



Socio-Economic Agreement Report

For Mines Operating in the
Northwest Territories

2021

*Le présent document
contient la traduction
française de la présentation.*

Rapport sur les accords socioéconomiques

Mines de diamants des
Territoires du Nord-Ouest

Government of | Gouvernement des
Northwest Territories
Territoires du Nord-Ouest

English

French

Cree

Tł chq

Chipewyan

South Slavey

North Slavey

Gwich'in

Inuvialuktun

Inuktitut

Inuinnaqtun

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Introduction

Major resource developments impact the lands, resources, and people of the Northwest Territories (NWT). To manage this impact, the Mackenzie Valley Environmental Impact Review Board (MVEIRB) completes an environmental assessment on prospective mining projects with a view to mitigating these impacts through a variety of tools and measures. One of these tools is the creation of a Socio-Economic Agreement (SEA).

This summary report for 2021 presents data and information on the ongoing operation of the NWT's active mines.

SEAs set out commitments and predictions made by a company during the environmental assessment. They provide NWT residents with a picture of the benefits a project can bring to them and their community. As such, they normally address employment and business opportunities; improved cultural well-being; community, family, and individual well-being; and support for traditional economies. Moreover, they have net effects on government and sustainable development.

In a typical project, the Government of the Northwest Territories (GNWT) and the project proponent commit to benefits for NWT residents which are then outlined in the project's SEA. To help monitor performance, objectives are set out such as increased local employment, training and procurement; or established cultural and community wellness programs for affected communities.

The Departments of Industry, Tourism, and Investment (ITI), Health and Social Services (HSS), Education, Culture and Employment (ECE), with others, implement and monitor the SEA to ensure commitments are met.

SEAs have demonstrated their value and importance in the years since their founding. The first SEA was negotiated in 1996 for the Ekati Diamond Mine. The latest SEA was negotiated for the NICO Project in 2019.

This summary report for 2021 presents data and information for the NWT's active mines. It includes social and economic indicators identified in SEAs for the NWT's three active diamond mines (Ekati, Diavik, & Gahcho Kué).

The SEAs focus on the social, health, cultural, and economic wellbeing of affected communities and people. This report uses the SEA indicators to identify potential linkages between the mines, the NWT region, and NWT residents.

The report presents the NWT in four groupings:

- The NWT overall
- Yellowknife
- Small Local Communities (SLCs) identified in proximity to the operating mines; and
- Remaining NWT Communities.

Présentation

Les grands projets d'exploitation des ressources ont des répercussions sur les terres, les ressources et les populations des Territoires du Nord-Ouest (TNO). Pour gérer ces répercussions, l'Office d'examen des répercussions environnementales de la vallée du Mackenzie effectue des évaluations environnementales pour les soumissions de projets d'exploitation minière, dans le but d'atténuer les effets à l'aide d'un grand nombre d'outils et de mesures. L'un de ces outils est la création d'un accord socio-économique (ASE).

*Ce rapport
sommaire pour
2021 présente
des données et
des informations
sur l'exploitation
continue des
mines en activité
aux TNO.*

Ces accords exposent les engagements qu'une entreprise a pris et les prévisions qu'elle a faites lors de l'évaluation environnementale. Ils donnent aux Ténos une idée des retombées qu'auront les projets sur eux et leur collectivité. Habituellement, les ASE abordent les occasions d'emploi et d'affaires, l'amélioration du bien-être culturel, le bien-être des collectivités, des familles et des individus, ainsi que le soutien aux économies traditionnelles. Ils ont également des retombées finales sur le développement durable et gouvernemental.

Au cours d'un projet typique, le Gouvernement des Territoires du Nord-Ouest (GTNO) et le promoteur du projet s'engagent à apporter des bénéfices aux Ténos, qui sont ensuite intégrés dans l'ASE du projet. Pour aider à surveiller la performance, des objectifs sont fixés, comme la création d'emplois locaux et une augmentation des occasions de formation et de l'approvisionnement, ou la mise en place de programmes de bien-être culturel et communautaire pour les collectivités affectées.

Le ministère de l'Industrie, du Tourisme et de l'Investissement (ITI), le ministère de la Santé et des Services sociaux (MSSS), le ministère de l'Éducation, de la Culture et de la Formation (MÉCF), en collaboration avec d'autres ministères, mettent en œuvre et supervisent les ASE pour assurer le respect des engagements.

Ces accords ont démontré leur valeur et leur importance au cours des années qui ont suivi leur mise en œuvre. Le premier a été conclu pour la mine de diamants Ekati en 1996 et le plus récent, pour le projet NICO en 2019.

Ce rapport sommaire pour 2021 présente des données et des informations sur les mines en activité aux TNO, y compris les indicateurs sociaux et économiques des ASE pour les trois mines de diamants en activité aux TNO (Ekati, Diavik et Gahcho Kué).

Les ASE se concentrent sur la santé ainsi que le bien-être social, culturel et économique des collectivités et de la population affectées. Le rapport utilise les indicateurs des ASE pour identifier les liens potentiels entre les mines, la région des TNO et les Ténos.

Le rapport divise les TNO en quatre groupes :

- l'ensemble des TNO;
- Yellowknife;
- les petites collectivités locales à proximité des mines en activité;
- les autres collectivités des TNO.



Photo credit: Pat Kane



Since 1999

CUMULATIVE MINING
CONTRIBUTION TO GDP

\$24 Billion

(\$23,795 Million)

Current Overview and State of the NWT Economy

2020 Mining
contribution to GDP

\$1.0 Billion

(\$966 Million)

2020 Support Activities
for Mining/Oil/Gas in NWT

\$32 Million

Gross Domestic Product (GDP)

Mineral development is fundamental to the territory's economy. The NWT economy has grown 80.7% since 1999. Mineral development contributes in many ways to the territory's economy. The mining support industry includes contract services for mining and quarrying minerals as well as exploration activities such as prospecting. Once established, mines employ NWT residents and patronize local businesses.

Benefits from operating mines flow into other industries as well. These include the purchase of construction materials, transportation services to fly workers and supplies to the mines, and extensive services procured from local businesses. Extra income received by residents and businesses, in turn, boosts the North's retail industries.

The NWT's substantial mineral potential includes silver, gold, base metals, critical minerals, and diamonds. Since the COVID-19 pandemic, global interest in securing critical minerals has benefited projects such as Fortune's NICO project, Vital Metal's Nechalacho Project, and the Prairie Creek Mine restart.

GDP in this report is presented as basic prices in chained 2012 dollars. The method is used as a quantity index to measure production in one year relative to another. Changes in chained-dollar estimates only reflect the change in the quantities of goods and services produced, not their prices; and discount changes due to inflation.



Transportation
\$124.5 Million



Construction
\$359.5 Million



Retail
\$168.2 Million



Administrative and support,
waste management,
and remediation services
\$48.6 Million

Mineral Incentive Program

As one of the largest drivers of the territory's economy, exploration to discover new viable mineral interests is vital. The Mineral Incentive Program (MIP) was launched in 2014 to help offset financial risks for prospectors and exploration companies and to support and sustain continued mineral exploration in the territory. ITI awarded a total of \$1 million to 15 recipients under the MIP in the 2020-2021 fiscal year.

Statistics Canada releases statistics for 2021 GDP in Spring or Summer 2022 with corrected numbers in the Fall. Statistics about the NWT economy in this report are corrected 2020 GDP statistics released in November 2021.

Sale of Ekati Diamond Mine and Restart

Arctic Canadian Diamond Company Limited (Arctic) acquired the Ekati Diamond mine in late 2020 and resumed operations of the longstanding diamond mine in early January 2021.

Much of Arctic's efforts through 2021 focused on forging connections and programs to stabilize future operations. These included reconnecting with community leaders, supporting community residents through the communication of employment and business development opportunities, and training programs for career advancement.

SEAs in Force

Signed SEAs active during 2021 in the NWT are:

- Ekati Diamond Mine (1996);
- Diavik Diamond Mine (1999);
- Snap Lake Mine (2004), and
- Gahcho Kué Mine (2013).

More information on negotiated SEAs can be found at

www.iti.gov.nt.ca/en/services/socio-economic-agreements

Communities affected by mining projects with active SEAs

Socio-Economic Agreements have commitments for all NWT residents; however, many SEAs include commitments for specific communities directly affected by mine activity. Communities with specific commitments include:

- Yellowknife
- Dettah
- Ndilq
- Behchokq
- Whati
- Gamètì
- Wekweètì
- Łutselk'e

Mineral Resources Act

The GNWT is drafting a new, made-in-the NWT *Mineral Resources Act* (MRA) to meet the unique needs of the Territory. During public engagement to inform the development of this legislation, valuable observations and feedback was received concerning the role of SEAs.

For example, industry representatives thought engagement for projects was needed in the exploration phase instead of the development phase. Others suggested that SEAs are not adequately enforced. Indigenous governments, organizations, and members of the public commented on the need for benefit agreements to also be required under the MRA.

Participants across all participant groups noted that public reporting on benefits would be beneficial. This would include reporting on Benefit Agreements (BAs) and SEAs to increase public knowledge of the benefits received from mining in the NWT.

Participants highlighted that Northern procurement should be a requirement under the new MRA and that as part of an SEA, local capacity should be built to ensure that needed services can be provided.

Participants from municipal governments and the public commented on the need for mine workers who travel to the NWT for work to stay here—to ensure spending stays in the NWT and contributes to the growth of local economies.

The new MRA aims to strengthen benefits to NWT residents by requiring negotiated benefits as part of resource development.

SEA Program Review

The GNWT has committed to completing a review of its SEA program in support of its Mandate to Adopt a Benefit Retention Approach to Economic Development.

The three-phased initiative is targeted to be completed by summer 2023.

Initially, an Evaluation Phase has seen SEA performance reviewed independently and recommendations made for improvement.

In the second phase, recommendations will be prioritized, and methods for applying these recommendations designed. The GNWT will host a Socio-Economic Forum during this phase to discuss options with representatives from producing mines, Indigenous governments and organizations, and non-government organizations.

The final phase will see the implementation of lessons learned and developed in the first two phases to provide an updated and improved approach to the NWT's use of SEAs. An improved SEA program will help NWT Residents enjoy greater benefits from the northern mining industry.

