

**Ice Wireless roaming  
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Page 31

**Business & Labour**

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# NTI signs second uranium deal

*Vancouver company nabs land in busy uranium district*

by Guy Quenneville

Northern News Services

Qamanittuaq/Baker Lake

A Vancouver-based exploration company is the second company this year to sign a memorandum of understanding with Nunavut Tunngavik Incorporated (NTI) granting the company permission to explore Inuit-owned land recently freed up by NTI's uranium policy.

Forum Uranium Corp. and NTI signed the agreement last week – which gives Forum the exclusive right to explore the Northern half, or 27,000 hectares, of the selected parcel.

The parcel, located 60 km west of Baker Lake, is surrounded by a number of other high-profile projects: to the north, Agnico-Eagle's Meadowbank gold mine, set to begin commercial production in March 2010; to the west, Areva Resources Canada Inc.'s Kiggavik uranium project, which is currently under a feasibility study.

To the west and north, the parcel is also surrounded by other properties Forum has an interest in, including land, held in partnership with Agnico-

Please see **Forum**, page 32



photo courtesy of Forum Uranium Corp.

**Forum Uranium Corp. president Rick Mazur**, foreground, chief geologist Boen Tan, back left, and vice-president of exploration Ken Wheatley, back right, explore Forum land located to the North of the parcel the company recently purchased from Nunavut Tunngavik Inc.



**BUSINESS**

**Around the North**

with Guy Quenneville

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**Hay River survives Finning cuts**

*Hay River*

Finning Canada, the country's largest Caterpillar equipment dealer, has laid off 160 people across Canada in the wake of the world economic crisis.

But it appears the company's Hay River location has come out unscathed.

"For us in the North, there haven't been any cuts right now," said Roman Moizis, service operations manager for Finning in Hay River.

**Taxi company closes**

*Kugluktuk/Coppermine*

Triple A Taxi in Kugluktuk closed two weeks ago after more than 20 years in service, said manager Tony Demerah.

The rising cost of gas eventually made the venture unfeasible.

"Once the price of gas went up, there was no way you could make even your fares back," said Demerah.

Demerah ran the company for three years but it has been running since the 1980s, he added.

**Business halts in Fort Simpson**

*Liidlii Kue/Fort Simpson*

New business development in Fort Simpson is at a standstill as the Mackenzie Gas Project continues to be delayed, according to Kirby Groat, president of the Fort Simpson Chamber of Commerce.

"I can't see any new businesses starting up here, not with the delays and the current economic conditions," said Groat.

"We're mostly a government service centre and it seems some people want to keep it that way."

**Eskimo Inn renovations**

*Inuvik*

Inuvik's Eskimo Inn recently renovated 50 of its 75 rooms.

Between the start of October and the end of November, the hotel put in new carpets, new toilet systems that use less water and new light fixtures. Each room was also repainted.

"We've spruced it up quite a bit," said general manager Derek Pillay.

The inn closed down for two weeks starting last Saturday. It will reopen on Jan. 1.

"The town is really quiet," said Pillay. "A lot of people are gone south for Christmas."

Please see **Briefs**, page 32

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# Taking on the CRA

I received many enquiries from Northerners who were hit with unexpected tax bills from the Canada Revenue Agency (CRA) this past month. Apparently, the CRA have been working earnestly to reduce the 2007 travel deductions claimed by Northerners.

Here's the gist of the enquiries: Why is the CRA reducing my travel claim and what can I do about it? Here's the why and what. But first, here's some perspective on this complicated travel deduction.

Northerners who have lived in the NWT and Nunavut for at least six months qualify for a travel deduction if they receive a Box 32 travel benefit from their employer reported on their T4 slip.

For this deduction, you claim the lower of three amounts: the Box 32 benefit, trip expenses and a controversial amount described in the Income Tax Act as the "lowest return airfare ordinarily available, at the time the trip was made." If your travel benefit was \$1,500 and you spent \$1,800 on a trip, you want to know what that "lowest return airfare" is, wouldn't you?

