

***The Jay Pipe is important to the NWT's future***

*Presented by Tom Hoefler, Executive Director of the NWT & Nunavut Chamber of Mines on September 14, 2015  
to the Mackenzie Valley Environmental Impact Review Board Public Hearings on  
the Jay Pipe, a plan to extend the Ekati mine life by eleven years*

Thank you very much madam Chair for allowing me to say a few words.

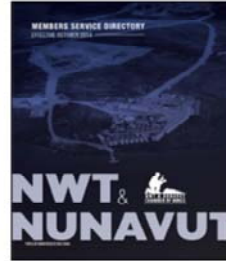
I wanted to come and make a few positive statements about the Ekati mine.

The reason is that Environmental Assessment processes tend to focus on concerns, and there are very few of the population that will come out and speak to the positive.

I think its important to remind ourselves of what good the mine has done over its life, so we don't forget that balance.

## Who is the Chamber of Mines?

- Industry association formed in 1967
- Champion for a strong northern minerals industry in NWT and Nunavut
- Members with interest in a strong northern minerals industry, and representing:
  - Mining & exploration
  - Service & supply
  - Consultants
  - Aboriginal corporations
  - Individuals
- Offices in Yellowknife, NWT and Iqaluit, NU



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Why am I doing this?

Well, as a son of a miner, I know first hand that mining helps put bread on the table.

That helps me out a lot in my job, which is with the NWT and Nunavut Chamber of Mines.

Our Chamber of mines is an industry association that has been around since 1967, and our role is to champion on behalf of a strong northern mineral exploration and mining industry

...

... so it will continue to put bread on the table.



I want to borrow unabashedly from a great statement made this past summer by Steve Nitah about a park, when he said “this is not your grandfather’s park.”

Well, Ekati is not your grandfather’s mine. I think some people forget about that, particularly when the example of Giant continues to be publicized as loudly as it is.

I think it’s important to remember that Ekati helped usher in a new era of mining, with notable achievements in the areas of :

- Safety
- Socio-economic commitments and successes
- Environmental standards

Let me describe them briefly

## Safety is the highest value at Ekati

- Safety is the highest value at Ekati and they have achieved low lost time injury frequency rates.
- The mine is certified to the British *Occupational Health and Safety Management Systems* OHSAS 18001 standards. We never had that in the north before.
- Ekati is also a multiple national winner of the John T. Ryan safety award.
- And their style is infectious!
  - How many meetings do you go to today where there is a safety briefing beforehand?
  - Or how many people do you see parking backwards now. 😊



## Ekati has made significant socio-economic commitments and created successes

- Ekati's commitments are articulated in a Socio-economic agreement, the first for mining in the NWT
- And also in Impact Benefit Agreements, the first in the NWT
- Northern and Aboriginal participation game changer
  - It is heartening to see how many community employees are now 15 plus year employees. This is making a generational difference in our communities. It is critically important to community success that we sustain this kind of community participation.
- Northern business spending exceeding \$4 billion dollars to date helping spawn a whole new era of Aboriginal mining business
- \$10's of millions in community spending in donations, and other sponsorships.
- And let's not forget their contributions to the nearly \$40 million in Aboriginal royalty sharing to date



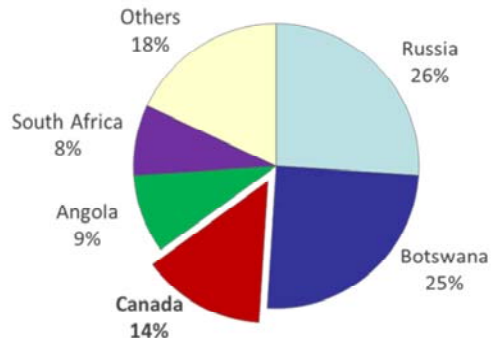
## Ekati operates to high environmental standards

- They signed the first ever Environmental Agreement with government
- They have an Environmental Management System that is certified to the International Standards Organization ISO 14001. It's something we never had before in the north.
- They have \$100s of millions in reclamation security (\$254 million to be precise)
- And Ekati was the first to put in place an oversight body – the Independent Environmental Monitoring Agency.



