

Government of Northwest Territories
Gouvernement des Territoires du Nord-Ouest



2022 Socio-Economic Agreement Report

For Mines Operating in the Northwest Territories

Rapport sur les accords socioéconomiques 2022

Mines de diamants des Territoires du Nord-Ouest



Le présent document contient la traduction française de la présentation.

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Introduction

Under legal requirements in the Northwest Territories, when a company wants to construct and operate a major resource development project it must seek public approval for the project through an environmental assessment. This gives NWT residents a chance to clearly understand what the project will mean for their own lives, and to their communities, to the land, and to the rest of the Northwest Territories.

As a project goes through the regulatory process, the Government of the Northwest Territories (GNWT) requires the company to consider the impacts their project will have and to commit to a follow-up program in the form of a Socio-Economic Agreement (SEA). It is common for a company to describe the economic opportunities its project will bring, while describing the steps it will take to help make this happen. SEAs generally include:

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

In a typical project, the GNWT and the company advancing the project will outline these benefits for NWT residents in the project's SEA. To help monitor performance, objectives such as increased local employment, procurement, and training are set out in the document.

Since companies cannot do everything on their own, an SEA also includes commitments from the GNWT to provide a healthy, educated workforce from which companies can hire employees. The GNWT also commits to collecting and analyzing data to identify and understand changes and socio-economic trends related to mining activity.

The Departments of Industry, Tourism and Investment (ITI); Health and Social Services (HSS); Education, Culture and Employment (ECE); along with others, implement and monitor SEAs to ensure commitments are met. ITI is responsible for overseeing the implementation of SEAs, monitoring how well each party carries out its respective responsibilities, coordinating reporting activities, and negotiating new agreements.

Earlier this year, the GNWT released its SEA 2022 Social Data Report, which updated a series of indicators (education, health, employment, and crime) used to monitor the potential effects from mining on NWT residents and communities over the last three decades. The indicators included in the 2022 Social Data Report are required by the existing SEAs, although specific datasets have been added, removed, or modified over the years to better measure trends.

The Social Data Report presents statistics and data in four groupings:

- The NWT;
- Yellowknife;
- Small Local Communities (SLC), comprising Behchokò, Dettah, Fort Resolution, Gamètì, Łutselk'e, Wekweètì and Whatì; and
- Remaining NWT Communities (all NWT communities, except Yellowknife, Ndilò, and SLCs).



The 2022 SEA Annual Report

This report, a companion to the Social Data Report, focuses on the cumulative economic benefits of the NWT's existing mines, highlighting northern and NWT Indigenous employment, procurement spending, and training for 2022.

SEAs were initiated when diamond mining began in the NWT and this report has evolved as a measure of diamond mining specifically. In this report, 'mining' and 'diamond mining' are used interchangeably. That will change in time. The SEA approach has set up the NWT as a leader in Environmental, Social, Governance and Indigenous rights (ESG-I) practices, and as agreements for new projects become active, SEAs will become more of a measure of overall mining and resource development generally.

Three SEAs for producing diamond mines were in effect in the NWT in 2022: Ekati (Arctic Canadian Diamond Co.), Diavik (Diavik Diamond Mines Inc.) and Gahcho Kué (De Beers Canada). The figures and statistics in this report are compiled from data provided by these three mines.

In total, the NWT's three producing diamond mines spent nearly \$755 million with NWT-based businesses in 2022 and contributed the equivalent of 1,094 person-years of employment to NWT residents.

In 2022, two of the three mines exceeded their SEA commitments for NWT procurement spending, with all three mines surpassing 60% on local spending. However, none of the three diamond mines achieved their NWT employment targets. The GNWT and mines continue to meet to find new ways to recruit and retain Northern employees.

SEAs Explained: Does the GNWT benefit financially from SEAs?

SEAs do not result in direct revenues to the GNWT. The GNWT works on behalf of the people of the NWT to oversee the implementation of SEAs, which contain local employment, procurement, and training commitments. The GNWT does benefit indirectly from SEA commitments: federal transfer funding is linked to population, so the recruitment and retention of NWT residents supports the delivery of government programs and services. The GNWT also monitors the performance of each company towards its SEA commitments and works with them on ways to improve.

Introduction

Conformément aux exigences prévues par la loi aux Territoires du Nord-Ouest (TNO), toute entreprise désireuse d'aller de l'avant avec un grand projet d'exploitation des ressources doit obtenir l'approbation du public par le biais d'une évaluation environnementale. Ainsi, les Ténos peuvent avoir la possibilité de comprendre clairement l'incidence qu'aura le projet sur leur vie, leur collectivité, les terres et le reste des TNO.

Lorsqu'un projet est soumis au processus réglementaire, le gouvernement des Territoires du Nord-Ouest (GTNO) demande à l'entreprise de tenir compte des répercussions qu'aura son projet et de s'engager à mettre en œuvre un programme de suivi sous la forme d'un accord socio-économique (ASE). Il arrive souvent qu'une entreprise décrive les perspectives économiques de son projet, tout en précisant les mesures qu'elle prendra pour qu'elles se concrétisent. Les ASE traitent généralement de ce qui suit :

- les possibilités d'emploi et d'affaires;
- le bien-être culturel et les activités économiques traditionnelles;
- les programmes de bien-être communautaire, familial et individuel;
- les effets nets sur le gouvernement;
- les initiatives de développement durable.

Dans le cadre d'un projet type, le GTNO et l'entreprise chargée de l'avancement du projet décriront les avantages pour les Ténos dans l'accord socio-économique (ASE) du projet. Pour faciliter le suivi des résultats, des objectifs tels que l'augmentation du nombre d'emplois locaux, l'approvisionnement et la formation sont définis dans le document.

Étant donné que les entreprises ne peuvent pas tout faire par elles-mêmes, l'ASE comprend également des engagements du GTNO visant à fournir une main-d'œuvre en bonne santé et bien formée à partir

de laquelle les entreprises pourront recruter des employés. Le GTNO s'engage également à recueillir et à analyser des données afin de repérer et de comprendre les changements et les tendances socio-économiques liés à l'activité minière.

Le ministère de l'Industrie, du Tourisme et de l'Investissement (MITI), le ministère de la Santé et des Services sociaux (MSSS), le ministère de l'Éducation, de la Culture et de la Formation (MÉCF) ainsi que d'autres ministères assurent la mise en œuvre et le suivi des ASE afin de veiller au respect des engagements pris. Le MITI est chargé de superviser la mise en œuvre de ces accords, de veiller à ce que chaque partie assume ses responsabilités, de coordonner la production des rapports et de négocier de nouveaux accords.

Plus tôt cette année, le GTNO a publié son Rapport de 2022 sur les données sociales des accords socio-économiques, lequel comportait la mise à jour d'une série d'indicateurs (sur le niveau d'éducation, la santé, l'emploi et la criminalité) destinés à mesurer les effets qu'ont pu avoir les activités minières sur les résidents et les collectivités des TNO au cours des trois dernières décennies. Les indicateurs inclus dans ce rapport sont requis en vertu des ASE en vigueur, mais certains ensembles de données ont pu être ajoutés, supprimés ou modifiés au fil des ans afin que l'on puisse mieux évaluer les tendances.

Le Rapport sur les données sociales présente des statistiques et des données réparties en fonction des quatre groupes suivants :

- les TNO;
- la Ville de Yellowknife;
- les petites collectivités locales (PCL), notamment Behchokò, Dettah, Fort Resolution, Gamètì, Łutselk'e, Wekweètì et Whatì;
- les autres collectivités des TNO (toutes les collectivités des TNO, à l'exception de Yellowknife, de Ndilò et des PCL).

Rapport annuel sur les ASE 2022

Le présent rapport, qui accompagne le Rapport sur les données sociales, met l'accent sur les avantages économiques cumulatifs des mines en exploitation aux TNO, notamment sur l'emploi chez les Ténos et les Autochtones des TNO, les dépenses d'approvisionnement et la formation pour l'année 2022.

Les ASE ont été mis en place lorsque l'exploitation des mines de diamants a commencé aux TNO. Les rapports sur les ASE sont ainsi devenus des outils d'évaluation de l'exploitation des mines de diamants en particulier. Il convient de noter que dans le présent document, les termes « exploitation minière » et « exploitation diamantaire » sont interchangeable. Les choses sont

toutefois appelées à changer avec le temps. Le recours aux ASE a fait des TNO un chef de file en matière de pratiques environnementales, sociales, de gouvernance et de respect des droits des peuples autochtones et, au fur et à mesure que des accords seront conclus pour de nouveaux projets, les ASE serviront davantage à évaluer l'ensemble des activités d'exploitation minière et d'exploitation des ressources.

Trois ASE concernant des mines de diamants en production étaient en vigueur aux TNO en 2022 : Ekati (Arctic Canadian Diamond Co.), Diavik (Diavik Diamond Mines Inc.) et Gahcho Kué (De Beers Canada). Les chiffres et les statistiques présentés dans ce rapport proviennent de ces trois mines.

Au total, les trois mines de diamants en exploitation aux TNO ont dépensé près de 755 millions de dollars auprès d'entreprises ténos en 2022 et ont contribué à l'équivalent de 1 094 années-personnes de travail pour les résidents des TNO.

En 2022, deux des trois mines ont dépassé les engagements pris dans le cadre de l'ASE en ce qui concerne les dépenses d'approvisionnement aux TNO, et les trois mines ont dépassé la barre des 60 % en ce qui concerne les dépenses locales. Cependant, aucune des trois mines de diamants n'a atteint ses objectifs en matière d'emploi aux TNO. Le GTNO et les responsables des mines continuent de se rencontrer pour trouver de nouvelles façons de recruter et de retenir les employés ténos.

Les ASE expliqués : le GTNO bénéficie-t-il financièrement des ASE?

Les ASE ne génèrent pas de revenus directs pour le GTNO. Le GTNO travaille au nom de la population des TNO pour superviser la mise en œuvre des ASE, qui contiennent des engagements en matière d'emploi, d'approvisionnement et de formation à l'échelle locale. Le GTNO bénéficie indirectement des engagements pris dans le cadre des ASE : les transferts fédéraux sont liés à la population, de sorte que le recrutement et la rétention des résidents des TNO contribuent à la mise en œuvre des programmes et des services gouvernementaux. Le GTNO assure également le suivi du rendement de chaque entreprise à l'égard des engagements qu'elle a pris dans le cadre de l'ASE et collabore avec elles pour améliorer les résultats obtenus.



1999-2022

**DIAMOND MINING SECTOR'S
CONTRIBUTION TO GDP**



\$26.6 Billion

(\$26.570 Billion)



ARCTIC CANADIAN DIAMOND CO.

Current State of the NWT Mining Sector

- Mining’s Impact on GDP
- Current SEAs in the NWT
- In-Profile: Communities and SEAs
- How is an IBA different from an SEA?
- Estimated Mine Life
- Legislative Update
- Feature Story: Bouncing back from COVID-19

2022
 Diamond Mining Sector
 Contribution to GDP
\$1.2 Billion

2022
 Support Activities for
 Mining/Oil/Gas in NWT*
\$58.5 Million

** Establishments engaged in the exploration for minerals, other than oil or gas, are included.*

Mining's Impact on GDP



Diamond Mining
\$1.201 Billion



Public Admin.
(Government)
\$799.6 Million



Construction
\$328.0 Million



Retail Trade
\$162.5 Million



Transportation
\$160.4 Million

All Industries: \$4.396 Billion

Source: Statistics Canada, NWT Bureau of Statistics

Note: GDP statistics in this report are from preliminary 2022 Statistics Canada figures, released in May 2023. Statistics Canada typically releases statistics for 2022 GDP in Spring or Summer 2023 with corrected numbers in the Fall. Statistics Canada presents GDP figures in chained 2012 dollars.



SEAs Explained: What does Chained 2012 dollars mean?

Throughout this report, Gross Domestic Product (GDP) is presented as basic prices in chained 2012 dollars. GDP is the total monetary value of all goods and services produced in the Northwest Territories. *Chained 2012 dollars* refers to the method used to measure production in one year relative to another, so it only reflects the change in the quantities of goods and services produced, not their prices. (2012 is used as the reference year.) This method also discounts any changes due to inflation.



