. to Citigroup Inc., which said that gains in the second quarter wouldn't last as low-cost output would rise, spurring a glut.

"The slump in equities reflects a lack of confidence in China's economy, which damps the demand outlook for industrial commodities," Wu Zhili, an analyst at Shenhua Futures Co. in Shenzhen, said on Wednesday before the price data. "I don't think that will stop the major producers from raising output."

Rio Tinto Group lost 0.3 percent to close at 2,484.50 pence in London, the lowest settlement since September 2009. BHP Billiton Ltd. declined 0.1 percent to close at a six-year low.

Port Holdings

Iron ore's 10-day drop was spurred by figures showing holdings at ports in China rebounded last week while exports in June from Australia's Port Hedland climbed to an all-time high. The slump deepened as China's stock rout worsened, with the Shanghai Composite Index falling to a three-month low Wednesday.

The "selloff is far and wide," Liu Xu, a trader at asset-management company Guoyun Investment Co. in Beijing, said on Wednesday. "Iron ore and steel, which are traditionally considered to be closely associated with the Chinese economy, bore the brunt of the selling."

The Bloomberg Commodities Index of 22 raw materials added 0.2 percent, after touching a three-month low on Tuesday.

The Minerals Council of Australia, which counts BHP and Rio as members, this week defended local miners' policy of adding output even as prices drop. Australia's top producers will generate more than A$615 billion ($456 billion) in revenue in the 10 years to 2024, surpassing the previous decade, the council said in a policy paper.

"We see increased freight activity at major iron ore terminals and a halt of port inventory drops," Goldman Sachs said in a report received on Wednesday that forecast prices at $44 next year and $40 in 2017. Low prices are required to trigger closures in an oversupplied environment, it said.

Iron ore prices are collapsing

PAUL COLGAN, BUSINESS INSIDER AUSTRALIA

Iron ore prices are in free fall.

According to Metal Bulletin's iron ore index the spot price for 62% fines has dropped 10.1%, the biggest daily drop on record, to $44.59 a tonne. Here's the chart:

The price collapse is being driven by two main factors:

- Evidence that supply is continuing to increase out of the world's biggest producer countries, Australia and Brazil, and
- Concern that Chinese demand is tanking as the economy slows.

Economists estimate that each $1 fall in the iron ore price results in around $300 million in lost tax revenue for Australia. So today's fall alone of $5 in the price equates to roughly $1.5 billion being knocked off the budget bottom line.

The sharp and sudden decline will raise fresh questions about the viability of some iron ore miners.

Fortescue Metals Group fell 6% on the ASX today following yesterday's 8% fall in the ore price. Investors will be taking a close look at the stock tomorrow.

Junior miners facing uncertainty as iron ore price tumbles, analysts say

By Kathryn Diss, ABC News, July 8, 2015

The latest tumble in the price of iron ore is once again putting junior miners at risk, with many dipping back into the red.

The price of the steel-making ore rebounded strongly during May and June after hitting a 10-year low in April, but over the past week it has taken a steep dive back towards its low point.

It slumped five per cent overnight to $US47 a tonne, and has now fallen by almost 16 per cent in the last week.

Peter Strachan from StockAnalysis said the trend is being largely driven by weak investor sentiment andmassive falls on China's share market.

"The iron ore price has fallen because of lack of confidence in the economic activity in China, that is our major market for iron ore [and] iron ore prices have really been leveraged on what is happening in China," Mr Strachan said.

"At the moment the Chinese are saying their economy is growing at 6-6.5 per cent per annum - most people think it is probably growing at more like 2, or not at all.

"So I think that is factoring into the medium-term outlook."

The market volatility is again putting junior miners at risk, with most of them having a break-even cost of around US$50 a tonne.

Iron ore price 'pretty challenging'

BC Iron's Tony Kiernan said times are tough.

"Anything with a four in front of the iron ore price becomes pretty challenging... it does make us pretty nervous but we have to work to where the price is," Mr Kiernan said.

"If it was to remain this way for the next couple of months, it would be pretty challenging to say the least."

Mr Kiernan said the company has managed to forward-sell some of its ore at a higher price.

Cost of iron ore production (break-even estimates)

- Atlas Iron: US$50 a tonne
- BC Iron: US$52
- Mt Gibson: US$49
- Grange Resources: US$48
- Arrium: US$51

Source: UBS

"We have been able to forward sell about 50 per cent of our product for the next couple of months above our break-even price... we do endeavour to protect ourselves that way," Mr Kiernan said.

Fellow miner Atlas Iron has chosen a similar path, with company boss David Flanagan telling the ABC's The Business that his company's profit is buffered for a couple of months.

"We are making money today," Mr Flanagan said.

