

Dominion Diamond Corporation

Jay Project Developer's
Assessment Report

**Maximizing Benefits and
Minimizing Impacts to
Communities**



Overview of Presentation

Introduction

- Terms of Reference (TOR) requirements
- Locations in the Developer's Assessment Report (DAR) for Socio-Economics

Assessment approach for Socio-Economics

- Valued Components, Measurement Indicators
- Assessment Cases

KLOI: Maximizing Benefits and Minimizing Impacts to Communities

- Population, Economics and Employment – NWT Projections
- Maximizing Benefits
- Minimizing Impacts

Summary and Conclusions

Developer's Assessment Report – Main Sections and Appendices

Section/ Appendix Number	Section Title
Section 14	KLOI: Maximizing Benefits and Minimizing Impacts to Communities
Appendix 14A	Economic Impact Report
Annex XV	Socio-Economic Baseline Report

Topics covered relating to
“Maximizing Benefits and Minimizing Impacts”
fall into the study of
Socio-Economics

Assessment Approach

Valued Socio-Economic Components

Maximizing Benefits	Valued Component	Measurement Indicator
	Population Demographics	<ul style="list-style-type: none">• population growth or decline• in and out migration• ethnic composition• age and gender composition• language
	Economics	<ul style="list-style-type: none">• capital investment• Gross Domestic Product (GDP)• corporate taxes and royalties• other economic and fiscal effects such as inflation
	Employment	<ul style="list-style-type: none">• local and regional employment• employment, unemployment and participation rates
	Education and Training	<ul style="list-style-type: none">• labour force training initiatives• educational attainment• capacity of education services

Assessment Approach

Valued Socio-Economic Components (Continued)

	Valued Component	Measurement Indicator
Minimizing Impacts	Health and Wellbeing	<ul style="list-style-type: none"> • physical and mental health, and capacity of healthcare services • family structure, welfare, social and economic disparity, and capacity of social services • public health and safety, and capacity of emergency response services • crime, and capacity of protective services
	Physical Infrastructure	<ul style="list-style-type: none"> • housing stock and condition • capacity and condition of transportation infrastructure (air, roads) • capacity and condition of physical infrastructure • solid waste disposal • water and sanitation • utilities
	Non-Traditional Land Use	<ul style="list-style-type: none"> • non-renewable resource extraction • tourism and outdoor recreation • hunting (outfitting) and fishing (commercial) • parks and protected areas

Assessment Approach

Assessment Cases

Base Case		Application Case (Project Effects)	Reasonably Foreseeable Development Case
Reference Condition	Baseline		
Existing socio-economic setting up to 2014	Socio-economic setting from 2014 onward <ul style="list-style-type: none">including existing and approved developmentsexcluding the Project	Socio-economic setting from 2014 onward, <ul style="list-style-type: none">including existing and approved developments, and the Project	Application Case plus reasonably foreseeable developments

Assessment Approach

Socio-Economic Study Areas

Local Study Area

Communities with highest potential for effects (i.e., IBA communities)

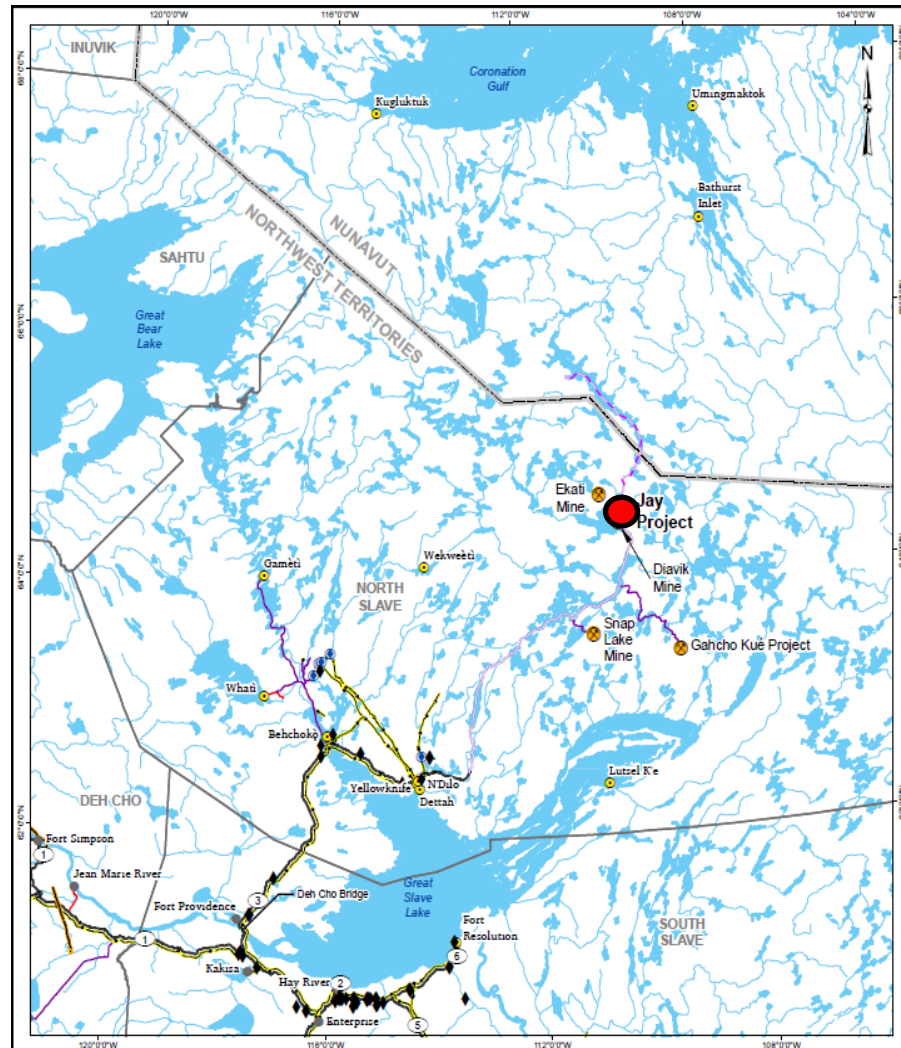
Regional Study Area

Regional effects are expected at the level of the NWT

Non-Traditional Land Use Study Areas

Local and Regional Study Area

Area around the Project where local and regional effects to resources and associated users could be expected