Mining Leads the Way

As the largest sector of the territory's economy, mining continues to provide thousands of jobs for NWT residents, through direct employment at operating mines and exploration properties, and through spin-off opportunities with industries and businesses that benefit from mining production and development.

Since 1999, the territory's economy has grown by more than 33%, largely due to the establishment and expansion of a thriving diamond mining sector.

Mineral resource development contributes in many ways to the territory's economy. Airlines fly employees and supplies to remote mine sites on regular schedules. Northern Indigenous-owned firms—with expertise in everything from catering and expediting, to logistics and trucking—provide vital services to mining companies. Vehicles and goods purchased from

NWT suppliers and manufacturers support jobs in communities, while competitive employee wages earned at mines bolster spending in the territory's retail sector, keeping money in the North. Income, corporate, and property taxes, as well as resource royalties from mining operations, contribute to government revenues, supporting crucial public programs, services, and infrastructure for NWT residents.

For more than two decades, the diamond mining industry has been the largest contributor to the NWT's economy. Canada has become the world's third-largest producer of rough diamonds based on NWT production alone.

But as the diamond mines approach the end of their life cycles, new projects are also advancing. Cheetah Resources has successfully conducted bulk sampling of rare earth elements

at its Nechalacho project east of Yellowknife, with hopes of soon growing the operation. This comes as a series of advanced-staged exploration projects take steps towards becoming operating mines. These include NorZinc's Prairie Creek project (Lead-Zinc), Osisko Metals's Pine Point project (Lead-Zinc), Fireweed Metals's MacTung project (Tungsten), Gold Terra's Yellowknife City Gold project (Gold), Fortune Minerals's NICO project (Cobalt-Gold-Bismuth-Copper), and Nighthawk Gold's Colomac project (Gold).

Particularly exciting in 2022, the NWT experienced the beginnings of a lithium rush in the Yellowknife Pegmatite Province late in the year, as countries from around the world seek to secure their own domestic supplies of the strategic mineral considered vital to green energy and battery technology.

Current SEAs in the NWT

ACTIVE SEAs

There were four active SEAs in 2022:

- Ekati Diamond Mine (1996)
- Diavik Diamond Mine (1999)
- Snap Lake Mine (2004)
- Gahcho Kué Mine (2013)

Three of these mines (Ekati, Diavik and Gahcho Kué) produced diamonds in 2022 and their employment, procurement, and training figures are featured throughout this report.

Update on Snap Lake:

Snap Lake mine, owned by De Beers Canada, produced diamonds from 2008 until 2015, when it moved into a care and maintenance phase. The project is currently in the closure stage and is anticipated to enter post-closure in 2023.

INACTIVE SEAs

There were three signed, but inactive, SEAs in 2022:

- Mackenzie Gas Project (2007)
- Prairie Creek project (2011)
- NICO project (2019)

Update on Prairie Creek:

The Prairie Creek project was in advanced-stage exploration in 2022. NorZinc, the company that owns the Prairie Creek project, has signed an SEA with the GNWT. When it decides to begin construction on Prairie Creek, the SEA will become active. NorZinc has committed to a minimum target of 30% Northern employment during the project's construction phase.



In-Profile: Communities and SEAs

Since the GNWT signed its first SEA with Ekati back in 1996, the GNWT has monitored socio-economic trends and developments across the Northwest Territories to measure the potential effects mining operations have had on NWT residents and communities.

Given the concentration of diamond mining activity in the NWT's North Slave region, the GNWT has focused much of its attention on measuring socio-economic trends in communities near these mines. These communities include Yellowknife, as well as Behchokò, Dettah, Fort Resolution, Gamètì, Łutselk'e, Ndiìò, Wekweèti and Whatì.

Economic opportunities are not the same for all residents of the NWT. For example, less reliable telecommunications infrastructure and a lack of road access can make it difficult for residents in isolated communities to participate on equal footing with those in more connected communities.

Behchokò

Population: 2,057 | **Road Access:** All-Season
Residential Internet Access: Fibre cable, 500 megabits per second (Mbps) download max

Dettah

Population: 227 | **Road Access:** All-Season
Residential Internet Access: Fibre cable, 50 Mbps max*

Fort Resolution (Denínu Kúé)

Population: 556 | **Road Access:** All-Season
Residential Internet Access: DSL (Microwave), 15 Mbps max

Gamètì

Population: 277 | **Road Access:** Winter-road only
Residential Internet Access: DSL (Satellite), 5 Mbps max

Łutselk'è

Population: 356 | **Road Access:** None
Residential Internet Access: DSL (Satellite), 5 Mbps max

Ndiìò

Population: 274 | **Road Access:** All-Season
Residential Internet Access: Fibre cable, 500 Mbps max

Wekweèti

Population: 140 | **Road Access:** Winter-road only
Residential Internet Access: DSL (Satellite), 5 Mbps max

Whatì

Population: 553 | **Road Access:** All-Season
Residential Internet Access: DSL (Microwave), 15 Mbps max*

Yellowknife

Population: 21,720 | **Road Access:** All-Season
Residential Internet Access: Fibre cable, 500 Mbps max



* Fibre cable installation occurring 2023.
 Source: NWT Bureau of Statistics ('Population Estimates by Community and Region, July 1, 2022'), GNWT Finance: 'Internet Pricing in the NWT (Residential)' (Internet), updated Jan. 5, 2021.

How is an IBA Different from an SEA?

IBAs (and PAs) in the NWT

Ekati has signed four (4) IBAs:

- Hamlet of Kugluktuk, Nunavut, and Kitikmeot Inuit Association
- North Slave Métis Alliance
- Tłıchq Government
- Akaitcho Treaty 8 (Yellowknives Dene First Nation and Łutselk'e Dene First Nation)

Diavik has signed five (5) PAs:

- Kitikmeot Inuit Association
- Łutselk'e Dene First Nation
- North Slave Métis Alliance
- Tłıchq Government
- Yellowknives Dene First Nation

Gahcho Kué has signed six (6) IBAs:

- Denínu Kúé First Nation
- Łutselk'e Dene First Nation
- Northwest Territory Métis Nation
- North Slave Métis Alliance
- Tłıchq Government
- Yellowknives Dene First Nation

Source: Arctic Canadian Diamond Company, Diavik Diamond Mines Inc., De Beers Group Canada

In addition to SEAs, mineral resource companies can make employment, procurement, and training commitments to governments in the form of Impact and Benefit Agreements (IBAs). These agreements are not the same.

SEAs are broad, public agreements signed by the GNWT that reflect the interests of local communities and all NWT residents.

An IBA is a private contract between a mineral resource project developer and an Indigenous government, sometimes referred to as a Participation Agreement (PA). IBAs are indirectly tied to the environmental assessment process and topics covered in these agreements reflect the individual interests and priorities of Indigenous governments and their beneficiaries. Details of IBAs are typically kept confidential. IBAs take precedence over SEAs.



DIAVIK DIAMOND MINE

Estimated Mine Life

NWT diamond mines have provided thousands of jobs to residents of the Northwest Territories for more than two decades. Although these mines have been stable pillars of the territory’s economy, no mineral deposit is infinite.

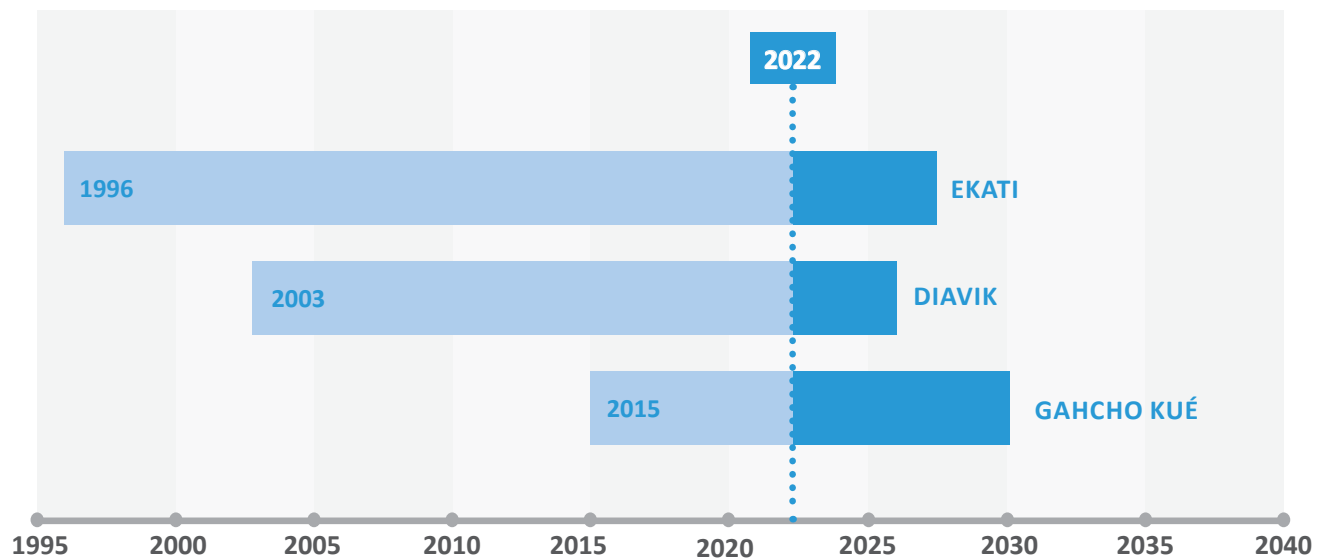
Here’s an update on the estimated life of the NWT’s three diamond mines, based on recent announcements:

Diavik began open-pit operations in 2003. In February 2023, the mine announced plans to spend \$40 million to expand mining below its A-21 pit, extending production until at least early 2026.

Production at Ekati, which began in 1998, is currently planned to continue until 2028. In May 2022, Ekati’s Point Lake Project received GNWT approval, paving the way for open-pit mining to begin there sometime in 2023.

Gahcho Kué, which started production in 2015, is planning to operate until at least 2030, following the discovery of a previously unknown kimberlite pipe in 2019.

Estimated Mine Life



Legislative Update

Mineral Resources Act

In 2019, the first-ever, made-in-the-NWT *Mineral Resources Act* (MRA) was passed by the NWT's Legislative Assembly, modernizing NWT mining legislation and reflecting the unique needs and priorities of the territory. The new Act will come into force once its regulations have been approved.

These regulations moved closer to completion in December 2022, with the release of an MRA Regulations Policy Intentions paper. The GNWT's 'Have Your Say' engagement portal offered the public an opportunity to weigh in on the proposed approaches online. Results from the public engagement will be released in 2023.

VITAL METALS LTD



SEA Program Review

As part of the 19th Legislative Assembly's mandate item to "adopt a benefit retention approach to economic development," the GNWT is completing a review of its existing approach to SEAs. The three-phased initiative is scheduled to be completed in summer 2023.

In the initial evaluation phase, a third-party contractor reviewed the performance of the GNWT's SEA program and made recommendations for improvement. The *Socio-Economic Agreement Program Review*, released in May 2022, recommended a redesign.

In December, the GNWT hosted a Socio-Economic Forum in Yellowknife to discuss options for a redesigned program with representatives from producing mines, Indigenous governments, and non-government organizations. Feedback from this forum helped to define options for the GNWT to consider.

The redesign phase (or second step) will include feedback from a Technical Advisory Panel representing Indigenous governments identified in the SEAs and provide specific, actionable options for improvement.

The implementation phase will include the incorporation of lessons learned to provide an updated and improved approach to the NWT's use of SEAs.

An improved SEA program will enable NWT residents to realize greater benefits from mining in their territory.



FEATURE STORY



Ekati Bounces Back From COVID-19

Even at remote mine sites on the Arctic tundra, more than a hundred kilometres from the nearest community, the effects of COVID-19 could not be escaped.

Still, the NWT’s resilient diamond mines adapted—tweaking schedules, regularly testing employees, and implementing on-site masking and distancing protocols—to limit the virus’s spread and allow Northerners to continue to safely earn a living.