"We are taking advantage of the lowest points in the cycle, where the price is above our cost base and we've been forward selling at that price."

Mr Flanagan said reducing the company's cost of production would make sure the company was resilient long term.

"We have got our cost base to a level which would tell you that over the last 10 years we would be able to make very strong returns for shareholders," he said.

"As long as the iron ore price is volatile within a range and doesn't continually go down all the time, we will continue to be able to take advantage of those upticks.

"Other than that, we don't have a crystal ball, so I can't tell you what the future is going to be, we will just do our best."

The situation could be much worse, with the falling Australian dollar providing some buffer for miners.

But Romano Sala Tenna from Katana Asset Management said the Australian dollar has only dropped a fraction of what the iron ore price has.

"Over the period the iron ore price has declined, the Aussie dollar has come back around 5 per cent," Mr Sala Tenna said.

"So with iron ore down around 25 per cent and the Aussie [dollar] down around 5 per cent, it is giving them some buffer.

"But it is still not in the order of magnitude they need to remain profitable."

Price forecast to decline further

Analysts believe the price could fall as low as $US40 over the next few months.

"The marginal cost of production now is down around the $35 to $40 a tonne," Mr Strachan said.

"So for a medium-term period, we could see the price of iron ore at $40, $45 a tonne, and that would still provide enough iron ore for the steel makers globally.

"It is going to be a long process, probably about 18 months before the market is back in a supply-demand equilibrium."

Mr Sala Tenna said while the market had been impressed by the junior miners' cost-cutting drive, he would be surprised if they had any more costs they could strip out of their businesses.

"If we see $US40 a tonne, we cannot see the juniors having the capacity to reduce their cost base to that level - they are already right on the cusp at the moment," Mr Sala Tenna said.

"And that is not involving sustainable CAPEX (capital expenditure) so once you take that into account as well, they are probably already underwater on an all-in basis."

But Mr Strachan believed the price could eventually settle higher in the long term.

"But for the long-term health of the iron ore industry, probably a price in excess of $60 a tonne is going to be needed to generate enough cash to fund the expansions that are required", Mr Strachan said.

Brutal fall in iron ore price underlines Chinese contagion fears

Sydney Morning Herald, July 8, 2015, By James Thomson

Brutal. That's the first word to describe the massive 10.1 per cent fall in the iron ore price on Wednesday night, which took it to a fresh six-year low of $US44.59 a tonne.

Panicked. That's another word that seems to fit this incredible sell off. The free-falling Chinese sharemarket, which dropped 6 per cent on Wednesday even after the Chinese government tried to stop the selling, is clearly putting commodities traders in China on edge too.

Overreaction. That's another word that feels relevant here. A fall this big, coming after the price dropped 11 per cent in the previous two days, surely has more to do with the sharemarket than iron ore market fundamentals. The supply and demand dynamics may be weighing on the iron ore price, but not to this extent.

Contagion. Whether this is an overreaction or not, that's the word we need to be worried most about now. This Chinese sharemarket bubble has clearly popped, but the damage appears to be spilling into the real economy in China and beyond, with commodities prices acting as a sort of nexus.

How hard will Australia's iron ore miners be hit? That depends on whether this is a moment of craziness or some sort of new normal.

Right now it feels more like the former, but accepting for a moment that prices could remain below $US45 a tonne for an extended period – and there are plenty of experts who believe it can go even lower – the pain will be intense.

BHP Billiton and Rio Tinto have their breakeven prices (the point at which they are not losing or making money) down towards $US30 a tonne, so even at these low prices they are doing OK.

But outside this top tier of the iron ore pecking order, it will get ugly.

Certainly the tier two and three players have made big efforts in cutting their costs in recent months, even if there are some questions over whether those cuts are really sustainable.

Fortescue Metals Group is getting its breakeven down towards $US40 a tonne, so it won't want the price to fall much further.

Atlas Iron has a breakeven around $US50 a tonne, although company founder David Flanagan told shareholders last month that the company could now ride out iron ore prices as low as $US45 a tonne.

In May, UBS put the breakeven of BC Iron at $US52 a tonne, while struggling steel group Arrium, which also mines iron ore, has a breakeven of $US51 a tonne. Mount Gibson Iron's break-even price is estimated to be around $US49 a tonne, with Grange Resources' pegged at $US48 a tonne. Gina Rinehart's Roy Hill, which expects to ship its first ore in September, has an assumed break-even price of $US41 a tonne.

These estimates were made with an assumption of the Australian dollar at US78c, so the miners will have received a bit of respite with the dollar falling towards US74c.

But the speed with which the iron ore price has fallen – around 25 per cent in a matter of weeks – has surely made life extremely difficult for the juniors.