Population, Economics, and Employment

Economics and Population

Overview

- The Economic Impact Report was generated in part to address the Key Line of Inquiry Maximizing Benefits and Minimizing Impacts to Communities
- The information presented today can be found in the Economic Impact Report as an Appendix within the Developers Assessment Report
- This presentation will provide information regarding
 - the economic status of the NWT
 - the economic research methods and concepts
 - baseline projections of the NWT economy in absence of the Jay Project
 - the economics of the Project; that is, planned expenditures on labour and capital
 - the direct, indirect, and induced effects of these expenditures highlighting effects on employment, labour market, and population

Economics and Population

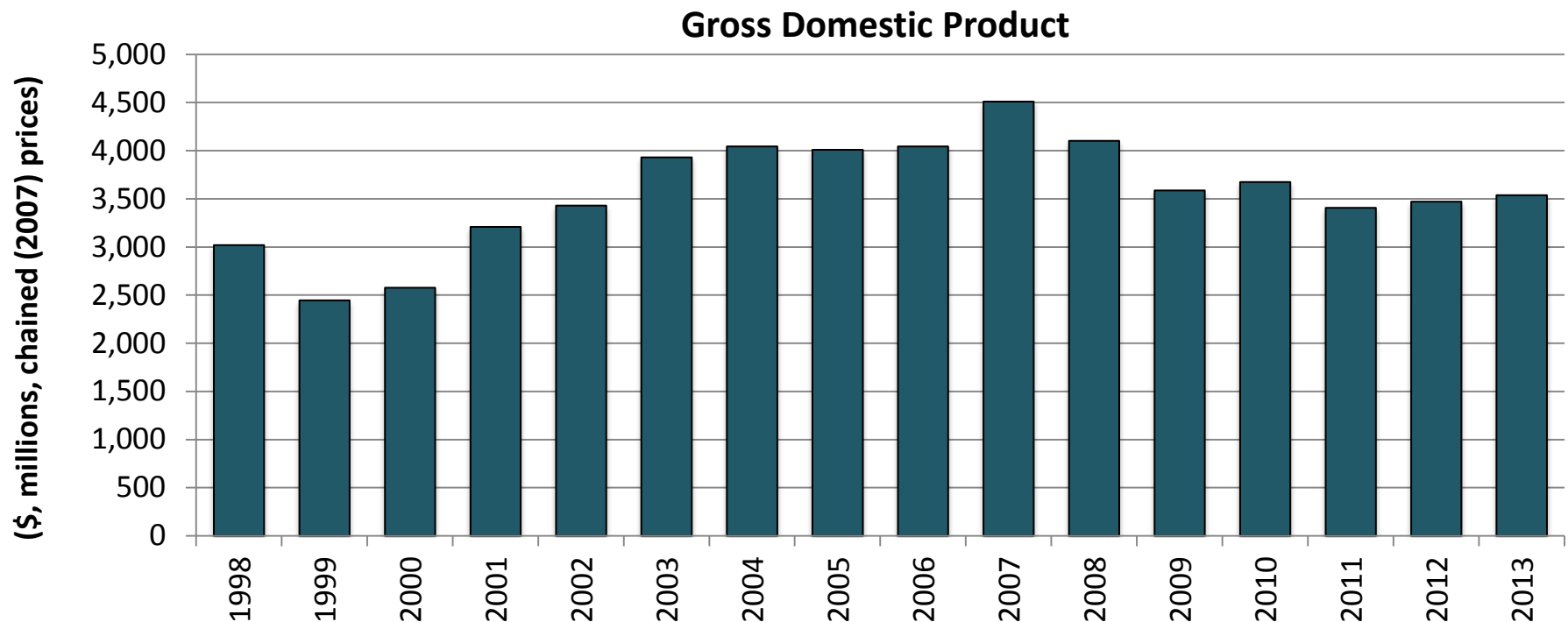
Some Important Economic Considerations

- After growing rapidly with the opening of Ekati and Diavik, the economy has stalled in recent years
- Importantly, there are only a few new projects with any realistic chance of proceeding in the next 5 to 10 years
- Mining is still the most important industry in the NWT's private sector economy, creating thousands of jobs directly, and thousands more indirectly and through induced effects
- Employment has been growing slowly since the 2008-09 recession, but has been falling throughout the current year
- Over the past several years, the NWT has been challenged with labour force retention, out-migration, and deruralisation—all of which is disrupting populations in communities and the overall population
- The prospect of mine closures puts the economy and its labour force at risk, which can affect consumer confidence and further threatens the sustainability of the territory's current population

Economics and Population

Review of Current Economy: GDP

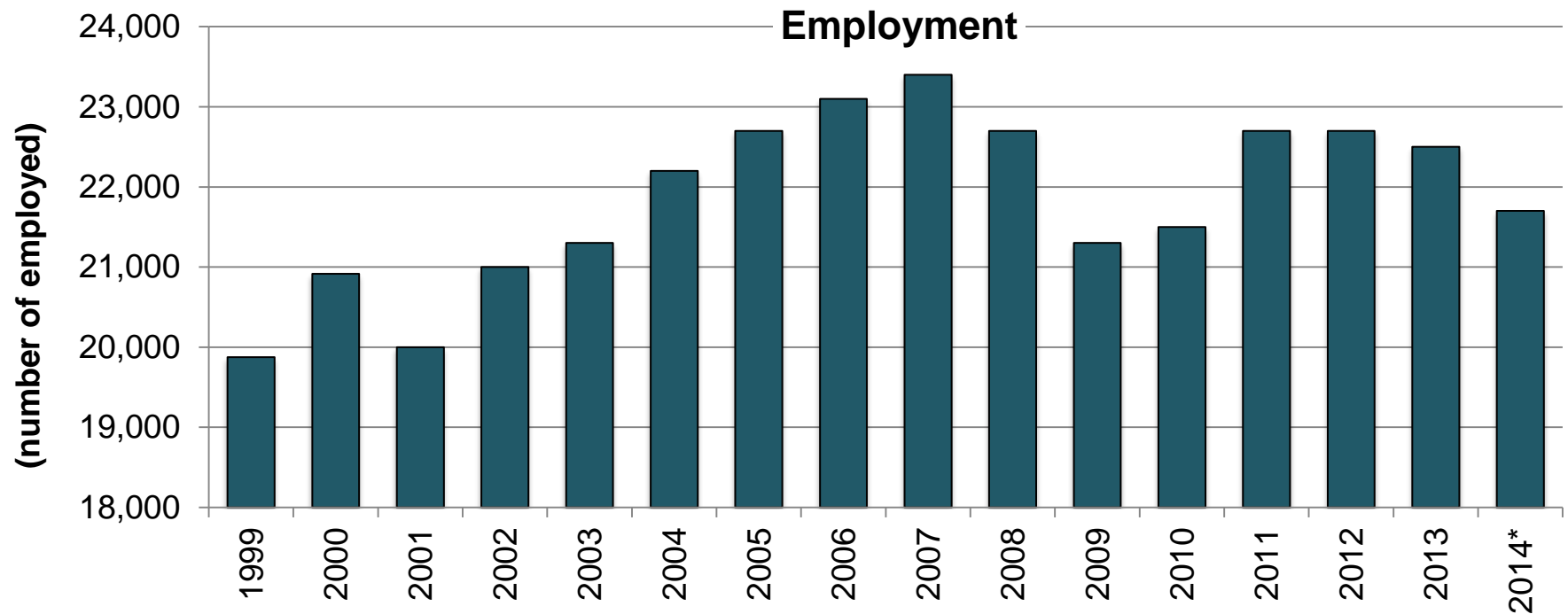
- The economy, as measured by GDP, grew rapidly from 1999 to 2004, was relatively stable from 2004 to 2008, and is now approximately 20 per cent below its peak in 20