In 2022, with less severe health outcomes from new variants of the virus, the NWT’s mining economy bounced back with the highest overall employment and procurement spending since the onset of COVID-19 public health orders in March 2020.

Although 2022 began with a surge in COVID-19 cases due to the Omicron variant, the situation steadily improved. On April 1, the NWT’s Office of the Chief Public Health Officer (OCPHO) ended its two-year public health emergency.

But the NWT’s diamond mines didn’t abandon efforts to protect employees. As confirmed COVID-19 cases decreased, Ekati’s health and safety team established a four-phased plan for easing restrictions, working within territorial and national public health guidelines.

“I have to say we had really great communication with the GNWT’s Department of Health [and Social Services],” said Sheila Chernys, head of Health, Safety, Environment and Communities with Arctic Canadian Diamond Company. Representatives from the OCPHO were always available to help Ekati manage cases, confirm positive test results, and answer any questions it had when developing health and safety plans, she added.

In January 2022, amid the Omicron spike, Ekati introduced pre-boarding rapid antigen testing at all fly-in locations to lower transmission risks before employees arrived on site. At the mine, if workers didn't exhibit symptoms after two days, they were permitted to use the dining room, gym and recreational facilities.

"Our testing requirements were very intense," said Chernys, noting Ekati hired dedicated nurses as COVID coordinators to do testing and monitor and implement health and safety protocols.

As public health risks decreased, Ekati moved to phase two of its plan, removing pre-arrival screening requirements but maintaining physical distancing and masking on site. In phase three, physical distancing requirements were lifted. In phase four, masking was recommended but not required. Mandatory masking was temporarily reinstated whenever a surge in cases occurred.



Safely easing restrictions—and reopening the gyms and cafeterias in particular—had a great effect on morale. "Everyone was super happy," Chernys said. "It was night and day. People were happy to get out and re-socialize again."

Chernys also credits the Northern Mine Safety Forum for providing a venue to openly discuss ideas and share best practices around COVID-19 safety. Established years before the pandemic, the forum is comprised of health and safety professionals at mines across Nunavut and the NWT, including Diavik and Gahcho Kué. "What we were trying to achieve was to keep our workers safe and continue to operate the mine safely," said Chernys. Ekati managed to avoid shutting down production due to COVID-19 in 2022.

In late 2022, Ekati reinstated visits to communities to promote employment and funding opportunities. It had suspended in-person visits during the pandemic, due to the potential health risks posed to elders and community members. "When you have these pauses where you can't get out to communities, you definitely need to re-establish those connections and relationships and rebuild them," said Chernys, noting communications were maintained via teleconference and phone. "It's not the same as being present in the communities and dialoguing with members and understanding the concerns and challenges," she said.

Now entering a fourth calendar year with COVID-19, mines remain vigilant about health and safety, but better prepared for possible surges with lessons learned.



NWT GEOLOGICAL SURVEY

Since 1996*
**TOTAL COMBINED
SPENDING BY
NWT MINES**



\$26 Billion

(\$26.25 Billion)





Procurement and Royalties in the NWT

- Procurement Targets
- 2022 Mine Procurement
- Cumulative Mine Procurement (1996-2022)
- Royalties and Revenue Sharing
- Secondary Diamond Industry
- Feature Story: The Rise of Det'on Cho

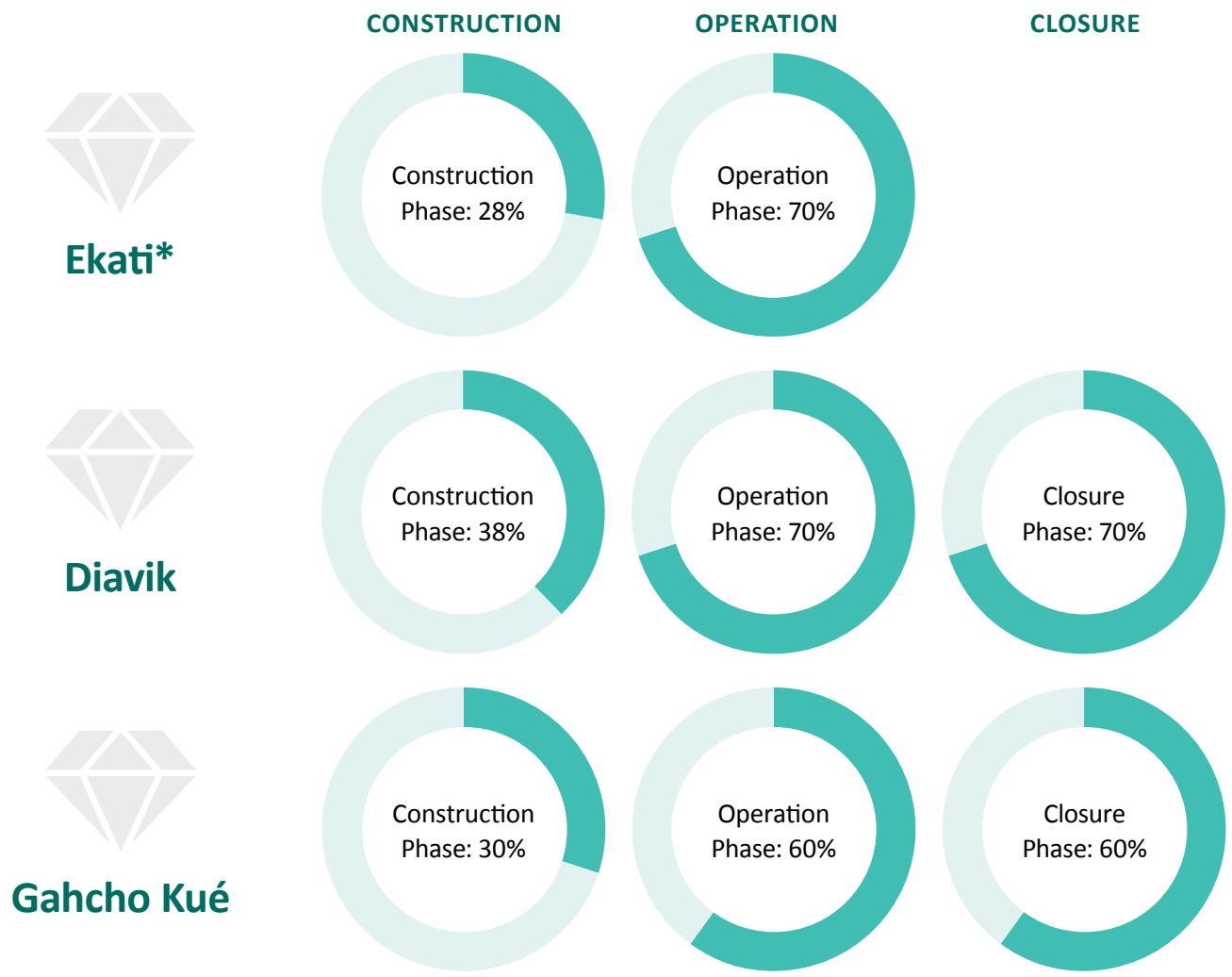
Since 1996*
Historical Spending
with NWT Businesses
\$18.3 Billion

2022
Spend on Northwest
Territories' Businesses
\$754.7 Million

**Figures include spending at Ekati, Diavik, and Gahcho Kué, along with Snap Lake and Prairie Creek mines.*

Procurement Targets

In the SEAs Ekati, Diavik, and Gahcho Kué signed with the GNWT, the companies committed to working to achieve specific percentages of their spending with Northern and Northern Indigenous businesses during various stages of their operations.

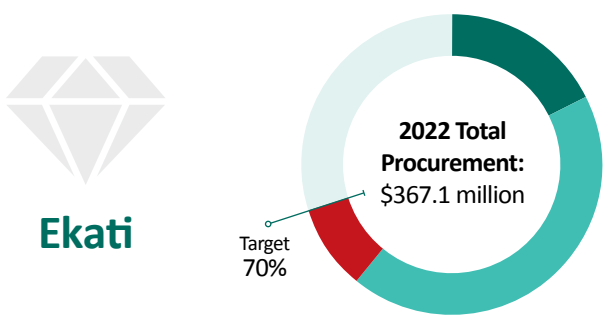


*SEAs were negotiated on a case-by-case basis, without an established ITI policy to standardize reporting. As a result, some commitments vary among agreements. For example, Ekati's SEA, the first such agreement signed by the GNWT, does not contain closure commitments. To better meet the needs of NWT residents, closure commitments have since become requirements of all SEAs.

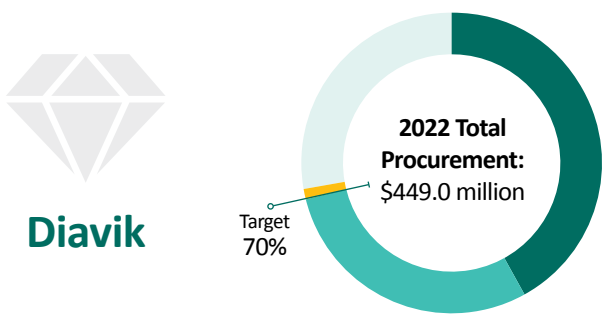
2022 Mine Procurement

In 2022, all three NWT mines surpassed 60% northern procurement spending, or \$754.7 million of their total \$1.124 billion in spending.

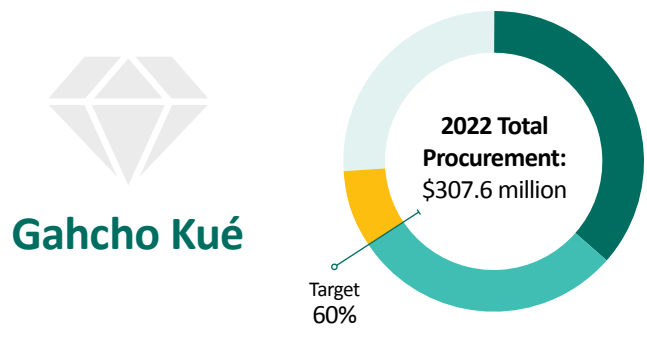
Diavik met its northern procurement commitment of 70%, exceeding its target by 1.2%. Gahcho Kué also hit its Northern procurement target of 60% in 2022, exceeding that figure by 9.1%. Ekati achieved 60.6% Northern procurement in 2022 but fell short of its targeted commitment of 70%. Its northern procurement spending in 2022 was an improvement over 2021.



- **FELL SHORT OF TARGET BY 9.4%**
- **Purchasing from NWT Indigenous Businesses:** \$159.1 million (43.3% of total spend)
- **Purchasing from other NWT Businesses:** \$63.3 million (17.3% of total spend)
- 2022 Total NWT Procurement:** \$222.4 million (60.6%)



- **EXCEEDED TARGET BY 1.2%**
- **Purchasing from NWT Indigenous Businesses:** \$130.6 million (29.1% of total spend)
- **Purchasing from other NWT Businesses:** \$189.0 million (42.1% of total spend)
- 2022 Total NWT Procurement:** \$319.6 Million (71.2%)



- **EXCEEDED TARGET BY 9.1%**
- **Purchasing from NWT Indigenous Businesses:** \$94.2 million (30.6% of total spend)
- **Purchasing from other NWT Businesses:** \$118.4 million (38.5% of total spend)
- 2022 Total NWT Procurement:** \$212.7 million (69.1%)

SEAs Explained: What qualifies as an NWT Business?

Although each SEA contains unique language, generally, an NWT Business is defined as a business registered and operated in the Northwest Territories. An Indigenous NWT Business is defined as an NWT business majority-controlled by an Indigenous NWT resident or by an Indigenous government or economic development corporation in the NWT.

