

# Diamonds on Baffin

by Thorunn Howatt  
Northern News Services  
Iqaluit/Arcctic Bay

A diamond mine could be sparking next door to Arctic Bay in only three years if the president of Twin Mining has his way.

"It takes a while to establish a mine," said president of Twin Mining Corporation Hermann Derbuch. The company acquired the Baffin Island property in December 2000.

"That's where we spent approximately \$5 million," said Derbuch. The company may have got its money's worth, he said.

Derbuch thinks gems found on the property measure up to Ekati's, the Northwest Territories' first diamond mine.

Twin Mining's Jackson Inlet property is 120 kilometres west of Nanisivik, across the strait, on the west coast of the Brodeur Peninsula of Baffin.

While the area's main industry, the Nanisivik zinc mine, is preparing to close, Twin Mining is calculating ways to have a diamond mine practically next door. That's good news for Arctic Bay, a community of just fewer than 1,000 people.

"The capital that we need to put a mine the size of Ekati or Diavik on its feet is significantly lower than Ekati and Diavik," said Derbuch, referring to the two other diamond mines in the north. Ekati is producing and Diavik is under construction. Derbuch said a Baffin Island mine could be built for between \$300 and \$400 million. Ekati and Diavik both

cost more than \$1 billion.

Derbuch reasoned that the Baffin Island kimberlite pipe is in an area where water would not have to be drained or diverted as was the case for the other diamond mines.

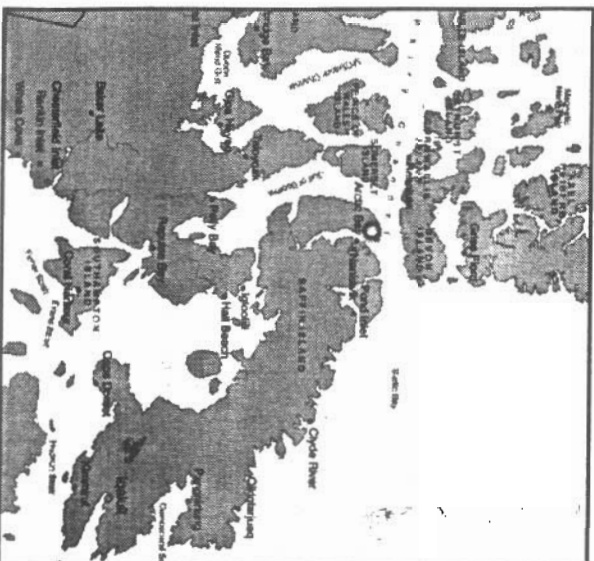
Equipment and fuel oil could be hauled to the site via ocean vessels cancelling the need for expensive ice roads and air transport.

Nanisivik and the community of Arctic Bay are already serviced by scheduled commercial jet aircraft and marine shipping companies.

So now Twin Mines wants to move to the next step. This year it plans to go into resource definition — that means more studying of samples and more exploration.

"We are right now talking to the government in Iqaluit to define the process and the various aspects of the permitting up there," said Derbuch. Then there are feasibility studies.

"We are looking at 2004 and by 2005 have the feasibility study completed, do the financing and construct the mine," said Derbuch. He estimated the cost of a feasibility study at about \$30 million.



Twin Mine's diamond property close to Arctic Bay on Baffin Island.

So with \$5 million in the bank Twin Mining will have to raise money quickly.

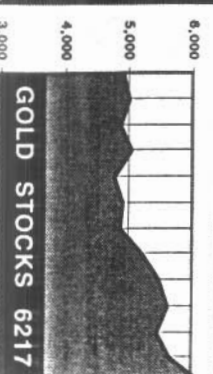
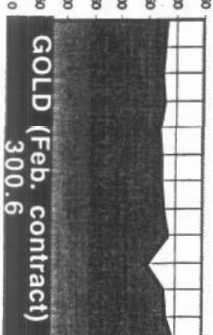
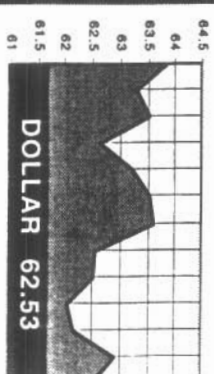
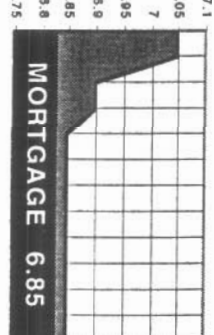
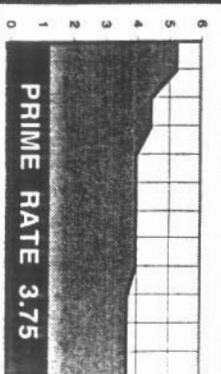
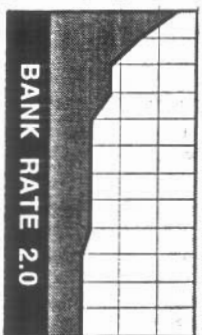
"We have excellent access to capital and we will do what we have to do to get the money that we need to accomplish the exploration," said Derbuch. "We have access to capital. I have a very excellent board and of course the market if need be."

Until June 1999 Twin Mining was a gold-mining company. But gold's low price caused Twin Mines to look for other opportunities. That is when it joined into the diamond exploration business.

It is listed on the Toronto Stock Exchange (TWG).

## TRENDS AT A GLANCE

3 MONTH PERIOD



Market data compiled by:

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DAVID DEMPSEY

PH: (867) 920-7300 1-800-661-0588

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