Economics and Population

Employment

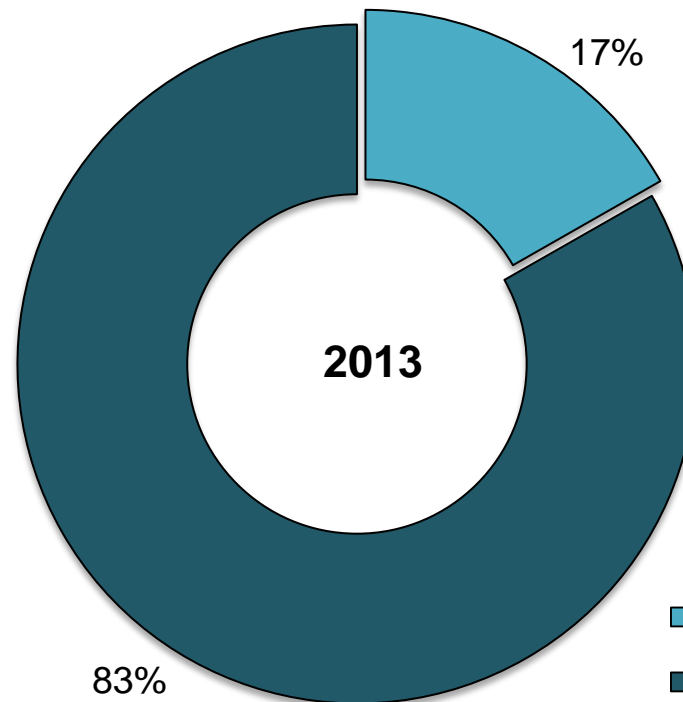
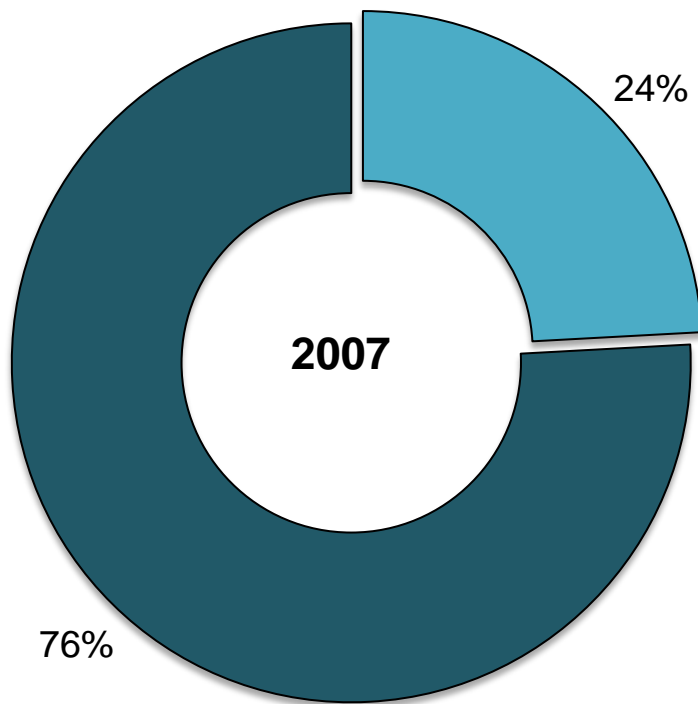
- Employment has followed a similar path to that of the economy, but did have a larger rebound after the recession
- Results over the first 11 months of 2014 have not been good (and a little puzzling)



Economics and Population

Declining Contribution from Mining

- The relative importance of mining to the territory's economy has fallen alongside the decline in mining output

