



Ekati Jay Pipe is important to the NWT's future

Presented by Tom Hoefer, Executive Director of the NWT & Nunavut Chamber of Mines, 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 believe it's important to remind ourselves of what good the mine has done over its life, so we don't forget that balance.

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 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.

The Ekati mine helped usher in a new era of mining, with notable achievements in the areas of Safety, Socio-economic commitments and successes, and Environmental standards.

Let me describe them briefly

Safety is the highest value at Ekati

Ekati has achieved very 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 created significant socio-economic success

Ekati's commitments are articulated in a Socio-Economic Agreement (the first for mining in the NWT) and also in Aboriginal Impact Benefit Agreements, also the first for mining in the NWT.

As a result, Northern and Aboriginal participation has become a 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 mining with this kind of community participation. Northern business spending exceeds \$4 billion dollars to date,

helping spawn a whole new era of Aboriginal mining business. And there are tens of millions of dollars in community spending in donations, and other sponsorships. And let's not forget Ekati's contributions to the nearly \$40 million in Aboriginal royalty sharing to date.

Ekati operates to high environmental standards

Ekati signed the first ever Environmental Agreement with the 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.

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 3rd place in the world by diamond value, and Ekati helped mining reach as high as 50% of our economy.

We are in difficult times right now.

If you look at the schedule of 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. Where we thought we'd Cantung mining for a few more years that mine is now 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. That optimism has now evaporated in this difficult market place.

And 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 they all 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.

Exploration dismal

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

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

Wish you successful outcomes to Ekati deliberations

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

Thank you very much.