Estimated Mine Life

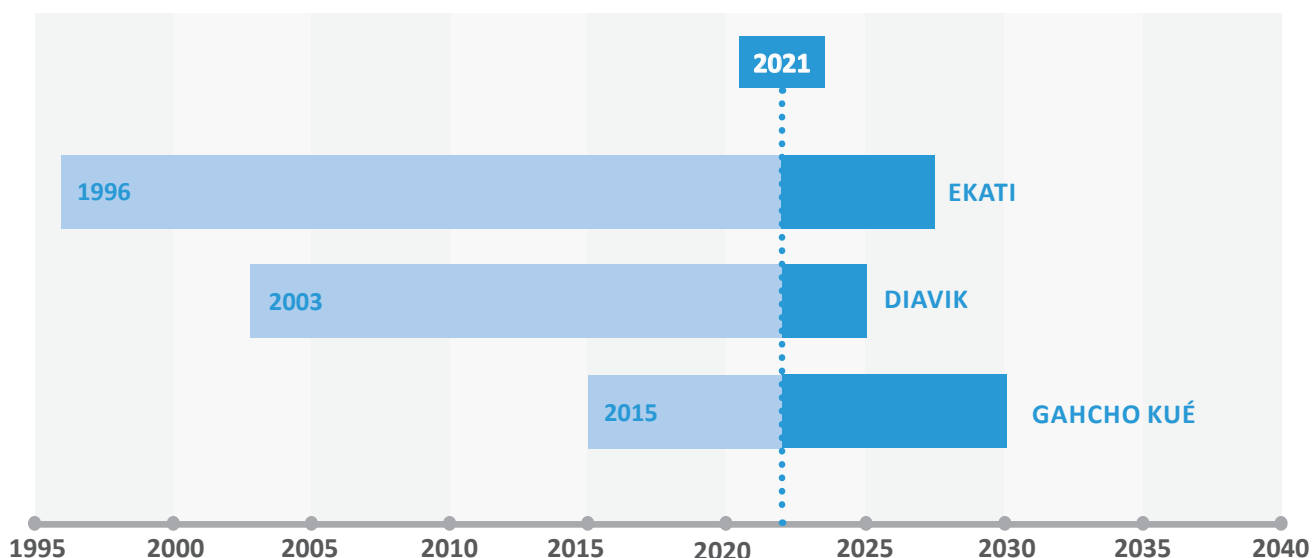
Diavik began open-pit operations in 2003. The revised mine plan, which includes the A-21 pit, extends production to 2025.

Ekati's production life is currently planned to 2028. Several exploration and project evaluation activities are ongoing that could extend the life of the mine.

Gahcho Kué is estimated to operate until 2030 with the discovery of the new kimberlite pipe in 2019.

While these dates for end of mine life are currently being reported by each mine, all three diamond mines have active expansion plans underway that may extend their mine life even further.

ESTIMATED MINE LIFE



Cheetah Resources Signs Det'on Cho for \$8 million in Mining Services¹

On February 19, 2021, Cheetah Resources Ltd. and Det'on Cho Nahanni Construction signed an \$8 million contract to provide mining and equipment services for the Nechalacho rare earths project.

Cheetah Resources has stated that Indigenous involvement is important, not only for employment, but procurement as well. The contract signing marks the first time in Canadian history that an Indigenous group has assumed responsibility for mineral extraction on their own territory.

Under the contract, Det'on Cho Nahanni Construction will complete mining and crushing between March and September of each year under the management of Cheetah. The contract extends to site clearing, preparation of a retention pond, site roads, a run of mine pad, as well as screening.

The contract signing followed the announcement of a memorandum of understanding between Cheetah Resources Ltd. and Det'on Cho Corporation in January 2020, whereby Cheetah selected Det'on Cho as its preferred mining services contractor.

¹ This featured story is a summary of an NNSL Media Article: <https://www.nnsi.com/business/rare-earths-miner-indigenous-construction-companies-sign-8-million-business-contract/>



Photo credit: Pat Kane

Procurement and Royalties

1996-2021
TOTAL HISTORICAL
SPENDING
BY NWT MINES

\$24.1 Billion

1996-2021

\$16.9 Billion

Historical Spending with NWT Businesses

\$505 Million

Spend on NWT Businesses in 2021

Procurement Targets

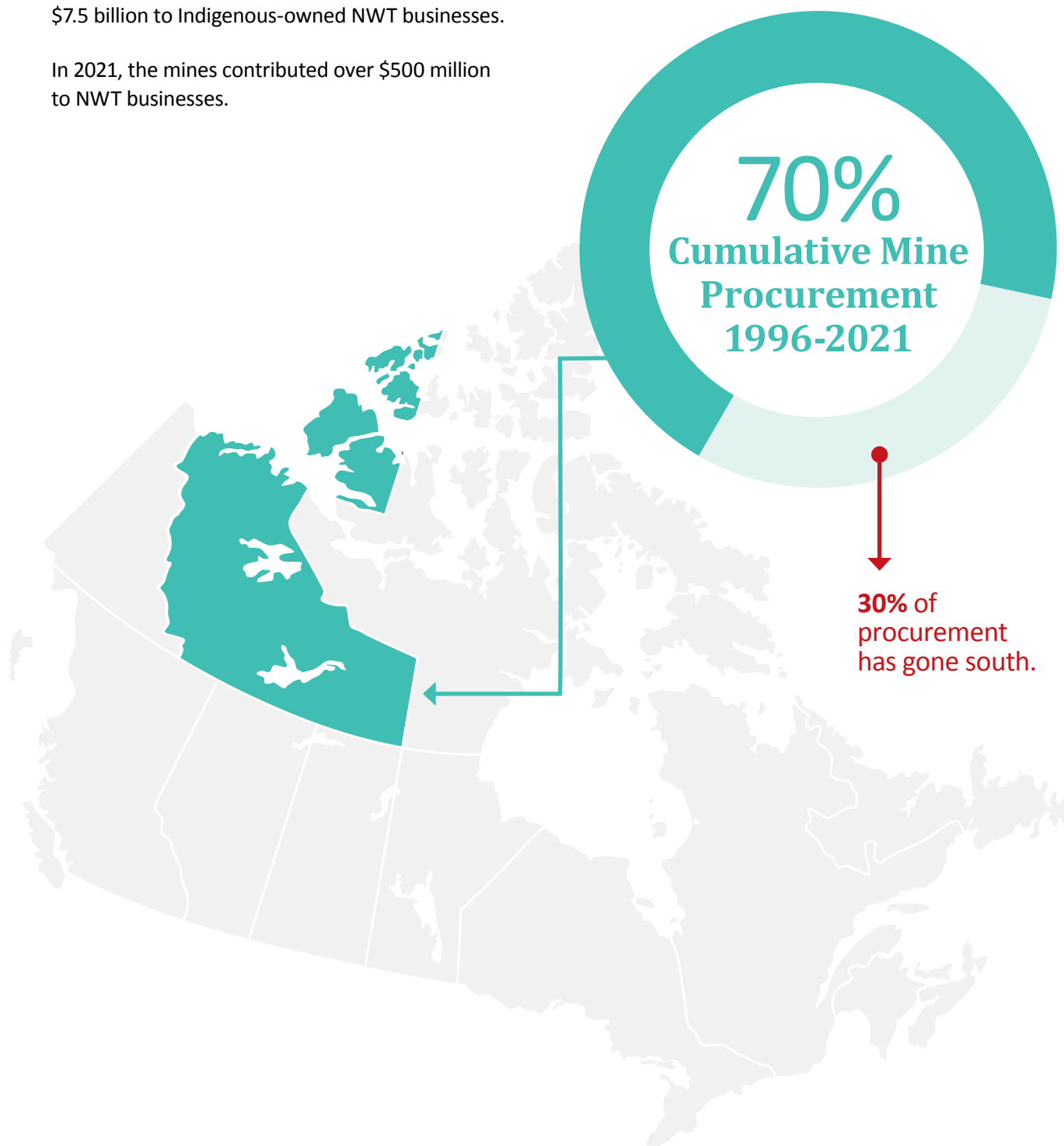


*Unlike in newer Socio-Economic Agreements, the Ekati SEA does not contain closure commitments. Closure commitments became required as SEAs developed to better meet the needs of NWT residents.

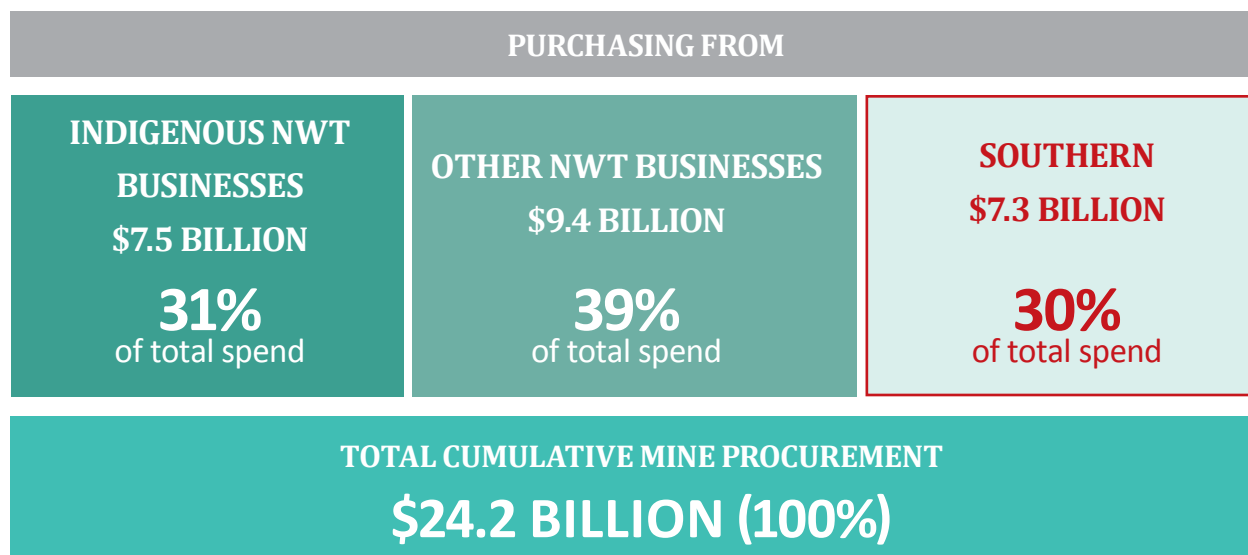
Cumulative Mine Procurement

Since 1996, NWT mines have contributed over \$24 billion to the economy. Of this, nearly \$17 billion went toward NWT businesses and \$7.5 billion to Indigenous-owned NWT businesses.

