2018 Socio-Economic Agreement Report

For diamond mines operating in the Northwest Territories

Rapport de 2018 sur les accords socioéconomiques

Mines de diamants des Territoires du Nord-Ouest

Le present document contient la traduction française du résumé et du message du ministre



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Si vous voulez ces informations dans une autre langue officielle, contactez-nous. French

Kīspin ki nitawihtīn ē nīhīyawihk ōma ācimōwin, tipwāsinān. Cree

Tłı cho yatı k'è è . Dı wegodı newo dè, gots'o gonede. Tłı cho

Perihtł'ís Dëne Sųłiné yati t'a huts'elkër xa beyáyati thezą zat'e, nuwe ts'ën yółti. Chipewyan

Edi gondi dehgáh got'le zhatié k'é é edatl'éh enahddhe nide naxets'é edahlí. South Slavey

K'áhshó got'į ne xədə k'é hederi zedį htl'é yeriniwę ní dé dúle. North Slavey

Jii gwandak izhii ginjìk vat'atr'ijąhch'uu zhit yinohthan jì', diits'àt ginohkhìi. Gwich'in

> Uvanittuaq ilitchurisukupku Inuvialuktun, ququaqluta. Inuvialuktun

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Hapkua titiqqat pijumagupkit Inuinnaqtun, uvaptinnut hivajarlutit. Inuinnaqtun

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Minister's Message



In 1996 our government identified the use of socio economic agreements as a focus through which to grow the capacity of our territory and embrace the benefits of diamond mining.

Almost 25 years later, we have and are continuing to see the results.

Many NWT residents have found training and employment at our mines.

A strong and Indigenous made-in-the NWT service sector has emerged and prospered.

Our young people have opportunities to look to the future to pursue higher learning, careers and even management roles; and

Our people have been given opportunities to be wage earners, home owners and active healthy contributors to their communities.

In May of last year, our government's approach to capacity building through socio economic agreements was recognized by the World Diamond Association's "Diamonds Do Good" Award.

In accepting the award, our Premier noted that the good has come – not from diamonds per se – but the partnerships that they have inspired between the NWT's diamond producers and our regions public and Indigenous governments.

The Government of the Northwest Territories is committed to ensuring benefits from major development projects flow to NWT residents – their businesses and their governments.

Our approach enhances indigenous engagement and community capacity building, promotes environmental stewardship and sustainability and leverages a local workforce; all while fostering attractive investment opportunities for the benefit of local communities.

Minister Wally Schumann

Message du ministre



En 1996, notre gouvernement a déterminé que le recours aux accords socioéconomiques était un moyen d'accroître la capacité de notre territoire et de profiter des avantages de l'extraction de diamants.

Près de 25 ans plus tard, nous en voyons encore les résultats.

De nombreux Ténois ont reçu de la formation et ont trouvé un emploi dans nos mines.

Un puissant secteur des services des TNO a vu le jour dans nos communautés autochtones, et a prospéré.

Nos jeunes ont la possibilité de se tourner vers l'avenir pour poursuivre des études supérieures, pour mener des carrières et même occuper des postes de direction.

Nos gens ont obtenu le moyen de gagner leur vie, d'être propriétaires d'une maison et de contribuer activement et sainement à leur collectivité.

Au mois de mai de l'année dernière, l'approche de notre gouvernement en matière de renforcement des capacités au moyen d'ententes socioéconomiques lui a valu le prix « Diamonds Do Good » de la World Diamond Association.

En acceptant le prix, notre premier ministre a souligné que les avantages sont venus non pas des diamants en soi, mais des partenariats qu'ils ont inspirés entre les producteurs de diamants des TNO et les gouvernements publics et autochtones de nos régions.

Le gouvernement des Territoires du Nord-Ouest s'est engagé à faire en sorte que les retombées des grands projets de développement profitent aux résidents des TNO – à leurs entreprises et à leurs gouvernements.

Notre approche améliore la mobilisation des Autochtones et le renforcement des capacités communautaires, elle favorise la gérance et la durabilité de l'environnement et elle tire parti d'une main-d'œuvre locale; tout cela en favorisant des possibilités d'investissement attrayantes au profit des collectivités locales.

Le ministre Wally Schumann

Introduction

When a major resource development, that can have an impact on Northwest Territories (NWT) lands, resources and people, makes its way through regulatory reviews and approvals, the Government of the Northwest Territories (GNWT) asks for a follow-up program to be put in place in the form of a Socio-Economic Agreement (SEA).

These agreements formalize commitments and reflect predictions made by a company during its regulatory review and give NWT residents a chance to understand what the project will mean to them, their community or region, and the NWT.

Commitments made in an SEA can include:

- Employment and business opportunities
- Cultural well-being and traditional economy
- Community, family, and individual well-being
- Net effects on government
- Sustainable development

SEAs also include commitments by the GNWT to provide a healthy, trained workforce from which NWT projects can draw; and to collect and analyze data to identify and understand changes and trends related to mining activity.

The Department of Industry, Tourism and Investment (ITI) is responsible for negotiating these agreements on behalf of the GNWT. It also oversees their implementation, monitors how well each party carries out its respective responsibilities, and coordinates reporting activities.

Four SEAs were active in the NWT in 2018; for the currently operating Ekati Diamond Mine (Ekati), Diavik Diamond Mine (Diavik) and Gahcho Kué Diamond Mine (Gahcho Kué) - and the Snap Lake Diamond Mine (Snap Lake) which was placed under care and maintenance in December 2015.

This report presents statistics and data in four groupings: the NWT overall, Yellowknife, Small Local Communities (SLCs) distinguished due to their geographic proximity to the operating mines; and Remaining NWT Communities.

SLCs are identified to be Behchokò, Detah, Fort Resolution, Gamètì, Łutselk'e, Ndilò, Wekweètì and Whatì.

The SLCs are displayed on the map on page 4.

It is safe to assume that resource development will impact communities. Guided, in part, by the information compiled and presented in this document, the GNWT is working to mitigate potential or anticipated risks to a community or region while maximizing benefits from NWT mining to NWT residents and their communities.

Introduction

Lorsqu'un grand projet d'exploitation des ressources pouvant avoir des répercussions sur les terres, les ressources et les habitants des Territoires du Nord-Ouest (TNO) franchit les étapes d'examens et d'approbations réglementaires, le gouvernement des Territoires du Nord-Ouest (GTNO) demande la mise sur pied d'un programme de suivi sous la forme d'un accord socioéconomique.