Will Australian investors stick with these smaller miners on Thursday? More carnage could be on the way.

Budget facing multi-billion dollar hit after record fall in iron ore prices

July 10, 2015, Sydney Morning Herald, Gareth Hutchens

The Abbott government is facing the possibility of a multi-billion dollar hit to budget revenues after the global iron ore price collapsed overnight.

It means Treasurer Joe Hockey's budget repair task could become even tougher, after he endured a $20 billion write-down in forecast tax collections in May.

The global iron ore price plummeted to $US44 a tonne this week - the lowest for recent records - with Australia's major iron ore producers exporting the commodity in record volumes despite weak global demand for it.

The precipitous fall in the price of iron ore has added to a sense of panic in global markets, with China's stock market in seeming freefall and Greece's banking system seizing up after its government defaulted on a multi-billion euro loan from the International Monetary Fund last week.

Now economists are warning that Commonwealth government tax receipts could shrink by another $6.5 billion over the next two years - with implications for federal budget deficit - if the iron ore price remains near its record low.

Westpac senior economist Justin Smirk says the record-low price, at $US44 a tonne, is actually worth far less than the $US48 a tonne assumption that underpins key economic forecasts in the federal budget.

He says the real iron ore price is closer to $US36 a tonne, once freight costs and exchange rates are taken into account, with serious ramifications for Commonwealth tax receipts and the deficit.

That also means that a gloomy theoretical scenario in the budget papers - showing a multi-billion dollar hit to revenues if iron ore prices lose $US10 a tonne in value - is already threatening to come true.

Mr Smirk says he is forecasting the iron ore price remaining around these record-low levels for some time, but he also acknowledges that they could fall lower.

"We're watching and looking and thinking what the next move will be," he told Fairfax Media.

ANZ chief economist Warren Hogan agreed the federal budget would be under pressure if iron ore prices remained at these record-low levels.

"But the impact's going to be measured in weeks and months, not days," Mr Hogan said.

"It just depends how much [iron ore] volume is traded at these low prices. If this turns out to be a short-term financial glitch and the Chinese situation cranks itself up and iron ore goes back towards $US60 a tonne, then the events of the last couple of weeks don't have a lot of implications.

"But if this is sustained below $US50 a tonne then you'll see further downward revisions and this'll take out of the budget as well."

Deloitte Access economics director Chris Richardson warned in December that the glory days of "budgetary boom" had passed when the iron price was close to $US70 a tonne.

Mr Richardson warned that the economic backdrop "may yet carve even bigger dollars out of the budget than we've already allowed" if it fell below that level.

According to the Reserve Bank, iron ore exports account for nearly one-fifth of the value of Australia's exports.

Diamond Prices Decline in June

RAPI for 1ct. Laboratory-Graded Diamonds -1.6% in 2Q

Jul 7, 2015, By Rapaport

RAPAPORT... PRESS RELEASE, July 7, 2015, New York…Diamond prices continued to soften in June with many categories trading at deep discounts to the Rapaport Price List. Markets were relatively quiet as U.S. demand after the JCK Las Vegas show was weaker than in previous years and Far East demand remains cautious. Diamond manufacturers are under pressure and continue to lose money on their rough supply.

The RapNet Diamond Index (RAPI™) for 1-carat laboratory-graded diamonds fell 0.9 percent during June. RAPI for 0.30-carat diamonds declined 2.5 percent and RAPI for 0.50-carat diamonds dropped 2.6 percent. RAPI for 3-carat diamonds decreased 1.7 percent.

RAPI for 1-carat diamonds fell 1.6 percent during the second quarter of 2015 and on July 1, 2015 was down 15.3 percent from a year earlier.

RapNet Diamond Index (RAPI™)				
	June	2Q 2015	1H 2015	Y2Y Changes at July 1
RAPI 0.3 ct.	-2.5%	-6.2%	-10.6%	-25.8%
RAPI 0.5 ct.	-2.6%	-5.8%	-9.3%	-17.5%
RAPI 1.0 ct.	**-0.9%**	**-1.6%**	**-0.3%**	**-15.3%**
RAPI 3.0 ct.	-1.7%	-4.6%	-6.2%	-18.1%

According to the Rapaport Monthly Report – July 2015, "Summer Heat Brings Price Pressure," the June Hong Kong show met the low expectations of the trade and sales reflected a cautious Far East market and weak dealer sentiment. Manufacturers' profit margins are being squeezed between stable rough diamond prices and declining polished. There is a shortage of fine-quality diamonds and selective buyers are paying firm prices for these goods to fill existing orders. However, there is a lot of excess inventory of lower-quality diamonds in the market and flexible inventory buyers are getting good deals.