In 2021, the mines contributed over \$500 million to NWT businesses.



Cumulative Mine Procurement (1996-2021 NWT Mine Procurement)



Mine procurement data for 2021 is preliminary. The total cumulative amounts use 1996-2020 data combined with preliminary 2021 data to show the proportion of procurement that stays local. These figures are not an exact accounting of every purchase from every mine.



Photo credit: Pat Kane

2021 NWT Mine Procurement

Diavik and Gahcho Kué met their Northern procurement commitments of 70% and 60% in 2021, achieving 76% and 70% respectively. Ekati achieved 55% Northern procurement in 2021, short of their targeted commitment of 70%.

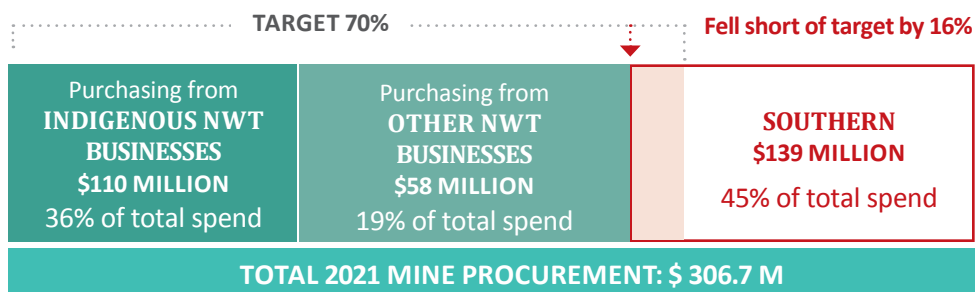
NWT Businesses are defined as businesses registered and operated in the Northwest Territories.

Indigenous NWT Businesses refer to NWT businesses from Indigenous Governments and Organizations identified in the SEAs.

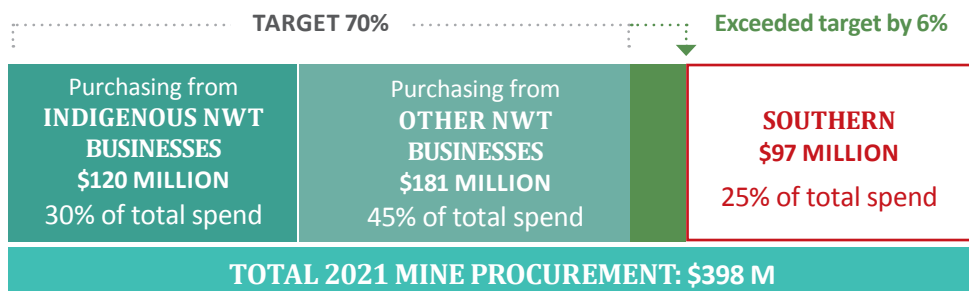
TOTAL 2021 MINE PROCUREMENT \$996.4 MILLION (100%)



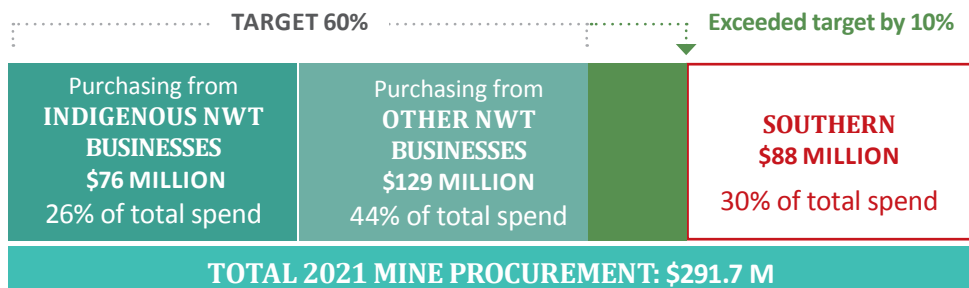
Ekati



Diavik



Gahcho Kué



Note

Numbers may not add up due to rounding errors.

Royalties and Revenue Sharing

Resource revenues after land claim payments are shared with the federal government and Indigenous governments. One-half of resource revenues (subject to a cap) are retained by the GNWT, with the remainder shared with the federal government by reducing the GNWT's Territorial Formula Financing grant. The amount retained by the GNWT after this reduction is called the Net Fiscal Benefit. One quarter of the Net Fiscal Benefit is shared with Indigenous government signatories to the Northwest Territories Land and Resources Devolution Agreement.

The amount of revenues collected each year varies depending on the performance of operating mines.

The GNWT raises revenues from resources in two primary ways: royalties and taxes.

ROYALTIES

Non-renewable resources, once extracted, are no longer available for future use. Royalties therefore serve to convert a non-renewable resource into a financial asset for the public benefit of all NWT residents. Royalties are based on the assessed value of the diamonds mined at source minus allowable deductions claimed by the company. A mine is charged an escalating royalty rate that can vary from 0% to 13% depending on the value of the mine's production after deductions. The value of the minerals produced from a mining operation is influenced by numerous factors including market prices, quality of resources being extracted, capital and operating costs of the mining operation, and interest and exchange rates.

In 2020-21, the GNWT collected \$19 million in resource revenues (includes non-diamond revenues).

The Department of Industry, Tourism and Investment (ITI) committed to reviewing the royalty regime following passage of the *Mineral Resources Act* (MRA).

As part of its work to develop the regulatory framework for the new MRA, the GNWT is committed to facilitating a broader discussion of the NWT's royalty regime. The current royalty regulations were mirrored from the federal regulations as part of Devolution. The last major revision of the regulations was in the mid- to late-1990s in response to the emergence of the NWT diamond industry. Most jurisdictions with active mining industries review royalty regimes approximately every ten years as a best practice to see if the regime is continuing to strike a balance between attracting investment and a providing fair return to government.

TAXES

The diamond mines provide the GNWT with revenues from corporate income tax, property tax, fuel tax and carbon tax. In the past three years, diamond mines have contributed 43 per cent of these taxes. In addition, their employees pay payroll tax and personal income tax.

TAXES PAID BY EMPLOYERS

Corporate taxes

In the NWT, corporate income tax rate is charged at a rate of 11.5% of corporate taxable income.

Property taxes

Mines in the NWT are charged taxes on the value of their properties. Most of the property tax revenue collected by the GNWT is from the diamond mines.

Fuel taxes

Mines employ power generation facilities, haul trucks, and processing equipment consuming significant quantities of fuel which (except for heating) is taxed.

Carbon tax

The diamond mines are subject to carbon tax on fuel consumed in their operations (with an offsetting rebate of 72 per cent of carbon tax paid).

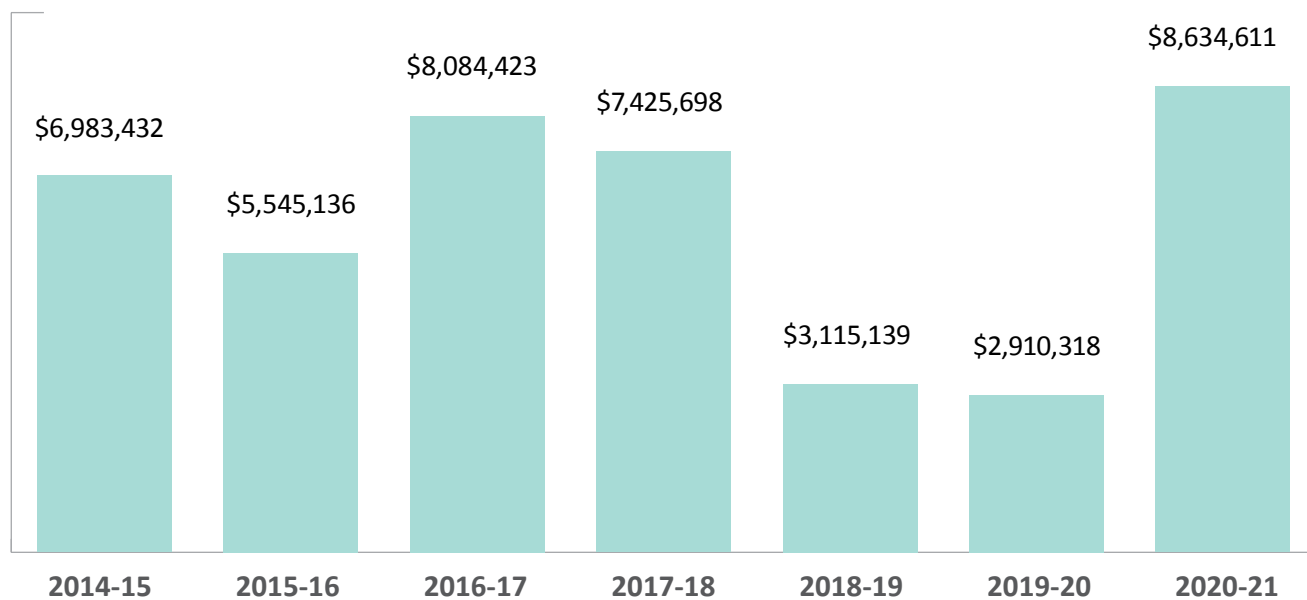
DISTRIBUTED RESOURCE REVENUE SHARING SINCE DEVOLUTION, BY SIGNATORY (\$)