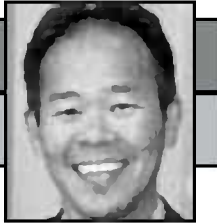
The CRA states the "lowest return airfare" is the lowest regular fare available on the day of your trip to the nearest city, i.e., Edmonton, Winnipeg, Montreal or Ottawa, depending on where you live.

What the CRA is saying, which agrees with what the tax rules say, is the ceiling amount is the last-minute fare you would have paid at the counter at the time or day of your trip.

Here's where this issue goes from incomprehensible to impossible. No one can possibly know the lowest regular last-minute counter fare on all flights out of, say, Yellowknife-Edmonton for the 365 days in 2007. It is infeasible to do the legwork – asking for the daily last-minute counter fare on every flight, from every Northern community in Canada – to compile this information for CRA's assessment purposes.

To their credit, the CRA has their version of the answer. It is \$756 (Yellowknife-Edmonton); \$1,142 (Norman Wells – Edmonton) and \$1,265 (Inuvik – Edmonton) for 2007. Only, there is a huge problem.

## TAX Break



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The CRA won't say how they arrive at these amounts.

Lack of transparency isn't the organization's only shortcoming. For 2006, its version of the "lowest return airfare" was \$1,209 (Yk-Edmonton) and – surprise – \$1,150 (Inuvik to Edmonton). Does the word "haphazard" come to mind?

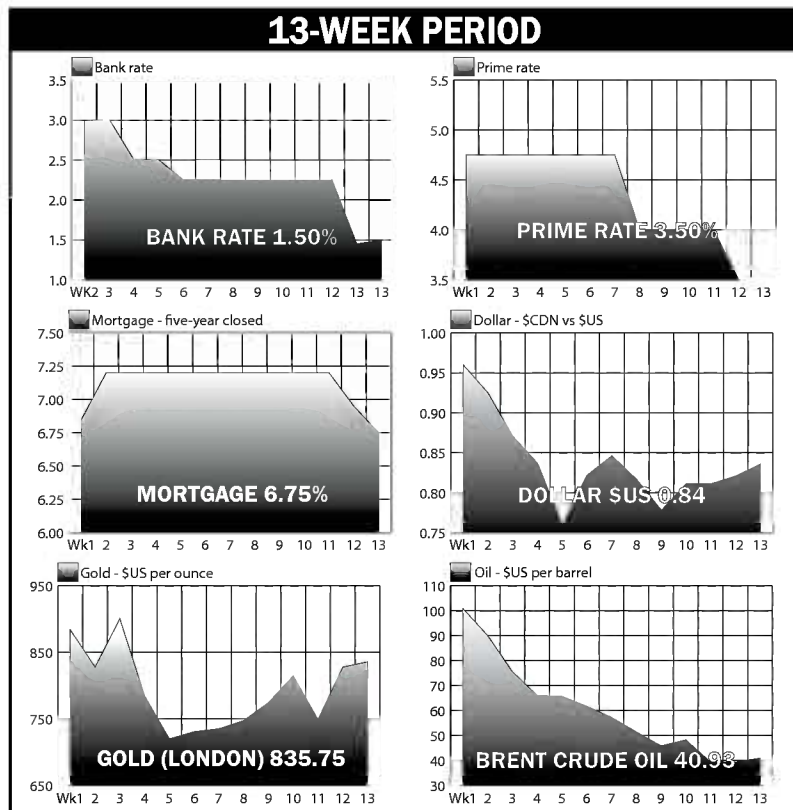
Here's more for the comic book. In its reassessing zeal, the CRA reduced a two-traveller trip to \$756; instead of \$1,512 (\$756 x 2) by disregarding the fact \$756 was their imposed per-person amount for trips from Yellowknife.

In another botched reassessment, the CRA reduced a travel claim to \$756, when the trip had originated from Iqaluit where the taxpayer resided at the time of the trip. Subsequent to the trip, in the latter part of 2007, the taxpayer did relocate to Yellowknife but that's no justification for rewriting this particular trip itinerary.

