



Thank you very much Mr. Chair.

My name is Tom Hofer, Executive Director of the NWT & Nunavut Chamber of Mines.

I'm joined by Gary Vivian, our elected President, who is also the Chair of the largest northern based mineral exploration consulting firm, Aurora Geosciences.

Welcome to Yellowknife and the North. We are very pleased to see your Standing Committee coming out to the people.

We represent the minerals industry in both NWT and Nunavut, and therefore will speak to our industry in both territories.

## Who is the Chamber of Mines?

- Our Vision: *A vibrant and sustainable exploration and mining industry in the NWT and Nunavut which has the support of the peoples of the North.*
- Our Mission: *To provide leadership on, and advocate for, responsible and sustainable mineral exploration and development in the NWT and Nunavut*
- Represent Members with interest in a strong northern minerals industry, including:
  - Mining & exploration
  - Service & supply
  - Consultants
  - Aboriginal corporations
  - Individuals
- Offices in Yellowknife, NWT and Iqaluit, NU



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A few quick words on the Chamber of Mines.

We are an industry association that champions on behalf of the minerals industry in the NWT and Nunavut.

We have been around for 50 years this year.

We are membership based, and have offices in Yellowknife and Iqaluit.

## Key Messages

- Mining is good for the North and for Canada
  - With significant Indigenous participation & benefits
- But we need help from Canada
  - Invest in new road and power infrastructure
  - Enhance mineral exploration
  - Build Community capacity
  - Improve Regulatory environment
  - Create Arctic Policy for and with Northerners



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These are the key messages which we want to leave with you today.

- First, mining is good for the North and for Canada
  - And it's been making exceptional strides in Indigenous participation and benefits
- As much as industry has considerable resources, we still need help from Canada, and we will speak to these five areas:
  - Investing in new road and power infrastructure
  - Enhancing mineral exploration
  - Building Community capacity
  - Improving Regulatory environment
  - Creating Arctic Policy for – and with – Northerners

First a little background on our industry.

## 6 Operating Mines Today – 3 in each territory

### NWT Mines



### Nunavut Mines



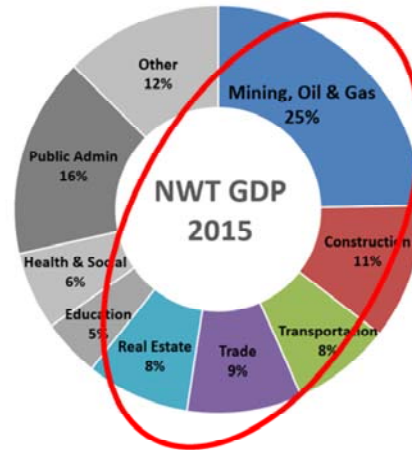
First a little background on our industry.

We have 6 operating mines today, with three in each territory.

- In NWT, 3 diamond mines
- In Nunavut, two gold mines, and one iron mine

## Mining – largest private sector contributor

- Mining is the largest private sector direct contributor to the NWT & Nunavut economies
- and...
- contributes even more indirectly through other sectors of the economy including transportation, construction, trade, real estate
- **Direct + indirect > 40% of GDP**



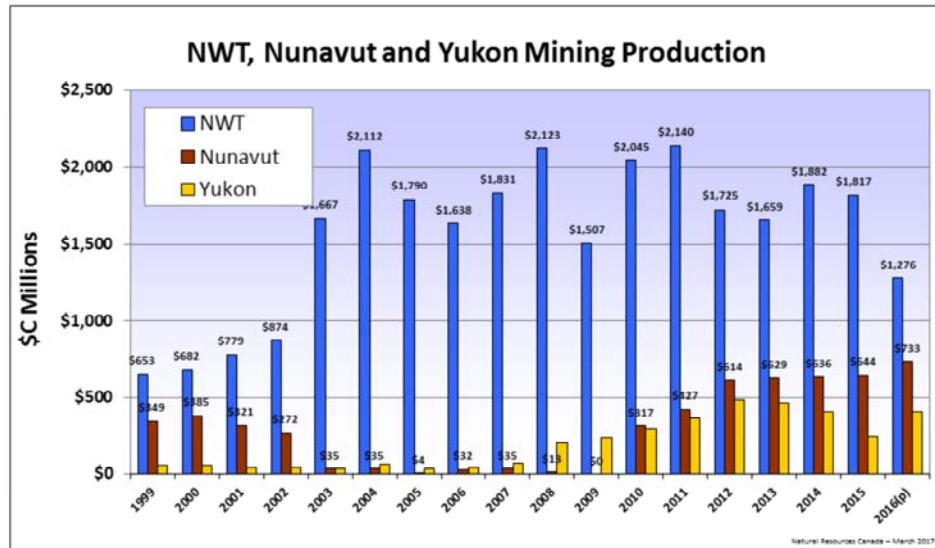
In Nunavut, mining is also the largest private sector contributor to the Nunavut economy

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Our industry is the largest – and a significant – private sector contributor in both territories, particularly when you factor in direct and indirect contributions.

