



Socio-Economic Agreement Report

FOR MINES OPERATING IN THE NORTHWEST TERRITORIES

Rapport sur les accords socioéconomiques

MINES DE DIAMANTS DES TERRITOIRES DU NORD-OUEST

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



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English

Si vous voulez ces informations dans une autre langue officielle, contactez-nous.

French

Kīspin ki nitawihhtīn ē nīhīyawihk ōma ācimōwin, tipwāsinān.

Cree

Tɬɪchɔ yati k'èè. Dɪ wegodi newɔ dè, gots'o goneɗe.

Từ chợ

ʔerihł'ís Dēne Sułíné yatı t'a huts'elkēr xa beyáyatı theɣa ɣat'e, nuwe ts'ēn yółtı.

Chipewyan

Edi gondi dehgáh got'je zhatié k'éé edat'éh enahddhë nide naxets'é edahíí.

South Slavey

K'áhshó got'j ne xədə k'é hederi ɬedjhtl'é yeriniwə ní dé dúle.

North Slavey

Jii gwandak izhii ginjik vat'atr'ijahch'uu zhit yinothtan jì', diits'àt ginohkhii.

Gwich'in

Uvanittuaq ilitchurisukupku Inuvialuktun, ququaq'luta.

Inuvialuktun

ርኅዕላ በጥናቱ ለፈረዘው ልዩነቶች ምክንያት ሆኖ ሊታወቅ፡

Inuktitut

Hapkua titiqqat pijumagupkit Inuinnaqtun, uvaptinntu hivajarlutit.

Inuinnaqtun

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Table of Contents

Introduction.....	06
-------------------	----

Economic Overview and Current NWT Economy	11
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GDP.....	10
Diamond Secondary Industry	11
Effects of COVID-19 on the NWT Economy.....	12
SEAs in Force	13
SEA Program Review.....	13
<i>Mineral Resources Act</i>	14
Estimated Mine Life.....	15

Procurement and Royalties	17
---------------------------------	----

Procurement Targets	18
Cumulative Mine Procurement	19
Cumulative Mine Procurement (1996 – 2020 NWT Mine Procurement)	20
2020 NWT Mine Procurement	21
Royalties and Revenue Sharing	22
Featured Story: Mine Industry Support for NWT Businesses during the COVID-19 Pandemic	25

Employment and Participation.....	27
-----------------------------------	----

Employment Targets.....	28
1996 – 2020 Cumulative Mine Employment	29
2020 NWT Mine Employment	30
Job Categories	31
NWT Employment by Job Category.....	32
Featured Story: Det'on Cho Management LP	33

Training..... 35

2020 Training Investments by Impacted Community	36
Commitments Under SEAs	38
Literacy Programs	38
Advancement Opportunities in the Mining Industry.....	39
Building a Strong Northern Workforce	40

Wellness 43

Wellness Highlights	44
Cultural Well-being.....	45
Featured Story: Diavik COVID-19 Testing.....	47

Women in Mining..... 49

Missing and Murdered Indigenous Women and Girls	50
Featured Story: Women in Mining	51

Conclusion 52

Introduction

Major resource developments in the Northwest Territories (NWT) have significant impacts upon its lands, resources, and people. To mitigate these impacts, when a proposed project goes through the necessary regulatory reviews and approvals process, the Mackenzie Valley Environmental Impact Review Board (MVEIRB) can require the negotiation of a Socio-Economic Agreement (SEA) that is requested and implemented by the Government of the Northwest Territories (GNWT).

The SEAs set out commitments and predictions made by a company during its regulatory review. They provide NWT residents with a clear picture of the benefits allocated to them, their community or region, and to the NWT overall. As such, they normally include employment and business opportunities; cultural well-being and traditional economy; community, family, and individual well-being; net effects on government; and sustainable development.

In a typical project, various commitments are made by both the GNWT and the proposed project principals. SEAs outline these commitments to benefit NWT residents, with objectives like increased employment, training, procurement, and cultural and community wellness programs from the project. The Department of Industry, Tourism, and Investment (ITI) is the GNWT lead department in partnership with Education, Culture and Employment (ECE) and Health and Social Services (HSS) for the implementation and monitoring the SEAs to ensure commitments are met.

SEAs have demonstrated their value and importance in the years since their inception. They were first negotiated with the introduction of the Ekati Diamond Mine in 1996, and the latest SEA was negotiated for the NICO Project in 2019.

This summary report for 2020 presents data and information on social and economic indicators that identify potential linkages between the opening and ongoing operation of the NWT's active mines which at this point include the three diamond mines with the social health and economic well-being of its communities and people.

They are presented in four groupings: the NWT overall, Yellowknife, Small Local Communities (SLCs) identified due to their geographic proximity to the operating mines; and Remaining NWT Communities.

Introduction

Les grands projets d'exploitation des ressources réalisés en sol ténos ont d'importantes répercussions sur les terres, les ressources et les populations. Pour atténuer ces répercussions, lorsqu'un projet proposé passe par les examens et le processus d'approbation réglementaires prévus, l'Office d'examen des répercussions environnementales de la vallée du Mackenzie (OEREVM) peut exiger la négociation d'un accord socio-économique demandé et mis en œuvre par le gouvernement des Territoires du Nord-Ouest (GTNO).

Ces accords exposent les engagements que l'entreprise a pris et les prévisions qu'elle a faites pendant son examen réglementaire. Ils donnent aux Ténos une image claire des retombées qu'auront les projets sur eux, leur collectivité ou leur région et les TNO en général. Ils portent donc généralement sur des aspects tels que l'emploi et les occasions d'affaires, le bien-être culturel et l'économie traditionnelle, la collectivité, la famille, le bien-être individuel, les effets nets sur le gouvernement et le développement durable.

Dans le cadre d'un projet typique, divers engagements sont pris par le GTNO et les responsables du projet proposé. Les accords socio-économiques décrivent ces engagements en démontrant leur profit pour les résidents des TNO, avec des objectifs tels que l'augmentation du nombre d'emplois, et d'occasions de formation,

l'approvisionnement et les programmes de bien-être culturel et communautaire. En partenariat avec le ministère de l'Éducation, de la Culture et de la Formation et le ministère de la Santé et des Services sociaux, c'est le ministère de l'Industrie, du Tourisme et de l'Investissement (MITI) du GTNO qui assure la mise en œuvre et la surveillance des accords afin de veiller au respect des engagements.

Les accords socio-économiques ont démontré leur valeur et leur importance au cours des années qui ont suivi leur mise en œuvre. Ils ont été négociés pour la première fois à l'occasion de l'établissement de la mine de diamants Ekati en 1996, le dernier ayant été négocié pour le projet NICO en 2019.

Ce résumé du rapport de 2020 compile des données et de l'information sur des indicateurs sociaux et économiques qui définissent les liens possibles entre l'ouverture et l'exploitation continue des mines de diamants en activité aux TNO (à savoir trois, à l'heure actuelle) et la santé sociale et le bien-être économique des collectivités et de la population concernées.

Les données sont divisées en quatre groupes : l'ensemble des TNO, Yellowknife, les petites collectivités locales qui se distinguent par leur proximité géographique des mines en exploitation, et les autres collectivités ténos.



Economic Overview and Current NWT Economy

- Gross Domestic Product (GDP)
- Diamond Secondary Industry
- Effects of COVID-19 on the NWT Economy
- SEAs in Force
- *Mineral Resources Act*
- SEA Program Review
- Estimated Mine Life

\$23 Billion

Mining's impact to the NWT GDP

\$814 Million

Direct impact to the NWT GDP

\$29 Million

Support activities for Mining, Oil, and Gas in the NWT in 2020



Gross Domestic Product (GDP)

Following common usage, GDP 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 GDP estimates only reflect the change in the quantities of goods and services produced, not their prices; and discounts changes due to inflation.