If your 2007 travel deduction was reassessed, you should object using Form T400A. Google "CRA" and search for document P148 for more information. You have until April 30, 2009 to file your 2007 objection.

When you object, simply state "I object to the \$756 (or the amount for your community) used by the CRA as the lowest return airfare. Please supply me with proof that \$756 was the last-minute regular airfare on the date(s) my trip(s) began."

Your objection redirects the spotlight squarely at the CRA and compels the agency to justify your reassessment.



## BUSINESS Around the North

Continued from page 30

### Closing for Christmas

*Qamanittuaq/Baker Lake*

Nunamiut Lodge in Baker Lake will be closed for two weeks over the Christmas season.

The lodge will be shut from Dec. 20 to Jan. 5, according to Mike Hughson, a self-described "helper" at the lodge.

With two free weeks on his hand,

Hughson will stay in town, but said he and his wife will likely go out for Ski-Doo trips.

"We'll be out and about," he said.

### Christmastime is here

*Iqaluit*

Christmas movies a currently popular at Video Shack in Iqaluit.

Store clerk David Whitmore said the usual classics, plus some more recent titles, have been going off the shelves lately.

"There's that new Fred Claus movie," he said. "Plus the usual staples: A Christmas Carol, Dr. Seuss."

# Forum Uranium sets up shop

NTI, from page 30

Eagle Mines Ltd., in which Forum can gain a 60 per cent interest if it spends \$4 million in exploration by 2012. The company has already spent \$1 million to earn its interest.

East of the parcel is land Forum holds in partnership with yet another company, Tanqueray Resources Ltd. Under that deal, Forum can own 51 per cent of the property if it spends \$4 million in exploration by 2012.

In 2007 and 2008, Forum spent \$6.5 million exploring the Agnico-Eagle and Tanqueray interest lands.

"We did a regional evaluation," said Rick Mazur, president of Forum. "We compiled all the historical geology and uranium mineralization. We prospected and sampled all the old showings."

What the company found is that some of the historical deposits spill onto the recently acquired NTI parcel, making it attractive to Forum.

"When the draft uranium policy became clear in 2006,

I jumped in there because I knew that this ground was probably the best in the territory," said Mazur.

Mazur worked for Pan Ocean Oil Ltd. as a uranium exploration geologist in the late 1970s and early 1980s, gaining an intimate knowledge of the land.

Pending market conditions, Forum plans to spend at least \$1 million exploring the parcel next summer, which has gone largely unexplored under NTI's tenure, said Mazur.

Forum has retained some workers from Baker Lake to work as camp cook helpers and prospectors for previous exploration efforts and plans to do so again.

"That's part of our business model," said Mazur.

As it develops the land, Forum will also seek a partner and it's setting its sights on major mining companies.

"The reason I think it's highly attractive to a major is ... look at the names," he said. "You've got Areva, Agnico-Eagle and Forum. I really think that for a major mining

company that would like to have a very strategic land position in an emerging uranium mine development camp, this is a great opportunity."

### Options

Under the terms of the deal with NTI, once a feasibility study for the parcel is in hand, NTI has two options. Under the first, it can pay for 20 per cent of the development and construction of the mine and reap 20 per cent of the mine's net revenue. Under the second, NTI can contribute no money to the mine's development and collect a 19.5 per cent net royalty on profits, albeit one measured against the accumulated costs of constructing and operating the mine.

Carson Gillis, director of lands and resources for NTI, said Forum's strategic position in the region made it an easy choice for the parcel.

"There were a couple companies interested in the northern part of this parcel. But with Forum, they've picked up, over the last year or so, a lot of mineral property around the proposed Kiggavik project. The parcel that we entered into agreement with them is smack in the middle of that," said Gillis.

"I jumped in there."



Carson Gillis, director of lands and resources for Nunavut Tunngavik Inc., left, and Rick Mazur, president of Forum Uranium Corp., celebrate the sale of exploration rights to a parcel of land to Forum with a handshake in Vancouver.