Indigenous Group	2016-17	2017-18	2018-19	2019-20	2020-21
Acho Dene Koe First Nation	\$197,272	\$174,755	\$74,162	\$117,712	\$194,956
Deninu K'ue First Nation	\$265,450	\$244,861	\$102,559	\$94,305	\$285,004
Gwich'in Tribal Council	\$1,373,398	\$1,254,427	\$527,224	\$483,126	\$1,460,077
Inuvialuit Regional Corporation	\$2,101,856	\$1,973,271	\$821,920	\$759,980	\$2,296,768
Kátł'odeeche First Nation	\$184,153	\$167,322	\$70,503	\$64,442	\$194,753
Northwest Territory Métis Nation	\$725,368	\$645,201	\$273,568	\$248,491	\$750,976
Sahtú Secretariat Inc.	\$1,555,666	\$1,448,762	\$605,048	\$557,972	\$1,686,271
Salt River First Nation	\$279,544	\$247,922	\$105,205	\$95,484	\$288,566
Tłı̨chǫ Government	\$1,401,716	\$1,269,178	\$534,950	\$488,807	\$1,477,246
TOTALS	\$8,084,423	\$7,425,698	\$3,115,139	\$2,910,318	\$8,634,611

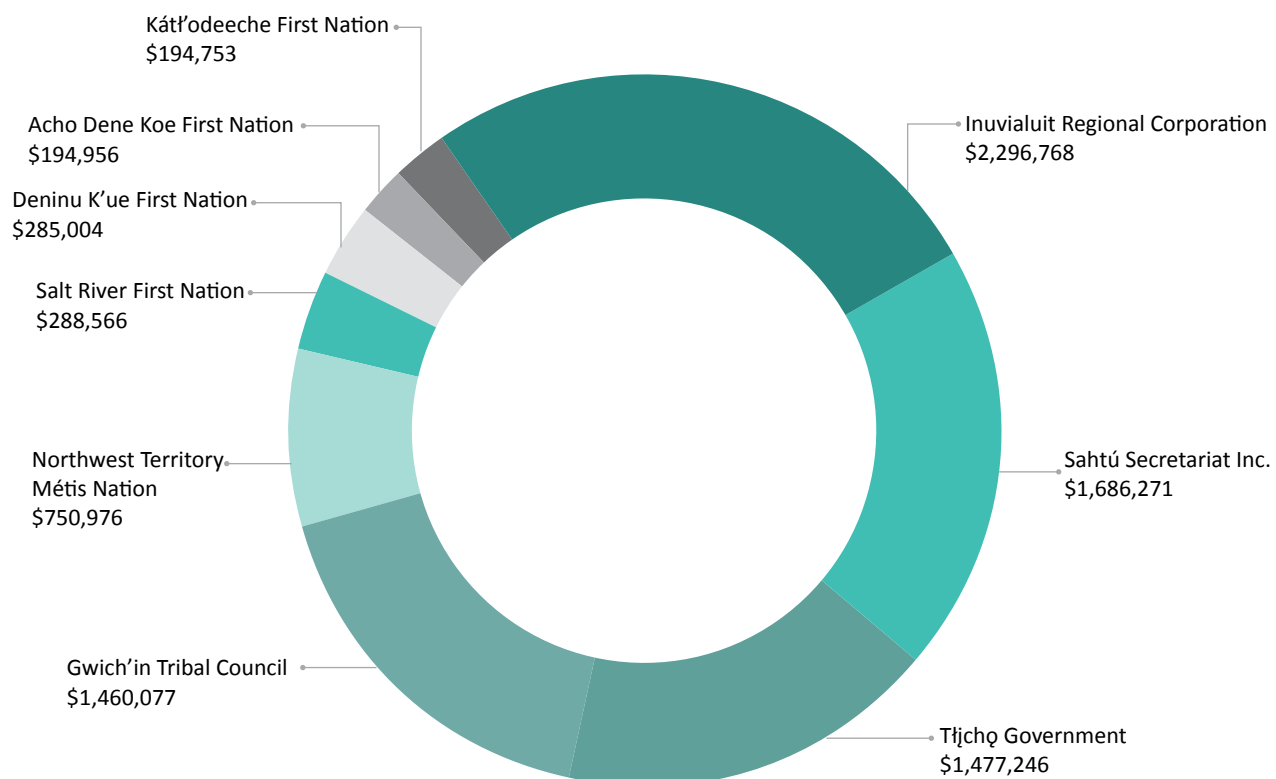


Photo credit: Pat Kane

TOTAL DISTRIBUTED RESOURCE SHARING



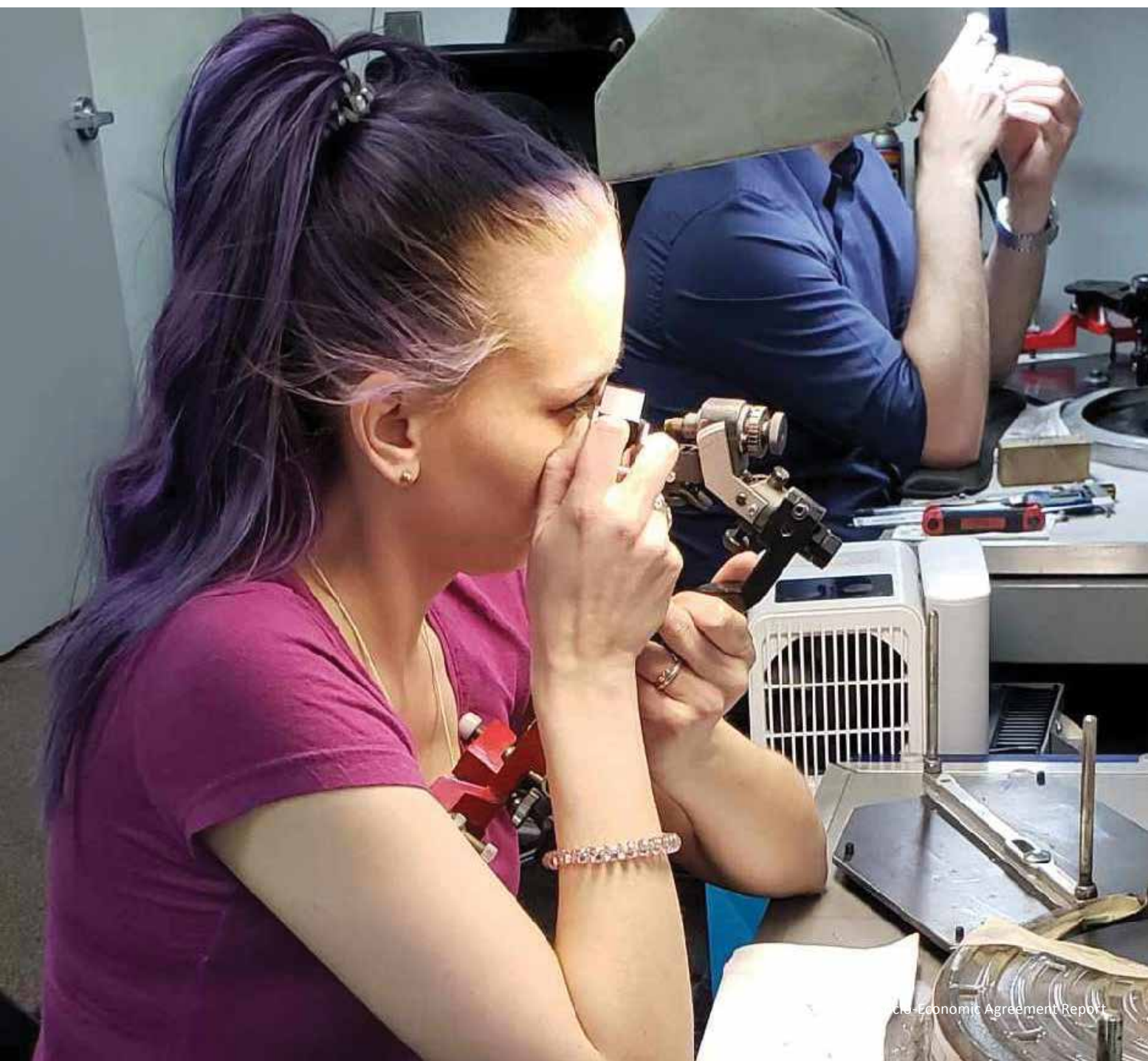
RESOURCE REVENUE SHARING ALLOCATION 2020-2021



Diamond Secondary Industry

As part of their SEA commitments, NWT diamond mines agree to supply a percentage of rough diamonds to Approved NWT Diamond Manufacturers. Ensuring a local supply of diamonds helps to support secondary industries in cutting and polishing and provides opportunities for NWT residents to pursue employment and training in these industries.

The GNWT re-introduced the Diamond Polar Bear™ Trademark in 2021. This mark assures diamond provenance as Mined, Cut and Polished in the North. Diamonds under this program are inscribed with the iconic Polar Bear Diamond™ recognized globally.



Closing of the Snap Lake Mine Awarded to Local Business

De Beers Group awarded a three-year contract in late 2021 valued at \$110 million to Met/Nuna for the closure and reclamation of the Snap Lake Mine.

The Snap Lake Mine was Canada's first underground diamond mine. It began operations in 2008 and was placed on care and maintenance in 2015. Over the course of its life, the mine employed over 2000 NWT residents and spent more than \$179 million with NWT businesses.

Met/Nuna is a joint venture between Nuna Logistics and Metcor, the economic development arm of the North Slave Metis Alliance. The company was established in 2015 to increase opportunities, train residents, and develop business relationships.

The company will be responsible for executing De Beers' closure and reclamation plan over the next three years. De Beers will maintain responsibility for the mine's closure commitments set out in the Snap Lake Socio-Economic Agreement.



Photo credit: Pat Kane



Since 1996

**CUMULATIVE
PERSON YEARS OF
EMPLOYMENT FOR
NWT RESIDENTS**

32,137

Employment and Participation

**2021
PERSON YEARS
OF EMPLOYMENT
FOR NWT
929**

NWT mines employ local workers directly or through contractors. Employment commitments aim to maximize economic opportunities for NWT residents. They promote and attract a local workforce through northern benefits, and offer incentives such as northern benefit and relocation packages for NWT employees.

Employment Targets

Each SEA has employment commitments to hire local residents and NWT workers negotiated through the SEA process.

NWT Resident is a term in the SEA to describe a person living in the Northwest Territories as their primary residency.

The term Indigenous for employment commitments under SEAs refers to members of Indigenous groups and a member of an Indigenous Government and Organization identified in the SEAs.