Ces accords officialisent les engagements pris, reflètent les prévisions formulées par une entreprise au cours de son examen réglementaire et permettent aux Ténois de comprendre quelles seront les répercussions du projet sur eux, leur collectivité ou leur région, et les TNO.

Voici des exemples d'engagements qui peuvent figurer dans un accord socioéconomique :

- · occasions d'emploi et d'affaires;
- bien-être culturel et économie traditionnelle;
- bien-être communautaire, familial et individuel;
- · effets nets sur le gouvernement;
- développement durable.

Ces accords comprennent également des engagements du GTNO à fournir une main-d'œuvre saine et bien formée aux projets en sol ténois, et à recueillir et analyser des données afin de suivre et de comprendre l'évolution et les tendances des activités minières.

Il incombe au ministère de l'Industrie, du Tourisme et de l'Investissement (MITI) de négocier ces accords au nom du gouvernement des TNO. Ce ministère supervise également leur mise en œuvre en plus de surveiller la façon dont chaque partie s'acquitte de ses responsabilités respectives et de coordonner les activités de production de rapports.

Quatre accords socioéconomiques étaient en vigueur aux TNO en 2018 pour les mines de diamants Ekati, Diavik et Gahcho Kué, actuellement en exploitation, et celle du lac Snap, mis en mode entretien en décembre 2015.

Le présent rapport contient des statistiques et des données qui sont divisées en quatre groupes : l'ensemble des TNO, Yellowknife, les petites collectivités locales qui se distinguent par leur proximité géographique des mines en exploitation, et les autres collectivités ténoises.

Les petites collectivités locales sont Behchokò, Detah, Fort Resolution, Gamètì, Łutselk'e, Ndilò, Wekweètì et Whatì.

Elles sont illustrées sur la carte de la page 4.

On peut supposer sans se tromper que l'exploitation des ressources aura des répercussions sur les collectivités. Guidé en partie par l'information compilée et présentée dans ce document, le GTNO s'efforce d'atténuer les risques potentiels ou prévus pour une collectivité ou une région tout en maximisant les avantages de l'exploitation minière aux TNO pour les résidents et leurs collectivités.

PARONE ENTER THE

Premier Bob McLeod
Photo courtesy of: World Diamond
Empowerment Fund

DIAMONDS DO GOOD AWARDS

"Diamond mining has allowed the people of the Northwest Territories to take control of their future. It has placed us on the cutting edge of mineral development in North America."

In June, 2018, the Government of the Northwest Territories was awarded a Diamonds Do Good Award in recognition of its responsible, sustainable management of the NWT's diamond industry.

In his acceptance of the award, the Premier made it clear he was crediting the 25-year partnership that has been forged and grown between public and Indigenous governments and local producers around Socio-Economic Agreements.

"It is a partnership," he noted, "that has evolved to realize the socially and environmentally-conscious management of diamond mining that exists in the North today; an area in which the NWT is proud to lead – both for its own benefit and those who choose to invest in its future."

"In short, diamond mining has allowed the people of the Northwest Territories to take control of their future. It has placed us on the cutting edge of mineral development in North America." he said.

Joining the Premier, appropriately, at the awards gala were NWT residents Kimi Balsillie and Kelly Lafferty-Norn — Indigenous Metis employees of Gahcho Kué and Diavik respectively (Read more on page 28).

These two independent, Indigenous women were born and raised in the NWT and have embraced the opportunities provided by responsible diamond mining to establish and grow their careers in the NWT's world-class diamond sector.

Diamonds Do Good Awards are presented annually by the World Diamond Empowerment Fund - a global non-profit organization inspired by Nelson Mandela and founded by leaders in the diamond industry to empower diamond communities around the world.



APPROXIMATE CAMP / CREW SIZE Ekati ***** Gahcho Kué Snap Lake Snap Lake **Paulatuk** is in care and maintenance, not in active operations. SON MITTES (SLCS) Colville Lake **Good Hope** Norman Wells Déline 🌑 Diavik Tulita Whati Snap Lake Gahcho Kué oehcho/o'Ndilo Wrigley utself, oetan Yellowknife **Fort Simpson** Nahanni Jean Marie River Fort Providence Great **Butte** Hay River Kakisa Sambaa K'e **Fort Smith** Enterprise **Fort Liard**

Business and Economy

With NWT mines, come NWT business and economic opportunities.

From the first strike of a pick hammer, to the construction of a commercial mine; and during the ongoing maintenance and monitoring of a sustainable, safe and vibrant operating environment — an incredible amount of people, goods and services are needed to support a mining operation.

SEA agreements set out targets for the local procurement of goods and services, employment and other measures that serve to accrue benefits to NWT residents.

Since 1996, NWT diamond mines have spent approximately 70% of their total procurement - about \$14.587 billion - with northern businesses.

The cumulative impact of the mining industry's commitment to buying in the NWT has been significant — especially for Indigenous-owned businesses. In 2017 alone, \$324 million was spent by the NWT's diamond mines with northern Indigenous businesses. In all \$6.452 billion - 31% of total procurement - has been spent with northern Indigenous businesses since 1996.

Indigenous companies are on the rise and play a pivotal role in almost every area of businesses and industry – providing significant opportunities for investment - and driving the development of a skilled and vibrant northern workforce.

From them has evolved a robust indigenous service sector of construction, logistics and transportation services; staffed by a local workforce that help to keep the mines humming.

NORTHERN PROCUREMENT TARGETS:

While all active Socio-Economic Agreements include targets for northern and indigenous procurement and hiring, these targets are, ideally, minimums in the context of overall opportunity.

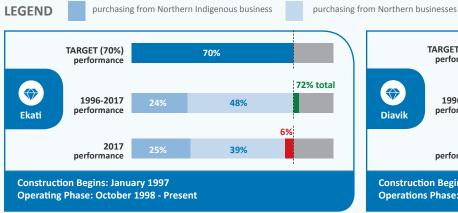
The performance figures on the opposite page reflect this. The areas in which mines have exceeded their targets are presented in green while shortfalls are displayed in red.

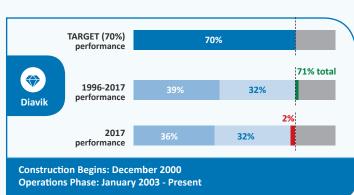
While all four mines have attained a level of some success when it comes to meeting their procurement targets, as much as 30% of NWT mine procurements is still available to NWT-owned businesses for future economic growth.