In 2020, although largely impacted by the COVID-19 pandemic necessitating requiring temporary production shutdowns, diamond mining continued to be a major component, representing 20.76% of total GDP. In recent decades.

Over the past 20 years, diamond mining has been the largest segment of the GDP, contributing \$814.1 million to GDP in 2020, and cumulatively 23 billion since 1999.

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 mine locations, and procurement from local businesses. Support industries for mining and oil and gas activities contributed \$28.7 million to GDP in 2020, representing 0.7 percent of the NWT GDP.

NWT Mines contribute in part to the GDP of the following industries:



Transportation



Construction



Retail/Wholesale



Real Estate



\$814 Million

Direct impact to the NWT GDP in 2020

Diamond Secondary Industry

The NWT diamond industry supports and stimulates economic development by utilizing NWT contractors and businesses. The mines have agreed to guarantee access to approximately ten percent of rough stones to Approved NWT Diamond Manufacturers (ANDM) for local manufacturing as approved under the GNWT's Diamond Policy Framework. These rough diamond supply arrangements continue to support the secondary cutting and polishing industry in the NWT, thus providing further training and employment opportunities to NWT residents.

Almod Diamonds Limited's Crown of Light facility, located in Yellowknife, has cut and polished shipments of rough diamonds provided by NWT diamond mines since its operations started in 2019.



Photo Credit: billbradenphoto



Effects of COVID-19 on the NWT Economy

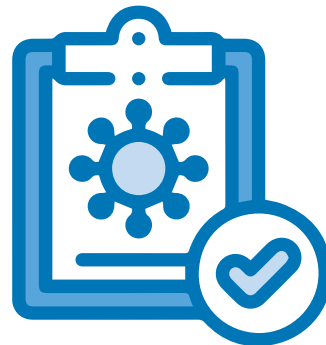
The year 2020 saw many mining industry-related activities affected by the COVID-19 pandemic, including opportunities for exploration and training.

Mineral Tenure Relief was implemented by the Mining Recorder's Office for mining and exploration companies. These COVID Relief Measures put in place in March 2020 for the mineral resources industry were later extended to December 31, 2020 for mineral leases and to March 31, 2021 for mineral claims.

NWT Mining Week, an important annual event, Mining Week, had to adapt as well. The mining industry is a key component of the NWT economy; the sector employs over 3,000 people and spent over \$300 million this year in the NWT. In recognition, each year the GNWT partners with

the WSCC (Workers' Safety & Compensation Commission (WSCC) and the NWT & Nunavut Chamber of Mines to celebrate mining in a week-long NWT Mining Week gathering. But with COVID-19 restrictions in place, Mining Week 2020 events were held online and shared on social media from June 21 to 27, 2020.

A new geological walking app (NWT Walking Tour App) was launched at the 2020 conference. It is available for residents and visitors to Yellowknife to facilitate self-guided tours along two routes of geological interest with stations along the way explaining local interpretive geology and history.



SEAs in Force

Currently signed SEAs in force in the NWT are:

- Ekati Diamond Mine (1996)
- Diavik Diamond Mine (1999)
- Prairie Creek Mine (2011)
- Snap Lake Mine (2004 – on care and maintenance since 2015)
- Gahcho Kué Mine (2013)
- NICO Project (2019)

SEA Program Review

The 19th Legislative Assembly set a mandate to adopt a benefit retention approach to economic development, to be addressed by Summer 2023. One way the GNWT will adopt a benefit retention approach to economic development is by increasing the success in meeting the objectives under socio-economic agreements through an independent review with recommendations for the Socio-Economic Agreement program. This will be completed in two phases: review and re-design phase.

The SEA Program Review commenced in 2020 and is expected to be completed in 2023.



Mineral Resources Act

The GNWT has developed a new, made-in-the-NWT *Mineral Resources Act* (MRA) to meet the unique needs of the Territory. As part of developing the legislation, the GNWT conducted 120 days of public engagement across the NWT from August 1st through December 1st, 2017.

The subsequent 'What We Heard' Report included a section on benefits which revealed several valuable observations and feedback respecting SEAs.

For example, many industry representatives noted that engagement should be required earlier in a project, starting at the exploration phase instead of the development phase. Others mentioned that SEAs are not adequately enforced. Indigenous governments and organizations and members of the public commented on the need for benefit agreements to be a legislated requirement under the *Mineral Resources Act*.

Several participants across all participant groups noted that public reporting on benefits would be useful, including statistical reporting on IBAs (Impact Benefit Agreements) and SEAs, in order to enforce agreements and increase public knowledge regarding benefits from mining.

Participants regularly noted that Northern procurement should be required in the MRA. As part of the SEA, local capacity should be built to ensure that needed services can be provided.

Several participants from municipal governments and the public commented on the need for mine workers who travel to the NWT for work to stay here, spend their money here, which would help local economies grow.

The new *Mineral Resources Act* aims to strengthen benefits to NWT residents by requiring that benefits be negotiated as resource development occurs in the territory. The powers to legislate benefits under the *Mineral Resources Act* will compliment the GNWT's efforts to maximize the benefits from resource development in the NWT.

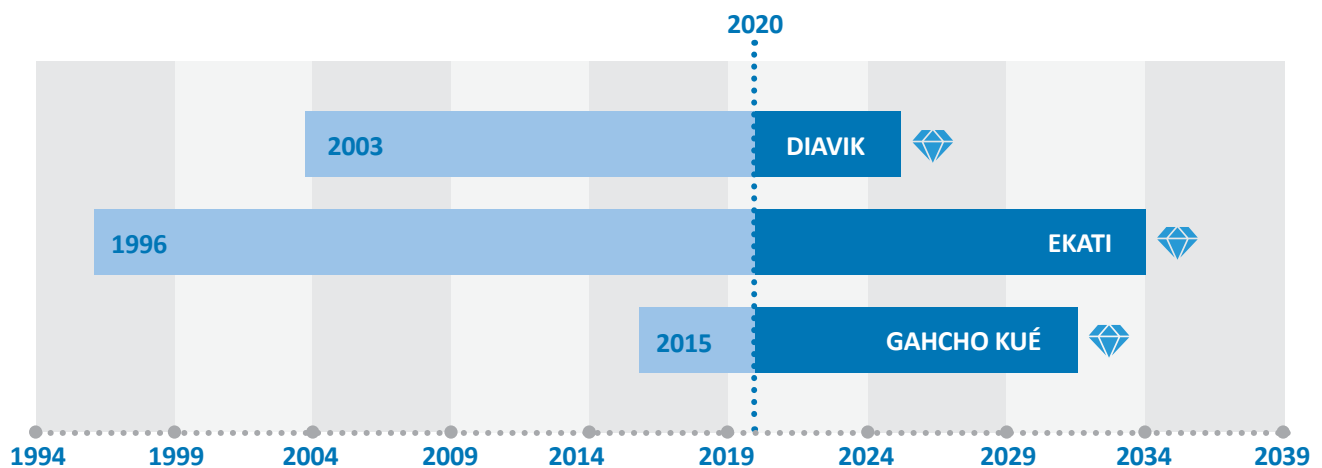
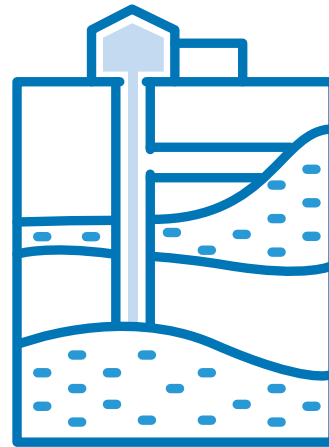
Estimated Mine Life

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

Ekati's production life is now extended to 2034. Exploration by Arctic Canadian Diamond Company continued on the Ekati Diamond Mine property with eleven new kimberlites discovered in 2019 and is currently permitting for mining of the Point Lake kimberlite.