Ekati

CONSTRUCTION

33% NWT

50% should be NWT
Indigenous Employment

OPERATIONS

62% NWT

50% should be NWT
Indigenous Employment



Diavik

CONSTRUCTION

40% NWT

OPERATIONS

66% NWT

40% should be NWT
Indigenous Employment



Gahcho Kué

CONSTRUCTION

35% NWT

OPERATIONS

55% NWT

CLOSURE

55% NWT

NWT mines work with the GNWT to identify the challenges meeting employment commitments. Under the SEA, parties collaborate to increase NWT employment. In 2021, COVID-19 has presented extra challenges to addressing employment at the mines.

According to reporting for 2020-2021, the NWT mines did not meet all their employment commitments.

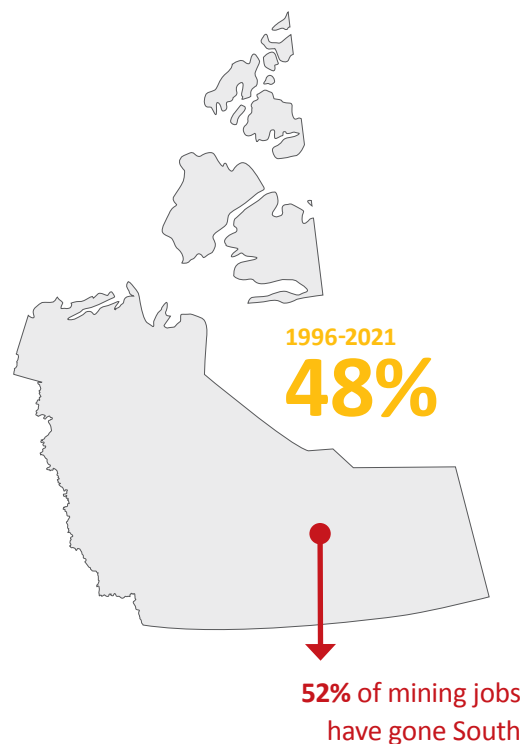
- Ekati met its Indigenous employment commitment but did not meet its Northern commitment. Total Northern employment for Ekati was 33%.
- Diavik met its Indigenous employment commitments but did not meet its Northern commitment. Total Northern employment for Diavik was 35%.
- Gahcho Kué did not meet its Indigenous employment commitment, employing 32% Indigenous Residents. The Northern Employment commitment was also not met, employing 42% total NWT Residents.

Photo credit: Pat Kane



1996-2021 Cumulative Mine Employment

Since 1996, the year of the first NWT diamond mine, cumulative employment of NWT residents has reached over 31,000 person-years.



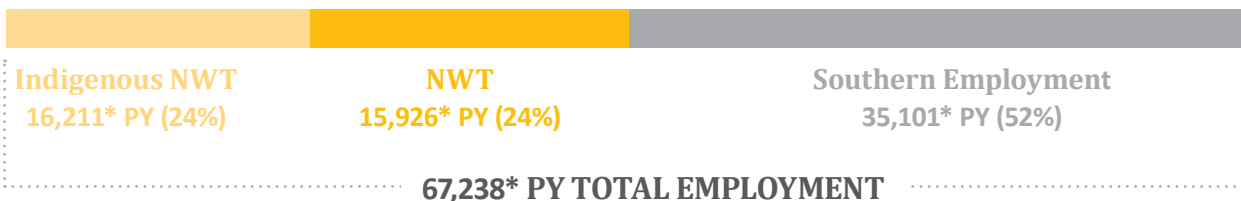
Ekati



Diavik



Gahcho Kué



LEGEND



Indigenous NWT Employment



NWT Employment



Southern Employment

Note

Employment is expressed in person years. Person years (PY) is defined as 2,140 hours. Numbers may not add up due to rounding.

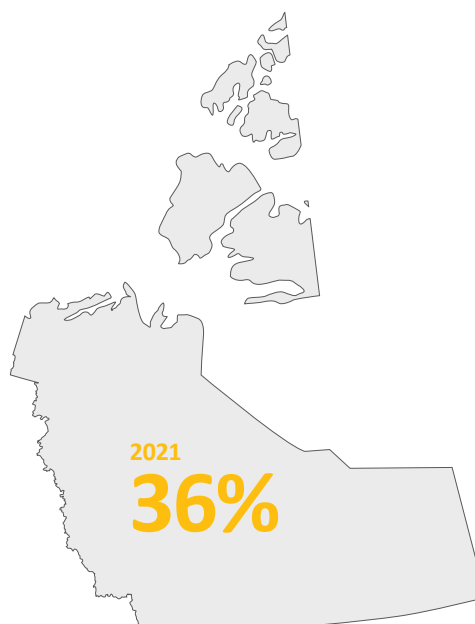
* Data from De Beers Canada, Inc. is preliminary and provided ahead of De Beers' annual reporting deadline of May 2021 and are subject to adjustment following publication of De Beers' final report.



Photo credit: Pat Kane

2021 NWT Mine Employment

In 2021, the industry employed NWT Residents for over 900 person years.



Ekati



Diavik



Gahcho Kué*



LEGEND



Indigenous NWT Employment



NWT Employment



Southern Employment

Note

Employment is expressed in person pears. Person pears (PY) is defined as 2,140 hours, an equivalent to a two weeks in and two weeks out rotation. Numbers may not add up due to rounding errors.

* Data from De Beers Canada, Inc. is preliminary and provided ahead of De Beers' annual reporting deadline of May 2021 and are subject to adjustment following publication of De Beers' final report.

Job Categories



Professional and Management

Professional & Management – Requires a University degree and/or professional designation.

Positions may include: engineers, accountants, lawyers



Skilled

Skilled Labour – Requires a journeyman certification, and years of experience in the role.

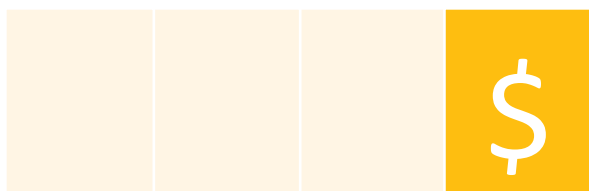
Positions may include: electricians, plumbers, industrial mechanics



Semi-Skilled

Semi-Skilled Labour – Includes some schooling and experience.

Positions may include: apprentices, front-line supervisors, operators

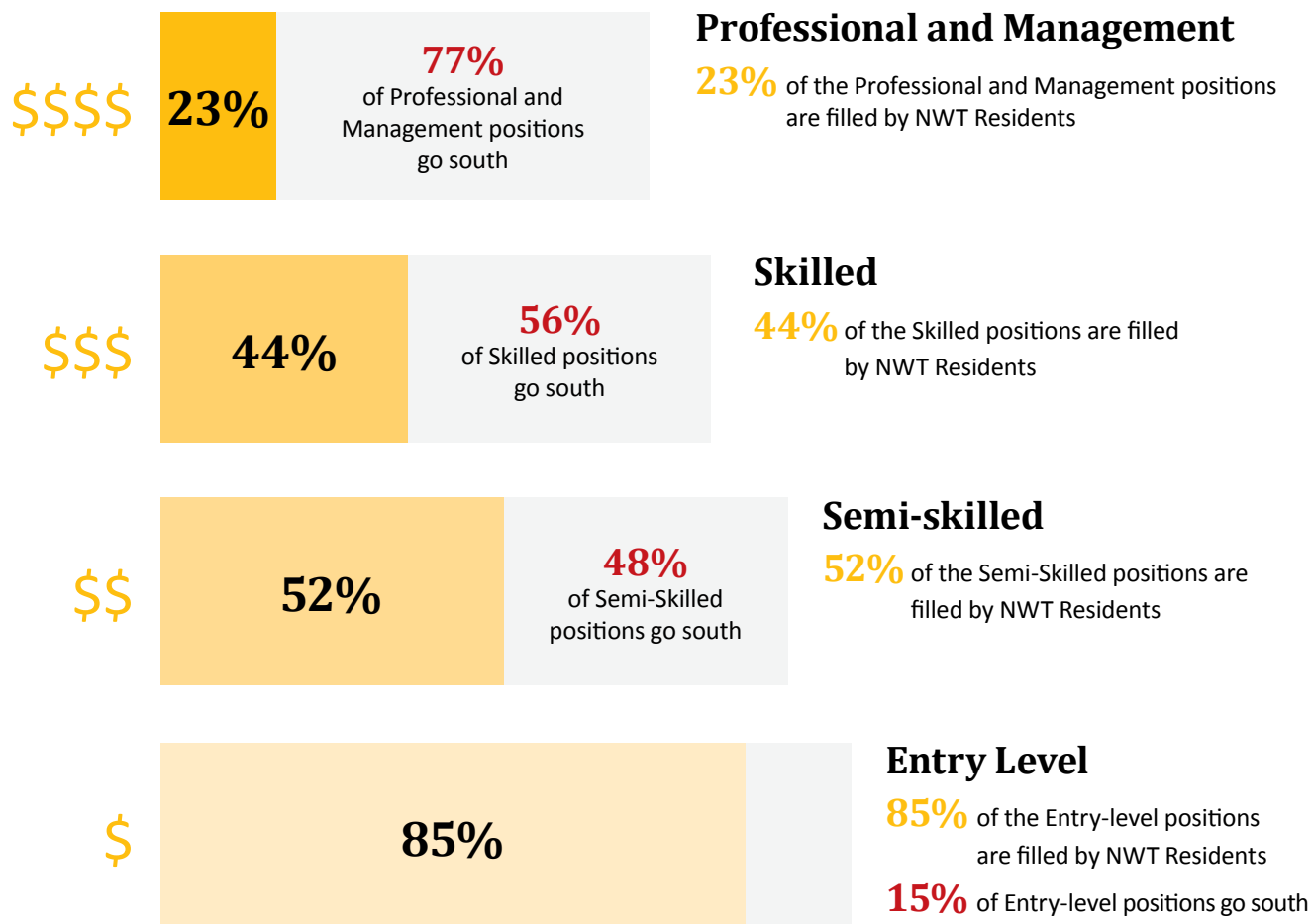


Entry Level

Entry-Level Jobs – Requires Grade 10-12 and can be trained on the job.