Cumulative Diamond Mine Northern Procurement - 1996-2017 (Construction, Operations and Closure)

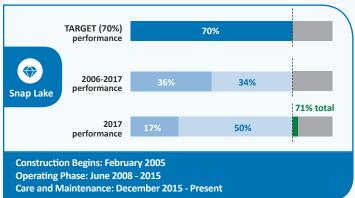


Reported Procurement Performance per Socio-Economic Agreement









Revenues

Mineral resource development can also incur costs for the NWT. Exploration and development creates demands on government spending. For example, mining activity contributes wear and tear on public infrastructure. New roads are needed and the GNWT's commitments to environmental stewardship require monitoring and regulation.

Meanwhile, government investments are needed to maximize the potential benefits of mining through labour market training and supports for NWT businesses. Development and income growth can create social stresses that necessitate the creation and delivery of government programs and services.

To address the direct and indirect costs of their extraction, the Government of the Northwest Territories collects royalties on the NWT's natural resources; and taxes from the mining companies that develop them.

Collectively, these revenues are invested in infrastructure, health, social services, economic development and the many government programs and services that NWT residents depend upon.

The amount of revenues collected each year varies based on the performance of operating mines. Over the past 10 years, the GNWT has collected an average of nearly \$100 million annually in revenues from diamond mines.

Revenues are collected in two primary ways from natural resource projects: taxes and royalties.

Taxes

Over the past three years (2015-16 to 2017-18), diamond mines have contributed 44 percent of the GNWT's tax revenue. These revenues come in the form of:

Corporate taxes - A percentage of money taken from profits of companies doing business in the NWT. Currently, the corporate tax rate is 11.5% of corporate taxable income.

Property taxes - Mines in the NWT are charged taxes for the properties they hold.

Fuel taxes – Mines sites that are continually running power generation facilities, haul trucks and processing equipment, burn a lot of fuel. The NWT applies taxes on all fuels used for purposes other than heating.

Payroll taxes – Everybody who works in the NWT is charged a 2% tax on their employment incomes (NWT residents receive a refundable Cost of Living tax credit.)

Royalties

Royalties serve to convert the resources in the ground into a financial asset. How much royalties are collected varies depending on how well mines do. Since, 2008-2009, the GNWT has collected an average of \$71.26 million annually. Resource revenues in 2017-18 were \$66 million; most were diamond royalties.

Royalties are calculated on both production value and projected profits. This means that what companies pay for NWT resources is based on both the amount of money their resources generate each year, and how profitable those resources have been.

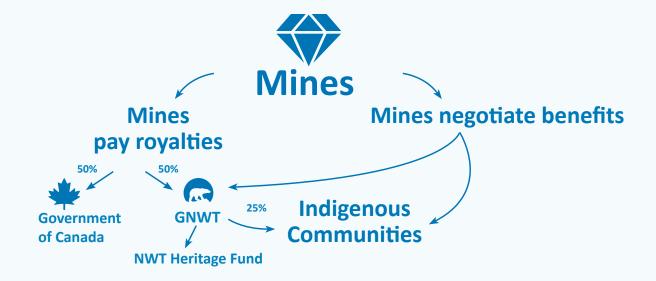
Production value can be influenced by things like market prices and the quality of resources being extracted. Profits are influenced by how much is produced at a mine, and how much the company needs to spend to produce those resources.

The higher the production and profit, the more the NWT collects in royalties.

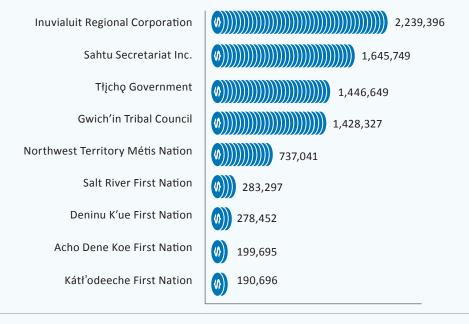
The GNWT and federal governments split the royalties collected from resource development (50-50). The GNWT shares 25% of the royalties it receives with Indigenous governments that were signatories to the Devolution Agreement.

Since the 2014-15 fiscal year, resource revenues accruing to the GNWT have been shared with members of the NWT's Intergovernmental Council. In 2017/18, nine Indigenous organizations received a total of \$8.4 million in resource revenues. The amounts per Indigenous organization are allocated using an agreed-to formula based on population and cost of living factors.

Royalties & Benefit Provision (\$)



Resource Revenue Sharing Allocation 2017-2018 (\$)



Notes:

Because the NWT receives transfer payments from the federal government, a limit is placed on how much the NWT can actually collect from royalties. The limit is 5% of the NWT's Gross Domestic Product. This cap is unlikely to be reached in the foreseeable future.

NWT Gross Domestic Product (GDP)

The Gross Domestic Product (GDP) measures the value of economic activity within a region. It is the total market value of all goods and services produced in an economy during a period of time.

GDP is measured in real, or chained, 2012 dollars to account for inflation. The total value of the NWT GDP in 2017 was \$4.86 billion. Diamond mining contributed 37.3% of the total, or \$1.81 billion.

The effects of diamond mining can also be noted in other areas of the economy. Most notably in construction, wholesale and retail trade, transportation and warehousing sectors. With high income jobs and increasing government revenue streams to provide key services to its residents, positive impacts can also be noted in less obvious sectors like real estate, education and public administration. In 2017, these seven sectors contributed an additional \$2.247 billion to the NWT GDP.

Since 1999, the diamond industry has contributed approximately \$19.3 billion to the NWT GDP or an average of over \$1 billion per year. During this time, diamond mining has been the largest direct contributor to the NWT GDP.

At a local level, mining companies are also major contributors to community vibrancy and growth. The benefits of their investments and contributions are evident far beyond their mine sites – and the relationship that exists between companies and communities has become a defining feature of how mining works in the NWT.

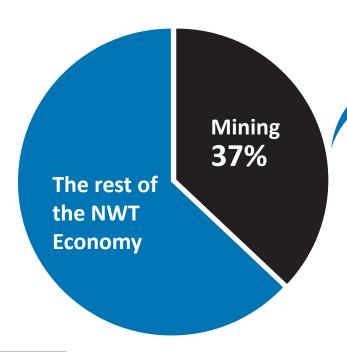
Mines operating in the Northwest Territories routinely enter into Impact Benefit Agreements with Indigenous governments in regions where they are operating.

These agreements are negotiated confidentially and can include things like community infrastructure investments and local training, to environmental or wildlife monitoring programs.

More visibly, the NWT's mining companies support countless events and initiatives that build and unite NWT communities. They sponsor sports teams, arts initiatives, literacy programs, and community festivals.

In 2016, the NWT's three operating mines spent more than \$10 million in donations, sponsorships, and other financial contributions.

Since 1996, NWT communities have benefited from an estimated \$100 million in donations, sponsorships, and contributions.