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

All active mines in the NWT have SEAs. On the horizon are three metal mines preparing to begin active operations: Prairie Creek, Nico, and Pine Point mines, plus a number of other projects in varying levels of development.





Procurement and Royalties

- Procurement Targets
- Royalties and Revenue Sharing
- Featured Story: Mine Industry Support for NWT Businesses during the COVID-19 Pandemic



1996-2020

\$23 Billion

Total historical spending in the NWT






2020

\$310 Million

2020 Spend on NWT Businesses



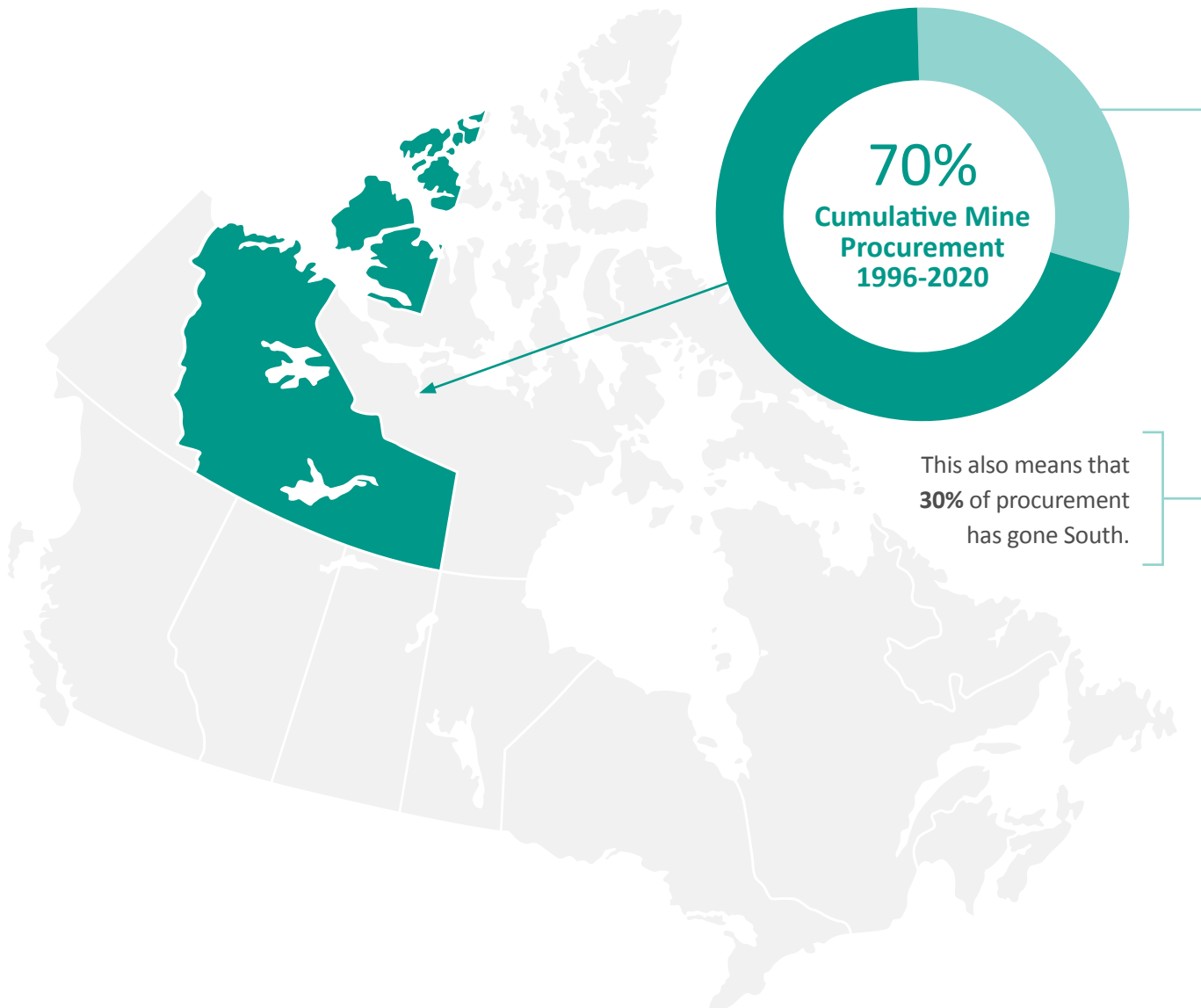
Procurement Targets

	CONSTRUCTION	OPERATION	CLOSURE
 Ekati	<p>Construction Phase: 28%</p>	<p>Operation Phase: 70%</p>	
 Diavik	<p>Construction Phase: 38%</p>	<p>Operation Phase: 70%</p>	<p>Closure Phase: 70%</p>
 Gahcho Kué	<p>Construction Phase: 30%</p>	<p>Operation Phase: 60%</p>	<p>Closure Phase: 60%</p>

Cumulative Mine Procurement

Cumulatively, NWT mines have contributed over \$23 billion since the mines have begun operations since 1996, over \$16 billion of which went towards NWT businesses and nearly \$7.5 billion to Indigenous-owned NWT businesses.

For 2020, all mines contributed over \$300 million towards NWT businesses.





Cumulative Mine Procurement (1996 – 2020 NWT Mine Procurement)

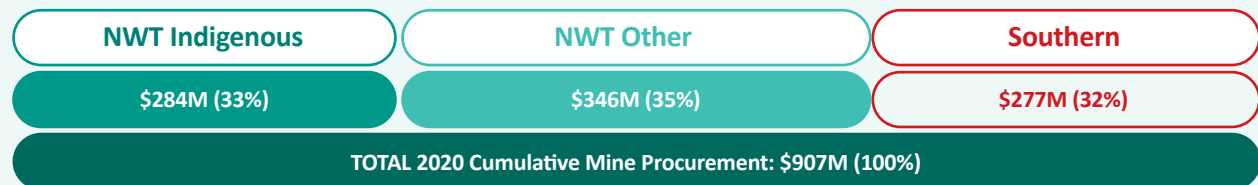
Cumulative mine procurement numbers are approximate. They are meant to show the proportion of procurement that stays local. These figures are not an exact accounting of every purchase from every mine.



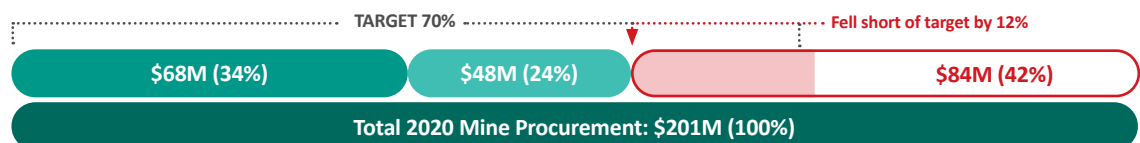
Photo Credit: billbradenphoto

2020 NWT Mine Procurement

Diavik and Gahcho Kué met their Northern procurement commitments of 70% and 60% in 2020, achieving 71% and 75% respectively. Ekati achieved 58% Northern procurement in 2020, short of their targeted commitment of 70%.



Ekati



Diavik



Gahcho Kué



LEGEND



Purchasing from
NWT Indigenous Business



Purchasing from
NWT Businesses



Purchasing from
non-NWT Businesses



Total

Note: Numbers may not add up due to rounding.



