



## NEWS RELEASE

### NWT Diamond Mines Face Challenging Markets

(Yellowknife, NT – December 3, 2015) In response to media questions about the consequences of declining diamond markets on the NWT's mining industry, the Chamber of Mines would like to provide the following information.

The three diamond mines – Ekati, Diavik and Snap Lake – make significant economic contributions to the North (see detail in Backgrounder attached). In 2014, these included:

- 3,234 total jobs of which 47% were northern, and 25% Aboriginal
- \$979 million in purchasing of which \$653 million was with northern firms and \$239 with Aboriginal firms.

Cumulatively, from 1996 – 2014 the diamond mines have contributed:

- Over 47,000 person years of employment, of which half is northern and 25% is Aboriginal
- Nearly \$16 billion in business expenditures of which over \$11 billion is with northern firms and over \$5 billion with Aboriginal companies.

The diamond mines also make significant contributions in taxes and royalties that benefit public and Aboriginal governments. The diamond mines' direct and indirect benefits contribute close to 40% of the NWT's GDP, the largest private sector contributor to the economy. It is an industry worth protecting.

Today, our diamond mines face significant challenges. The global mining economy is not healthy, and a quick internet search reveals mine closures and layoffs around the world. The NWT itself has already felt the effects with the Cantung tungsten mine closing in November. As further testament:

- Barclays Bank reported in November that *"2015 has been another bad year for the [mining] sector. The last 5 years have now been the worst period of performance since 1966. Looking forward it is hard to see what might pull the sector out of its tailspin. A demand shock seems unlikely given the state of China's economy..."*
- On November 19 Dominion Diamond Corporation reported *"rough diamond prices which have fallen approximately 8% this calendar year"*.
- Diamond price experts at Roughprices.com report that average world diamond prices are down 18% year over year.

Mines are price takers, and must accept the value of product offered by the market place. Since they cannot change the market price, they must take their own steps to address declining revenues. However, governments also have a role to play in addressing costs that affect the mining industry. With devolution, the NWT has an opportunity to shape its economic future. The recent election in the NWT offers elected officials and the new government an opportunity to speak to actions they can take to help their minerals industry through these difficult times, and in so doing preserve the mining employment, business and tax benefits that northerners rely on.

For information on the NWT and Nunavut mining industries, please visit [www.miningnorth.com](http://www.miningnorth.com) or contact Tom Hoefer, Executive Director at Tel: 867-873-5281 or email: [executivedirector@miningnorth.com](mailto:executivedirector@miningnorth.com).

## Backgrounder – NWT Diamond Mine Performance Indicators

### Reported Performance for 2014

Company	Northern Aboriginal			Total Northern			Total All
	Achieved		Committed	Achieved		Committed	
Workforce (person years)							
Ekati (2014)	460	30%	31%	802	52%	62%	1,539
Diavik (2014)	229	24%	40%	448	47%	66%	948
Snap Lake (2014)	129	17%	n/a	258	35%	60%	747
Total Employment	818	25%	n/a	1,508	47%	n/a	3,234
Purchases (\$ million)							
Ekati (2014)	\$79	17%	n/a	\$276	59%	70%	\$465
Diavik (2014)	\$110	33%	n/a	\$251	76%	70%	\$332
Snap Lake (2014)	\$50	27%	n/a	\$126	69%	70%	\$182
Total Purchases	\$239	24%	n/a	\$653	67%	n/a	\$979

### Cumulative Diamond Mine Results – 1996 to 2014, inclusive

Company	Northern Aboriginal		Total Northern		Total All
Workforce (person years)					
Ekati	6,612	27%	12,881	53%	24,233
Diavik	4,029	25%	8,243	52%	15,942
Snap Lake	1,174	17%	2,309	33%	6,965
Total	11,815	25%	23,433	50%	47,140
Purchases (\$ million)					
Ekati	\$1,681	24%	\$4,959	72%	\$6,888
Diavik	\$2,513	38%	\$4,784	72%	\$6,669
Snap Lake	\$863	38%	\$1,563	69%	\$2,263
Total	\$5,057	32%	\$11,306	71%	\$15,820

For more details, see “*Measuring Success 2014: Diamond mines continue to Create Benefits*” available by clicking [here](http://www.miningnorth.com/), or entering this address into your browser:

[http://www.miningnorth.com/\\_rsc/site-content/library/publications/Measuring\\_Success\\_NWT\\_Diamond\\_Mining.pdf](http://www.miningnorth.com/_rsc/site-content/library/publications/Measuring_Success_NWT_Diamond_Mining.pdf)