Notes:

GDP is measured in real, or chained, 2012 dollars to account for inflation.

Snapshot: How mines contribute to the NWT Economy



Direct impact of mining in 2017

Impact benefit agreements

\$1,810,000,000

Mines spend money locally so other industries benefit too

Donations & Sponsorship





Transportation \$272

million

\$375

Jobs support other sectors of the economy



\$391



\$289



and because all of this is happening we have more small businesses, services and everything else.













Employment and Participation



Justin Grandjambe
Photo courtesy of: Diavik Diamond Mines Ltd.

BRINGING MINING HOME: JUSTIN GRANDJAMBE

"I'm lucky. I get to work outdoors with great people, learn new things all the time and take home a good paycheque. I went into the mining industry to provide a better life for my family, and so far I feel like I'm doing just that."

Behind the churn of processing plants and machinery that get NWT diamonds from mine to market is a huge supporting cast ensuring the process goes without a hitch.

Justin Grandjambe is one of them.

Grandjambe, 38, is an environmental technician at Diavik Diamond Mine, the largest producing mine in the Northwest Territories. Originally from Fort Good Hope, he now calls Yellowknife home along with his wife and two sons.

His duties align with requirements under land use and water licences issued to Diavik, ensuring the mine is operating at the highest environmental standards. It's a varied job and every day has the potential to bring something different - from environmental sampling and spill follow-up, to safely and respectfully steering wildlife away from camp.

Grandjambe says he chose to work in the mining industry because of the opportunities it offered. "After working a number of jobs in Yellowknife, the mining industry seemed like a place in which I could pursue a career," he says.

He found the opportunity he was looking for as an environmental technician.

Since his initial training in environmental sampling, Grandjambe's 13 years at Diavik have been marked by a steady progression of professional development and career growth. Today, his resume packs a real punch, largely gained on the job.

"I have had the chance to access many training opportunities" Grandjambe says. "I've taken the Aboriginal Leadership Development program offered with the Southern Alberta Institute of Technology; Environmental Monitoring certification through the GNWT Apprenticeship and Occupational Certifications program; and the ArcGIS Technology Specialty Certification program through the Northern Alberta Institute of Technology."

Grandjambe believes his new profession has also opened doors in his personal life.

"My job comes with an excellent income and great benefits. Soon after I started working at Diavik, my wife decided she wanted to go back to school. She completed her degree in education and I was able to support her and our family though the entire process. I don't think we could have done that with the kind of work I was doing before Diavik."

Beyond the direct and immediate benefits of a well-paying job like his own, Grandjambe believes that NWT mines are helping his territory in other ways as well. "They make donations to local organizations, support educational and literacy initiatives and help fund community sports and events. These are all things that make our communities better places to live."

For Grandjambe, the decision to be a part of the NWT's mining industry has been a positive experience.

"I'm lucky. I get to work outdoors with great people, learn new things all the time and take home a good paycheque," he says. "I went into the mining industry to provide a better life for my family, and so far I feel like I'm doing just that."

Direct and indirect employment

Mines employ a lot of people. And while there are those workers who fly in and out of our territory, many jobs are filled by NWT residents. These mining jobs pay well — and give hundreds of NWT families access to good-paying middle-class incomes.

In 2017, the NWT's operating mines provided 1,592 direct northern jobs; and 819 direct northern Indigenous jobs. Since 1996, the year the first Socio-Economic Agreement was signed with Ekati Diamond Mine, operating diamond mines have generated 27,000 person-years of local employment.

In addition to those employed by NWT mines directly, countless other NWT residents work for companies or organizations that exist because of mining activity.

In 2017, the transportation sector contributed about 1300 jobs to the NWT economy; the construction sector contributed a further 1400. While it is difficult to know exactly how many indirect jobs exist because of mining, we know that from transportation to construction, to grocery stores, hotels - and even government, jobs are filled by NWT residents working to service the local presence, need and consumption of the NWT mining sector.

Meanwhile, just like the mines that they precede, exploration crews and logistics companies also hire locally – not just geologists and geophysicists, but expediters, line cutters, stakers, cooks, technicians, camp attendants, ramp hands cleaners and labourers.

While there has been some variability over the years, the overall unemployment rate has decreased in all communities outside of Yellowknife since 1989. In Yellowknife, with the exception of a peak in 1999, the unemployment rate has remained relatively unchanged over the same period.

WHAT IS A PERSON-YEAR?

A person year is all hours worked on a mine site based on a two-week-in and two-week-out rotation with individuals working 12 hours a day. This figure is then divided by 2184 – the total number of workable hours in a year.

NORTHERN EMPLOYMENT TARGETS:

While all active Socio-Economic
Agreements include targets for northern
and indigenous hiring, these targets
should, ideally, be considered milestones
to a future in which the needs of
NWT projects are increasingly met by
northerners.

The performance figures on the opposite page reflect this. Mine performance in the area of northern employment is presented in the context of an entirely homegrown workforce (reflected in grey). Northern Indigenous hiring is highlighted in teal; Northern non-Indigenous hiring is reflected in yellow. In 2017, all four mines fell short of meeting set employment targets (reflected in red).

Cumulative Diamond Mine Northern Employment - 1996-2017 (Construction, Operations and Closure)



LEGEND

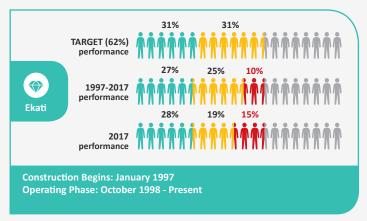
Northern Indigenous Employment

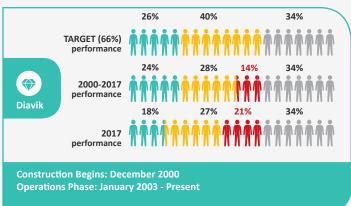
Northern Employment

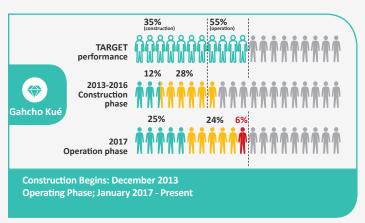
Gap Between Target and Performance

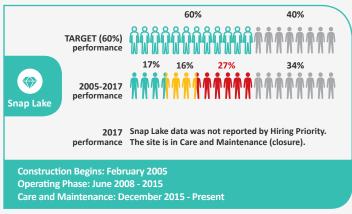
Any Northern Employment

Reported Employment Performance per Socio-Economic Agreement









Labour Market

NWT labour market data forecasts between 28,500 and 36,700 job openings in the NWT over the next 15 years with approximately 78% of those jobs requiring postsecondary education. Meanwhile, over 11,000 students – or one-third of the NWT's future workforce - will exit the NWT's school system in the next 12 years.