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 being offset by the federal government against the GNWT's Territorial Formula Financing grant. The amount retained by the GNWT after this offset is called the Net Fiscal Benefit. 25 percent of the Net Fiscal Benefit is shared with Intergovernmental Council Indigenous governments.

The amount of revenues collected each year varies depending on the performance of operating mines. Over the past 5 years, the GNWT has collected an average of nearly \$100 million annually in revenues from diamond mines.

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

Royalties

Non-renewable resources, once extracted, are no longer available for future use. Royalties 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 the 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, the quality of resources being extracted, capital and operating costs of the mining operation, and exchange rates.

In 2019-20, 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 our work to develop the regulatory framework for the new MRA, we are committed to facilitating a broader discussion on 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 fair return to government.

Taxes

The diamond mines provide the GNWT with significant revenues from corporate income tax, property tax, fuel tax and carbon tax. In addition, their employees pay payroll tax and personal income tax.

In the past three years, diamond mines have contributed about 40 per cent of the GNWT's corporate income, fuel, property, and payroll tax revenue.

Taxes Paid by Employers

Corporate taxes

Corporate income tax rate is charged at a rate of 11.5% of corporate taxable income in the NWT.

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 comes from the diamond mines.

Fuel taxes

Mines employ power generation facilities, haul trucks and processing equipment. This equipment uses a lot of fuel and this consumption (except heating) is taxed.

Carbon tax

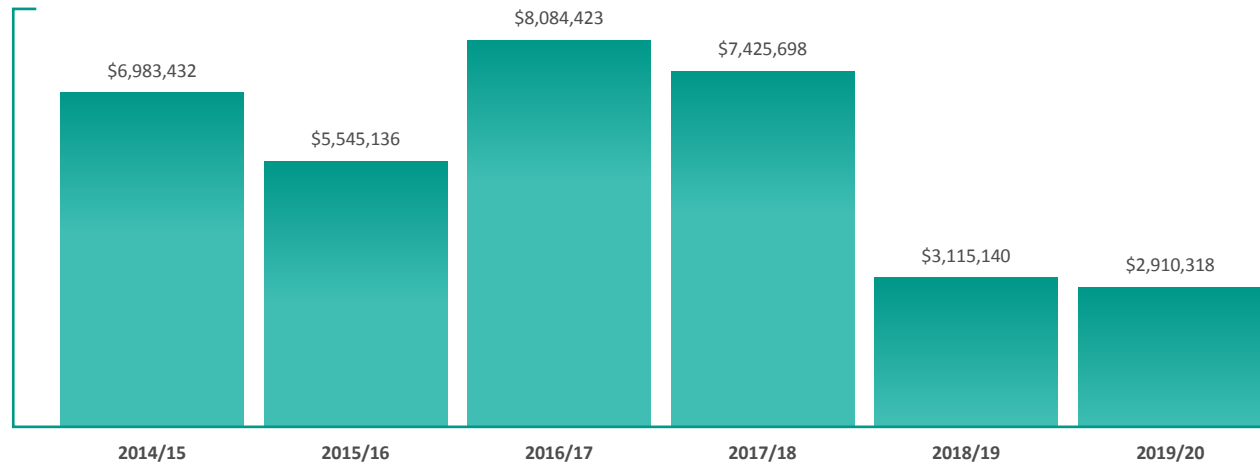
The diamond mines are subject to carbon tax on the fuel that is consumed in their operations (with offsetting rebate of 72 per cent of carbon tax paid).

Distributed Resource Revenue Sharing Since Devolution, by Signatory (\$)

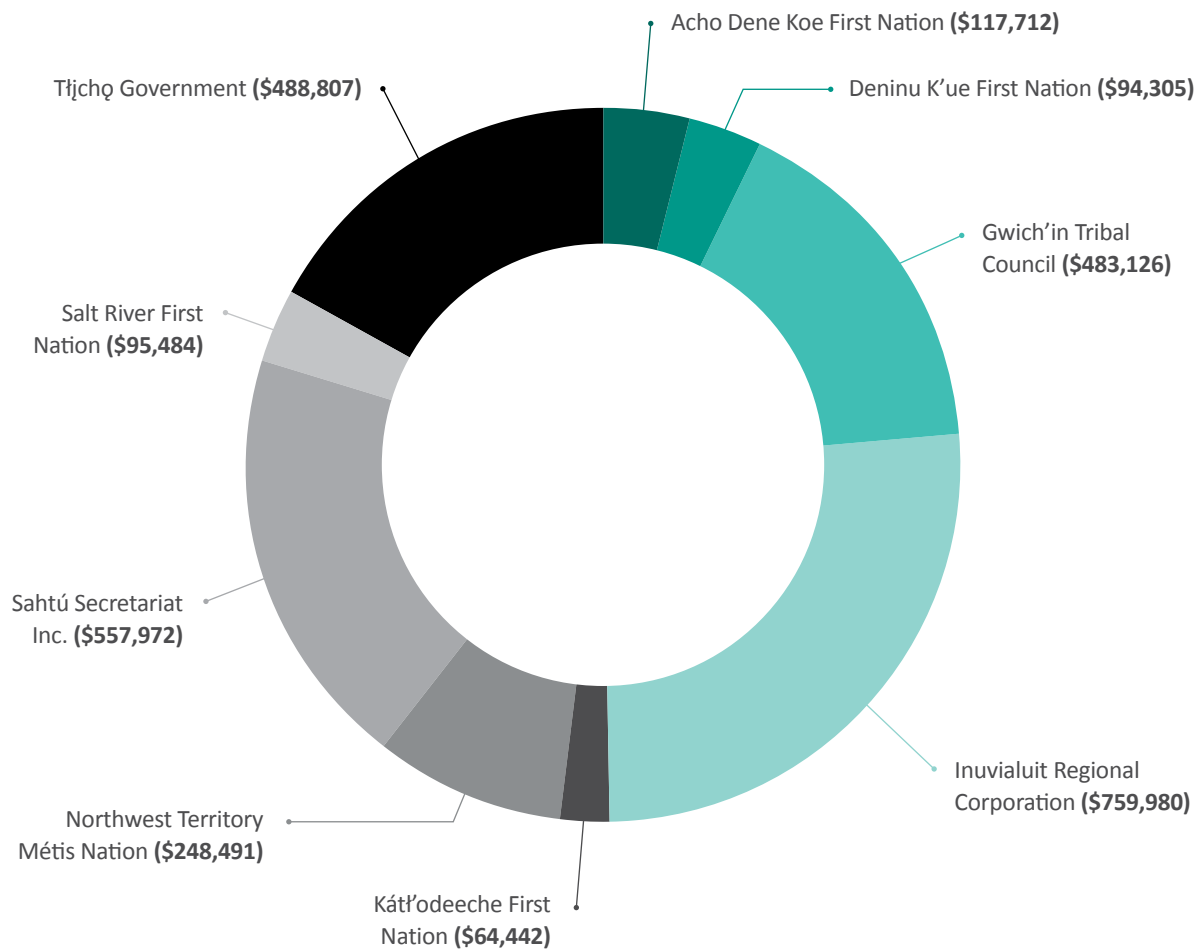
Indigenous Group	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
Acho Dene Koe First Nation	\$188,133	\$135,105	\$197,272	\$174,755	\$74,162	\$117,712
Deninu K'ue First Nation	\$238,226	\$181,971	\$265,450	\$244,861	\$102,559	\$94,305
Gwich'in Tribal Council	\$1,182,521	\$942,063	\$1,373,398	\$1,254,427	\$527,224	\$483,126
Inuvialuit Regional Corporation	\$1,815,566	\$1,441,671	\$2,101,856	\$1,973,271	\$821,920	\$759,980
Kátł'odeeche First Nation	\$131,661	\$126,627	\$184,153	\$167,322	\$70,503	\$64,442
Northwest Territory Métis Nation	\$627,601	\$497,521	\$725,368	\$645,201	\$273,568	\$248,491
Sahtú Secretariat Inc.	\$1,335,446	\$1,067,134	\$1,555,666	\$1,448,762	\$605,048	\$557,972
Salt River First Nation	\$250,542	\$191,636	\$279,544	\$247,922	\$105,205	\$95,484
Tłįchq Government	\$1,213,736	\$961,408	\$1,401,716	\$1,269,178	\$534,950	\$488,807
Totals	\$6,983,432	\$5,545,136	\$8,084,423	\$7,425,698	\$3,115,139	\$2,910,318



Total Distributed Resource Sharing



Resource Revenue Sharing Allocation 2019-2020 (\$ Thousands)



► FEATURED STORY:

Mine Industry Support for NWT Businesses during the COVID-19 Pandemic

Diavik contributed \$50,000 in partnership with the NWT Chamber of Commerce and ITI to develop the Reopening Safely Grant, which supports local businesses in adapting to the health restrictions imposed due to COVID-19.