## Ekati is critically important to our economy

Value of Global Diamond Production 2014



Mining's Direct GDP Contribution



Source: NWT Economic Outlook  
2014-2015



Ekati is critically important in the big picture, in other words, to our economy.

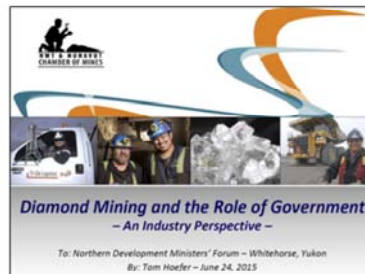
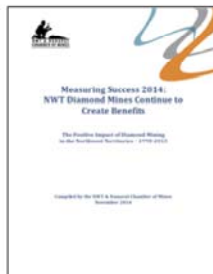
Ekati launched us on a whole new path with the discovery and mining of diamonds

Their world class mine helped elevate Canada and the NWT to 3<sup>rd</sup> place in the world by diamond value

It made mining as much as 50% of our economy

## Some further reading

- Some background reading:
  - “Measuring Success” describes the benefits of Ekati and the other diamonds mines over the past 17 years
  - “Diamond Mining and the Role of Government – An Industry Perspective” is a presentation to the 2015 Canadian Northern Development Minister’s Conference that provides a historical perspective of diamond success



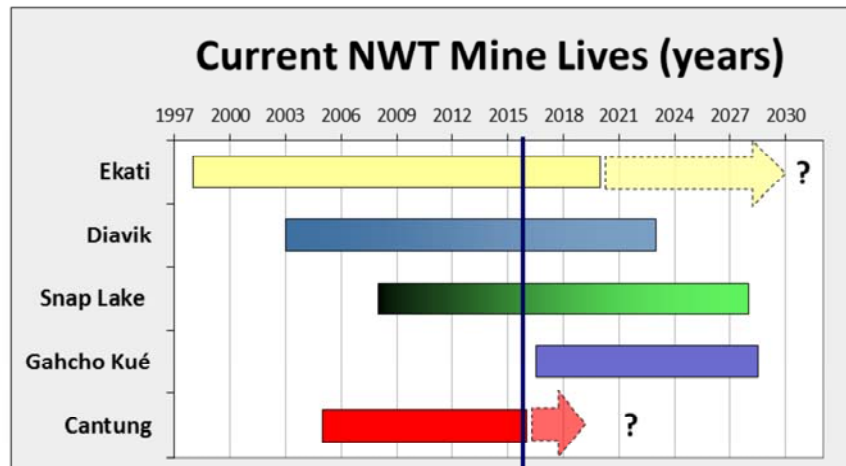
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If I might, I'd like to table some evidence for you to read later in the form of two documents:

- “Measuring Success” which describes the benefits of Ekati and the other diamonds mines over the past 17 years
- A presentation to the 2015 Canadian Northern Development Minister’s Conference that provides a historical perspective of this success