Rough producers prefer to reduce supply rather than prices in the current weak market. Rough prices remained relatively stable in the second quarter after slipping an average 5 percent to 7 percent in the first three months of the year. De Beers rough sales fell by approximately 28 percent year on year to $2.5 billion in the first half of 2015, according to Rapaport estimates.

Manufacturers are expected to further reduce their rough purchases in the coming months in an effort to shrink existing inventory and raise liquidity levels.

The Rapaport Group has today issued an important statement regarding Rapaport Diamond Specifications, the Rapaport Price List and current market conditions. For additional information see this statement.

Read the attached Rapaport Monthly Report, "Summer Heat Brings Price Pressure," at www.diamonds.net/report or email: specialreports@diamonds.net.

No ban on rough diamond import: Indian diamond industry

Melvyn Thomas,TNN | Jul 7, 2015, 08.42 PM IST

SURAT : Leaders of Indian diamond industry have deferred on the decision to ban the import of rough diamonds for a time being and have unanimously decided to form a 15-member committee from the trade to find long term solution to the ongoing situation in the industry. The step is taken to protect the interest of the thousands of diamond artisans in Surat and Gujarat.

Around 200 diamantaires including rough diamond dealers, diamond company owners and members from the Mumbai and Surat diamond association met at the Bharat Diamond Bourse (BDB) on Tuesday to discuss the current market situation and take corrective measures.

A committee having people from the industry including GJEPC, Surat Diamond Association (SDA) and the Mumbai Diamond Manufacturers' Association (MDMA) will be formed to initiate dialogues with the diamond mining companies and the Indian bankers. The delegation will meet the diamond miners and the banks to review the situation and increase bank financing. Also, the delegation will meet the Central and State government to address the policy measures.

The situation will be monitored by the committee members for a month or two and that appropriate decision will be taken on banning the rough diamond imports.

The industry feels that collective efforts need to be taken to address the problems like, diversification of funds to other businesses by some of the companies; Profitability crunch due to low demand and stock hangover of polished inventory; bankruptcies, which have affected the availability of Bank Finance &

eroded the Credibility of the industry; increased Rough prices and absence of discipline in purchase of rough inventory; un-disclosed mixing of synthetic / lab grown diamonds.

Diamond loses glitter on slack demand, higher prices

Indian cut and polish industry facing tough times: exporters

Suresh P Iyengar, The Hindu Business Line, Mumbai, July 8, 2015

The sharp fall in demand for polished diamonds and increase in rough diamond prices have taken a heavy toll on the Indian cut and polish industry which survives largely on exports.

Anoop Mehta, President, Bharat Diamond Bourse, said industry players have expressed concern over weak demand for finished products across the globe including China, West Asia, Russia and Europe even as demand in US is slowing picking up.

“Production is already down 25-30 per cent. Exports have not been that great, so far. I believe they have to be more careful to whom they export rather than pushing it out blindly,” he added.

Chinese connection

China, the major driver of demand for diamond, has cut back on its luxury spends following their Government’s anti-graft campaign.

Xi Jinping, President of China, is driving the toughest campaign against corruption targeting both high-level elites and people in less powerful positions to curb a culture of bribery that’s seen as threatening growth.

Margins shrink

Pankaj Parekh, former Vice-Chairman, Gem and Jewellery Export Promotion Council said the margins of diamond traders in India has shrunk with the rough diamond prices rising while that of finished product -- cut and polished diamond -- falling due to weak demand.

“The self-imposed restraint on rough imports by traders in India will put pressure on miners and bring down prices as India is the largest buyers of roughs in the world,” he added.

Traders restrain

Exporters of roughs have reduced the credit period from 180 days to 60 days.

The Antwerp Diamond Bank closed its operation on June 30 while ABN Amro bank has reduced loan exposure to diamond companies considerably.

Harsha Sodhani, Senior Analyst, India Ratings & Research, said the cut down on rough imports will help the diamond industry in the short term as it has an inventory of 3-4 months, but it needs to chalk out a long term solution to deal with this kind of crisis.

“There is a huge liquidity crunch in the industry with banks cutting down on their exposure to the sector and export bill receivables getting delayed by 30-60 days.

However, the diamond industry may not add to banks’ NPA as the cash crunch is limited to a small segment of the trade,” she said.

The rough diamond imports declined 24 per cent in value terms and 13 per cent in volume terms during the April–May period.

While in value terms, rough imports stood at $2,693 million between April and May as against $3,528 million in the corresponding period last year.

Cut and polish diamond export was down 10 per cent in the first two months of this fiscal to $3.37 billion.

In 2014-15, India imported $16 billion worth of rough diamonds in 2014-15 and exported polished diamonds worth $23 billion.