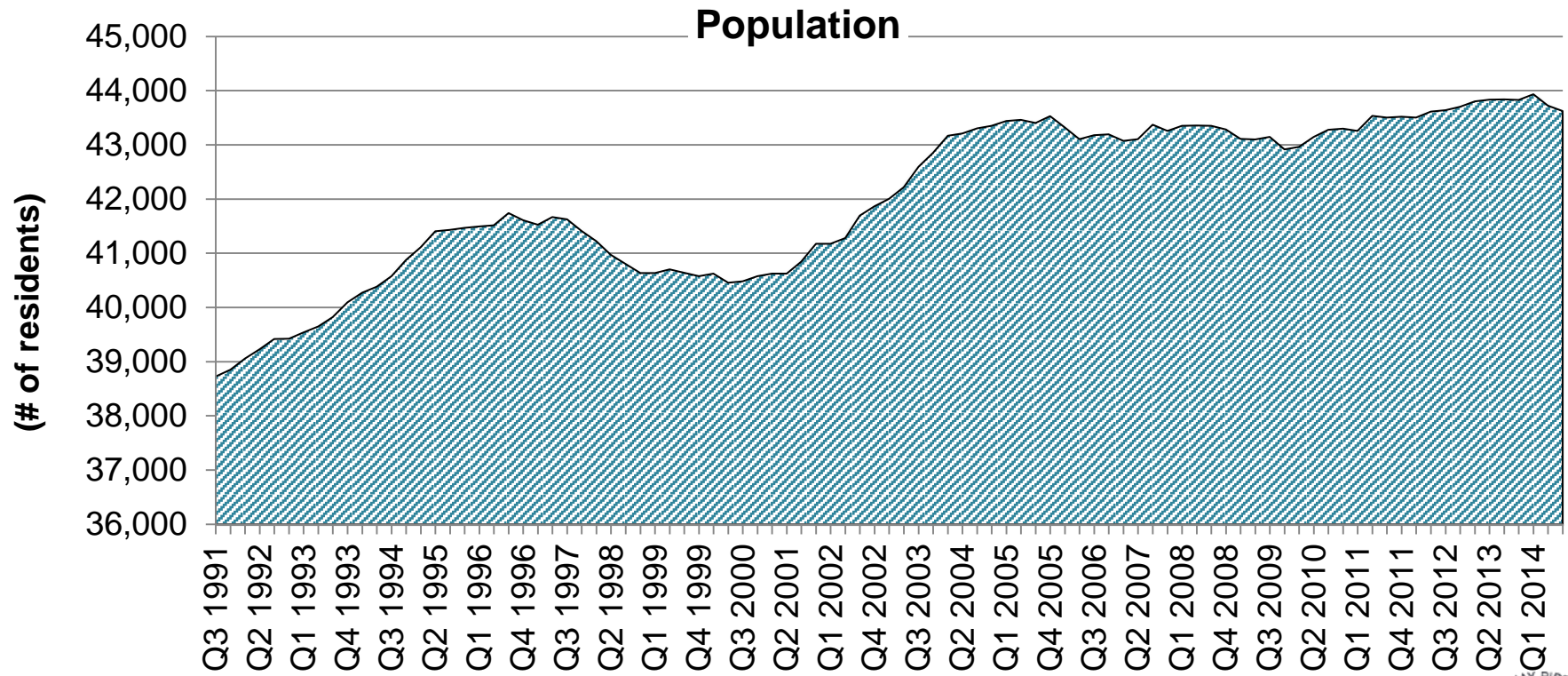


■ Diamond Mining
■ All Other Industries

Economics and Population

Population

- Population has been relatively stagnant since 2004, though there was some positive growth from 2010Q2 to 2014Q1
- Not a lot of job creation to attract people



Economics and Population

What's next for the Northwest Territories?

- Understanding the economic future of the NWT in absence of some new developments is a critical component in assessing the Jay Project's potential effects
- Some of the advanced mining projects in the territory have suffered setbacks in recent years due to lower world commodity prices, tight capital markets, and infrastructure shortfalls
- Projects affected include NICO, Nechalacho, Prairie Creek, and Sahtu Oil.
- Apart from the Jay Project, Gahcho Kué Diamond Project is the only viable mining project in the NWT's near- to medium-term outlook
- The Jay Project is not a new mine, but rather, the extension of an existing mine, therefore, the effects being studied are those brought about by the potential closure of Ekati

Economics and Population

Economic Baseline: Concept and Methods

- The Jay Project is not a new mine, so in that sense, it is not one that will *create* jobs or more business, but rather, it will preserve existing jobs, extend the life of contracts, and maintain the territory's economic output
- To appreciate the economic effects of the Jay Project, we need to understand what the economy will look like without the Jay Project
- The economic baseline for this assessment is a scenario where the Ekati Diamond Mine closes according to its current mine plan
- Results were produced to show effects on GDP, employment, labour market, and population

Economics and Population

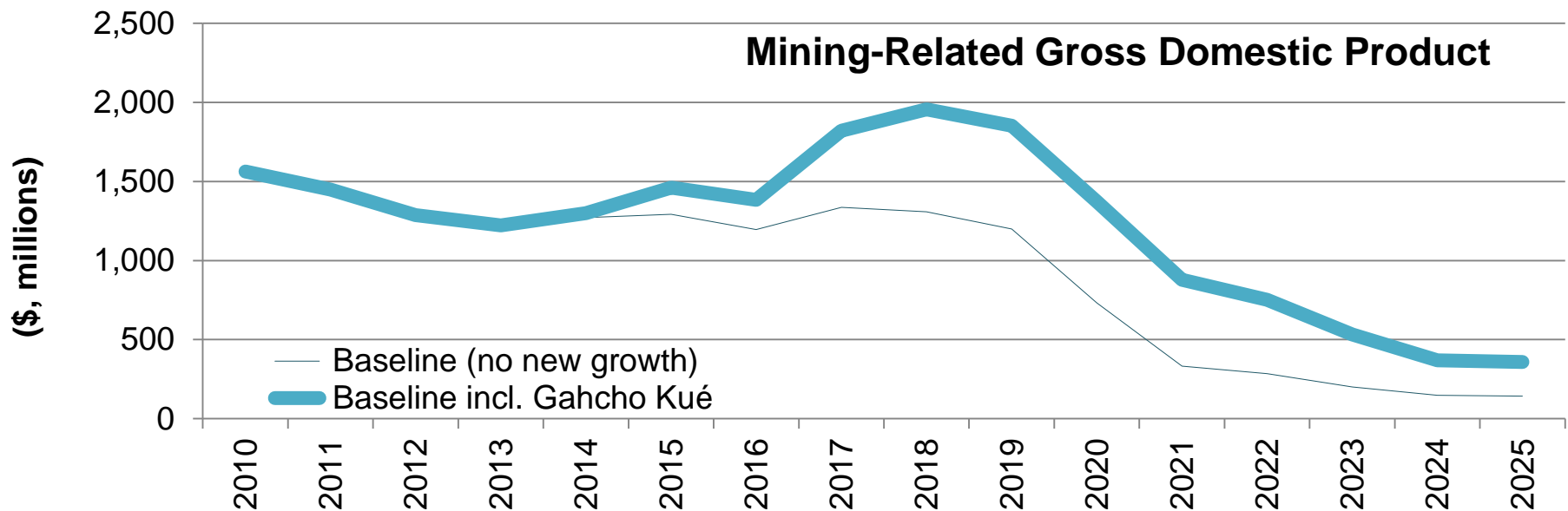
Economic Baseline: What's Included

- The baseline scenario includes continued activities at Ekati, Diavik, and Snap Lake according to their respective mine plans
- A decision regarding the A21 deposit at Diavik was made a few weeks ago
 - This announcement was made after the submission of the DAR and therefore is not included in today's presentation
 - A21 will secure Diavik's mining operations until closure in 2023 and will have a positive effect on the NWT labour market, but will not extend Diavik's mine life
- Gahcho Kué is included because of its advanced state of development, even though it is not yet fully built or operating
- A scenario was developed that excludes Gahcho Kué
- Other projects such as NICO, Nechalacho, and Prairie Creek, and oil exploration programs in the Sahtu were not included

Economics and Population

Baseline Projection: Gross Domestic Product

- Mine-related GDP should hold steady over the next five years in a scenario with no new mines, but will fall quickly once the closures begin
- Adding Gahcho Kué brings some growth to the economy, however, the mine is relatively small in comparison to Ekati and Diavik, and will not be enough to fully offset the closure of those mines