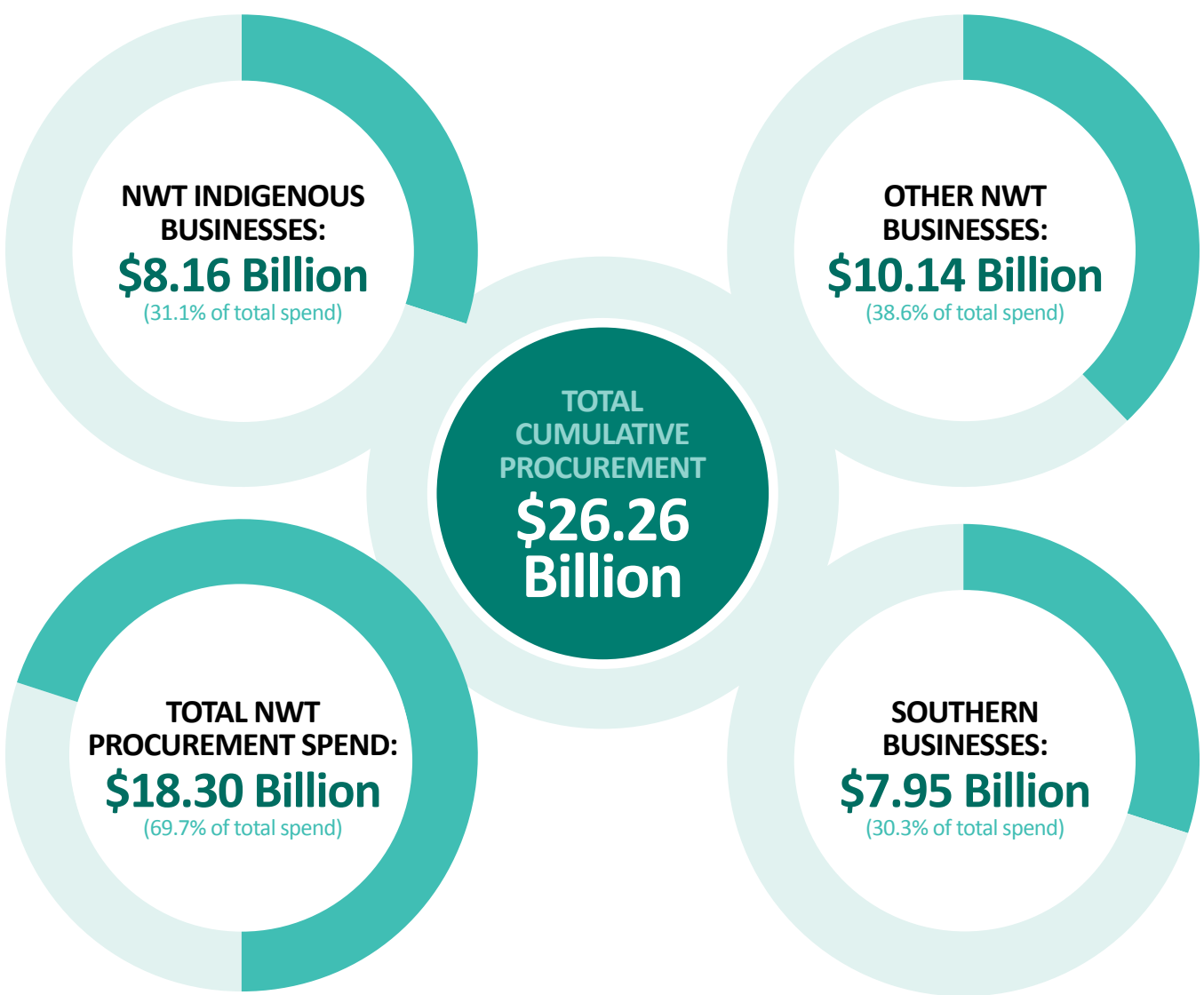
1996-2022 Cumulative Mine Procurement

Since 1996, NWT mines have spent more than \$26 billion. From this total, more than \$18.3 billion has gone toward NWT businesses, with more than \$8.1 billion spent with Indigenous-owned NWT businesses.

In 2022, the mines contributed roughly \$754.7 million to NWT businesses.

PURCHASING FROM

Mine procurement data for 2022 is preliminary. The total cumulative amounts use 1996-2021 data combined with preliminary 2022 data to show the proportion of procurement spending that remains in the North. These figures are not an exact accounting of every purchase from every mine.



Royalties and Revenue Sharing

Resource revenues after land claim entitlements are shared with the federal government and Indigenous governments. One-half of resource revenues (subject to a cap) are retained by the GNWT, with the remainder shared with the federal government by reducing the GNWT's Territorial Formula Financing grant. The amount retained by the GNWT after this reduction is called the Net Fiscal Benefit. Up to one-quarter of the Net Fiscal Benefit is shared with Indigenous government signatories to the Northwest Territories Land and Resources Devolution Agreement.

The amount of revenues collected each year varies depending on the performance of operating mines.

The GNWT raises revenues from resources in two primary ways: royalties and taxes.

Royalties

Non-renewable resources, once extracted, are no longer available for future use. Royalties serve to convert a non-renewable resource into a financial asset for public benefit. Royalties are based on the assessed value of the diamonds mined at source minus allowable deductions claimed by the company. A mine is charged an escalating royalty rate that can vary from 0% to 13% depending on the value of the mine's production after deductions. The value of the minerals produced from a mining operation is influenced by numerous factors including market prices, the quality of resources being extracted, capital and operating costs of the mining operation, and interest and exchange rates.

In 2021-22, the GNWT collected \$37 million in royalties.

ITI committed to reviewing the royalty regime as part of its work to develop the regulatory framework for the MRA. Current royalty regulations were mirrored from the federal regulations as part of Devolution. The last major revision of regulations was in the 1990s in response to the emergence of the NWT diamond

industry. Most jurisdictions with active mining industries review royalty regimes approximately every ten years as a best practice to see if the regime is continuing to strike a balance between attracting investment and providing fair return to the public.

Taxes

NWT diamond mines also provide the GNWT with revenues from corporate income tax, property tax, fuel tax and carbon tax. In the past three years, diamond mines have contributed 40 per cent of these GNWT taxes. In addition, their employees pay payroll tax and personal income tax.

Taxes Paid by Employers:

Corporate Taxes: In the NWT, large companies such as diamond mines are subject to the general corporate income tax rate of 11.5% of corporate taxable income.

Property Taxes: Mines in the NWT are charged taxes on the assessed value of their properties. Most of the property tax revenues collected by the GNWT is from the diamond mines.

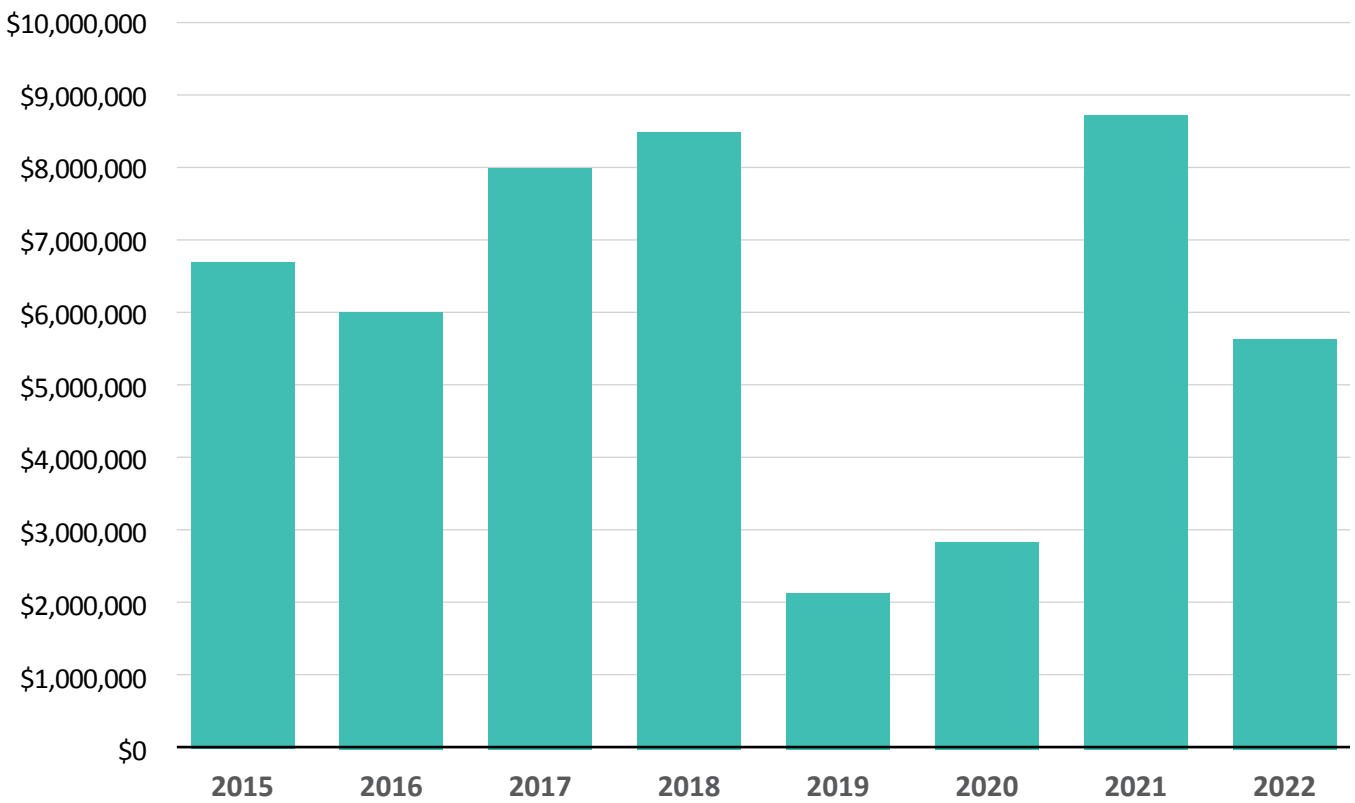
Fuel Taxes: Mines use power generation facilities, haul trucks, and processing equipment that consume significant quantities of fuel which (except for heating) is taxed.

Carbon Tax: The diamond mines are subject to carbon tax on fuel consumed in their operations. Effective April 1, 2023, diamond mines receive an annual rebate up to 72 per cent of carbon tax paid to a specific consumption baseline for each mine.

Cash Distribution of Resource Revenue Sharing Amounts to Indigenous Government Signatories to the Devolution Agreement

2015	2016	2017	2018	2019	2020	2021	2022
\$6,700,591	\$5,943,715	\$7,968,685	\$8,449,302	\$2,091,536	\$2,910,318	\$8,634,611	\$5,661,083

Total Distribution of Resource Revenue to Indigenous Government Signatories to the Devolution Agreement



Secondary Diamond Industry

As part of their SEA commitments, NWT diamond mines agree to supply a percentage of rough diamonds to Approved NWT Diamond Manufacturers (ANDM).

Ensuring a local supply of diamonds helps to support secondary industries in cutting and polishing and provides local opportunities for employment and training in these industries.

The Polar Bear Diamond™ brand was re-launched internationally at JCK, in June 2022, and in Yellowknife, at the NWT Diamond and Jewellery Centre in July 2022.

The diamond certification program was also updated. The GNWT has signed Grading Lab Licence Agreements with the Gemological Institute of America (GIA) and the Gemological Science International (GSI).

DIAMOND DEFINITIONS



Polar Bear Diamond™: GNWT-owned trademark, provides origin of the diamonds as Mined, Cut and Polished in the NWT. There are minimum requirements of size and quality.

Government Certified Canadian Diamond: GNWT-owned trademark, provides origin of the diamonds as Mined, Cut and Polished in the NWT.

Carat (ct): The carat is a unit of mass equal to 200 mg (0.00705 oz), or 0.00643 troy oz, and is used for measuring gemstones and pearls.

JCK: The diamond industry’s largest and most renowned jewelry trade event takes place in Las Vegas every year. With more than 30,000 industry professionals from over 130 countries, it’s a global gathering of the people, products and innovation covering all major facets of the jewelry industry.

ROUGH DIAMOND PURCHASE BY ANMD – 2022

	Total Rough Purchase	5,214 ct
	Local Manufacturing	2,777 ct

POLISHED DIAMONDS EXPORTS – 2022

	Polar Bear Diamonds™	485 ct
	Government Certified Canadian Diamond™	204 ct
	Polished – Others	442 ct



FEATURE STORY



DET'ON CHO CORPORATION

Det'on Cho's Continued Growth

The growth of the Det'on Cho Group of Companies is the kind of story the signatories of Socio-Economic Agreements envisioned when they put ink to paper decades ago.