The funding allowed the Chamber to develop a health and safety guide for businesses of all sizes and host webinars with the Workers' Safety & Compensation Commission on creating a pandemic plan to implement appropriate hygiene and social distancing protocols.

Companies can also apply for grants ranging from \$500 to \$1,000, with one application per business allowed under the Reopening Safely Grant.

Rio Tinto has pledged \$10 million in support for community partners and COVID-19 initiatives in Canada and the United States, including more than \$700,000 for local initiatives in the NWT.

Diavik also contributed \$20,000 to each of two other programs: the NWT Chamber of Commerce #shoplocal campaign to support advertising for shop local days; and the Northwest Territories Northern Staycations initiative to support businesses affected by the pandemic.





Employment and Participation

NWT mines employ local workers directly or through contractors throughout all phases of the mine's life. Employment commitments aim to maximize economic opportunities for NWT residents from NWT resource development projects. They promote and attract a local workforce through implementing northern benefits, and offering incentives to NWT employees like northern benefit + relocation packages.

- Employment Targets
- Featured Story: Det'on Cho Logistics



31,208

Persons years of NWT resident employment since 1996






917

Persons years of NWT resident employment in 2020



Employment Targets

The commitments to employing NWT workers are largely established by way of targets negotiated through SEAs. Each active SEA has employment commitments to hire local residents, with the employment target based on the size of the project.

 Ekati	CONSTRUCTION 33% NWT 50% should be NWT Indigenous Employment	OPERATIONS 62% NWT 50% should be NWT Indigenous Employment	
 Diavik	CONSTRUCTION 40% NWT 50% should be NWT Indigenous Employment	OPERATIONS 66% NWT 40% of Total Employment should be NWT Indigenous Employment	
 Gahcho Kué	CONSTRUCTION 35% NWT	OPERATING 55% NWT	CLOSURE 55% NWT

The NWT mines have historically worked with the GNWT to identify the challenges in meeting employment commitments under the SEA and collaborate to increase NWT employment. COVID-19 has presented additional challenges to working together to address employment at the mines.

The NWT mines did not meet the employment commitments set out during their operations in 2020:

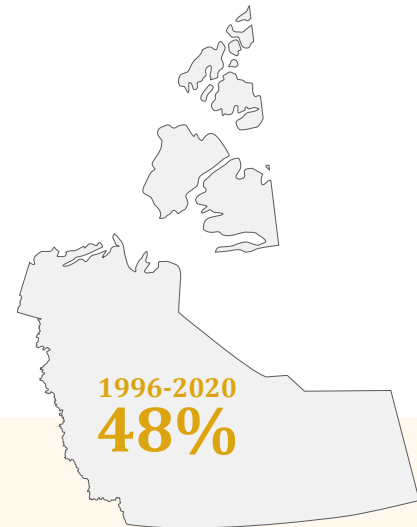
- Ekati met its Indigenous employment commitment but did not meet its Northern commitment, only achieving 37%.

- Diavik met its Indigenous employment commitments but did not meet its Northern commitment, with 44% of its total employment coming from NWT residents.
- Gahcho Kué did not meet its Indigenous employment commitment, employing 49%.

Mine employment was further affected by the temporary shutdown of mine operations prompted by the pandemic. However, Diavik and De Beers' Gahcho Kué continued to pay their workers during the temporary layoff period. Also interrupting diamond production was the placement of the Ekati mine on care and maintenance.

1996-2020 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.



Diavik



Ekati



Gahcho Kué



Indigenous NWT 15,639 PY (24%)



NWT 15,569 PY (24%)



Southern Employment 33,445 PY (52%) **

64,653 PY TOTAL EMPLOYMENT

LEGEND



Indigenous NWT
Employment



NWT
Employment



Southern
Employment

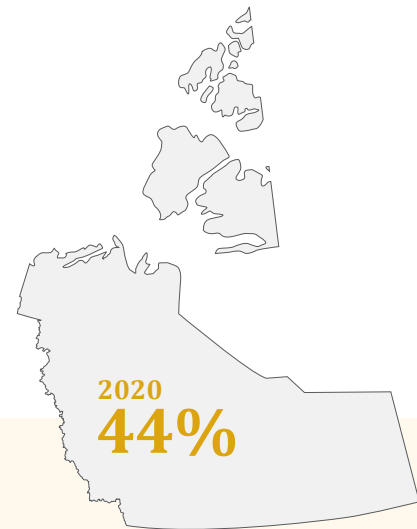
* Employment is expressed in Person Years. Person Years (PY) is defined as 2,140 hours, an equivalent to a two weeks in and two weeks out rotation.

** Numbers may not add up due to rounding errors.



2020 NWT Mine Employment

In 2020, the industry employed over 900 NWT person-years.



Diavik



Ekati



Gahcho Kué



NWT Indigenous Employment
439 PY (21%)



NWT Employment
478 PY (23%)

Southern Employment
1,139 PY (55%)

2,056 PY (100%) IN 2020



Ekati



83 PY (23%)

52 PY (14%)

224 PY (62%)

359 PY (100%) IN 2020



Diavik



188 PY (17%)

298 PY (27%)

614 PY (56%)

1,100 PY (100%) IN 2020



Gahcho Kué



168 PY (28%)

128 PY (21%)

301 PY (50%)

597 PY (100%) IN 2020

LEGEND



Indigenous NWT
Employment



NWT
Employment



Southern
Employment

* Employment is expressed in Person Years. Person Years (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.

Job Categories



Professional & Management

Professional & Management – Requires a University Degree and/or Professional Designation.

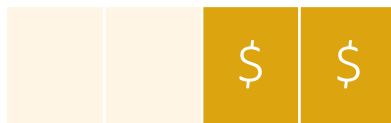
Positions may include: Engineers, Accountants, Lawyers



Skilled

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

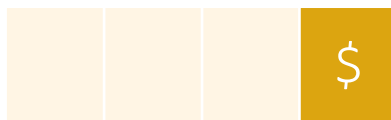
Positions may include: Electricians, Plumbers, Industrial Mechanics



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

Professional & Management

35% of the Professional & Management positions are employed by NWT Residents.



Skilled

32% of the Skilled positions are employed by NWT Residents.



Semi-Skilled

57% of the Semi-Skilled positions are employed by NWT Residents.



Entry Level

90% of the Entry-level positions are employed by NWT Residents.



► FEATURED STORY:

Det'on Cho Management LP

Det'on Cho Management LP, the economic arm of the Yellowknives Dene First Nation (YKDFN), was named one of Canada's most admired cultures in 2020, while also winning the "Economic Leadership of the Year" award at the Max awards (Nunavut and NWT Chamber of Mines).