The GNWT wants all young people to be able to find employment and stay in the North; but it is hard to predict exactly what education and skill sets will be needed to connect students with the jobs and careers that will exist.

The GNWT's Department of Education Culture and Employment (ECE) uses labour market information to help the GNWT understand and plan for the future.

The Skills 4 Success Strategic Framework and Action Plan, for example, is using program research, stakeholder engagements, and information identified in the NWT Labour Market Forecast and Needs Assessment to close education and employment gaps and address recruitment and retention challenges in the interest of improved employment outcomes.

The GNWT collects and compiles employment and training indicators such as educational achievement, employment and unemployment rates, and workforce participation rates to help develop training and employment programs that will see NWT residents benefit from jobs and economic opportunities that exist in the NWT.

Meanwhile, to support labour market development, employment and training, ECE delivers programs in communities to individuals, employers and organizations. The Department also assists communities in developing Community Labour Market Development Plans that work to identify anticipated skill gaps and help the community to prioritize training opportunities.

Through the Canada-NWT Labour Market Agreements, the GNWT receives funding from the federal government for short-term employment and training programs designed to meet the needs of the Northwest Territories' labour market and help close the skill gap.

High School Completions on the Rise
For the North's youth, in particular, the mining industry has created opportunities and facilities to pursue apprenticeships and trades. With the potential for real employment and careers, many NWT residents are seeing a tangible reason to stay in school and seek higher learning.

There has been a consistent effort on the part of the GNWT and its partners, including the mining industry and the Mine Training Society, to help people understand and link education to employment and economic opportunities. Companies have offered northern students incentives to stay in school and pursue their education through scholarships, training programs, and summer employment. Partnerships between government, industry and training providers continue to help raise education levels in the NWT.

"A skill gap is the difference between what employers want or need their employees to be able to do, and what those employees can actually do when they walk into work".

Overall the NWT population that has competed high school or greater has increased since 1989. It is unlikely that this change is due completely to the operating diamond mines as there have also been significant changes to the delivery of education programs throughout the NWT.

In the Small Local Communities (SLCs), Yellowknife, and the Other Remaining NWT Communities, the percentage of people with high school or greater increased sharply between 1989 and 1994. This coincided with grade extensions offered in the smaller communities starting in the late 1980s, which led to an increase in the number of people completing Grade 9 and moving on to high school.

Post-Secondary

NWT students receiving Student Financial Assistance (SFA) from the GNWT can consent to being connected to potential employers. Companies then work with ECE or through the SFA website and Facebook to deliver information on employment opportunities. The access also allows them to share information on available scholarships and provide support and information directly to those seeking it.

Community Learning Centres

Career counselling resources related to the mining industry are accessible in ECE Service Centres, schools, libraries, Aurora College campuses, Community Learning Centres, and online.

There are Community Learning Centres across the Northwest Territories - including those in Behchokò, Fort Resolution, Gamètì, Łutselk'e, Ndılo, Whatì, and Wekweètì. Almost all of these centres are staffed with a single adult educator responsible for general operation as well as instructing.

Scholarships

Each of the NWT's diamond mines funds scholarships for NWT students – encouraging young people to stay in school, seek higher learning and take control of their future.

As the NWT's mining economy provides tangible opportunities to pursue careers, more and more NWT students are getting the message and even bringing their schooling home to work in the North - as educators, engineers, scientists, lawyers and medical professionals.

In 2016, the NWT's operating mines contributed nearly \$400,000 in scholarship funds to NWT students.



Consent to Release Information -

Students that have completed section 9 of the full-time application or section 5 of the course reimbursement application.



SFA

Employers contact SFA regarding students - SFA can only share information about students that have given consent.



Training





Minister Caroline Cochrane
Photo courtesy of: GNWT ECE

NEW MINE TRAINING FACILITY OPENS

"The Centre for Mine and Industry Training will provide valuable and transferable skills in an innovative learning environment that will help to build the NWT's resident mining workforce."

Students enrolled at Aurora College's Centre for Mine and Industry Training in Fort Smith went back to class last fall in a new state-of-the-art facility. The new, stand-alone facility will focus on the development, delivery and maintenance of both mining-related curriculum and the Heavy Equipment Operator program. It features several vehicle bays, classroom and office space, and areas to house mining equipment, simulators and other training materials.

The \$10 million shared investment by the GNWT and federal government reflects an ongoing commitment to foster a strong, well-trained local workforce to service world-class mines today and in the future.

The Centre for Mine and Industry Training will provide valuable and transferable skills in an innovative learning environment that will help to build the NWT's resident mining workforce.

Programs being delivered in the new facility are all in demand by the NWT's mining industry: Heavy Equipment Operator, Introduction to the Mining Industry, Surface Miner, Mineral Processing Operator Trainee, Introduction to Underground Mining, Underground Miner and Diamond Driller programs.

"Expanding our facilities to accommodate more trades training and education will align the Thebacha campus directly with the needs of the labour market in the Northwest Territories," Minister of Education, Culture and Employment Caroline Cochrane said at its official opening. "This new Centre will connect students with mining and industry occupations and opportunities, reinforcing and furthering the goals established in our Skills 4 Success and Small Community Employment strategies."



Training

In addition to encouraging advanced and secondary education, the mining industry has spurred a great deal of training opportunities for NWT residents. In many cases, these opportunities help workers develop skills relevant far beyond the mine site. Through joint investments from the GNWT, federal government, and the mining industry, training programs are available for those looking to break into the industry.

Examples include: Introduction to the Mining Industry, Safety Boot Camp and the prospecting, geoscience field assistant, and surface mining courses sponsored in-part by the GNWT, and offered through the NWT Mine Training Society.

Since its inception, the NWT Mine Training Society has worked with government and NWT mines to help 1,460 NWT residents find employment in the NWT mining industry – that's 7% of the entire NWT working labour force.

In the interest of seeing more Indigenous women in the mining sector, the NWT Native Women's Association manages the federal government's Indigenous Skills and Training Employment Strategy (ISETS) Program in the NWT and maintains a training center offering secondary school credits, trades entrance exam preparation, career and preemployment programs and First Aid.

NWT mining companies also offer their own on-the-job and corporate training. Mentorships, apprenticeships and educational leave are available to most NWT employees. Meanwhile, Indigenous and NWT-owned corporations are also investing in their people with leadership programming to help them move from the mine site to the boardroom when they are ready.