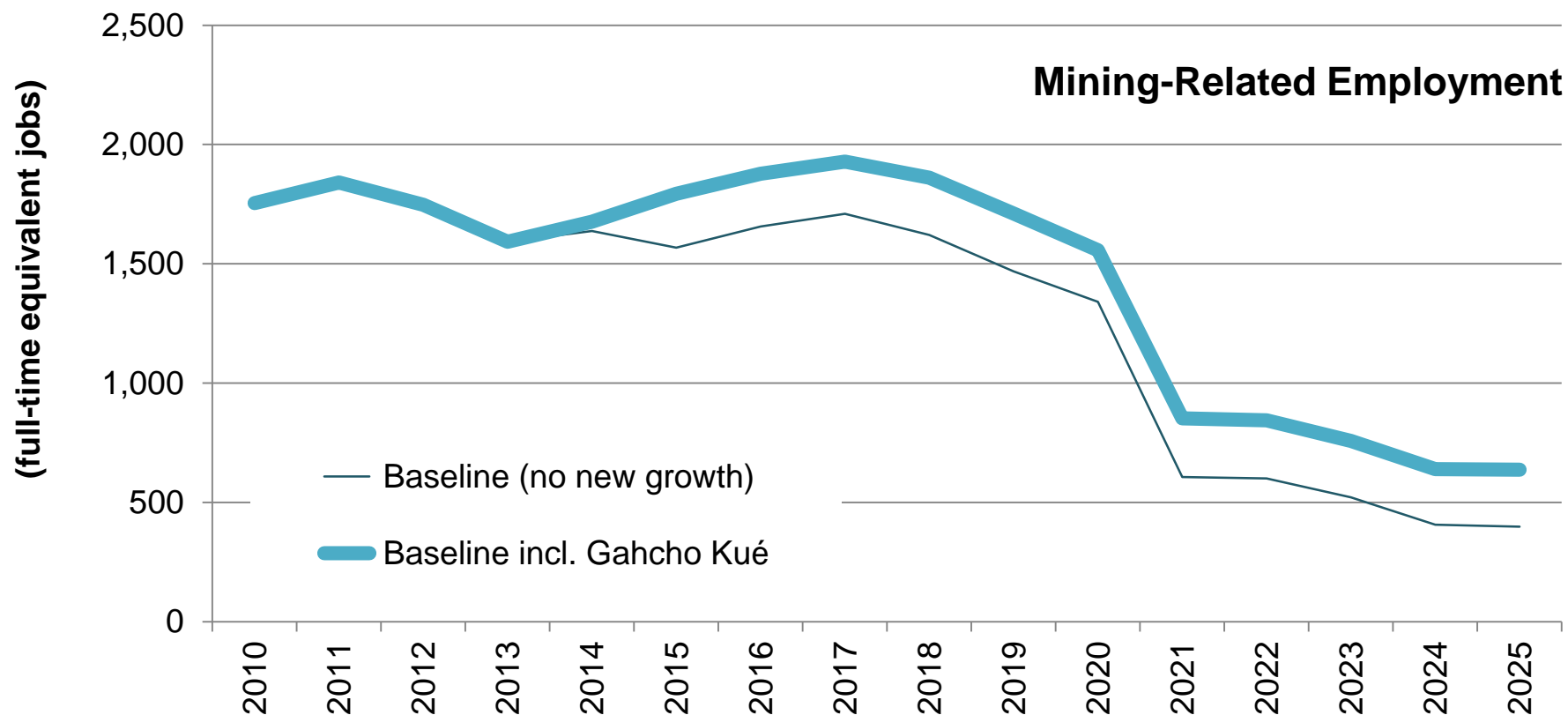
Economics and Population

Baseline Projection: Employment

- In 2012, Ekati and Diavik employed 2,700 people (Full-time Equivalent jobs, direct and indirect)
- But employment at the mines has fallen in recent years
- In a scenario that excludes Gahcho Kué and the Jay Project, employment will remain relatively stable until 2019 and beyond, when Ekati and Diavik close
- Adding Gahcho Kué brings some growth to the economy, however, the mine is relatively small in comparison to Ekati and Diavik, and will not be enough to fully offset the closure of those mines