Positions may include: housekeeper, cook's helper, labourer

NWT Employment by Job Category



Employee Highlight: Melanie Sangris

Melanie was born and raised in Yellowknife, a lifelong resident of the Northwest Territories and a member of the Yellowknives Dene First Nation. With over 10 years of experience in the mining industry, Melanie has advanced her career to become Diavik's first female Tele-remote Scoop Operator.

She started her career underground at the Snap Lake Mine. In 2010, she learned of an opening at Diavik through her now-husband; she took the chance and succeeded, becoming one of six people on her rotation to form the first production crew at Diavik. She has been working at Diavik ever since.

The path to her success was not always easy. "I was having a hard time navigating what to do once I was out of school," she says. But she soon found her calling. A friend introduced her to the Mine Training Society, and they enrolled in training programs together. She found she had an interest in the training courses and a good understanding of the concepts of the mining cycle. "Heavy equipment was new to me; I felt proud of myself that I was able to catch on quickly," she recalls. "That encouraged me to learn all that I can, practice, and stick with it."

She credits her good attitude, adaptability, and diverse skillset for her success; she can operate almost every piece of equipment underground. Her knowledge in her field allows her to coach others to succeed. She was awarded a Diamond Copper Coin by her peers, recognizing her work ethic, leadership, and dedication to her job.

Among her achievements, she is most proud of purchasing her first home and being a mother who works at a diamond mine. As a woman in the mining industry, it can be difficult being away from her two children, but thanks to technology, she maintains a strong bond with her family. “We sacrifice to provide everything and more for our children,” she says. “I should not have guilt over that. I am proof it can be done and in a healthy manner with supports.”

Many people encouraged and guided her on her journey, from the management teams at Diavik that saw her potential before she did and gave her the tools and opportunities to succeed, to her co-workers that have become like family to her. Most importantly, she recognizes the role her parents played in her success. While she is seen as a role model at work, her role model is her late father, who was dedicated to his service at the airport fire hall for 37 years, and her mother, “She is my biggest supporter. Without her helping to raise my children, I could not have created this amazing career that has helped me grow into a confident and successful woman in the mining industry”.

Melanie’s goal is to stay committed and continue pursuing future opportunities at Diavik. She continues to work towards her hopes of working in the Diavik corporate office and is training and learning to prepare herself to move beyond underground operations. Diavik continues to support her growth as

an individual and employee, sponsoring her training in the Northern Leadership Development Program offered through Aurora College.

Melanie’s achievements, work ethic, and vision make her a role model for individuals looking for a future in the mining industry and women hoping to advance at any stage in their careers.





Training and Education

14 

APPRENTICES
employed through
NWT mines in 2021



APPROXIMATELY
1,155
NWT STUDENTS
received student financial
assistance in 2020-2021

Training and skills development adds significantly to an individual's career path and future earnings. Training and education can lead residents to better employment, from entry-level positions to skilled positions commanding higher salaries. NWT mines work together with the GNWT's Department of Education, Culture, and Employment and organizations like the Mine Training Society, Skills Canada, and Aurora College to support a strong northern workforce and offer skill development opportunities to the Territory's residents.

Building a Strong Northern Workforce

The NWT resource development industry is continuously in search of new employees. In 2016, ECE released a Labour Market Forecast report conducted by the Conference Board of Canada projected a large number of job opportunities in the NWT by 2030. A great percentage of these would require college, apprenticeship or university education and/or extensive work experience and seniority; highlighting the need for a strong northern workforce. ECE is working toward an updated Labour Market Forecast for release in 2022.



Photo credit: Pat Kane

ENTRY LEVEL

Commitments under SEAs

Training and skill development commitments made by the GNWT and mines through the SEAs are intended to support the training of a territory-wide qualified northern workforce.

- De Beers committed to collaborate with the GNWT and other agencies to deliver community-based literacy programs.
- Diavik committed to placing emphasis on pre-employment training for NWT residents.
- Ekati committed to establishing an information and orientation program for high school students addressing job opportunities in the mining industry.
- The GNWT committed to maximize training opportunities by supporting initiatives and programs that help residents obtain the skills required to obtain employment.

2021 Training Uptake by Impacted Community

Several programs were offered in 2021 to meet the GNWT's commitments to train the local workforce.

Community Literacy Development Funds (CLDF)

The Community Literacy Development Fund (CLDF) provides financial assistance to community organizations to develop and deliver local programs that will increase literacy skills and raise awareness of the importance of literacy. The program supports literacy development in all eleven NWT official languages and places a priority on Indigenous languages.

Trades and Occupations Wage Subsidy Program (TOWSP)

The Trades and Occupation Wage Subsidy Program provides subsidies to employers to support hiring and training individuals as they progress through the apprenticeship or occupation certification programs.

Employee Training Program/Wage Subsidy Program (ETP/WSP)

The Employee Training Program provides support to employers who have proactively hired employees in anticipation of their workforce needs, to offset the cost of training the new employees. The program provides support for training and may be used to support under-employed or employed individuals in need of additional training to either maintain their current job or progress to a different or better job.

The Wage Subsidy Program provides support to employers to hire and train NWT residents. The program is intended to provide work experience and training to better enable participants to obtain meaningful long-term employment.

Skills Development Program (SDP)

The Skills Development Program provided by the Department of Education, Culture, and Employment provides support for individuals through short-term training opportunities to develop essential skills that could lead to future employment. These include literacy and numeracy skill development, workplace essentials, employment readiness programs, and pre-employment training courses.

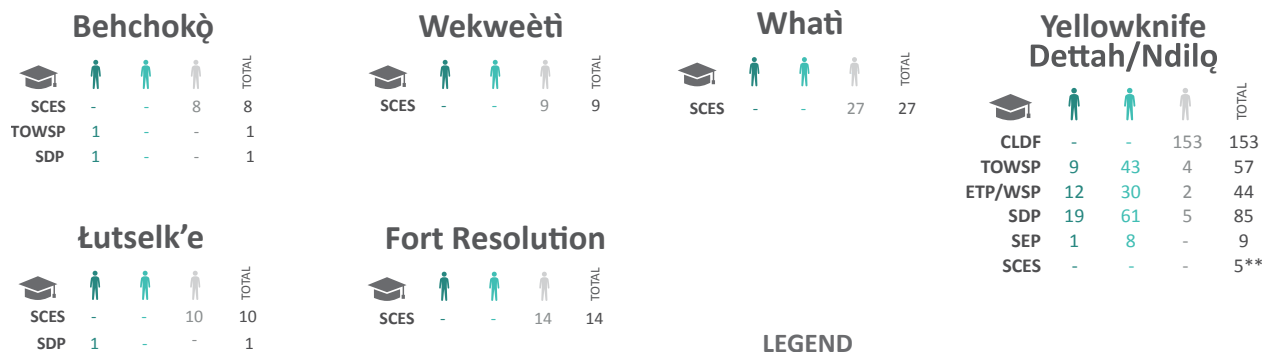
Self-Employment Program (SEP)

The Self-Employment Program provides support to eligible individuals who are starting a small business or taking over an existing business where they had no prior ownership. Assistance is provided to clients through assessing their business idea, personal suitability, family issues, financial risks, and the resources available or required to be successful.

Small Community Employment Support (SCES)

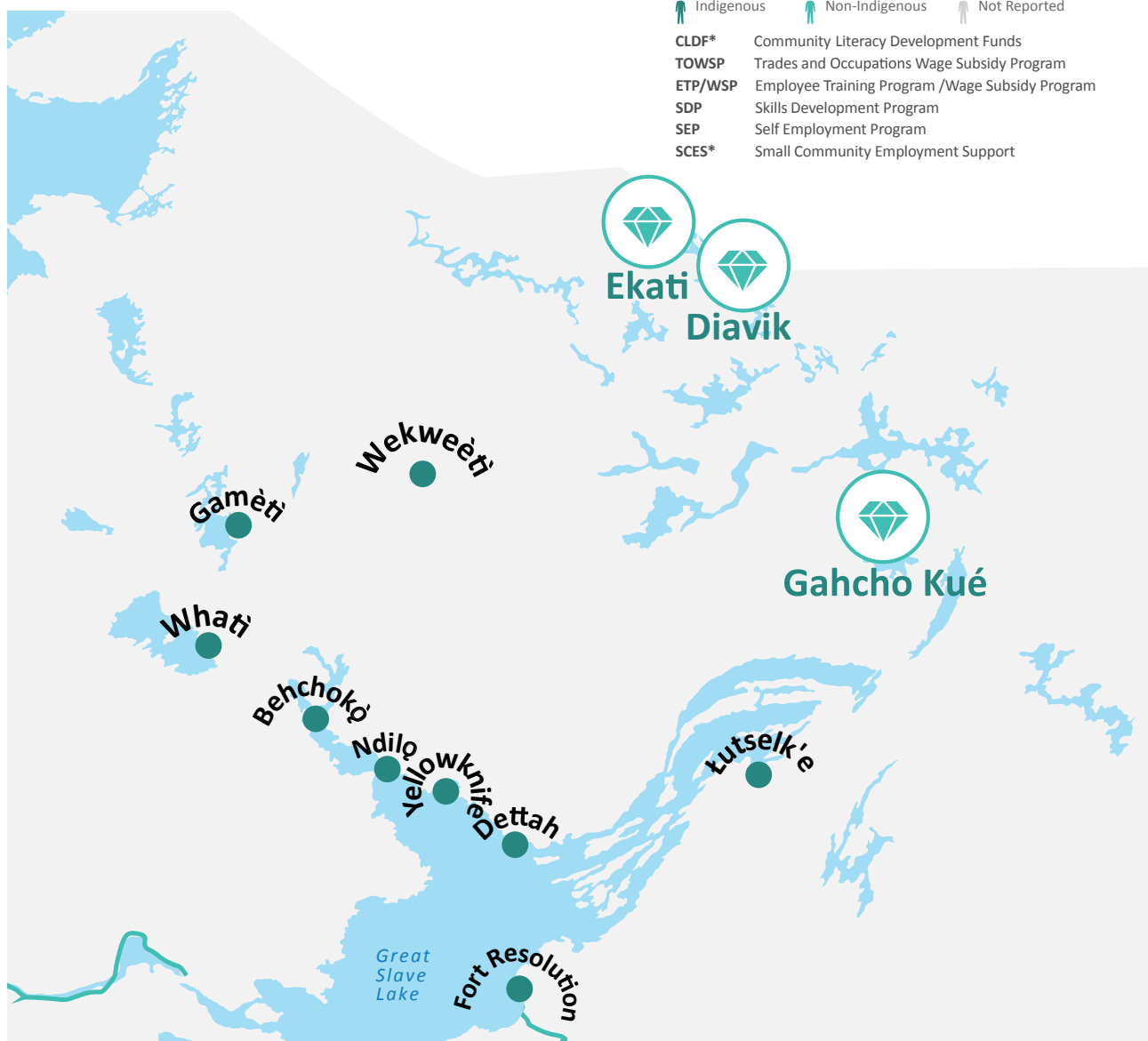
The Small Community Employment Support Program supports small NWT communities and regional centres in developing employment opportunities.