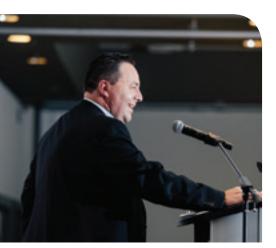
Apprenticeships

For NWT Mines, however, there are still not enough individuals with the required skills in the NWT workforce; and it continues to be a challenge to fulfil SEA commitments to employ northern and northern Indigenous people.

In the interest of providing NWT residents the qualifications necessary to find work in mining as well as other industries, the GNWT delivers the Northwest Territories Apprenticeship, Trades and Occupation Certification (ATOC) Program.

The ATOC program is an industry-driven partnership aimed at building a skilled workforce in 53 designated trades and 25 occupations. Its partners include Aurora College, the Mine Training Society and Skills Canada NWT.

The Department of ECE administers the ATOC Program and further supports the development, maintenance and delivery of designated trade and occupation training with associated programs providing wage subsidies to employers, pre-employment training for residents, career counseling and funding for community literacy programs.



Minister Wally Schumann Photo courtesy of: GNWT ITI

KÁTŁ'ODEECHE FIRST NATION AND GNWT TEAM UP ON MINING SYMPOSIUM

"Know that this government is with you as you prepare to benefit from the new economic opportunities which may be ahead."

How can small communities benefit from development? What kind of business opportunities do mines bring? How do I get the skills to make a career in natural resource development?

These were the questions on the docket at the first-ever Kátł'odeeche First Nation Mining Symposium. With the GNWT's help, the symposium brought expertise from government and beyond to help answer them in Hay River.

The two-day program held at the Soaring Eagle Friendship Centre included information booths, guest speakers, and workshops designed to educate attendees of all ages. The event was an opportunity for governments both Indigenous and public, industry, and the community at-large to build relationships, share ideas, and build capacity within the community.

Keynote speaker Chief Clarence Louie spoke on the subject of Indigenous companies and economic development. As a national leader in Indigenous-led economic development, the insights he brought were invaluable to the goals of the conference.

Minister of Industry Tourism and Investment, Wally Schumann highlighted the GNWT's commitment to promoting responsible mineral development and support communities as they prepare to make the most of their opportunities. "Know that this government is with you as you prepare to benefit from the new economic opportunities which may be ahead" said Schumann to an attentive crowd.

In a candid moment, at the conclusion of the day Minister Schumann joined a school tour of the event, asking the 50-strong crowd whether they knew a family member who worked at a mine. More than 1/3 of the group raised their hands.

Wellness

Monitoring and assessing the potential impacts of diamond mining on the health and well-being of individuals, families, and communities is a key component of socio-economic agreements and an important responsibility of the GNWT.

While economic independence from employment and business opportunities may be a significant contributor to well-being, aspects such as education, safety, health and good social relations are also essential to being well.

From the beginning, SEA's have included 14 social and well-being indicators selected to monitor and assess impacts from mining activity. As new agreements were reached and new data has become available, these indicators have expanded to better monitor areas of identified concern.

Some changes and trends in wellbeing indicators cannot exclusively be linked to the existence of mines but are considered in the context of diamond mining activity alongside the social, political and economic changes that have occurred since mining activity began.

Comprehensive information about NWT health, justice and housing programs is available through the GNWT's Departments of Health and Social Services and Justice; and from the Northwest Territories Housing Corporation. For reference, information and summary data tables are also included in the appendices of this report.

Influence of social and well-being indicators

Data reported with GNWT's SEAs influences social programming in the NWT.

The Department of Health & Social Services (HSS) is working to improve how it identifies and responds to changes in the NWT's well-being with territory-wide programs and services aimed at improving the health of all NWT residents and the quality of services they are provided.

This includes focuses on: improving mental health; preventing family violence; reducing the prevalence of substance abuse; and monitoring and responding to population health indicators.

Meanwhile, the Department of Justice, in response to identified needs and trends, has expanded and improved the use of wellness and domestic violence treatment options. The GNWT now provides for 11 community-based victim services workers in eight communities. Legal Aid outreach services support NWT residents with limited means and government-funded mediation services and parenting workshops are in place for families experiencing separation or divorce.

Housing programs delivered through the NWT Housing Corporation (NWTHC) are also responsive to changing needs. With steady employment at a mine site, an individual in public housing may choose to explore homeownership through various homeownership options offered by the NWTHC.

The NWTHC supports homeownership through the delivery of lease-to-own programming, which includes the Homeownership Entry Level Program (HELP) unit and two new recently launched lease-to-own programs: the Public Housing Purchase Program and the New Home Program.

Alternatively, tenants may choose to access the Providing Assistance for Territorial Homeownership (PATH) program, which can provide between 5% and 55% (depending on community location, income level, and family size) of the purchase price or maximum construction cost of a modest home.

Community Well-Being Index (CWB)

The NWT's Community Well Being Index is just one of many components that the GNWT uses to monitor the health and well-being of NWT communities. The index is compiled from four components:

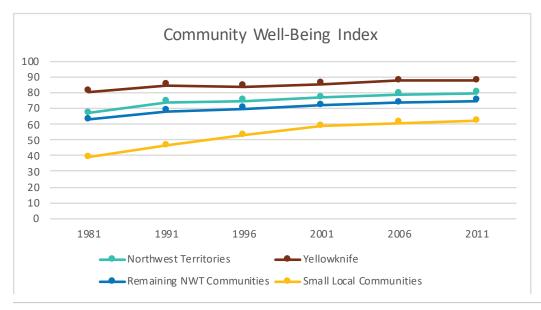
- Income scores that are based on the total income per capita;
- Education scores that look at how many community members have at least a high school education and how many have attained a university degree;
- Housing scores that consider the number of community members whose homes are in an adequate state of repair and are not overcrowded; and,
- Labour force activity scores which weighs how many community members participate in the labour force and how many labour force participants have jobs.

These components are widely accepted as important to well-being and are chosen based on the availability of constant and reliable data collected by Statistics Canada's Census of Population and the National Household Survey.

There are many definitions of 'well-being' and this index is not considered the only or best way of defining well-being for communities. Due to data limitations the CWB does not include indicators for health, culture, and happiness, though these are generally considered important aspects of well-being.

All communities in the NWT have increased their CWB scores since 1981, with the largest change being seen in the SLCs. Many factors could impact this large increase in SLCs with mining activity being one of them.

Many of the indicators used for the Community Well-Being index are also reported individually in this report. Using the index provides a combined view of socio-economic conditions. This encourages a more holistic perspective of socio-economic conditions to consider when looking at possible effects of resource development across the NWT.