Economics and Population

Baseline Projection: Employment



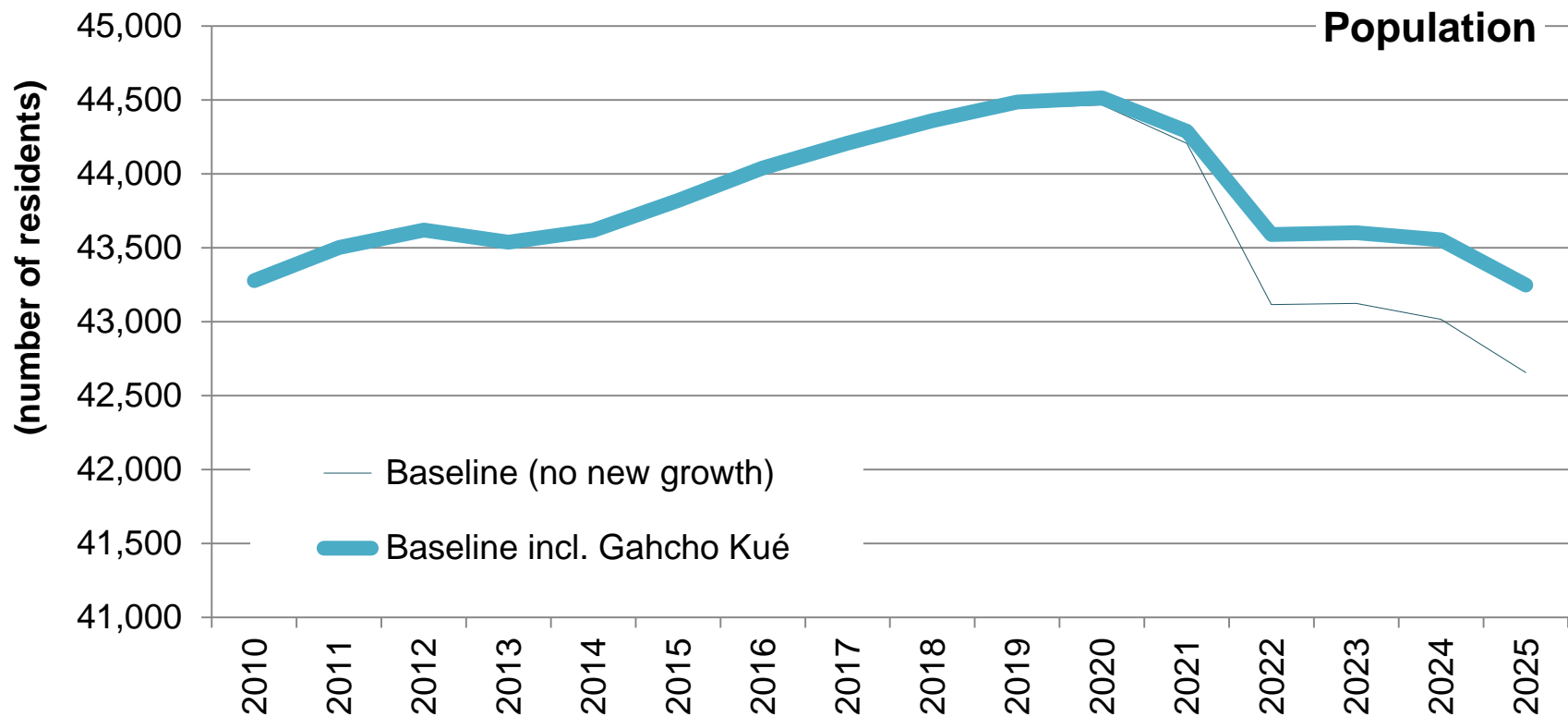
Economics and Population

Baseline Projection: Population

- The closure of Ekati will effect the territory's population
- Beyond 2020, the territory can expect an exodus of people given the loss of 700 to 800 jobs for resident labour
- The closure of Diavik a few years later will bring about a second exodus assuming there isn't any job growth elsewhere
- *Note that migration has a significant effect on the territory's population
 - the Demographic Model in the NWT Economic Impact Model contains three migration elements, (1) endogenous migration (model-induced), (2) age-based migration, and (3) exogenous out-migration
 - For the purpose of this exercise, the exogenous out-migration was set between -250 to -300. This is in line with the recent trend, but is higher than the 5 and 10 year average.

Economics and Population

Baseline Projection: Population



Economics and Population

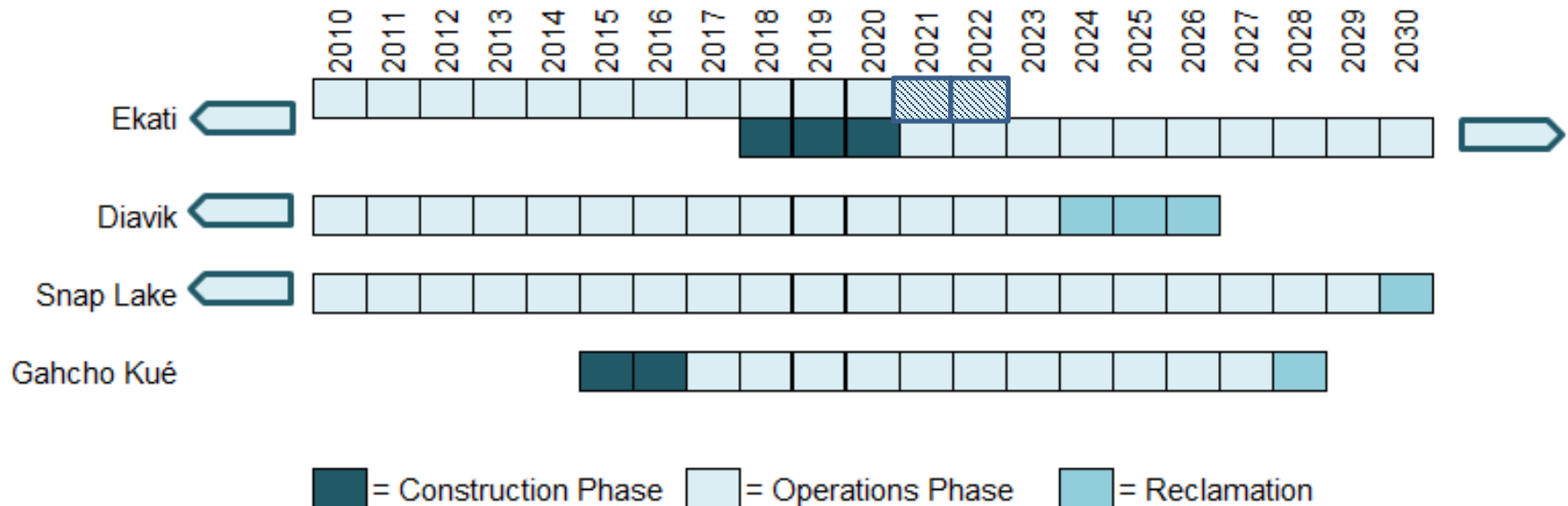
Jay Project Economic Methods

- Approach used to construct the baseline projections and the Project effects were identical
- All expenditure data provided by Dominion Diamonds
- All other data is publicly available from Statistics Canada, NWT Bureau of Statistics, or mining companies
- Modelling was conducted by Impact Economics using the NWT Economic Impact Model and Statistics Canada's *Interprovincial Input-Output Model*
- The Jay Project represents a continuation of an existing mine operation, therefore, its effects are better understood as the preservation of existing jobs and business activity
- Nevertheless, the economic effects have been modeled as if the project were new and compared to the economic baseline, which is the NWT economy under the assumption that Ekati ceases operations in 2020
- The study looks at the effects of the Project's expenditures on labour and capital on gross output, GDP, labour income, employment and the indirect and induced effects of NWT business demand and resident labour force participation
- Expenditures are analysed for the construction, operations, and reclamation separately

Economics and Population

Project Timing: Economic Modelling

- The NWT economy's short-term outlook is quite good, with three active mines and one likely to be developed
- It is important to focus on the period beyond 2019 to fully understand the contribution of the Jay Project