In a good year, our minerals industry could be as much as 50% of a territory's economy.

## Our mines create significant value

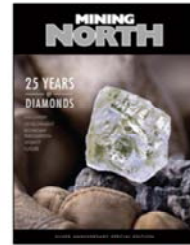


From the NRCAN statistics, you can see the value of mineral production is significant.

Particularly in the NWT, when for many years we were at \$2 billion per year.

## Mining converts rocks into significant benefits

- Benefits over 20 years since first diamond mine construction
- Over 1,500 trained (almost 6% of NWT's employed workforce)
- Northern jobs – over 26,000 person-years
  - 50% Indigenous
- \$13 billion plus in Northern business
  - \$5.6 billion with Indigenous businesses
- \$100 million to communities
  - IBA payments, scholarships, donations
- Taxes & royalties to public and Indigenous governments
- Significantly bolstering northern Indigenous middle class



Importantly to us in the north, our industry converts rock into riches, and here is a measure of just how much and where.

These are over the last 20 years since construction began on our first diamond mine.

You can see many strong benefits, and in particular, for Indigenous residents, businesses, and governments.

- Of note, half of the northern jobs are Indigenous
- Nearly \$6 billion in Indigenous business
- And \$100 million to communities in various payments.

Taxes and royalties flow NOT JUST TO PUBLIC GOVERNMENTS which is traditional in Canada, BUT ALSO TO INDIGENOUS GOVERNMENTS.

**MINING IS A BUSINESS THATS BENEFITS MUST BE SUSTAINED AND EVEN GROWN.**

Note too that we are seeing this same growth pattern in Nunavut benefits from mining.

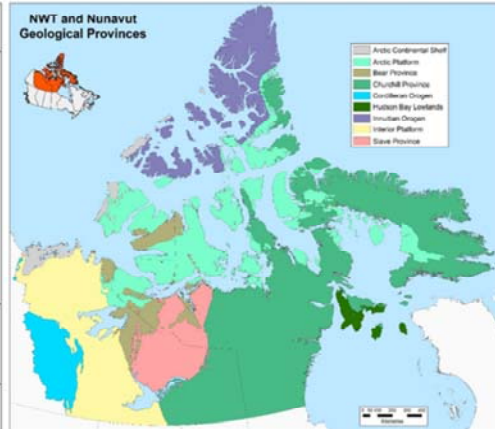


## Reasons why northern mining needs help

*Geography – huge, remote, cold*



*Geology – diverse, under-mapped*



*Limited options compared to southern Canada, eg, farming, forestry, ranching, urban growth, manufacturing, etc.*



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There are some good reasons why our industry needs Canada's help in the north.

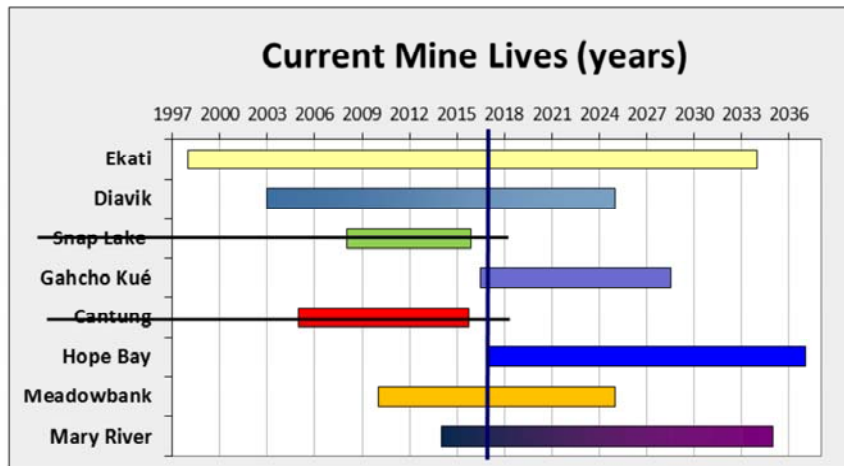
One is Geography. The sheer size, remoteness and climate of NWT and Nunavut makes this an expensive place to operate. It's hard for us to do it all.

Second, we have very attractive geology, but again, because of the huge size much less is known of it than southern jurisdictions.

And, our geography means we just have fewer economic options than do southern provinces.