Today, Det'on Cho comprises 18 businesses (six fully owned subsidiaries and 12 partnerships) with annual revenues expected to exceed \$60 million in the next year. In construction, transportation, logistics and expediting, remediation, and hospitality services, the economic development arm of the Yellowknives Dene First Nation employs more than 300 workers through its businesses, and hundreds more through its partnerships.

Not bad for a business that began with a \$15,000 grant back in 1988.

John Henderson, CEO of the Det'on Cho Group of Companies, credits much of the firm's successes with its early partnerships with the diamond mines. "They did lay the foundation for us," he said.

And though these relationships began early in the life of the diamond mines, 2009 was the year that set Det'on Cho on its current path. That's when Det'on Cho established its own catering, janitorial and housekeeping services company—Bouwa Whee Catering—at the Diavik Diamond Mine.

Diavik was patient as the start-up got off the ground. Before long, Bouwa Whee Catering had also secured contracts to provide catering services elsewhere—at De Beers Canada’s Snap Lake mine and then at Gahcho Kué, in 2017.

Now, Bouwa Whee employs up to 200 people, with Indigenous employees representing roughly half of its workforce and more than 80 percent of its staff calling the North home. The company would not have been able to grow at that scale, or that quickly, without their initial partnership with Diavik, said Henderson.

In 2009, Det’on Cho also started a logistics company with two Yellowknife-based entrepreneurs, providing support to Snap Lake and later winning contracts with Diavik and Gahcho Kué.

As Det’on Cho Logistics grew, it acquired local competitors and, in 2021, Det’on Cho bought out its original business partners to become full owners of the company. Det’on Cho Logistics now even has contracts with mines operating outside of the NWT.

Contracts with the diamond mines have been instrumental to the growth of the Det’on Cho Group of Companies, allowing it to build up both capacity and capital. But as part of its recent strategic planning, Det’on Cho Group of Companies has begun to look at other avenues of growth based on the recognition that diamond mines have finite lives.

In early 2023, Det’on Cho announced plans to acquire Kavanaugh Bros. Ltd., which provides waste management services for the City of Yellowknife. This purchase comes on the heels of recent major investments in the local real estate sector and medical travel services.

“We basically built our plan around the need to diversify our asset base to prepare for a life without mines,” said Henderson. “From a diamond mine perspective, that’s what they would hope for. That’s exactly what they want.”

And as Det’on Cho Group of Companies grows, so too do the benefits to the Northwest Territories—through employment opportunities and future wealth generation for the Yellowknives Dene First Nation.





Since 1996

33,613



**CUMULATIVE PERSON
YEARS OF EMPLOYMENT
FOR NWT RESIDENTS**



Employment and Participation in the NWT

- Employment Targets
- 2022 NWT Mine Employment
- Cumulative NWT Diamond Mine Employment (1996-2022)
- 2022 NWT Employment by Community
- Job Categories
- 2022 NWT Employment by Job Category
- Feature Story: The Legacy of the Northern Leadership Development Program

1,094 Person Years of Employment for NWT Residents in 2022

Employment Targets

Each SEA includes employment commitments made by companies to hire NWT and NWT Indigenous residents. NWT mines employ local workers directly or through contractors and their employment commitments aim to maximize economic opportunities for NWT residents. Mines recruit and retain local workforces through incentives such as Northern benefit and relocation packages for NWT employees.

NWT resident is a term included in SEAs to describe a person whose primary residency is in the NWT. For employment commitments under SEAs, the term Indigenous describes a member of an Indigenous government or First Nation identified in the SEAs.



CONSTRUCTION

33% NWT
50% of which should be NWT Indigenous employees

OPERATIONS

62% NWT
50% of which should be NWT Indigenous employees



CONSTRUCTION

40% NWT

OPERATIONS

66% NWT
40% of total workforce should be Indigenous



CONSTRUCTION



35% NWT

OPERATIONS

55% NWT

CLOSURE

55% NWT

Achieved Commitment 
 Missed Commitment 

Employment numbers are rounded up or down and may not add up exactly.

2022 Mine Employment

In 2022, the NWT mines supported 1,094 Person-Year (PY) equivalent employment to NWT residents.

NWT Mining Industry

Total NWT Employment: 37.0% (1,094 PY)		TOTAL PERSON YEARS: 2,960 PY
19.1% (565 PY)	17.9% (529 PY)	63.0% (1,866 PY)
Indigenous NWT Employment	Non-Indigenous NWT Employment	Southern Employment

Ekati

Total NWT Employment: 30.2% (344 PY) 		TOTAL PERSON YEARS: 1,141 PY
17.9% (204 PY) 	12.3% (140 PY)	69.8% (797 PY)
Indigenous NWT Employment	Non-Indigenous NWT Employment	Southern Employment

Diavik

Total NWT Employment: 42.1% (518 PY) 		TOTAL PERSON YEARS: 1,230 PY
18.3% (225 PY)	23.8% (293 PY)	57.9% (712 PY)
Indigenous NWT Employment	Non-Indigenous NWT Employment	Southern Employment

Gahcho Kué

Total NWT Employment: 39.4% (232 PY) 		TOTAL PERSON YEARS: 589 PY
16.3% (136 PY)	23.1% (96 PY)	60.6% (357 PY)
Indigenous NWT Employment	Non-Indigenous NWT Employment	Southern Employment

SEAs Explained: What is a Person-Year?

Throughout this report, employment is expressed in person-years. In their reporting, Diavik and Gahcho Kué define one Person-Year (PY) as 2,184 hours—an equivalent to the annual total of hours worked on a two-weeks-in and two-weeks-out rotation (14 12-hour days x 13 rotations per year). In its reporting, Ekati defines one Person-Year as 2,080 hours—an equivalent to 40 hours per week for 52 weeks. As part of its ongoing SEA Program Redesign, the GNWT is seeking to standardize the Person-Year formula for future reporting.

Cumulative NWT Diamond Mine Employment (1996-2022)

Employment numbers are rounded up or down and may not add up exactly.

NWT Mining Industry

TOTAL PERSON YEARS: 70,721

Total NWT Employment: 47.5% (33,613 PY)		
23.7% (16,769 PY)	23.8% (16,844 PY)	52.5% (37,108 PY)
Indigenous NWT Employment	Non-Indigenous NWT Employment	Southern Employment

2022 NWT Employment by Community

Behchokò	86.92	Hay River	120.27
Déłıne	5.86	Inuvik	3.5
Dettah	1.91	Jean Marie River	3.4
Enterprise	1.95	Kakisa	2.47
Fort Good Hope	2.86	Łutselk'e	6.59
Fort Liard	1	Norman Wells	2.3
Fort McPherson	1.54	Tulita	1.13
Fort Providence	9.11	Wekweètì	6.18
Fort Resolution	9.45	Whatì	24.69
Fort Simpson	8.63	Wrigley	1.31
Fort Smith	37.91	Yellowknife	730.66
Gamètì	13.35	NWT Not Identified	4.93

Source: Arctic Canadian Diamond Company, Diavik Diamond Mine Inc., De Beers Group Canada

- Note:*
- Community employment numbers are rounded to one decimal and may not add up exactly to NWT employment totals.
 - Communities with no mine employment (Aklavik, Colville Lake, Kátł'odeeche, Nahanni Butte, Paulatuk, Sachs Harbour, Samba K'e, Tsiigehtchic, Tuktoyaktuk, Ulukhaktok) are not included in this table.
 - Ndiłò figures are included in Yellowknife.



Job Categories



Professional and Management

Requirements: A university degree and/or professional designation. *Positions may include engineers, accountants, lawyers.*



Skilled

Requirements: A journeyman certification, and years of experience in the role. *Positions may include electricians, plumbers, industrial mechanics.*



Semi-Skilled

Requirements: Some schooling and experience. *Positions may include apprentices, front-line supervisors, operators.*



Entry Level

Requirements: Grade 10-12 and can be trained on the job. *Positions may include housekeeper, cook's helper, labourer.*

2022 NWT Employment by Job Category



Professional and Management

42.1% of Professional and Management positions are filled by NWT residents
57.9% of Professional and Management positions go south



Skilled

22.4% of Skilled positions are filled by NWT residents
77.6% of Skilled positions go south



Semi-Skilled

44.7% of Semi-Skilled positions are filled by NWT residents
55.3% of Semi-Skilled positions go south



Entry Level

75.5% of Entry-Level positions are filled by NWT residents
24.5% of Entry-Level positions go south

FEATURE STORY



A Legacy of Northern Leadership

Search the LinkedIn profiles of politicians, mine management, and senior government bureaucrats born and raised in the NWT, and you'll find many of them have something in common—at one point in their careers, they graduated from the Northern Leadership Development Program (NLDP), or its predecessor.

One of Aurora College's most popular programs, NLDP began as the Aboriginal Leadership Development Program. The Diavik-led initiative was delivered in partnership with the Southern Alberta Institute of Technology in Calgary, with participation from Aurora College. Designed to help increase the number of qualified Indigenous employees in supervisor and management roles at Diavik, mine officials helped form NLDP with curriculum based on Rio Tinto's leadership competencies.

In 2005, Diavik offered the inaugural seven-module course, with 160 hours of leadership training, to its employees and contractors, matching up participants with a manager employed at the mine for mentorship. The mentor's role was to provide ongoing support and

assist the participant in applying the theory discussed in the classroom to actual practice in the workplace.

From 2005 to 2010, 59 individuals graduated from the program. These leaders moved on to take roles as NWT MLAs, a current director with the GNWT, a mine maintenance superintendent, a Red Seal journeyman, and managers and elected officials at businesses and governments across the territory.

In 2011, Aurora College took over the program and expanded it to include participation from other Northern mines and businesses. Since that time, 159 participants have graduated from the program. That number doesn't include the 33 students currently enrolled in the 2022-23 program.

Now, nearly 20 years after it was first developed, the program is bigger than ever. In 2021-22, 36 Northerners representing 12 employers (including all three diamond mines, as well as Indigenous, federal, territorial, and municipal governments) participated in the program.

“Graduates continue to tell us [about] the profound positive influence this program has in every aspect of their lives—in their workplaces, communities, and in their families,” said Karen Horn, Continuing Education Coordinator with Aurora College. “This impact creates a ripple effect across the North. We feel fortunate to be a part of that.”

The NLDP curriculum is constantly evolving, based on new insights and research into leadership. Throughout the nine modules of the program, participants learn to grow and develop their skills, such as how to communicate effectively, motivate and inspire others, manage conflict, and make strategic decisions.

Changes to the program also reflect comments and feedback from participants, mentors, and employers over the years. NLPD is offered through a blended model, with some modules occurring online and others delivered face-to-face. The mentorship component remains an important part of the program.

Today, as Diavik begins work on its mine closure plan, the acclaimed leadership program it initiated two decades ago is poised to continue developing future Northern leaders long after the mine’s operations end.





NWT MINE TRAINING SOCIETY

2021-2022

1,338



**NWT STUDENTS
RECEIVED STUDENT
FINANCIAL ASSISTANCE**





NWT MINE TRAINING SOCIETY

Training and Education in the NWT

- Building a Strong Northern Workforce
- Entry Level
- Semi-Skilled
- Skilled
- Professional and Management
- Feature Story: Introducing the Job Profiles Template Project

32

Apprentices
Employed Through
NWT Mines in 2022

13

Employed Directly
with Mines

19

Employed with
Contractors

Building a Strong Northern Workforce

Training and skills development are integral components of workforce development, supporting an individual's career path and future earnings. Training and education can lead residents to better employment, from entry-level positions to skilled positions commanding higher salaries. NWT mines work together with ECE and organizations like the Mine Training Society, Skills Canada, and Aurora College to support a strong Northern workforce and offer skill development opportunities to the Territory's residents.