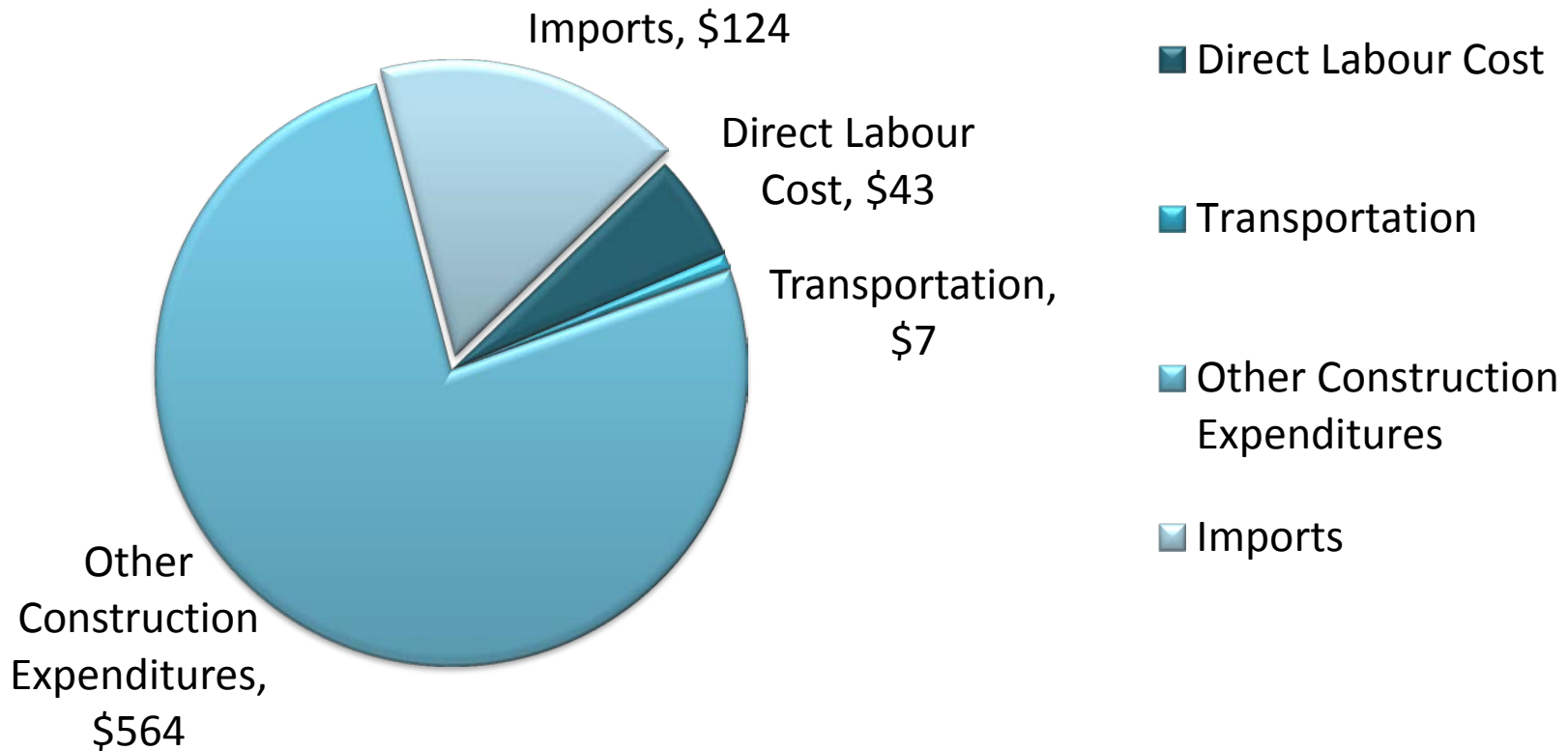
Economics and Population

Project Construction: Details

- The majority of construction activities will take place over a three-year period, from 2018 to 2020.
- The total cost of construction is estimated at US\$671 million that includes US\$119 million of imported machinery and equipment.
- Subtracting the imports, accounting for transportation costs, and converting to Canadian dollars (Δ US\$0.91), the construction project represents a \$613 million investment in the NWT.
- Dominion expects direct labour force requirements will equal 442 FTE jobs over the three-year period.

Economics and Population

Project Construction: Expenditures (CDN\$, millions)



Economics and Population

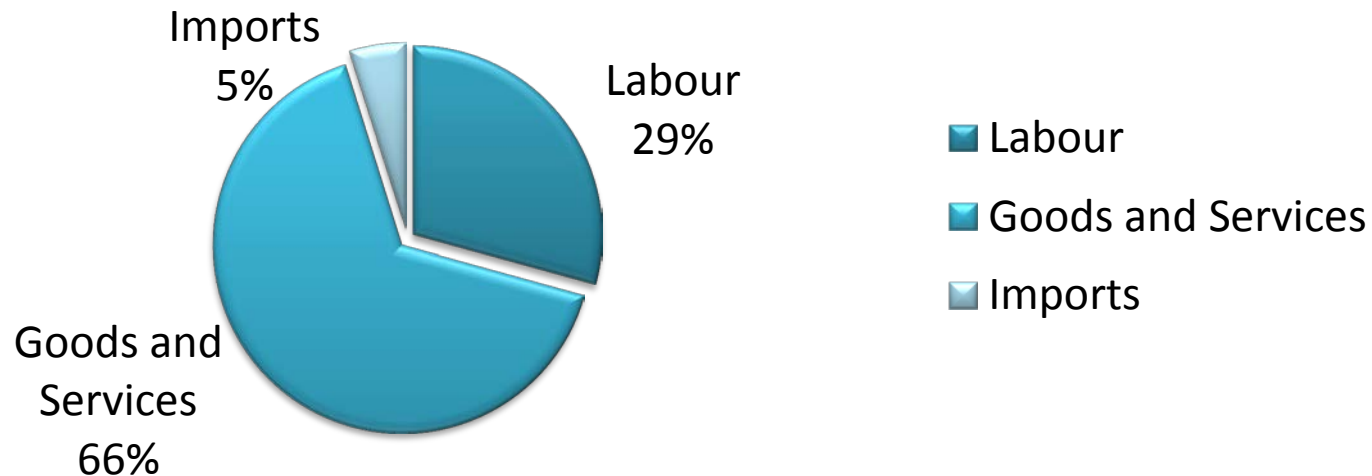
Project Construction: Economic Effects

- The construction activities will raise GDP in the territory by \$230 million.
 - The direct, indirect, and induced GDP effects are expected to be \$180, \$43, and \$7 million, respectively
 - The majority of this activity will take place between 2018 and 2020
- The total employment effect from 2018 to 2020 will be 635 FTE jobs, including 442 direct jobs, 157 indirect jobs, and 36 induced jobs
 - NWT's labour force participation in mine construction has traditionally been low, averaging just over 21 per cent in the past 10 years
 - Given the labour market (supply and demand conditions) during this time period, it is expected that resident labour will fill 160 of the available direct and indirect jobs, equivalent to 26 per cent of the workforce
- The NWTEIM adjusts the induced effects according to the resident labour force participation in the direct and indirect employment, and assumes that all induced jobs are filled by resident labour
- The construction phase is not expected to effect population or inflation

Economics and Population

Project Operations: Details

- Dominion has estimated the Jay Project will extend Ekati's mine life by 11 years
- The Company will spend approximately ~\$4.1 billion on operations
 - ~\$1.1 billion on labour costs
 - ~\$2.7 billion on goods and services
 - ~\$200 million on sustaining capital
- Labour force requirements for the Ekati Diamond Mine will fall within the 1,100 to 1,250 range during this time period



