



NEWS RELEASE

Ekati mine closure confirms need for government support in northern Canada

(April 23, 2020 – Yellowknife, NT) Another blow was delivered to the northern minerals industry yesterday when Dominion Diamond Mines (Dominion) [announced](#) it was granted insolvency protection under the Companies' Creditors Arrangement Act (CCAA). This comes at a time when ~~the entire~~ northern mining industry is facing tremendous economic pressure as a result of the COVID-19 crisis.

Dominion's Ekati diamond mine, opened in 1998, is the flagship of the Canadian diamond mining industry, which in 2018 ranked third in global production. The discovery of Ekati in 1991 spurred a wave of exploration across Canada, including new exploration techniques and technologies, leading to the development of diamond mines in four territories and provinces. The Ekati mine has provided nearly 33,000 person years of employment, and \$9.3 billion in business spending, with over half the benefits (51% of jobs and 69% of spending) going to northern residents and businesses. Billions of dollars in various taxes and royalties have also been paid to public and Indigenous governments by the mine.

"We are encouraged that Dominion intends to use the CCAA process to position the company for long-term success when global economic and industry conditions improve," said Chamber of Mines President Ken Armstrong. "We are confident Dominion will explore all opportunities to get the Ekati mine back into production and resume contributing significant benefits to the NWT and Canada."

The remaining six mines in the NWT and Nunavut continue to operate in the face of the COVID-19 crisis. "Without question this is taking a toll on all of our mines and service/supply companies," said Armstrong. "The mines are operating with reduced workforces which they must fly in by charter from as far away as eastern Canada; to protect vulnerable northern communities from the virus they have sent their local employees home with pay; and they are maintaining costly and unplanned virus protection measures. We are thankful for the great corporate citizenship they are showing."

However, various government assistance programs, developed to respond to the COVID-19 crisis, are still not helping the northern minerals industry. Exploration companies, despite investing over \$3.4 billion in the NWT and Nunavut since 2010, remain ineligible for wage subsidies available to other industries. The mines too, are still trying to determine if they are eligible. Service and supply businesses, many of them Indigenous, are also not receiving support as they face hurdles in eligibility requirements for federal assistance. "The impact of Dominion's announcement underscores the importance of a sustainable minerals industry to Canada's North. We continue to have direct discussions with the federal and territorial governments urging them to move quickly to support our northern minerals industry, ensuring it is positioned to re-start the private sector economy in the post pandemic period by attracting new investment and providing northern jobs and business opportunities," says Armstrong.

The North very much needs the minerals industry – by far its largest economic contributor – to first and foremost survive the COVID-19 crisis, so that it is then well-positioned to help the North and Canada in rejuvenating the hard hit economy after the crisis passes.

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