The NWT resource development industry is continuously growing and in search of new employees to fill positions. ECE contracted the development of a Labour Market Forecast Needs Assessment from the Conference Board of Canada that predicts the labour needs of the NWT out to 2040.

It forecasts a large percentage of positions will require college, apprenticeship, or university education, and/or extensive work experience and seniority. The forecast, released in April 2022, emphasizes the need for a strong Northern workforce.

Entry-Level

Commitments under SEAs

Training and skill development commitments made by the GNWT and mines through SEAs are intended to support the training of a territory-wide qualified northern workforce. Some examples of commitments include:

- Mine commitments to collaborate with the GNWT and other agencies to deliver community-based literacy programs.
- Mine commitments to place an emphasis on pre-employment training for NWT residents.
- Mine commitments to establish an information and orientation program for high school students addressing job opportunities in the mining industry.
- GNWT commitments to maximize training opportunities by supporting initiatives and programs that help residents obtain the skills required to obtain employment.

Literacy Skills Support in NWT Homes

Skill development starts at an early age. Higher literacy rates boost the chances of obtaining jobs that pay a living wage and encourage individuals to pursue higher education and other educational opportunities.

De Beers Group has long championed literacy development with their Books in Homes program. Launched in 2003, the program delivers free books to youth in NWT communities to encourage literacy skills. Initiatives like this are part of the company's "Building Forever" sustainability strategy that aims to benefit NWT residents beyond the life span of the mine.

2022 Training Uptake by Impacted Community

Several programs were offered in 2022 to meet the GNWT's commitments to train a local NWT workforce. These programs complement initiatives supported by individual mines.

The **Community Literacy Development Fund (CLDF)** provides financial assistance to community organizations to develop and deliver local programs that will increase literacy skills and raise awareness of the importance of literacy. The program supports literacy development in all eleven NWT official languages and places a priority on Indigenous languages.

The **Trades and Occupations Wage Subsidy Program (TOWSP)** provides subsidies to employers to support hiring and training of individuals as they progress through the initial years of an apprenticeship or occupation certification programs.

The **Employee Training Program/Wage Subsidy Program (ETP/WSP)** provides support to employers, who have proactively hired employees in anticipation of their workforce needs, to offset the cost of training the new employees. The program provides support for training and may be used to support under-employed or employed individuals in need of additional training to either maintain their current job or progress to a different or better job.

The **Wage Subsidy Program (WSP)** provides support to employers to hire and train NWT residents. This program is intended to provide work experience and training to better enable participants to obtain meaningful long-term employment.

The **Skills Development Program (SDP)** provides support for individuals through short-term training opportunities to develop essential skills that could lead to future employment. These include literacy and numeracy skill development, workplace essentials, employment readiness programs, and pre-employment training courses.

The **Self-Employment Program (SEP)** provides support to eligible individuals who are starting a small business or taking over an existing business in which they had no prior ownership. Assistance is provided to clients through assessing their business idea, personal suitability, family issues, financial risks, and the resources available or required to be successful.

The **Small Community Employment Support (SCES) Program** supports small NWT communities and regional centres in developing employment opportunities.

Community Training Partnerships (CTP) provide training/skills development opportunities to improve the subsequent employment prospects of participants.

Job Creation Partnerships (JCP) provide work experience opportunities to improve the employment prospects of participants.

The **Strategic Workforce Initiative (SWI)** supports community partners in undertaking labour market activities that promote labour force development, workforce adjustments, and effective human resources planning.

Training Uptake by Impacted Community (2022)

Behchokò

	Indigenous	Non-Indigenous	Not Reported	Total
SDP	1	-	-	1
SCES	-	-	-	27

Fort Resolution

	Indigenous	Non-Indigenous	Not Reported	Total
TOWSP	1	-	-	1
SCES	-	-	-	12

Yellowknife

	Indigenous	Non-Indigenous	Not Reported	Total
SDP	21	49	4	74
SCES	-	-	-	0

SEP	3	11	-	14
ETP WSP	12	42	2	56
TOWSP	13	33	4	50
CLDF	-	-	-	6

Dettah/Ndilò

	Indigenous	Non-Indigenous	Not Reported	Total
SCES	-	-	-	N/A

Wekweètì

	Indigenous	Non-Indigenous	Not Reported	Total
SCES	-	-	-	8

Whatì

	Indigenous	Non-Indigenous	Not Reported	Total
SCES	-	-	-	27

Gamètì

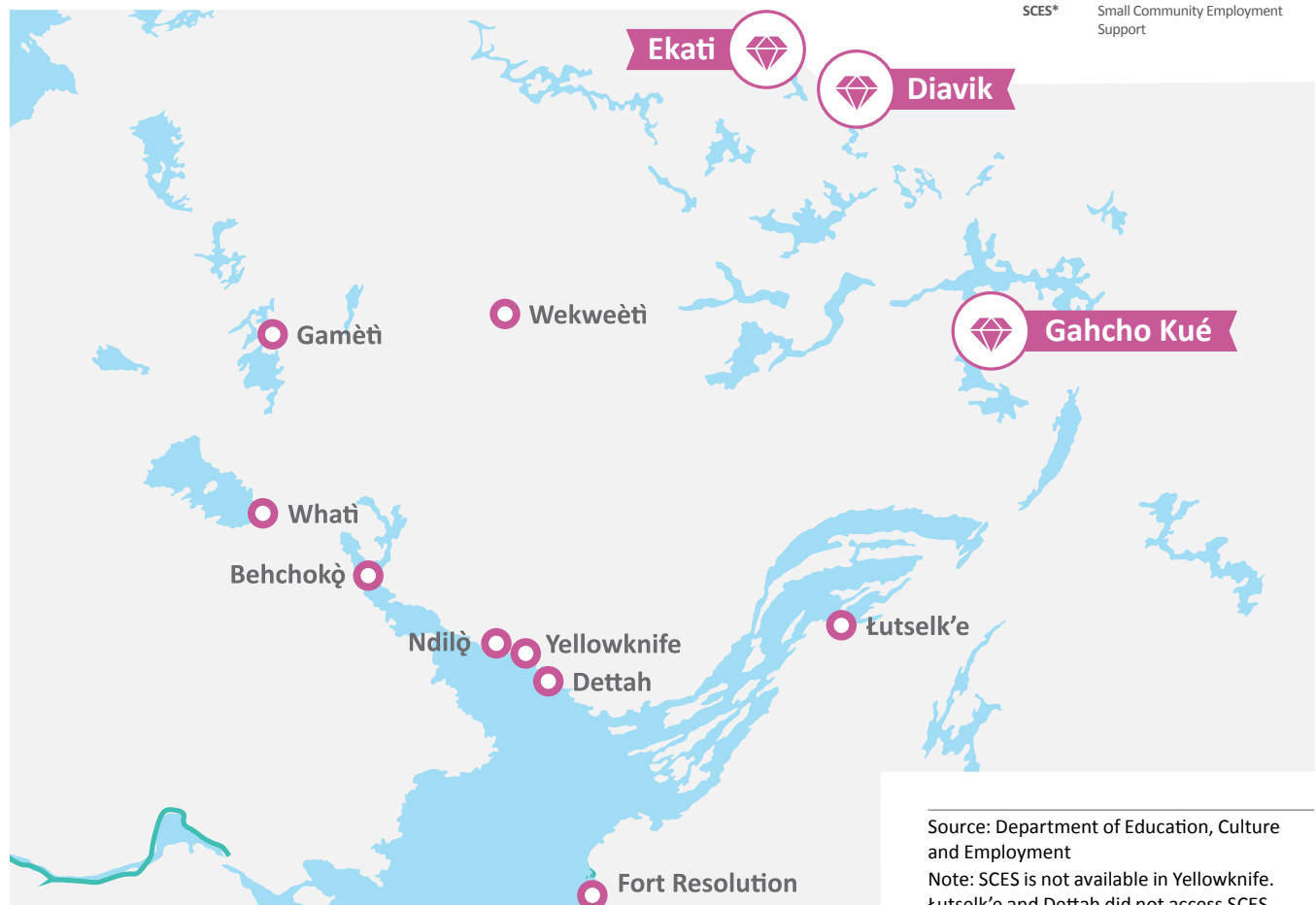
	Indigenous	Non-Indigenous	Not Reported	Total
SCES	-	-	-	33

Łutselk'è

	Indigenous	Non-Indigenous	Not Reported	Total
SCES	-	-	-	N/A

Legend

- Indigenous
- Non-Indigenous
- Not Reported
- CLDF* Community Literacy Development Funds
- TOWSP Trades and Occupations Wage Subsidy Program
- ETP/WSP Employee Training Program / Wage Subsidy Program
- SDP Skills Development Program
- SEP Self Employment Program
- SCES* Small Community Employment Support



Source: Department of Education, Culture and Employment

Note: SCES is not available in Yellowknife. Łutselk'è and Dettah did not access SCES in 2022. Where no data appears in the tables, that means no individual from that community accessed that labour market program in 2022.

Semi-Skilled

Commitments under SEAs

NWT mines support organizations such as the Mine Training Society to deliver training programs and initiatives for the NWT labour force. For NWT residents, skills adopted, and time spent in these programs contribute credits towards a certification or status recognized under the *Apprenticeship, Trade, and Occupations Act*.

Mine Training Society

The Mine Training Society (MTS) partners with multiple organizations including the GNWT and NWT mines to support individuals interested in obtaining employment at a mine.

MTS offers mentoring, scholarships, criminal record suspension help, job coaching services, and workshops to help residents build skills and connect participants with the mines after their training.

2021-2022
GNWT Mine
Training Society
Investment
\$185,000

Skilled

Training Commitments under the SEAs

All three producing mines have commitments to employ apprentices from the GNWT apprenticeship program to gain on-the-job experience.

- Ekati has committed to make available all opportunities of advancement to employees who are NWT residents, including training and apprenticeships.
- Diavik has committed to provide at least eight, and up to 18, apprentice positions annually during the operations phase. It met its commitment in 2022 with ten apprentices.
- Gahcho Kué has committed to providing training for ten apprentices throughout the life of the mine. Gahcho Kué continues to honour its commitments, with six apprentices in 2022.

Aurora College

Aurora College helps residents obtain the skills needed to progress through their careers and provides scholarship opportunities for individuals looking to pursue a career in trades. NWT mines partner with Aurora College as part of their SEA requirements. The college delivers a broad spectrum of adult and post-secondary programs to meet the needs of individuals, communities, and the labour market at three NWT campuses and through a network of 21 community learning centres.

Blue Seal Program

The Achievement in Business Competencies (Blue Seal) Program is a credential offered by NWT Apprenticeship, Trade and Occupation Certification (ATOC) to individuals with a valid Journeyman Certificate, Occupational Certificate, or another valid trade certificate recognized in the NWT.

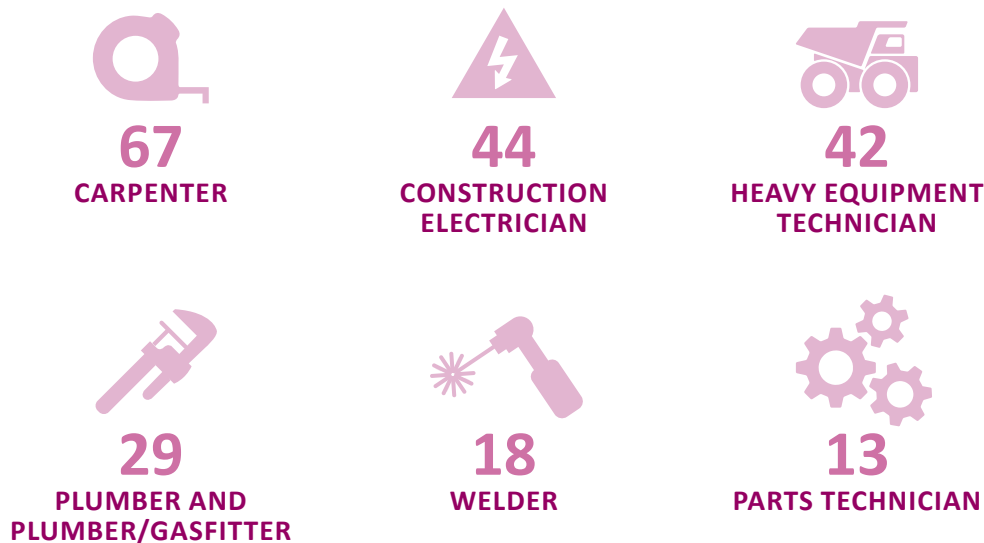
The Blue Seal Program was established by Alberta Apprenticeship and Industry Training (AIT) to encourage and recognize business training for certified journeymen. Earning a Blue Seal proves that a candidate not only meets high industry standards, but also has the knowledge and drive to develop their

business skills and succeed in business. To obtain a Blue Seal, journeymen must complete 150 hours of business education. This can be achieved by completing one or more programs of study approved by the NWT ATOC, completion of study through one or more approved areas of study through a recognized training provider totaling 150 hours, or a combination of the two.