## And, of course, mines don't last forever



- Individual mines don't last forever (two NWT mines closed in 2015)  
... but an industry and its benefits can be sustained

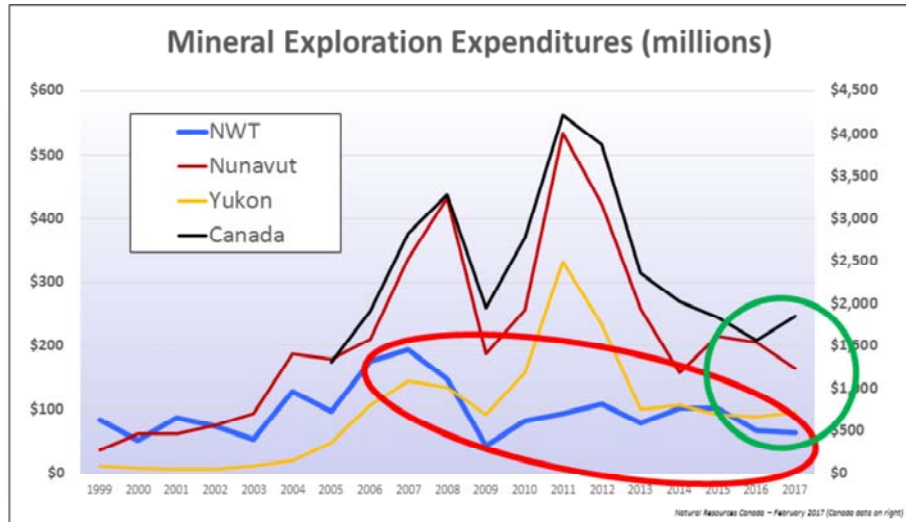


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While it would be nice, mines don't last forever as this calendar shows.

To keep industry benefits strong, we need to keep exploring to find new mines to replace the ones we mine out.

## The state of territorial exploration



- Canada is increasing, while NWT and Nunavut are decreasing
- NWT exploration has been languishing

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Unfortunately, exploration investment is not healthy as this chart of NRCAN data shows.

Two important observations:

- Canada is finally showing an upturn in investment, but not the three territories
- And NWT has seriously missed the pattern of investment, missing out on \$1 billion in investment compared to our neighbours since 2007.

## Where we need the budget's help

- Invest in Road and Power Infrastructure
- Enhance Mineral Exploration
- Build Community Capacity
- Improve Regulatory Environment
- Create Arctic Policy for – and with – Northerners



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We need help from Ottawa with budget commitments in these areas. We will speak to each one in more detail in the following slides.

- Invest in Road and Power Infrastructure
- Enhance Mineral Exploration
- Build Community Capacity
- Improve Regulatory Environment
- Create Arctic Policy for – and with – Northerners

## Budget for New Road, Power Infrastructure

- Infrastructure investment in roads, ports, power for development
  - Invest in all-season road corridors for development and communities
    - NWT: Slave Province Road, Tlicho Road; Nunavut: Gray's Bay Road & Port
    - Support Infrastructure Bank with northern commitment & representation
  - Allow businesses to “participate in global value chains and increase their international market share”
- Infrastructure investment for carbon alternatives
  - All season roads give us carbon alternatives:
    - make LNG, biomass viable, and
    - reduce costs to link renewable hydropower to industry & communities
- Waive carbon tax for 5 years in North ‘til infrastructure catches up



**WE HAVE CANADA’S LARGEST INFRASTRUCTURE DEFICIT IN THE NORTH.**

We have few all-season resource roads and ports, and very few to no hydropower grids.

The Federal government helped invest in regional infrastructure for northern development from the 1940s through 1970s, with roads, rail, ports, and hydropower. Since then, we have seen a 40-year gap during which companies have had to pay for it all themselves.

We need Canada’s help to catch up.

Roads and ports are number one. We are seeing some Federal announcements, but we need more. Some big Yukon announcements, one small NWT one, and none in Nunavut.

We also support the Canada Infrastructure Bank, and very much encourage commitment to the north and to have northern representation on that Bank’s Board.

**INFRASTRUCTURE WILL ALSO HELP US GREEN OUR INDUSTRY.**

Currently mines have seasonal transport, and no power grids which means we must use diesel for power. We cannot use Liquefied Natural Gas or biomass like wood pellets.

Because we have no real alternatives to diesel, the carbon tax is alarming to us. We continue to ask for a reprieve from this punishing tax until infrastructure catches up.

## Budget to Enhance Mineral Exploration

- Enhance exploration in our huge regions
  - **Recommend: Renew Mineral exploration tax credit for 3 years**
    - Governments have renewed only 1 year at a time
    - Commit to 3-year renewal in northern Canada
  - **Recommend: Continue funding geoscience through CanNor, NRCan**
    - Geoscience knowledge in our territories is behind southern Canada
    - Geoscience is the Research & Development for mining
- **Recommend: Settle unsettled NWT land claims**
  - Unsettled NWT land claims have created 10 years of “interim” withdrawal of land from exploration
  - Settle claims to re-open huge swaths of land to mineral investment



NWT prospector trainee 13

As shown in the exploration investment chart, we need to re-ignite exploration investment.