They launched a dynamic Job Creation and Capacity Building Program in 2017 with the objective of creating opportunity and prosperity for the Yellowknives Dene and Indigenous people from around the NWT. The program has been tremendously successful, with overall significant increases in employment. The percentage of YKDFN staff has grown from 13% to 53% representation within the company as of March 31, 2020.

The capacity building efforts of the program are getting results too. Thus far, four staff have completed the Northern Leadership Development Program (NLDP), a program required under

SEAs and sponsored by the NWT mines and instructed through Aurora College. Other staff have participated in various educational programs designed to enhance their skills in several fields, including marketing, accounting and finance.

Many of the companies under Det'on Cho Management LP are designed to take advantage of contract opportunities with the mines. For example, 2020 marked the 10-year anniversary of Det'on Cho's wholly-owned subsidiary Bouwa Whee Catering (BWC). This is a major milestone for a company that has become synonymous with delivering great food, housekeeping and janitorial services 24/7. And it has clearly benefitted locals: in 2020 BWC employed 200 staff of which 85% were Northern, 46% Indigenous and 62% women.



Photo Credit: Det'on Cho Management LP



Training

The GNWT and NWT mines want people to be aware of the value of education. To boost that, the mines work together with the GNWT's Department of Education, Culture, and Employment as well as other organizations like the Mine Training Society, Skills Canada, and Aurora College to offer educational opportunities.

- 2020 Training Investments by Impacted Community
- Commitments Under SEAs
- Literacy Programs
- Advancement Opportunities in the Mining Industry
- Building a Strong Northern Workforce
- Featured Story: Training



26

Number of apprentices employed through NWT mines

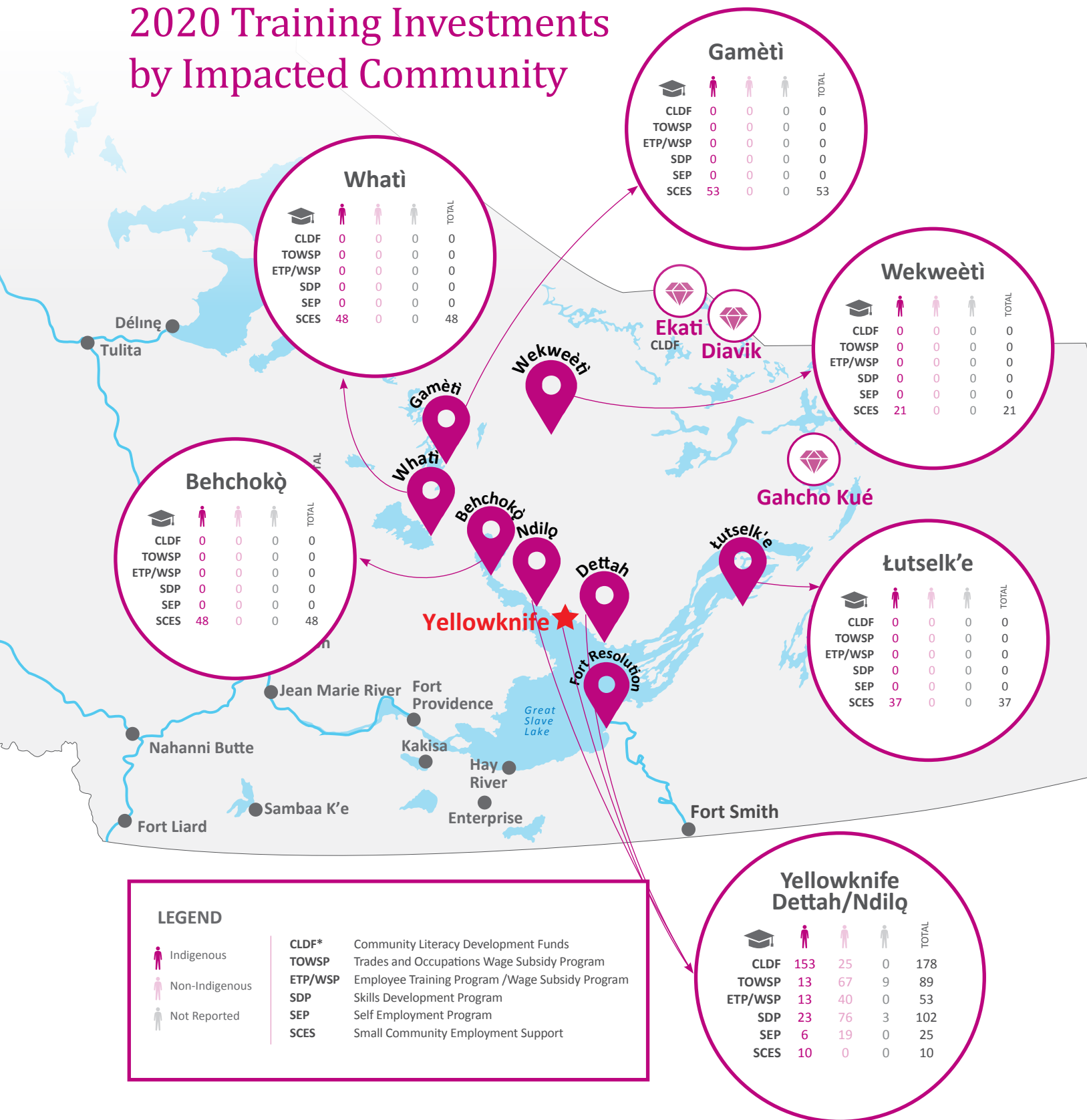


1,076

Number of NWT students receiving SFA



2020 Training Investments by Impacted Community



NWT mines support Northern youth to pursue learning opportunities and set them up for future employment in the NWT. Mines are committed to support training and development of their workers under SEAs through:

- Summer employment to aspiring students;
- Scholarships to support the continued learning of NWT students and promote careers related to resource development; and
- Pre- and post-employment training for residents interested in a career in mining.

Mines also promote opportunities for advancement for NWT workers in the mining industry. To assist with this, De Beers distributed 117 computers to seven NWT communities in response to the impact of the pandemic, helping provide students better access to online courses. Laptops went to the following schools:

- Mezi Community School, Whatì
- Jean Wettrade School, Gamètì
- Alex Arrowmaker School, Wekweètì
- Chief Jimmy Bruneau School, Behchokò
- Łutselk'e Dene School, Łutselk'e
- Deninu School, Fort Resolution
- Chief Sunrise Education Centre, K'atłodeeche First Nation Reserve, Hay River



Photo Credit: Mine Training Society / billbradenphoto



Commitments Under SEAs

Every SEA requires mines to set apprenticeship commitments. Apprentices are better equipped to obtain a full-time job after completion of their training.

<https://www.ece.gov.nt.ca/en/services/apprenticeship-and-trades>

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 8 and up to 18 apprentice positions annually during the operations phase under their SEA. They've met their commitments with 9 apprentices in 2020.

Gahcho Kué has committed to providing training for 10 apprentices throughout the life of the mine. Gahcho Kué continues to honour its commitments, employing two new apprentices in 2020, with three trained apprentices by the end of 2020.

Literacy Programs

Higher literacy rates boost chances of obtaining jobs that pay a decent living wage and earning promotions or advancement opportunities.

De Beers Group promotes literacy programs for NWT youth through their Books in Homes program, celebrating its 17th year in 2020. The Books in Homes program provides free books to youth attending schools in primarily Indigenous communities near their mine operations. The investment includes the cost to purchase books and transport them to communities.

The program distributed a total of 10,760 books in 2020, representing the largest amount thus far. Cumulative investment from De Beers has reached \$1 million.