NWT Journeymen or Occupational Certificate holders who complete the Blue Seal Program are well positioned to move into leadership, supervisory, entrepreneurial, or other roles.

Number Apprenticeships

Number of Apprenticeships by Trade in the NWT (2022)



COOK	8	INDUSTRIAL ELECTRICIAN	2
INDUSTRIAL MECHANIC – MILLWRIGHT	6	CRANE OPERATOR	1
POWERLINE TECHNICIAN	3	INSTRUMENTATION TECHNICIAN	1
		MACHINIST	1

Source: Department of Education, Culture and Employment

Professional and Management

Commitments under SEAs

NWT mines have made commitments to provide scholarships and summer employment opportunities to aspiring students looking to build careers in mining-related fields. De Beers, for instance, has committed to four professional development positions for its employees during the life of the Gahcho Kué mine.

Scholarship programs provided in 2022 for those interested in a mine-related career included:

- Rio Tinto Diavik Diamond Mine Community Scholarship Fund
- De Beers Group STEM Scholarship Program for Women in Canada

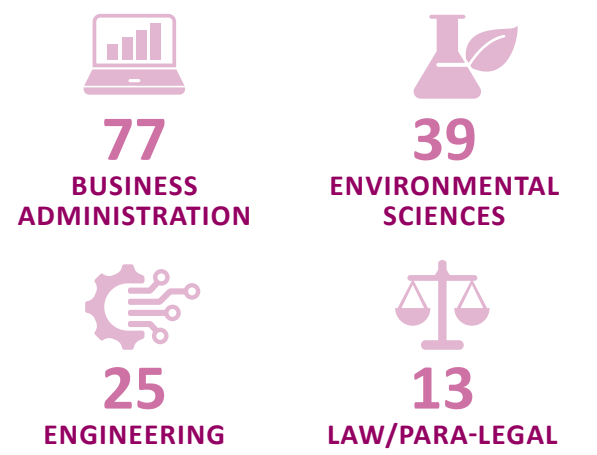
Student Financial Assistance

The GNWT’s Student Financial Assistance (SFA) program provides financial support for NWT students pursuing higher education in their field of study. It also facilitates connections between interested students and mining companies for scholarships or career opportunities.

The SFA office provides information on potential job opportunities to students, on behalf of employers, which can be tailored by program of study. Statistical information on programs of study is available to employers upon request.

Support was provided to **1,338 NWT** students during the 2021-2022 academic year

SFA provided by field of study



Source: Department of Education, Culture and Employment

FEATURE STORY



Helping NWT Residents Find Their Ideal Job

Jobseekers in the NWT will soon have access to an online database featuring detailed information about every position offered at the territory's diamond mines. With just a few clicks of a mouse, NWT residents will be able to create their own job profiles, sorting through the listings to learn what positions they are currently suited for, what roles appeal to their interests, and what training they need for their ideal job.

Work on this job profiles initiative started in 2022, with an inventory of all positions that exist at Ekati, Diavik and Gahcho Kué. The mines included a description of each position, as well as its educational or certification requirements, an expected salary range associated with the role, and its rotational schedule.

The purpose of the project is to give NWT job candidates a resource of all the opportunities available at the diamond mines. Young people thinking about careers after high school or workers considering growth opportunities or a change in career can use the searchable database to find jobs tailored to their specific interests or educational backgrounds.



“This practical information will allow NWT residents to take tangible steps towards specific career objectives—whether that’s enrolling in certification courses or a post-secondary degree program, signing up for hands-on training workshops, or starting an apprenticeship,” said Dianna Beck, Director of the Mineral and Petroleum Resources Division with ITI.

The database will be hosted on the *Mining North Works!* Website, a partnership between the NWT & Nunavut Chamber of Mines, industry, territorial and Indigenous governments, and training and educational organizations.

The job profiles project is just one of many initiatives designed to encourage increased local employment at the NWT’s diamond mines, and to maximize the benefits to the Northwest Territories from the mining industry.

ITI is currently designing the database and hopes to have it available on *Mining North Works!* in 2023.



2022

+35



**NUMBER OF COMMUNITY
DEVELOPMENT PROJECTS
EKATI SUPPORTED**



Wellness

- Diavik Measure 6
- Feature Story: Gahcho Kué Partners on Baby Bundles

2022

\$545,000

Diavik's Total Community Contributions

\$187,000

Annual Contribution by Gahcho Kué to the Baby Bundles Program

Diavik Measure 6

In 2019, Diavik submitted a plan to the Mackenzie Valley Review Board to store processed kimberlite—the mineral in which diamonds are found—in mined-out pits and underground at their mine site. As part of the subsequent environmental assessment, the Review Board required six mitigation measures be put in place.

Measure 6 directed the GNWT to implement adaptive management of cultural impacts to Indigenous governments from Diavik’s plan. To this end, the GNWT is working with Indigenous governments to develop community-specific indicators, which will enable the monitoring and tracking of cultural wellbeing in communities with an aim to manage and adapt to impacts from the project.

The GNWT and Indigenous governments have hosted more than a dozen engagement sessions to define and inform the creation of these cultural wellbeing indicators.

Meetings have been held virtually or were conducted by Indigenous governments separately from the GNWT. Methods of collecting data have differed depending on the approach taken by each Indigenous government and range from community workshops to surveys and questionnaires. Engagements involved multiple members, leaders, and elders from participating communities and included regular Technical Advisory Panel (TAP) meetings to direct the progress of this work.

The Indigenous governments involved include:

- **Tłıchǫ Government**
- **North Slave Métis Alliance**
- **Northwest Territory Métis Nation**
- **łutselk’e Dene First Nation**
- **Denínú Kúé First Nation**
- **Yellowknives Dene First Nation**
- **Fort Resolution Métis Government**
- **Kitikmeot Inuit Association***

**The Kitikmeot Inuit Association indicated it did not have the administrative resources, or an interest in the adaptation of Measure 6 indicators to mines which do not affect Inuit interests.*

In May 2022, an independent contractor hired by the GNWT released a report of cultural wellbeing indicators, which included a list of common (or shared) indicators to be prioritized. At the end of 2022, two Indigenous governments were still finalizing their cultural wellbeing indicators.

Ongoing work will now focus on refining the indicators and finalizing a data monitoring plan, with TAP meetings scheduled in 2023. The GNWT has provided tools and resources to help Indigenous governments fulfill the work under Measure 6. The completion of the data monitoring plan is expected in 2023.

► *From the Review Board's report of Environmental Assessment:*

Measure 6: Adaptive Management of Cultural Impacts

To mitigate significant cumulative adverse cultural impacts of the Project, the Government of the Northwest Territories will engage and work with Indigenous intervenors, and the communities they represent, to monitor and adaptively manage adverse impacts on cultural wellbeing from the Project, in combination with the Diavik Mine and other diamond mining projects.



DIAVIK DIAMOND MINE



Gahcho Kué Helps Prepare New NWT Parents and Caregivers With a Bundle of Support

The first years of a child's life are pivotal to its mental, physical, and emotional development. De Beers Canada and Mountain Province Diamonds, partners on the Gahcho Kué mine, have made it a priority to support early childhood initiatives across the NWT. Their goal is to strengthen the resilience of NWT communities well beyond the recovery of their last diamond.

In 2022, Gahcho Kué partnered with the GNWT's Department of Health and Social Services to begin offering a Baby Bundle to each NWT family expecting a child, including adopting and fostering a child. Stocked with everything from Vitamin D drops and digital ear thermometers to bibs and onesies, the Baby Bundle also includes a variety of resources for new parents and caregivers. These resources include a guide for creating a safe sleeping environment, nutrition advice, and tips for soothing a crying baby.

Available in every NWT community, the Baby Bundle is given to expecting families at prenatal appointments at the 30- to 32-week mark of pregnancy. The Baby Bundle can alternatively be provided after the baby's arrival at a Well Child visit, from a healthcare provider, or the Healthy Family Program. Parents and caregivers should access the Baby Bundle within the first six months of

the child's life, because many items are targeted to the baby's needs at that specific age.

Gahcho Kué embraced the program several years ago, as part its 'Building Forever' strategy, to identify ways to influence early childhood development across the NWT, said Kelly Brenton, Social Performance Manager for De Beers Group Canada. "The Baby Bundle initiative is intended to provide lasting benefits to local communities through health programs that enhance the social, educational and health aspects of a community."

Current research shows that supporting pre-natal and post-natal health can improve early childhood education levels. This, in turn, improves the livelihoods of all community members.

The Baby Bundle program seeks to improve infant and maternal health outcomes, improve relationships between healthcare workers and expectant and new parents and caregivers, relieve the financial strain on new parents and caregivers, strengthen communities by reducing inequalities, and provide opportunities for NWT businesses through procurement from local companies—including books from NWT children’s authors.

Gahcho Kué contributes \$187,000 annually to the program, covering 45 per cent of the program’s costs. The GNWT Department of Health and Social Services is footing the rest and designed the Baby Bundle through engagement and research. The program is a multi-year

commitment. Brenton said roughly 300 Baby Bundles were distributed in 2022.

The Baby Bundle program is aligned with Gahcho Kué’s early childhood literacy program. “Each bundle contains books to encourage literacy at an early age,” Brenton said. Gahcho Kué also provides books to community schools and has made recent financial contributions to the daycare in Fort Resolution.

“All of these programs speak to our commitment of building stronger communities by ensuring every child is given equitable access in the first years of life,” said Brenton.

WHAT’S IN THE BABY BUNDLE?

- Convertible diaper tote to backpack
- Short-sleeve, and long-sleeve onesies
- Baby leggings
- Bibs
- Hat
- Receiving blanket
- Hooded bath towel set
- Baby wash cloths
- Sleep sack
- Baby board book
- Diapers and wipes
- Nasal aspirator
- Digital ear thermometer
- Baby care shampoo, wash, diaper ointment
- Breast pads and nipple cream
- Maxi-pads
- Prenatal multivitamin
- Infant Vitamin D
- Condoms
- Baby keepsake file folder
- Children’s books from NWT authors



GOLD TERRARESOURCE CORP.