To this end, we recommend renewal of the Mineral Exploration Tax Credit, and we'd sure like to see it increased from just a one year renewal, to three years.

Geoscience – the knowledge of the rocks – is our R&D. There was a recent announcement of renewed Cannor funding for Geoscience, which is good. However, given we are 1/3 of Canada, and have much to map to match knowledge in southern jurisdictions, we encourage more geoscience investment.

Settle land claims.

Unsettled Indigenous land claims create investment uncertainty.

AND they take huge swaths of land out of exploration circulation during “interim withdrawals” during negotiations.

“Interim” for the Akaitcho claim is in its 11<sup>th</sup> year now. That's getting to be permanent. And it's for 62,000 sq.km., more than the area of Nova Scotia.

That claim has contributed much to our loss of \$1 billion in exploration investment since 2007.

We urge commitment and actions to settle these claims.

## Budget to Build Community Capacity

- Mining has created significant community benefits
- Job projections already high
  - NWT projects 28,500 – 36,700 job openings in next 15 years
  - Nunavut has baby boom – the highest population growth in Canada
- Ensure and protect on-going support for skills training
- Road and resource development will provide job opportunities
- Invest in training and education for Indigenous northerners
  - Eg, portable and adaptable equipment simulators for communities
- **Recommend \$1 million new investment**



*Portable and adaptable equipment simulators will help training in communities*

Mining is our economic strength, and can offer jobs for generations to come. That is a good thing, for job needs are high.

- The NWT government projects they will need to fill from 28,500 – 36,700 job openings in next 15 years
- And Nunavut is in a baby boom, with the highest population growth in Canada

We need to ensure and protect on-going support for skills training. Canada has made some great commitments for the next three years to our Mine Training Society. Please protect those.

However, we have new opportunities now in infrastructure construction, and in resource development. That will provide more job opportunities, particularly for equipment operators.

Our Mining Training Society is recommending on the order of \$1 million in new investment, particularly to buy and fly equipment simulators to our small communities.

## Budget to Improve Regulatory Environment

- **NO to cost recovery for environmental and regulatory process**
  - CEAA Review Panel Key Observation on Environmental Processes:
    - “... the territories have distinct and effective environmental assessment regimes rooted in constitutionally-protected land claim agreements with specific mechanisms for consultation and public participation
    - Therefore ... matters related to northern environmental assessment regimes will not be reviewed by the Panel.
    - However, the approaches adopted in these regimes may be of interest and relevance to the Panel as it considers ways to improve and strengthen federal environmental assessment processes.
  - Canada can learn from Northern processes, but they carry an extra cost
  - North is already disadvantaged by high costs
- **Recommend NO COST RECOVERY regulations in the territories**



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We also need your help with the Regulatory Environment.

The previous Federal government changed the legislation in all three territories to allow the recovery of costs for environmental approval and permitting processes.

Our 3 territories are leaders in Canada with our inclusive and transparent environmental legislation, founded in Indigenous land claims. It also includes Indigenous representation through various institutions of public governance or Boards.

The Panel struck by your government to review Canadian environmental processes opted not to review our legislation, and commented that Canada could even learn from the north.

But our processes are more costly.

The Harper Government’s legislative changes to allow cost recovery regulations in the already high cost North – IF INVOKED – will hurt our competitiveness further.

We seek your support to recommend **NO COST RECOVERY REGULATIONS** be invoked in the three Territories.



## New Arctic Policy Framework

- **Recommend New Arctic Policy Framework by and with Northerners**

- Support Premiers' Pan Territorial Vision for Sustainable Development
- Meets northerners' aspirations
  - Good health, high quality education, and sustainable middle class jobs
- Foster long term development built on foundation of:
  - Self-reliance
  - Responsible resource development
  - Job creation
  - Infrastructure investments in transportation, energy & communications
  - Economic diversification
  - Partnership and innovation



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Finally, we want to speak to the new Arctic Policy Framework that the Prime Minister has proposed.

We fully support the Pan Territorial Vision for Sustainable Development recently announced by the three Territorial premiers.

- It has solid aspirations for northerners.
- It's built on a good foundation that includes self-reliance, responsible resource development, job creation, and infrastructure.
- And most importantly, it asks for Northerners to take a leadership role in planning for their future.

We do not think that is too much to ask for, that the people who live here get a strong voice in planning their future.

We recommend your support of a process to do that.

## This is why it matters!



*Mine workers courtesy Diavik Diamond Mines Inc.*

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We will conclude our presentation with some photos of people.

At the end of the day, this is why it matters – people success!

People success leads to community success and to territorial success, and to Canada's success.

Our mining industry is doing much for people success.

We must sustain and grow those successes.

Our recommendations to you today, will help with this.

Thank you for your time today.