Advancement Opportunities in the Mining Industry

Because workers are more likely to obtain higher paying positions with increased education, the NWT mining industry supports the training of their workers to excel in their fields and enhance opportunities for growth. To this end, NWT mines provide scholarships to NWT students to pursue education in STEM and mining-related careers.

Diavik

In 2004 the Northern Leadership Development Program (NLDP) was developed in partnership amongst Diavik, SAIT Polytechnic, and Aurora College to develop leadership competencies and increase the number of qualified northerners at the supervisory and management levels. In 2020, five Diavik employees graduated from the program, held virtually for part of the year.

Diavik also provides various scholarships. In 2020, they increased their scholarship investments, providing 64 scholarships through three programs: high school (eight granted in 2020), post-secondary (19 granted, plus 33 to children of employees and contractors), and the Yellowknife Community Foundation (six awarded in 2020).

In 2019, Diavik announced a new scholarship for women in the NWT and Kitikmeot region to pursue post-secondary education in STEM programs. Two were awarded in 2020.

Gahcho Kué

Throughout 2020, Gahcho Kué staff participated in a total of 42,000 hours of training for employees and contractors on site, ranging from working at heights and in confined spaces to first aid, fire extinguisher use and equipment operation—skills required for performing a number of duties at the mine site.

The mining department has established a Departmental Progression Plan, offering employees an opportunity to develop their skills through training on a range of equipment and mining processes. In 2020, 24 Indigenous NWT residents were promoted through the mine operations program. Planned training positions in processing and protective services were placed on hold in 2020 due to the pandemic. Only one surface miner trainee and two Gahcho Kué employees, both Indigenous NWT residents, continued apprenticeships during 2020—one Millwright and one Instrumentation Technician. The mine also supported two employees who participated in the NLDP during 2020.

Ekati

As Ekati came under new ownership during the year they reported advancement opportunities under their apprenticeship program and the NLDP program. Current efforts are underway by their Human Resources department to identify potential employment opportunities at the mine. The HR department would normally also provide scholarships for employees' dependents, but these were placed on hold in 2020 due to the ownership change.



Building a Strong Northern Workforce

The GNWT works with the NWT mines along with training organizations to support NWT residents in developing skills and experience that could be transferred to a job at a mine.

Entry Level

The mines provide summer employment to aspiring students, and some pre-employment training.

Semi-Skilled

The Mine Training Society (MTS) offers mentoring, job coaching and support at every level, and helps residents obtain skills and employment at the mines. Historically each NWT mine has served on the Mine Training Society Board. MTS services include the Diamond Empowerment Fund Scholarship, job coaching, and criminal record suspension help.

The Yellowknife-based Mine Training Society suspended all training due to COVID-19 in 2020, while continuing to offer its educational programs online. Society employees worked remotely so as to minimize social interactions.



MTS Investment

Received \$117,626 in the 2019-2020 fiscal year from the GNWT

Skilled

Aurora College helps residents obtain skills that help them progress through their careers. The mines partner with Aurora College as part of their requirements under the SEAs.

The College's Essential Skills Program offers courses to assist community residents in developing skills required for business. These include office skills and help in developing a community business plan.

Professional and Management

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.

Employers can request information on students studying in relevant fields, and SFA in turn provides students with potential job opportunities, many of which are sourced from the mines.

SFA has been a popular program—2020 saw 1,076 residents obtain funding.



1,076 students received SFA in 2020

Roughly half of the fields of study could prepare the student for a job in mining.

31	42	20	79	904
ENGINEERING	ENVIRONMENTAL SCIENCES	SKILLED TRADES	BUSINESS ADMINISTRATION	OTHER



Wellness

Mineral resource extraction, while offering jobs and opportunities, also has the potential to impact cultural and community well-being. To mitigate these risks, mines make efforts to support cultural and community well-being through initiatives and programs such as promoting Indigenous culture through workshops. Mines also encourage wellness onsite with fitness centres, mental health workshops and employee family assistance programs.

- Wellness Highlights
- Cultural Well-being
- Featured Story: Diavik COVID-19 Testing



7.8%

Employees accessing the Employment Family Assistance Program



72.4%

Employees accessing on-site fitness centres



Wellness Highlights

Several initiatives serve to illustrate the mines' involvement with wellness programs.

De Beers donated 10 refurbished laptops to the Yellowknife Public Library to help those without access connect with loved ones during the COVID-19 pandemic. As well, the company's COVID-19 Response Program contributed \$275,000 towards purchases such as computers, PPE, cleaning supplies, and food hampers for the communities.

Ekati's Plus Community Development program supported various community projects in 2020, including the Denesoline Corporation Pop-Up Café and Lunch Program.

The funds provided to Denesoline went towards the hiring, training and providing kitchen experience to local Lutsel K'e Dene First Nations members while providing a much needed service in the community, a café. This café has been part of the long term strategy for the Thiadene Nene Tourism strategy. The Denesoline East Arm Café serves fresh hot meals to travellers, visitors, and residents. The Lunch Program paid for local community members to fish and hunt, and provided students with hot meals for their lunch programs throughout the school year. As Ekati is under new ownership, efforts are underway to review their Ekati Plus Community Development Program, planned for completion by 2022.

Diavik's Community Contribution fund focuses on programs that support culture, arts, community pride, business capacity building, and health, safety, and wellness. The funds are granted to various organizations throughout the year. Diavik awarded over \$900,000 in community investments in 2020. The mine also contributes to local communities through in-kind volunteering and participating in community activities. The mine also contributes to local communities through in-kind volunteering and participating in community activities.

Since the beginning of the COVID-19 pandemic, Rio Tinto (Diavik) has worked in collaboration with the Yellowknives Dene First Nation (YKDFN), Food Rescue, YWCA NWT and the YK Food Bank, contributing over \$20,000 to various grassroots food security initiatives in the NWT. Diavik also donated buckets and soil to the YKDFN for potato seed planting, to support food autonomy in the region.

Cultural Well-being

Addressing cultural well-being is recognized as an integral part of overall wellness, as a 2020 decision by Mackenzie Valley Environmental Impact Review Board (MVEIRB) serves to illustrate. It concluded that Diavik's proposal to store processed kimberlite (waste rock) in pits and underground could have significant impacts on the cultural use of Lac de Gras where the Diavik diamond mine is located. One measure recommended by the MVEIRB to mitigate the impact was directed to the GNWT.

The GNWT has been directed to support Indigenous communities in developing a community-specific definition of cultural well-being and cultural well-being indicators. As a result, the GNWT committed to work with Indigenous Government and Organizations to support this work; this initiative got under way in summer 2020 and is planned to be complete in 2021.

The mines also contribute to and actively support cultural well-being.

Diavik for example, in 2020 actively recognized and celebrated the nine official Indigenous NWT languages along with the NWT's annual Languages Month February events; sharing information and resources like pronunciation and links to learning simple phrases on TVs across the site. In the kitchen, they shared recipes translated into Tłıchǫ and Seıı Bekáı t'é (North Slavey). These cookbooks are now available in all nine languages. Site chefs also prepared a bison meatloaf, arctic char, and a lentil soup with bannock so employees could experience and enjoy traditional cultural fare.

Gahcho Kué, despite restrictions due to COVID-19 measures at the mine, also undertook many cultural activities. A beaver mitt-making workshop and a painting workshop were held at the mine in February 2020. A slimmed-down National Indigenous Peoples Day event on site involved a 'feeding of the fire' ceremony led by employees and a special meal featuring traditional foods. Company values are posted in Tłıchǫ and Chipewyan. Gahcho Kué provided funding to support:

- Lutsel K'é – hide camp, fish camp, traditional knowledge mentoring, stone carving, on-the-land healing;
- Fort Resolution – cultural week;
- North Slave Métis Alliance – on-the-land programs; and
- YKDFN – community wellness programming.