TRAINING UPTAKE BY IMPACTED COMMUNITY



LEGEND

- Indigenous
- Non-Indigenous
- Not Reported
- CLDF* Community Literacy Development Funds
- TOWSP Trades and Occupations Wage Subsidy Program
- ETP/WSP Employee Training Program /Wage Subsidy Program
- SDP Skills Development Program
- SEP Self Employment Program
- SCES* Small Community Employment Support



NOTES:

*CLDF and SCES data is for Fiscal year 2021-2022; ECE does not have the ethnicity for SCES and CLDF as they do not require an application for service

**Yellowknife is not receiving Small Community Employment Support Funding, the data is for N'dilo and Dettah.

All Programs were available in every community. Not all communities had registered participants in 2021.

***Data for Gamètì was unavailable at the time of publishing

SEMI-SKILLED

Commitments Under SEAs

NWT mines support organizations such as the Mine Training Society to deliver training programs and initiatives for the NWT labour force.

Diavik and De Beers have committed to implementing these training programs for their employees. The skills learned and time spent under these programs contribute to credits towards a certification or status recognized under the *Apprenticeship, Trade, and Occupations Act*.

Mine Training Society

The Mine Training Society (MTS) partners with multiple organizations including the GNWT and NWT mines to support individuals interested in obtaining employment at a mine.

MTS offers mentoring, scholarships, criminal record suspension help, job coaching services, and workshops to help residents build skills and connect participants with the mines after their training.

The Heavy Equipment Operator program is one of the more popular courses offered by the Mine Training Society. The nine-week program allows participants to learn about and receive introductory training in the use of heavy equipment with additional first aid training. Upon completion of the course, participants have 100 hours of training on one piece of heavy equipment. Including these hours on a resume can potentially lead to a job at the mines.

Skills to operate heavy equipment are valuable to mining operations; Open pit mines require workers to operate graders, scrapers, track and wheel dozers and loaders and underground mines include locomotives, scoop trams, water trucks and remote-controlled equipment.

Literacy Skill Development in NWT Daycares

Skill development starts at an early age. Higher literacy rates boost chances of obtaining jobs that pay a living wage and encourage individuals to pursue higher education and other educational opportunities.

In 2021, De Beers Group launched an initiative to promote literacy rates in three NWT communities. The program invested \$25,000 to equip both daycare providers and youth with resources to support literacy development.

The company has long championed literacy development with their Books in Homes program. Launched in 2003, the program delivers free books to youth in NWT communities to encourage literacy skills.

These initiatives are part of the company's early career development project under their "Building Forever" sustainability strategy that aims to benefit NWT residents beyond the life span of the mine.

**2020-2021
GNWT
Mine Training
Society Investment
\$108,385**

SKILLED

Training Commitments under the SEAs

All three producing mines have commitments to employ apprentices from the GNWT apprenticeship program to gain on-the-job experience.

- Ekati has committed under its SEA to make available all opportunities of advancement to employees who are NWT residents, including training and apprenticeships.
- Diavik has committed to provide for at least eight and up to 18 apprentice positions annually during the operations phase under their SEA. They've met commitments with nine apprentices in 2021.

- Gahcho Kué has committed to providing training for ten apprentices throughout the life of the mine. Gahcho Kué continues to honour its commitments, employing two new apprentices in 2021.

Aurora College

Aurora College helps residents obtain the skills needed to progress through their careers; and provides scholarship opportunities for individuals looking to pursue a career in trades. NWT mines partner with Aurora College as part of their requirements under their SEAs.

The College delivers a broad spectrum of adult and post-secondary education programs to meet the needs of individuals, communities and the labour market at three campuses and through a network of 21 community learning centres.



Photo credit: Pat Kane

Blue Seal Program

The Achievement in Business Competencies (Blue Seal) Program is a credential offered by NWT Apprenticeship, Trade and Occupation Certification (ATOC) to individuals with a valid Journeyman Certificate, Occupational Certificate, or another valid trade certificate recognized in the NWT.

The Blue Seal Program was established by Alberta Apprenticeship and Industry Training (AIT) to encourage and recognize business training for certified journeymen. Earning a Blue Seal proves that a candidate not only meets high industry standards, but also has the knowledge and drive to develop their business skills and succeed in business. To obtain a Blue Seal, journeymen must complete 150 hours of business education. This can be achieved by completing one or more programs of study approved by the NWT ATOC, completion of study through one or more approved areas of study through a recognized training provider totaling 150 hours, or a combination of the two.

NWT Journeymen or Occupational Certificate holders who complete the Achievement in Business Competencies (Blue Seal) Program are well positioned to move into leadership, supervisory, entrepreneurial or other roles.

NUMBER OF MINE-APPLICABLE APPRENTICESHIPS BY TRADE IN THE NWT (2021)



67
Carpenter



18
Welder



34
Heavy Equipment
Technician



49
Construction
Electrician



27
Plumber and Plumber/Gasfitter

- 8** Cook
- 1** Crane Operator
- 2** Instrument Technician
- 4** Industrial Mechanic
– Millwright
- 11** Parts Technician
- 2** Machinist
- 5** Powerline Technician

PROFESSIONAL AND MANAGEMENT

Commitments under SEAs

De Beers committed to four professional development positions for its employees during the life of the Gahcho Kué mine.

The NWT mines make commitments under the SEAs to provide scholarships and summer employment opportunities to aspiring students looking to build a career in a mining-related field.

Scholarship programs provided in 2021 for those interested in a mine-related career included:

- Rio Tinto Diavik Diamond Mine Community Scholarship Fund
- Diavik Diamond Mines Inc. Scholarship for Aurora College students
- De Beers Group STEM Scholarship Program for Women in Canada
- Mine Training Society Diamond Empowerment Fund

Student Financial Assistance

The Student Financial Assistance (SFA) program provides financial support for students pursuing higher education in their field of study. As well, it facilitates connections between interested students and mining companies for scholarships or career opportunities.

The SFA Office provides information on potential job opportunities to students, on behalf of employers, which can be tailored by program of study. Statistical information on programs of study is available to employers upon request.

Over 1,000 students received financial support from SFA during the 2020-2021 academic year.

SFA Provided by Field of Study



36

Environmental Sciences



26

Engineering



69

Business Administration

1,024
Other

SFA was provided
to approximately
1,155 NWT
Students during
the 2020-2021
academic year

Diamonds Do Good Scholarship

This year, five NWT students ranging in age from 19 to 30 received \$5,000 Diamonds Do Good Scholarships.

2021 marks the second year of funding for this scholarship. It was introduced in 2008 under the Diamond Empowerment Fund, a partnership between the Mine Training Society and the international Diamonds Do Good organization.

The scholarship supports youth living in the NWT to pursue trades or post-secondary education in business, management, STEM, mental health, or health care. Successful participants aim to pursue their education in support of their local communities. The Diamonds Do Good scholarship is facilitated by the Mine Training Society.

Awardees are selected by a committee of Mine Training Society and Diamond Empowerment Fund representatives; and administered through the Mine Training Society each fall.

More information on the Diamond Empowerment Fund application and other career programs can be found at:

<https://minetraining.ca/career-support>



Photo credit: Pat Kane

Wellness

12 **ENGAGEMENT SESSIONS AND ACTIVITIES**

Defining Cultural Well-being with Indigenous
Governments and Organizations

4 **Technical Advisory Panel Sessions**

with Indigenous Governments and Organizations

Diavik Measure 6

In 2019 Diavik submitted a plan to the Mackenzie Valley Review Board to store processed kimberlite—the mineral in which diamonds are found—in mined-out pits and underground at the mine site. As part of the subsequent environmental assessment, the Review Board required six mitigation measures to be put in place.

One of these measures, Measure 6, was directed to the GNWT. It requires the GNWT to implement adaptive management of cultural impacts to Indigenous Governments and Organizations. Throughout 2021, the GNWT worked with Indigenous Governments and Organizations to develop community-specific cultural well-being indicators. With these indicators, cultural well-being can be monitored to better manage and adapt to impacts from the project.

From the Review Board's report of Environmental Assessment:

Measure 6: Adaptive management of cultural impacts

To mitigate significant cumulative adverse cultural impacts of the Project, the Government of the Northwest Territories will engage and work with Indigenous intervenors, and the communities they represent, to monitor and adaptively manage adverse impacts on cultural wellbeing from the Project, in combination with the Diavik Mine and other diamond mining projects.

In 2021, the GNWT and Indigenous Governments and Organizations hosted 12 major engagement sessions to inform the creation of cultural well-being indicators and definitions—with more planned for 2022. The Indigenous Governments and Organizations involved include:

- Tłıchǫ Government
- North Slave Métis Alliance
- Northwest Territory Métis Nation
- Łutselk'e Dene First Nation
- Denínu Kúé First Nation
- Yellowknives Dene First Nation
- Fort Resolution Métis Government
- Kitikmeot Inuit Association

Part of engagements with the involved groups included regular Technical Advisory Panel (TAP) meetings to direct the progress of cultural well-being work. Four TAP sessions were held in 2021. In these sessions, participants were introduced to Measure 6, shared research on monitoring, planned engagement strategies, and developed the cultural well-being indicators.