## We are in difficult times right now



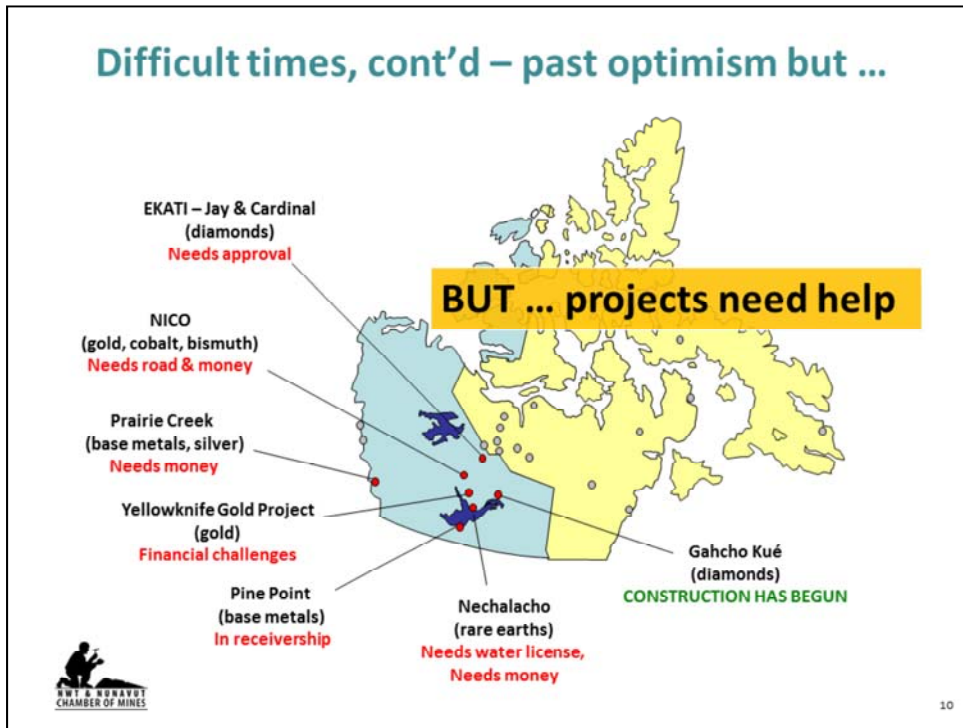
- Mines don't last forever
- To sustain and grow mining benefits, we must attract new investment to find new mines

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If you look at the calendar for mine openings and closings, you won't see much on the horizon

We see Gahcho Kue coming on stream next year, but we also see Ekati closing in 4 years and we see Diavik closing 4 years after that.

We also thought that we'd see the Cantung mine continue for a few more years, and now that mine is in a serious financial situation.



At one time, we were quite optimistic that we would see a number of new mines – NICO, Nechalacho, Prairie Creek, Pine Point, Tyhee.

While some of us were excited to see the opportunity of new mines, that optimism has now evaporated in this difficult market place.

All of those advanced projects are struggling.

## Even if we waved a magic wand ... we need more mines

Mining Project Name (Owner)	Expected Jobs
NICO (Fortune Minerals)	150
Nechalacho (Avalon Rare Metals)	286
Prairie Creek (Canadian Zinc)	220
Gahcho Kué (De Beers, Mtn. Province)	400
<b>TOTAL JOBS</b>	<b>~ 1,056</b>
<b>EKATI Mine (closes in 2019)</b>	<b>TOTAL JOBS ± 1,500</b>

- EVEN IF our 4 leading projects all become mines, they are not enough if EKATI closes because it employs ~ 1,500 workers
- **We need EKATI to stay open beyond 2019 with Jay pipe**



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Even **IF** we could wave a magic wand and make those advanced projects into mines in the next few years ...

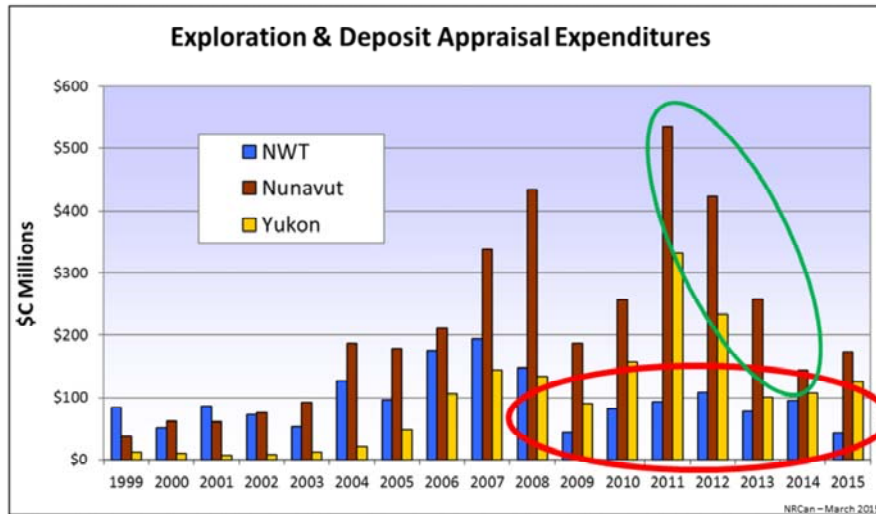
The total workforce of all those projects doesn't even add up to one Ekati.