Notes:

- The Community Well-Being (CWB) index is a means of examining the well-being of individual Canadian communities. Various indicators of socio-economic well-being, including education, labour force activity, income and housing are combined to give each community a well-being "score". These scores are used to compare well-being across First Nations and Inuit communities with well-being in non-Aboriginal communities over time.
- 2011 is the most recent data available for the Community Well-Being Index.
- Yellowknife includes Ndilo
- When a community was not included in the index, the population of that community was excluded from the total population.
- SLC includes Fort Resolution, Behchokò, Gamètì, Wekweètì, Whatì, Detah, and Łutselk'e

Source: Indigenous and Northern Affairs Canada

Engagement



Kimi Balsillie Photo courtesy of: Diamond Producers Association

THE NEW FACE OF DIAMOND MINING

This respect for the environment is paired with a strong focus on filling positions with local and Indigenous employees — a result of decades of collaboration between diamond mines, Indigenous governments, and the territorial government.

Many people begin their day with a car, bus or subway ride to the office. But for workers at the Gahcho Kué Diamond Mine in Canada's Northwest Territories (NWT), chances are they'll go by plane.

Mine workers take a chartered flight from Yellowknife arriving on a landing strip located just 250 miles south of the Arctic Circle. There, they board school buses to the mine's modest campus—their last leg of the journey before work begins.

But travel time isn't wasted. Kimi Balsillie, an environmental officer at De Beers' Gahcho Kué mine, uses it to update workers on onsite safety. Balsillie personifies how diamond mining has changed the region for the better.

Balsillie, a Métis, grew up in Yellowknife. Her upbringing informed her respect for the land as much as her education in environmental science.

Her work today is a testament to the industry's respect for the vast, mineral-rich land where it mines the world's most precious gems.

When diamond mines began producing in the late-'90s, exacting rules were established to protect and respect the land and the indigenous population. "We live by three rules," says Balsillie. "Zero harm, continual improvement and resource compliance." It takes work, Balsillie says, but it's worth the effort.

This respect for the environment is paired with a strong focus on filling positions with local and Indigenous employees — a result of decades of collaboration between diamond mines, Indigenous governments, and the territorial government.

Take Kelly Lafferty-Norn, a 35-year old Métis woman who works for Diavik Diamond Mine. Though she once worked an hourly office job in nearby Hay River, Lafferty-Norn—a mother of four—now drives trucks and earns an extremely competitive wage. She is one of Diavik's haul-truck operators, moving ore from mine to processing facility.

Women now account for a significant portion of the work force, and local and Indigenous employees account for around half.

Although the work can be difficult, a community has blossomed from the camaraderie at site. During a recent interview with a local Yellowknife radio station, Balsillie described the culture at Gahcho Kué. "We're like a family here. During the day, we work and at night we come together as friends and get to know one another. It's very supportive."

A 24-hour cafeteria, on-site gym and complimentary personal and career development classes on subjects ranging from public speaking to financial planning also help workers succeed at the mine site and beyond.

When it was learned that the GNWT would be recognized for its responsible, sustainable management of diamond mining in the North, these two independent, Indigenous women were chosen to represent their industry and territory at the acceptance ceremony.

Their careers represent the positive change celebrated and recognized in the award. Theirs is the new face of modern diamond mining in the NWT — an industry thriving in one of the world's most remote locations, advancing careers, and empowering a successful future for thousands.



Kelly Lafferty-Norn Photo courtesy of: Diamond Producers Association

Engagement

Critical to the success of Socio Economic Agreements are opportunities for face-to-face engagement and accountabilities that result from community meetings, presentations and workshops.

In 2018 a number of meetings and conferences were facilitated in the interest of greater engagement between communities, government and the mining industry:

- Promoting Employment Workshop
- Indigenous Women in Mining Conference
- Senior Leadership Meetings
- Indigenous Governments and Organizations Meetings
- Recruitment Workshops

Promoting Employment Workshop

The 'Promoting Employment in Resource Projects' workshop held May 30-31 in Yellowknife, was organized in response to concerns identified during community engagements surrounding the GNWT's 2016 Socio-Economic Agreement report.

Three subject areas were identified for discussion: recruitment and site access; training and advancement; and the participation of women in the mining industry.

Three groups of workshop participants contributed knowledge and experience to the understanding of the concerns raised – and to identifying and prioritizing challenges and recommendations. Community Partners provided experience, knowledge and relevant information to promote the understanding of community employment challenges and successes. Industry Partners made short presentations on activities, initiatives and programs by their respective organizations in support of the key themes; while representatives of Non-Government Organizations (NGOs) shared information on labour markets trends in the NWT as part of their participation in theme discussions.

In discussions regarding recruitment and site access, three priorities emerged: mines need to engage directly with communities; a database of potential new hires should be created to follow applicants through the recruitment process; and greater collaboration is needed between governments, mines, and indigenous groups in the area of socio economic agreement monitoring.

In discussions regarding training and advancement, priority was given to: increasing coordination between the GNWT, Indigenous training partners and mines; increasing youth initiatives and furthering educational supports for youth; and the need to increase the number of training positions.

In discussions surrounding women in mining, it was felt that priority should be given to: supporting the Native Women's Association; targeting young women, youth and students; ensuring trades training positions, in particular, are targeted to women and developing mine tours and a forum for the sharing of this experience to women and elders.

Indigenous Women in Mining Conference

The perception of a woman's place in the mining workforce is changing and it is increasingly recognized that women have skills and aptitudes that make them ideal candidates for many positions.

The Native Women's Association (NWA) of the NWT hosted its second Indigenous Women in Mining Conference in Yellowknife December 15, 2018.

Over forty women, from all regions of the NWT, gathered in a forum designed, in part, to increase awareness of supports and services available to help NWT women participate in the mining industry; and encourage NWT women to discuss the importance and value of Science, Technology, Engineering and Math (STEM) education and related careers for young women.

Employing a combination of Panel presentations, group discussions and breakout sessions, the conference also created an opportunity for women to connect and talk about the issues and opportunities relating to resource development within northern communities.

On the topic of pursuing business opportunities with mines, participants guided discussions to developing partnerships with northern female-owned businesses and supports for setting up new businesses.

When it came to employment and training, women addressed long-term employment for northern Indigenous people, the challenge of employing northerners, issues with the job application process, opportunities for people with different levels of education and the overall representation of Indigenous people in the workforce.

Recruitment Workshops

For the first time, in 2018, parties to the SEAs and the NWT Mine Training Society collaborated to hold recruitment workshops in Fort Smith, Fort Resolution, Detah, Łutselk'e, Behchokò and Whatì.

