



June 8, 2021

Open letter to all NWT MLAs and the public

MLA Kevin O'Reilly recently tabled documents that record meetings of a working group between the Chamber of Mines and the GNWT.

This working group was created to help explore ways the GNWT could help speed recovery from the COVID-19 pandemic by ensuring that a stronger mineral resource development industry exists in the NWT post-COVID.

Mineral resource development (exploration, mining and reclamation) is a foundation of the NWT's economy. In good years, its contributions approach 40% of the NWT's economy through training, employment, business spending, and government revenues. These mineral resource benefits are important to all northerners, and are the basis for many successful Indigenous businesses .

Mineral resource development has slowed in recent years, affecting the entire economy. Concerns continue from leaders in public and Indigenous governments, from economic analysts, and government statisticians. Some of these concerns are listed at the end of this letter. They provide good reasons why exploration and mining were selected as key areas for improvement by both the 18th and 19th Assemblies of the NWT, who recognize our economy's health relies on mineral resource development.

COVID-19 dealt an even bigger blow to the economy by virtually shutting down the diamond market. Falling sales and prices affected all three of our diamond mines and took one into bankruptcy protection. The fallout is still being felt across the economy.

Over the last 16 months, the Chamber of Mines redoubled its efforts to help governments rejuvenate the northern mineral resource economy through working groups and regular meetings with the GNWT, and pan-territorial work with the Yukon, Nunavut, federal and Indigenous governments and organizations. This work is not secret, and presentations and news releases describing our work are on our website: www.miningnorth.com. In fact, many of our [recommendations were provided to MLAs](#) of the newly elected 19th Assembly in October 2019, an event attended by nearly all MLAs.

We fully agree with MLA O'Reilly that MLAs, the media and the public should read the 120 pages of meeting records that he tabled in the legislature. We have posted them on our website [here](#). For an easier to read summary of our recommendations to governments, go to the presentation we made to Canada's [Deputy Prime Minister and Finance Minister Chrystia Freeland](#), who requested a meeting with the Chamber as part of pre-budget 2021 consultations.

MLAs and the public should know that we are also working with governments, Indigenous groups, and the territorial land and water boards to improve the regulatory system. This process results from recommendations from the [NWT 2020 Environmental Audit](#), an independent appraisal of the NWT regulatory system required under law. The improvement process began over a year ago, and now supports quarterly meetings. Related to regulatory improvement, we recently applied for a judicial review of a board decision on the extension of land use permits. Details on this are also found on our website [here](#).

A key item in the [19th Assembly's Mandate](#) – which was created and approved by all MLAs – is to: “Increase resource exploration and development.” We are proud of the work we are doing with the government to help fulfill that mandate item, and we will continue our earnest efforts to provide constructive ideas on improving mineral resource development for the benefit of northerners and Canada. These are the tenets of our Chamber's [Mission and our Vision](#).

We encourage all MLAs to advance the 19th Assembly's Mandate and to propose and support constructive actions that could help improve the NWT's mineral resource economy to the benefit of their constituents. We ask MLAs to reach out to the Chamber of Mines to share ideas on the rejuvenation of the NWT's mineral resource sector. Several have, and we thank them.

Some Important NWT Mineral Industry Related Economic Indicators

- CBC reports [NWT productivity declines while other territories surge](#): *Amid a historic national rise in labour force productivity, the Northwest Territories is alone among jurisdictions in Canada in seeing a significant decline. Productivity drop attributed to 'considerable scaling back' in mining industry. (Statistics Canada)*
- [Alberta's GDP plummeted most of all provinces in 2020, while N.W.T. hit hardest in country](#): *GDP declined 10.4% in the Northwest Territories in 2020. Goods-producing industries decreased 15.6% and services-producing industries dropped 8.3%. Diamond mining fell 30.3%, in part because of the Ekati mine's suspension of production text (Statistics Canada)*
- [Economic Review 2021-2022 Northwest Territories Department of Finance](#): *Expansion of the mining industry depends on successful exploration programs to identify potential new mine projects, as well as the deposit appraisal and environmental review process ...*
- [NWT 2020 Environmental Audit](#) (a legislated requirement of the MVRMA): *Despite the efforts of LWBs, small exploration companies continue both to struggle with the application process and to meet its requirements. If allowed to persist, this disconnect between industry and regulators will continue to affect the level of exploration activity in the territory which, in turn, will affect the NWT's socio-economic environment. (page 27)*
- [Conference Board of Canada June 2020 Outlook](#): *The Northwest Territories' economy will contract 3.3 per cent in 2020, a downward revision from the 5.5 per cent expansion we forecast in February. Mining is also hurting the outlook for the Northwest Territories this year ...*
- [Investigation of the Underlying Challenges in the NWT Economy](#), Impact Economics Final Report for Indigenous and Northern Affairs Canada (NWT), 2019: *There is growing acceptance throughout the NWT that the economy is in some degree of trouble. There remains some hope in the form of mine expansions and new albeit small mining projects, but when considering realistic scenarios 5, 10, and 15 years into the future, even the best case represents an economic decline from where the territory is today.*
- [Conference Board of Canada Summer 2019 Outlook](#): *Weaker growth in mining in the Northwest Territories will affect other areas of the economy, notably construction activity.*
- [Conference Board of Canada Autumn 2018 Outlook](#): *Left behind is the Northwest Territories, where the economy is forecast to contract at an average annual pace of 1.6 per cent between now and 2025.*
- [Conference Board of Canada Spring 2018 Outlook](#): *The Northwest Territories' economy is about to shift into a lower gear.*
- January 2016: [Choosing a Path Forward, a long term outlook for Denendeh](#) (NWT) produced for Denendeh Development Corporation: *Denendeh's prolonged period of economic prosperity and stability as a direct result of the investments in the oil and gas and diamond industries ... will soon be replaced with a period of change and instability.*