



NEWS RELEASE

Statistics: Exploration expenditures projected to drop across North, and Canada

(Yellowknife, NT – March 18, 2019) Mineral exploration and deposit appraisal spending in 2019 is projected to decline in all three territories, as well as Canada, according to recently released federal government projections.

Natural Resources Canada's (NRCan) [Exploration and Deposit Appraisal Expenditures, by Province and Territory](#) provides the following preliminary estimates and spending intentions for 2019:

- \$67.2 million in NWT, down \$41.8 million (38.3%) from \$109.0 million in 2018
- \$144.3 million in Nunavut, down \$5.3 million (3.5%) from \$149.6 million in 2018
- \$129.2 million in Yukon, down \$56.9 million (30.6%) from \$186.1 million in 2018
- \$2,160.7 million in Canada, down \$158.2 million (6.8%) from \$2,318.9 million in 2018

The projected significant decline in NWT spending represents a 10-year low. In Nunavut, the projected drop in exploration spending is modest, however it marks the fourth year in a row of declines.

"This past year has not been good for anyone in exploration," said Gary Vivian, President of the NWT & Nunavut Chamber of Mines. "Analysis by our sister organization, the PDAC, reveals that global industry financing has weakened notably, stalling the investment rebound we saw over the previous two years. That is unfortunate and out of our control. However, multi-year declines in investment in NWT and Nunavut, occurring when markets were strong, tells us there are actions within our territorial control that affect investor confidence. We will continue to work with public and Indigenous governments and regulators to take actions to rejuvenate mineral exploration investment in the North." He added, "Recent funding announcements to assist with infrastructure projects are encouraging but there is still much work to be done by all levels of government to improve investor confidence in the North."

From a competitiveness perspective, NWT's share of Canadian exploration investment is projected to fall to 3.1 per cent from 4.7 per cent. Nunavut's share is projected to increase slightly to 6.7 per cent from 6.4 per cent, according to NRCan projections.

The recently released Prospectors & Developers Association of Canada (PDAC) Report, [State of Mineral Finance 2019: At the Crossroads](#) reveals that declining exploration and deposit appraisal expenditures are due to commodity price weaknesses for gold, base metals and even battery metals, combined with a significant decline in equity and bought-deal financings, and increased competition from sectors like cannabis.

Charts of historical and projected expenditures in northern Canada are in the Backgrounder (attached), and the Chamber has summarized NRCan's complete data in chart form [here](#).

For more information on the NWT and Nunavut mining industries, please visit the website at www.miningnorth.com or contact Tom Hoefer, Executive Director at Tel: 867-873-5281 or email: executivedirector@miningnorth.com.

BACKGROUNDER CHARTS