Through engagement sessions held together and individually with each group, the elements involved with cultural well-being were explored. They cover a range of definitions and topics to be monitored.

The GNWT provided tools and resources to help Indigenous Governments and Organizations fulfill the work under Measure 6. Meetings were held virtually, or were conducted by Indigenous Governments separately from the GNWT. Methods of collecting data differed depending on the approach taken by each Indigenous Government but ranged from community workshops to surveys and questionnaires. Engagement for the indicator development involved multiple members, leaders, and elders from participating communities. Afterwards, individual reports were submitted to the GNWT towards Measure 6 development.

The development of indicators is ongoing and expected to be completed in 2022.

Gahcho Kué and the Status of Women Council of the NWT Collaborate to Address Partner Violence

The Gahcho Kué mine and the Status of Women Council of the NWT partnered in August 2021 to develop safety planning resources for women facing intimate partner violence in the NWT. The resources will provide a safe and discrete tool to allow women to access the support they need. The resources include a new app, website, and print documents. Once complete, the resources will be distributed to communities throughout the NWT.

The collaboration involved a one-time contribution of \$65,000 from De Beers and Mountain Province, joint partners of the Gahcho Kué mine. Additional contributions to the initiative included \$25,000 from the NWT Victims Assistance Committee and in-kind contributions from the Status of Women Council of the NWT.

The partnership with the Status of Women Council is another initiative of De Beers' "Building Forever" sustainability strategy that aims to benefit NWT residents beyond the life span of the mine. The company's efforts are further reflected in their internal policies and practices on-site with a zero-tolerance policy towards gender-based violence in their workplaces.

Resources developed under this collaboration can be found on the Status of Women's website:

www.statusofwomen.nt.ca/intimate-partner-violence



Women in Mining

EKATI

13%

Of employees are women

2% below national average

DIAVIK

14%

Of employees are women

1% below national average

GAHCHO KUÉ

18%

Of employees are women

3% above national average

According to Statistics Canada's 2016 Census, women represented approximately half of the nation's population but only 48 per cent of its labour force. In the mining industry, it is even less with a national employment rate of just 15 per cent, according to a 2020 Canadian Mining Labour Market report. NWT Mines and the GNWT have been supportive of initiatives to encourage more women to find employment in mine-related fields and increase female representation at all levels in the mining industry.

GNWT Response to Missing and Murdered Indigenous Women and Girls

Reclaiming Power and Place: The Final Report of the National Inquiry into Missing and Murdered Indigenous Women and Girls (MMIWG) was released in 2019. It included several calls to action surrounding extractive and development

industries for considerations towards Indigenous women, girls, and 2SLGBTQQIA+. Several other calls to action were directed at governments across Canada.

Violence against Indigenous women, girls, and 2SLGBTQQIA+ people is rooted in systemic factors like economic, social, and political marginalization as well as racism, discrimination, and misogyny.

In 2021, the GNWT engaged with the Status of Women Council of the NWT, Native Women's Association of the NWT, and community contacts representing Indigenous Governments and Organizations to share the government's efforts in creating an action plan addressing the recommendations under the MMIWG initiative. The GNWT published its findings under the engagement process in a What We Heard Report and a formal Action Report.



Photo credit: Pat Kane

Women in Mining NT

Women in Mining NT is a nonprofit organization launched by the GNWT and NWT mines to empower, educate, and elevate female representation in the mining industry. It is working to facilitate an increase in the representation of women in the mining industry, and creating a safe and comfortable industry in which all women feel validated and can contribute; while also adding value to chapters of Women in Mining from coast to coast. The organization was registered under the NWT Societies Act in early 2021.

Women in Mining NT hosted its first event as a registered society during the 2021 NWT Mining Week. The virtual event featured a panel discussion with speakers from each of the NWT mines speaking alongside Pamela Strand, Deputy Minister of the Department of Industry Tourism and Investment. The theme of the

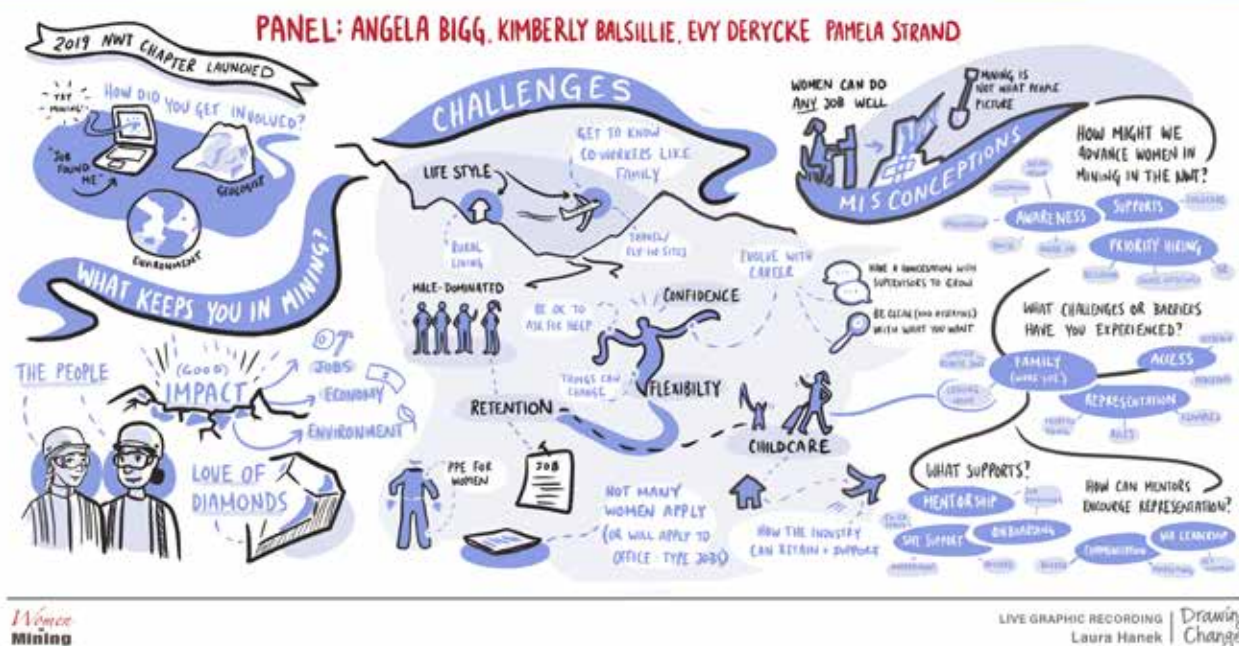
panel “Celebrate Women in Mining in the NWT” centered around successes and challenges faced by each of the panelists as women in the mining industry.

The event concluded with breakout sessions where participants could have more intimate discussions on key challenges. Conversations generated during the breakout sessions spoke to a need for an increased presence of trades at a younger age, mentorships for women, training in unconscious bias, and having more women in leadership roles.

The organization is moving forward into 2022 with plans to host a membership drive and its first annual general meeting as a society.

More information on the Women in Mining NT organization and upcoming events can be found at www.wimnt.ca

Celebrating Women In Mining NWT



Scholarships for Women in Science Technology Engineering and Math (STEM)

De Beers partnered with UN Women to deliver four new scholarships in 2021, marking the fourth year that the company has worked with UN Women to support female students in Canada. The scholarships are open to Canadian women entering their first year in a STEM or STEM-related program at a Canadian post-secondary institution. Preferences were given to Indigenous women and women living in jurisdictions where the company has existing operations, including the NWT.

All four scholarships awarded under the new program went to women in the NWT. A total of \$20,000 was awarded through the four scholarships, which were administered through Scholarships Canada.

The new scholarships were delivered under De Beers' "Building Forever" sustainability strategy that aims to benefit NWT residents beyond the life span of the mine.

Other scholarships offered through De Beers' partnership with UN Women included seven scholarships for individuals entering the University of Calgary pursuing engineering or earth sciences and four scholarships for female students entering the University of Waterloo for engineering. Both scholarships give preferences to students living in the NWT.





2021 SEA Report

Conclusion

Stimulated by their individual SEAs, NWT mines continue to ensure the socioeconomic interests of NWT residents, impacted by mining projects, are addressed. The 2021 activities of the GNWT and the mining industry reiterate the ongoing value of these agreements.

Diamond mining continues to be foundational to the NWT economy. The largest private sector industry in the Territory, it contributed 24% of total GDP in 2020. Indirect benefits are numerous. In addition to the direct benefit of wages, the NWT mining industry contributes significantly to construction, transportation, retail, and real estate.

2021 saw NWT mines celebrate Women in Mining, support a Women in Mining NT event and fund scholarships for students to help build the northern labour force.

Mines demonstrated their continued commitment to support NWT businesses through local procurement flowing over \$500 million to NWT businesses in 2021.

De Beers met its Northern procurement commitments of 60 per cent in 2021, contributing \$204 million to NWT businesses—10 per cent above its target for the year. Diavik contributed \$301 million to NWT businesses in 2021, six per cent above its commitment of 70 per cent. Ekati contributed \$168 million to NWT businesses in 2021, representing over half of its total spend but short of its 70 percent target.

All three diamond mines met their training commitments through the employment of apprentices on-site. Producing mines struggled to achieve NWT employment targets in 2021; the GNWT will continue to work with the mines to increase NWT employment for future years.

SEAs are one of the ways that Environment, social, and governance (ESG) goals are being met. ESG factors are an increasingly important part of what attracts new investment in the mining industry.

This report reinforces the strong message that the NWT remains open and receptive to doing business with investors who will work in partnership through SEAs to ensure that benefits from major NWT development projects flow to its residents, their businesses, and their governments.

Supplementary information and summary data tables are included as an appendix to this document.

The set of indicators presented were agreed upon, after public consultation, to monitor social and economic differences between the pre and post diamond environment in the NWT. They are as provided, by the GNWT's Departments of Health and Social Services, Education, Culture and Employment, Justice and the NWT Housing Corporation; and by the Royal Canadian Mounted Police, NWT Bureau of Statistics and Statistics Canada.

Due to the data collection timelines, not all data is current at the time of publication. Where applicable the date of the data collection is included in the charts. The GNWT takes no responsibility for any financial losses suffered as a result of reliance.