15.33%

OF EMPLOYEES IN
THE NWT MINING
INDUSTRY ARE WOMEN



Canadian average: 16%





VITAL METALS LTD

Women in Mining

- Women in Mining Employment
- A Focus on Trades
- Feature Story: Gaeleen MacPherson, President of New WIM NT Chapter



Ekati
14.20%
of employees were women in 2022



Diavik
16.08%
of employees were women in 2022

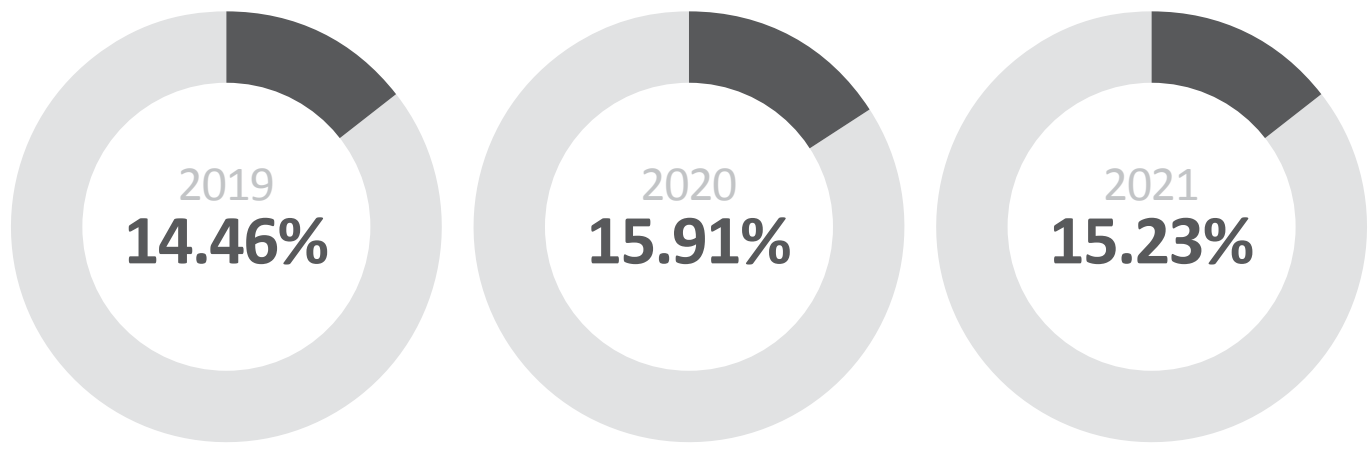


Gahcho Kué
15.96%
of employees were women in 2022

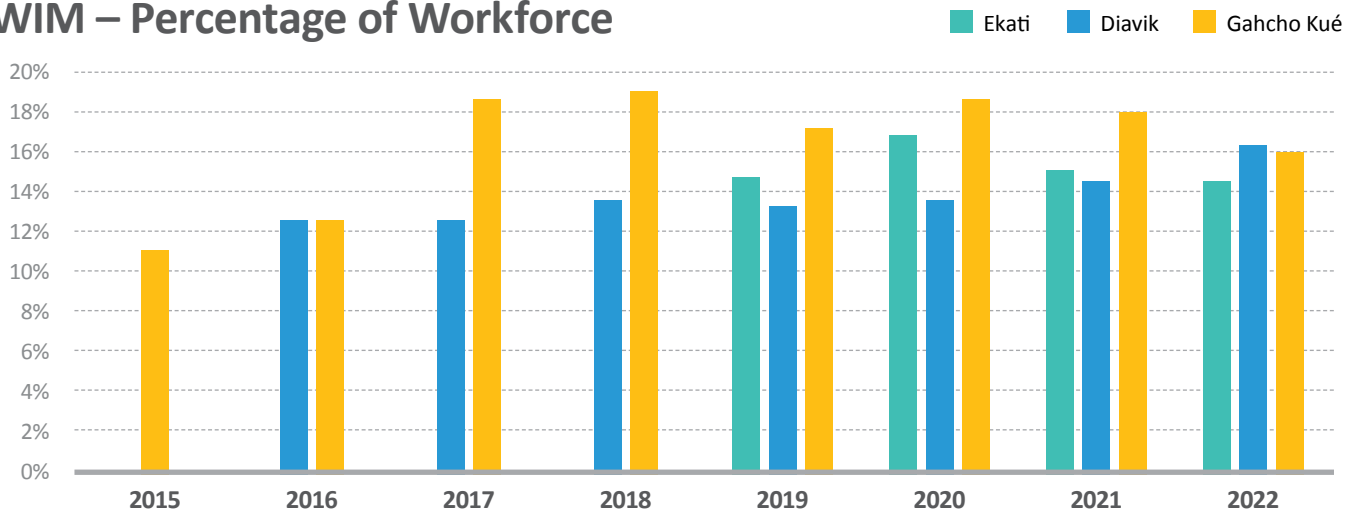
Women in Mining Employment

Since 2019, all three NWT diamond mines have voluntarily reported the number of female employees at their operations. (Gahcho Kué started reporting in 2015; Diavik in 2016.) Although their SEAs do not include targeted commitments for gender-based hiring, each of the NWT’s diamond mines recognizes the importance of developing a more representative workforce.

Women - NWT Employment Totals (2019 – 2022)



WIM – Percentage of Workforce



A Focus on Trades

Trades and Occupations Wage Subsidy Program (TOWSP) Enhancements

In January 2022, ECE made changes to the TOWSP to increase program funding for female apprentices in trades not traditionally filled by women. The program provides subsidies to employers to support hiring or training as employees progress through the initial years of an apprenticeship or occupation certification program.

The TOWSP redesign increases the total number of funding hours employers are eligible for from 3,200 hours up to 6,400 hours per apprentice. It also increases the hourly wage subsidy for employers hiring women in trades, from \$8.00 per hour to \$15.20 per hour.

Native Women's Association of Canada's National Apprenticeships Program

In 2022, the Native Women's Association of Canada (NWAC) rolled out its National Apprenticeship Program (NAP), created to connect small- and medium-sized Canadian businesses with Indigenous women, two-spirit, transgender and gender-diverse people looking to apprentice for a trade.

NAP was developed with funding from the Government of Canada's Apprenticeship Service, providing an incentive for businesses to hire first-year Red Seal apprentices. It was designed to provide businesses with fewer than 499 employees with \$10,000 in funding per position (up to \$20,000 annually, for a max of two positions).

It also provides employers with access to an exclusive job board with diverse apprenticeship candidates and resources to ensure their workplace is a culturally safe space for diverse employees. The program gives apprentices access to a job board with a variety of apprenticeship opportunities, with employers who prioritize diversity and inclusion.

NWAC is a national Indigenous organization representing political voices of Indigenous women, girls, two-spirit, transgender, and gender-diverse people in Canada. NWAC is inclusive of First Nations (on- and off-reserve, status, non-status, and disenfranchised), Inuit, and Métis.

FEATURE STORY



NWT WIM President Gaeleen MacPherson Shares Lessons Learned Through Her Career in Mining

Gaeleen MacPherson’s career has included a stop at every producing diamond mining company in the NWT. Her work has allowed her to travel the country and has been the source of non-stop learning opportunities. 2022 was an impressive year of accomplishments and accolades for MacPherson. But how did she get here?

It began with a realization, early on, that she needed to be her own biggest advocate and she shouldn’t hesitate from learning and growing in the workplace. It’s advice she now passes on to other northerners, and Indigenous and female colleagues in the industry.

MacPherson got her start in mining as a summer student with Diavik, while attending the University of Lethbridge. After completing her Bachelor of Management Degree in human resources and labour relations, with honours, she was hired as an HR Administrator for the Snap Lake diamond mine.

Eventually, MacPherson learned of an HR Coordinator opening. “It would have been a step up for me,” she said. “I knew that I could do the job, so I spoke with my boss and she gave me the opportunity to take on this new role.”

Clearly, MacPherson was the right fit for the position, later becoming Superintendent of Human Resources and Training for De Beers Canada. Soon after, she moved on to Dominion Diamond Mines, the former owner and operator of Ekati, where she climbed the ladder to VP of Corporate Affairs—the highest position held by an Indigenous woman in the NWT mining industry.

Today, MacPherson's career has come full circle. In 2019, she returned to Diavik as the Human Resources Business Partner and now holds the role of Senior Manager of Human Resources and Corporate Social Performance. Her contribution to the NWT's mining has been recognized by her peers: she became the first president of the NWT's Women in Mining chapter and she also won the inaugural Women in Mining Award at the Max Awards in 2022.

None of this was by accident. From the start, MacPherson knew she didn't want to limit herself to human resources and training initiatives at work. "We all have specialities," she said, "but I've always made it a point of learning about the broader business and what the issues, pain points, and opportunities are." This type of learning can help people make informed decisions as they get into leadership roles.

During her time at Snap Lake, MacPherson remembers the site services superintendent jokingly asking if she wanted to go to the sewage treatment plant. She surprised him by saying, "Absolutely!" That choice to learn about water and sewage management later proved instrumental to understanding the water issues that the mine, and MacPherson as a leader, would deal with.

Now, as President of the NWT's Women in Mining chapter, MacPherson is keen to help create connections between professionals with different backgrounds, through a mentorship network for women in the NWT mining sector. She also wants to build relationships with other Women in Mining chapters to link program offerings for members. That could include a baseline of professional training and development opportunities available at the three diamond mines to support women in their professional growth in the industry. "I think we can also look at unique partnerships with organizations that have gender equity as part of their programming, such as

the Mining Industry Human Resource Council, to look at how we can move the dial together on diversity in mining here in the North," she said.

Part of that work is improving the views of mining among young people, who, MacPherson said, don't seem very interested in mining careers today, believing it could be due to misconceptions that mining is "dirty" or doesn't meet the current focus on green energy. Born and raised in Edzo, roughly 100 kilometres northwest of the NWT capital, MacPherson pondered her own career prospects in a Yellowknife high school classroom not so long ago. She thinks it's important that young people know about green energy and greenhouse gas reduction efforts underway by NWT mines.

She also advises young people—and young professionals—to look for coaches and mentors they trust. "Coaches and mentors play important roles in growth and development," she said. "They are people who know the business you're in, know your profession, or just know you and can give you great feedback and advice when you're looking for it."

"Trusted people who are willing to tell you the good, the bad, and the ugly are important to have in your corner."

And they're important to have leading the charge to make the mining workforce more representative of the NWT's population.

Conclusion

For more than 25 years, the NWT's diamond mining industry has been the main driver of the territory's private sector economy, a reliable partner to many new and growing Northern businesses, a generous supporter of community programs and projects, and an important source of opportunity and income for residents.

Based on their SEA commitments, NWT mines continue to ensure the socioeconomic interests of NWT residents are addressed—particularly those people most closely impacted by mining projects. The actions of the mining industry and the GNWT in 2022 reflect and reinforce the ongoing value of these agreements.

2022 was, in many ways, a bounce back year for the industry, with the highest cumulative Northern procurement spending and employment numbers since the onset of the COVID-19 pandemic in early 2020. Northerners are, by their nature, resourceful and resilient, and these traits are shared by the NWT's diamond operations, as they forged ahead with strategies to re-emerge from the pandemic safely and productively.

That's good news for everyone. In 2022, the NWT's diamond mines contributed 30.0% of total territorial GDP and the benefits of the industry don't stop there. On top of the direct benefit of wages to employees, the industry's indirect spinoffs contribute significantly to construction, transportation, retail, and real estate sectors. Healthy diamond mines mean more household spending for employees who support local restaurants, airlines, and other small businesses across the territory.

Mines demonstrated their continued commitment to NWT businesses directly through local procurement, spending more than \$750 million with NWT businesses in 2022—an increase of more than \$75 million from 2021. Cumulative spending with NWT businesses since 1996 has just passed \$18 billion.

All three mines devoted more than 60 per cent of their total procurement spending to NWT businesses.

- Diavik contributed \$319.6 million to NWT businesses in 2022, which is 1.2 per cent above its commitment of 70 per cent.
- Gahcho Kué met its Northern procurement commitment of 60 per cent in 2022, contributing \$212.7 million to NWT businesses. This figure is 9.1 per cent above its target.
- Ekati contributed \$222.4 million to NWT businesses in 2022, more than 60 per cent of its total spend, but short of its 70 per cent target.

All three diamond mines met their training commitments through the employment of apprentices, but they each failed to achieve their NWT employment targets in 2022. The GNWT continues to work with the mines to increase NWT employment for future years.



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Partially through their commitments in SEAs, the NWT’s diamond mines are leaders when it comes to achieving Environment, Social, and Governance (ESG) goals—an increasingly important part of what attracts new investment in the mining industry.

As this report demonstrates, the mines have created lasting positive legacies for NWT residents—whether it’s through the development of an esteemed program that has nurtured future leaders for more than two decades; delivering valuable Baby Bundles to each new parent in the territory to help them navigate the most important days of their child’s life; or the millions in donations to community projects, post-secondary scholarships, and more.

The results are clear: the NWT remains open to doing business with investors who share in the northern commitment to responsible mining. SEAs, meanwhile, continue to ensure the territory’s residents, businesses, and governments benefit when their non-renewable resources are mined.







DIAMOND MINE