And even if we waved that wand and they did become mines, in just a few years, Diavik will close and we lose another 900 workers

Clearly, not all mines are created equal and Ekati is a world class mine.

It will be very important to our economy, to our communities, and to our businesses to see the Ekati mine continue mining for another 11 years.

## Lest we think exploration will help – it's dismal



- NWT exploration investment has declined and “flat lined” over the past 7 years
- To add to that, we are now in a terrible global investment market

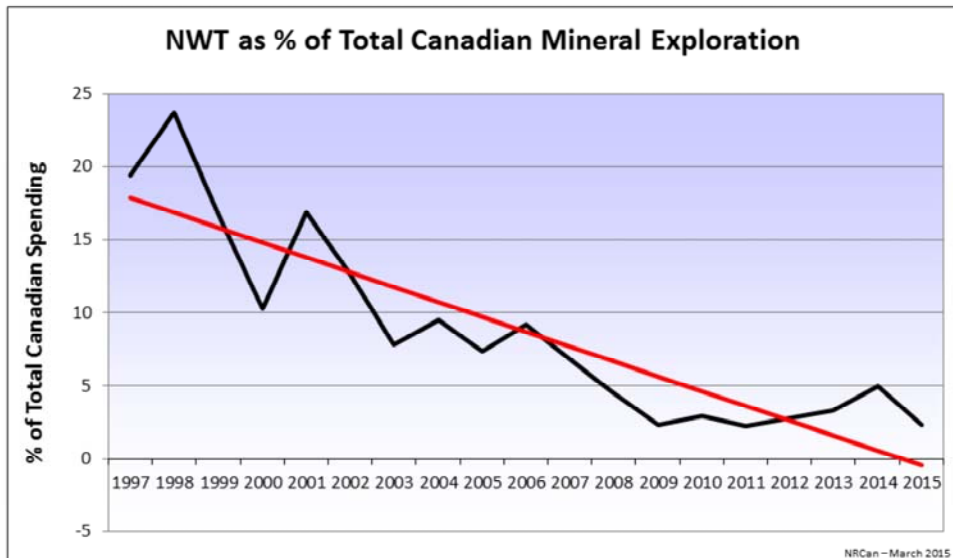
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And if we think that exploration will save us by finding more mines, exploration investment is dismal.

NWT exploration investment has declined and “flat lined” over the past 7 years

To add to that, we are now in a terrible global investment market

## NWT's share of Canada's exploration spending declining



- NWT's share of total Canadian mineral exploration is not healthy. We are being outcompeted by other provinces, territories.

## Let me conclude

- It is very important that you and Dominion Diamonds have success during your deliberations.
- Your success will see Ekati continue to mine for another 11 years, and to do so environmentally responsibly, and continuing to create significant benefits for our residents and our northern businesses and governments.
- I wish the Board and Dominion Diamonds much success in advancing this approvals process.
- Thank you very much.



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Let me conclude by saying that this is why it is very important that you and Dominion Diamonds have success during your deliberations.

Your success will see Ekati continue to mine for another 11 years. To do so environmentally responsibly, and to continue to create significant benefits for our residents and our northern businesses and governments.

I want to wish you and Dominion Diamonds much success in advancing this approvals process.

Thank you very much.