Presentations included: how to apply online to work at a mine, the procurement process and how to pursue business opportunities with the mining industry. For residents seeking employment, instruction was provided on resume building, interview skills, applying for a Criminal Record Suspension and the security clearance process.

Participants were also introduced to the Mine Training Society, training opportunities and the availability of student financial assistance.

Workshops were designed to enable community residents to walk in with their resume and leave having applied on a job.

Senior Leadership Meetings

Three senior leadership meetings were held in 2018 between the GNWT and the NWT's operating mines. These annual meetings take place between the Presidents of the NWT's mining companies, the Deputy Minister of ITI and senior officials from the Departments of ECE and HSS.

They offer an opportunity for parties to discuss matters relating to labour, training, and procurement in the context of the targets and commitments identified in the respective SEAs.

They also serve as a springboard for broader discussions about the growth and improvement of the NWT's mining workforce. Discussions in 2018 centred around women in mining and the continued efforts to see gender parity in non-traditional roles.

Officials also addressed apprenticeships and the successful participation of northern and Indigenous residents in these opportunities, the advancement of northern and Indigenous resident employees to more senior management positions, and finding ways to connect the NWT's graduating post-secondary students with employment and experiential opportunities in the mining industry.

Indigenous Governments and Organizations Meetings

In 2018, meetings were held jointly by the GNWT and the NWT's diamond mines with the:

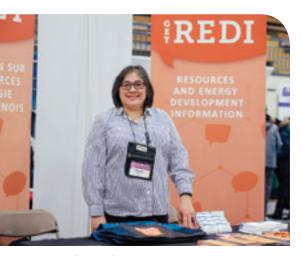
- Northwest Territory Métis Nation
- Łutselk'e Dene First Nation
- Tłį cho Government
- Deninu K'ue First Nation
- Native Women's Association of the Northwest Territories
- Yellowknives Dene First Nation

They provided an opportunity for both the GNWT and mining representatives to report on the ongoing monitoring and implementation of individual SEAs. Additionally they offered a forum for community representatives to ask questions, increase their understanding of issues, provide input and raise concerns. GNWT staff from the Departments of Industry, Tourism and Investment and Health and Social Services attended as resources.

A new approach was taken to community engagements in 2018. Modelled after the GNWT's successful Resource and Energy Development Information (REDI) initiative, the Trade-Show style of community engagement offered participants with a one-stop and semi-private environment to enter into discussions and provided multiple opportunities to participate and engage with community members, their leadership, mining executives and GNWT staff.

Opportunities were created to facilitate specific conversations between the GNWT, indigenous governments, and health authorities around increasing SLC access to HSS programs like Talking about Mental Illness (TAMI) and Mental Health First Aid Training.

It is felt that a continuation of this engagement format will increase community interaction with both the GNWT and the mines. The format allows for more dynamic conversations about community expectations as well as benefits and risks and will increase general public understanding and opportunities for recruitment.



Valerie Gordon Photo courtesy of: GNWT ITI

REDI INFORMATION TRADESHOWS

"I think people do understand that these questions are important to our territory's future. We're happy to be here answering them."

The Resources and Energy Development Information (REDI) Tradeshow touched down in Fort Simpson and Yellowknife in 2018.

The public-education initiative, launched in Inuvik in 2017, encourages NWT residents to "Get REDI" with fact-based information to participate in the assessment of potential benefits and risks associated with resource development in the NWT.

It supports the GNWT's mandate to increase public awareness and understanding of NWT renewable and non-renewable mineral and energy resources and the means by which they can be developed.

REDI's trade-show format is designed to offer a more-intimate environment in which NWT residents can stop in, ask questions and have 1-1 discussions with subject matter experts from government, regulatory boards, agencies and stakeholder organizations.

The information and expertise presented is organized in themes responsive to public questions and concerns. In addition to the immediate areas of mining, oil and gas and alternate energies, themes include related areas of concern like land claims, regulatory enforcement and environmental protection.

All of the questions fielded are compiled to guide the preparation for future community visits, the ongoing development of an online resource and future educational products. As the REDI initiative grows, so will its capacity to anticipate and provide the information needed by NWT residents.

"I think people do understand that these questions are important to our territory's future. We're happy to be here answering them," says REDI project coordinator Valerie Gordon of ITI's Client Services and Community Relations Unit.

Conclusion

In total, there are six Socio Economic Agreements (SEAs) in place in the Northwest Territories (NWT). While reporting in this document has been limited to so-called "active" agreements, formalized SEAs remain in place with Imperial Oil Resources Ventures Ltd., Conoco Phillips Canada (North) Ltd., and Shell Canada Energy for the Mackenzie Gas Project; and NorZinc Ltd. for the Prairie Creek Mine.

On January 29th 2019, a seventh Agreement was signed between the Government of the Northwest Territories (GNWT) and Fortune Minerals. It will see NWT residents benefit from the construction and operation of the proposed NICO mine.

The signing ceremony, held on the trade floor of the Association for Mineral Exploration's 2019 Roundup conference, communicated to investors around the world there remains an extraordinary wealth of mineral resources and exciting opportunities for exploration projects across the NWT.

The NICO SEA gives further credence to the message that the NWT is open to doing business with investors that will work in partnership to ensure that benefits from major development projects in the NWT flow to residents – their businesses and governments.

In its introduction February 11, 2019 of a draft *Mineral Resources Act*, the GNWT has proposed that future benefit mechanisms for NWT residents be legislated – a new and unique chapter in the evolution of the NWT's mineral development sector.

While there is no way to know definitively the nature that such benefit provisions will take, we know that the approach will work. It is based on the model highlighted in this report; one that that has helped to grow the NWT economy and the capacity with which NWT residents participate and have taken their place as decision makers in it.

Socio-economic Agreements continue to meet the objective they were designed to fulfill – to bring industry and government to the table and to approach resource development in the NWT in a way that ensures that NWT residents benefit.

It is how business is done in the NWT.

Supplementary information and summary data tables are included as an appendix to this document.

The set of indicators presented were agreed upon, after public consultation, to monitor social and economic differences between the pre and post diamond environment in the NWT.

They are as provided, by the GNWT's Departments of Health and Social Services, Education, Culture and Employment, Justice and the NWT Housing Corporation; and by the Royal Canadian Mounted Police, NWT Bureau of Statistics and Statistics Canada.

Due to the data collection timelines, not all data is current at the time of publication. Where applicable the date of the data collection is included in the charts.

The GNWT takes no responsibility for any financial losses suffered as a result of reliance on the information in this report.