Due to COVID-19 and Dominion entering the Companies' Creditors Arrangement Act (CCAA) process in 2020, Ekati undertook no cultural promotional events. During this time, they also suspended the Ekati Plus Community Development program which funded the On-The-Land programs.



Photo Credit: AVENS Administration Team

AVENS Staff pictured left to right: Bronwyn Watters, Board of Directors, Frances Bower, Director of Care, Debbie DeLancey, Board of Directors, Lindsey Dwojak, Director of Human Resources, Emily Harman, Clinical Coordinator Manor, Randie Salaveria, Housekeeping Supervisor, Lawrence Malaque, Food Services Supervisor, Carol Norwegian, Health and Wellness Supervisor, Marion LaVigne, Board of Directors Chair, Chelsea Pukanich, Executive Assistant, Steven Nicholas, Director of Operations, Daryl Dolynny, President & CEO.

Social investment by the mines is critical too.

The Gahcho Kué mine contributes to local NWT communities through a variety of initiatives, providing a total of \$748,000 for corporate social investment in 2020. A highlight was a collaborative fundraising campaign spearheaded by the mine that enabled Avens Long Term Care Facility in Yellowknife to purchase a new van for transporting its residents, months ahead of schedule. In the fall, the Gahcho Kué joint venture partners committed \$20,000 to the project and asked its contractor partners to also provide donations. Seven companies joined in and together raised \$51,500 toward the van, which was on the road before the end of 2020.

In 2020, Diavik invested over \$1 million in initiatives to help the people, communities, and businesses of the NWT. This included \$380,000 for shelters and organizations supporting women and vulnerable populations, and \$190,000 to support food security and land-based programming.

► FEATURED STORY:

Diavik COVID-19 Testing

In line with the mines' excellent safety measures, Diavik suspended production at the start of the pandemic until onsite testing became available.

Once available, onsite testing using nasopharyngeal swabs was introduced for all Diavik employees and contractors in collaboration with the NWT Chief Public Health Officer (CPHO), as an extra precautionary measure to protect workers and community members. All personnel are tested on arrival at the mine and before leaving, in addition to a comprehensive range of control measures around screening, sanitization and social distancing.

The measures include changing work schedules to

four-week rotations in order to minimize personnel changeovers which could increase risk of new infections. As well, health assessments, screening, and monitoring were introduced. Designated isolation areas were defined, and rapid COVID-19 onsite testing machines brought in.

The measures spurred cooperation between NWT mines to ensure best practices. As part of that, Diavik assisted COVID-19 testing at the nearby Gahcho Kué and Snap Lake mines by processing samples.





Women in Mining

Women have long been traditionally underrepresented in the mining industry. The Statistics Canada 2016 Census showed that women represented approximately half of Canada's population and 48 per cent of its labour force, yet only 15 per cent of its mining labour force according to a 2020 Canadian Mining Labour Market report. The following two subsections address some recommended calls to action, and recent efforts by the mines towards redressing the imbalance.

Two of the three NWT mines achieved a higher percentage of female employees than the national average:

- 17% of Ekati Diamond Mine's total employees, 2 per cent above the national average.
- 19% of Gahcho Kué's total employees, 4 per cent above the national average.
- 14% of Diavik's total employees, 1 per cent below the national average.

The NWT mines take efforts to support and encourage potential and existing women in the mining industry. In 2020, De Beers Group (Gahcho Kué) awarded 11 scholarships to NWT women pursuing STEM-related fields.

The Native Women's Association of the Northwest Territories offers Trades Entrance Exam Preparation for women through its Training Centre as part of its mission to provide training and education programs for Indigenous women in the NWT.



 16%

Women in Mining in the Northwest Territories.

 15%

Women in Mining in Canada.

- Missing and Murdered Indigenous Women and Girls
- Featured Story: Women in Mining



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 was released in 2019. It included several calls to action surrounding extractive and development industries including: the consideration of the safety and security of Indigenous women, girls, and 2SLGBTQQIA, as well as their equitable benefit from development at all stages of project planning.

Other calls to action were directed towards governments across Canada, including:

13.2: “call upon all governments and bodies mandated to evaluate, approve, and/or monitor development projects to complete gender-based socio-economic impact assessments on all proposed projects as part of their decision making and ongoing monitoring of projects. Project proposals must include provisions and plans to mitigate risks and impacts identified in the impact assessments prior to being approved”.

13.4: “call upon the federal, provincial, and territorial governments to fund further inquiries and studies in order to better understand the relationship between resource extraction and other development projects and violence against Indigenous women, girls, and 2SLGBTQQIA people...”

13.5: “call upon resource-extraction and development industries and all governments and service providers to anticipate and recognize increased demand on social infrastructure because of development projects and resource extraction, and for mitigation measures to be identified as part of the planning and approval process. Social infrastructure must be expanded, and service capacity built to meet the anticipated needs of the host communities in advance of the start of projects. This includes but is not limited to ensuring that policing, social services, and health services are adequately staffed and resourced”.

In 2020, the GNWT’s Women’s Advisory Office developed a work plan, ***Taking Action***, to review and analyze the Calls for Justice and to develop a detailed GNWT action plan. A workplan lens was created to assist with the analysis, including participation of Indigenous governments and organizations in the development and evaluation of programs and services. The office held regular meetings with other governments, stakeholders, and community contacts to provide updates and monitor progress.

► FEATURED STORY:

Native Women's Association of the Northwest Territories

In 2020, Rio Tinto (Diavik) donated \$25,000 to the Native Women's Association of the Northwest Territories (NWANWT) to support women and children experiencing domestic violence. The funds are directed to communities where Rio Tinto operates in the form of "personal care packages" with necessities to people experiencing trauma.

NWANWT is committed to being the voice of Native women in the Northwest Territories and to building relationships with all levels of government and other organizations to ensure all Native women and their families will live free from social and economic distress; to promote their sacred roles as valued and respected members in the

community; and to preserve their culture, language and heritage.

Diavik has committed to support their Missing and Murdered Indigenous Women and Girls (MMIWG) commemoration project in remembrance of all affected families and friends.

Rio Tinto said the donations come from its Aluminium Canada Fund, which spends \$10 million annually on programs and projects that benefit the communities in which Rio Tinto works, and specifically in the areas of education, environment, health and "community livability".



Photo Credit: billbradenphoto

Conclusion

The six current SEAs continue to ensure the socioeconomic interests of NWT residents impacted by mining projects are addressed well into the future. The 2020 activities of the GNWT and the mining industry demonstrate the continued value of these agreements.

Diamond mining continues to be a foundation of the current NWT economy. The largest private sector industry in the Territory, it contributed 24% of total GDP in 2020.

Indirect benefits are numerous. Over and above the direct benefit of wages, the NWT mining industry contributes to related sectors like construction, transportation, retail, and real estate. In 2020, these support industries for mining and oil and gas activities contributed \$28.7 million to GDP.

2020 saw most mining industry related activities affected by the COVID-19 pandemic, including opportunities for exploration and training. The Mining Recorder's Office, the Mine Training Society, and Mining Week are just a few of the many groups and initiatives that adapted with minimal disruption. Meanwhile, despite their

own pandemic-driven disruptions, NWT mines provided strong support to local businesses amid the COVID-19 pandemic to support local economic recovery, offering several new programs.

Operating mines met employment commitments during their construction phase but largely due to COVID-19 failed to meet their Northern employment targets during operations phases. All three diamond mines met their training commitments.

Diavik and Gahcho Kué met their Northern procurement commitments of 70% and 60% in 2020, achieving 71% and 75% respectively. Ekati did not meet their target of 70%, reaching 58% for the year.

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