Economics and Population

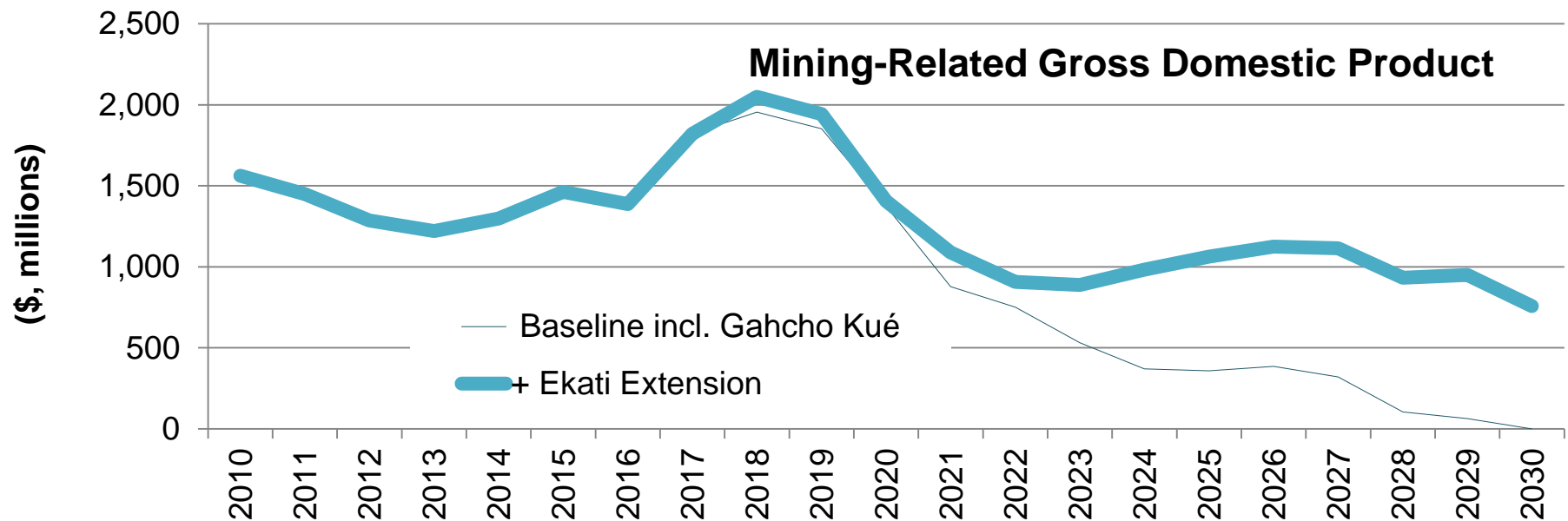
Project Operations: Details

- The diamond production from the Jay Project will add \$623 million to the territory's GDP annually (on average)
 - \$551 million from the direct effect
 - \$50 million from the indirect effect
 - \$21 million from the induced effect
- Resident participation in the workforce is expected to average 700 (this number includes those working for Dominion directly or indirectly with one of Dominion's contractors)
- In this scenario, a loosening in the labour market in the latter half of the next decade (2020 to 2029) will provide an opportunity to increase the percentage of resident workforce at the mine over time
- Because the Jay Project is the continuation of existing mining activities, the Project is not expected to cause an increase in migration
 - however, results from the NWTEIM simulation show that the Project does reduce the outflow of people, allowing the overall population remain steady at a level above 44,500

Economics and Population

Jay Project: GDP Effect

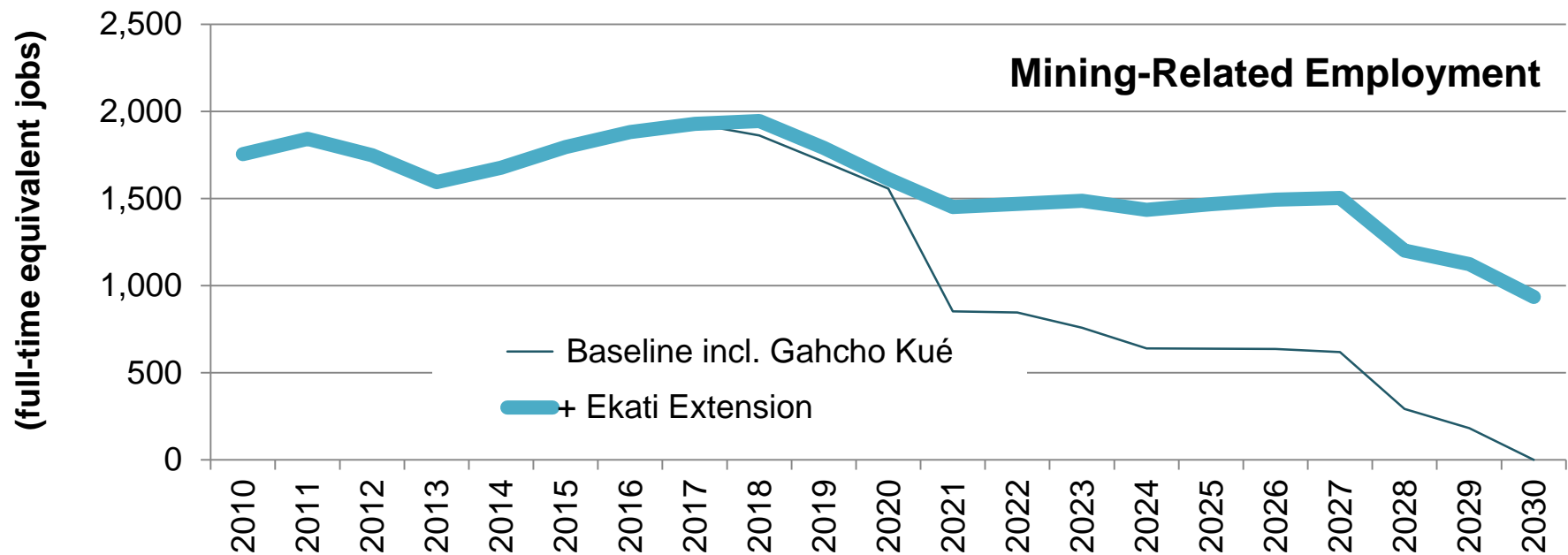
- The GDP effect from construction is relatively small compared to the ongoing activities at Ekati, Diavik, Snap Lake, and Gahcho Kué.
- Once into production, the Jay Project mitigates the losses coming as a result of Diavik's closure



Economics and Population

Jay Project: Employment Effect

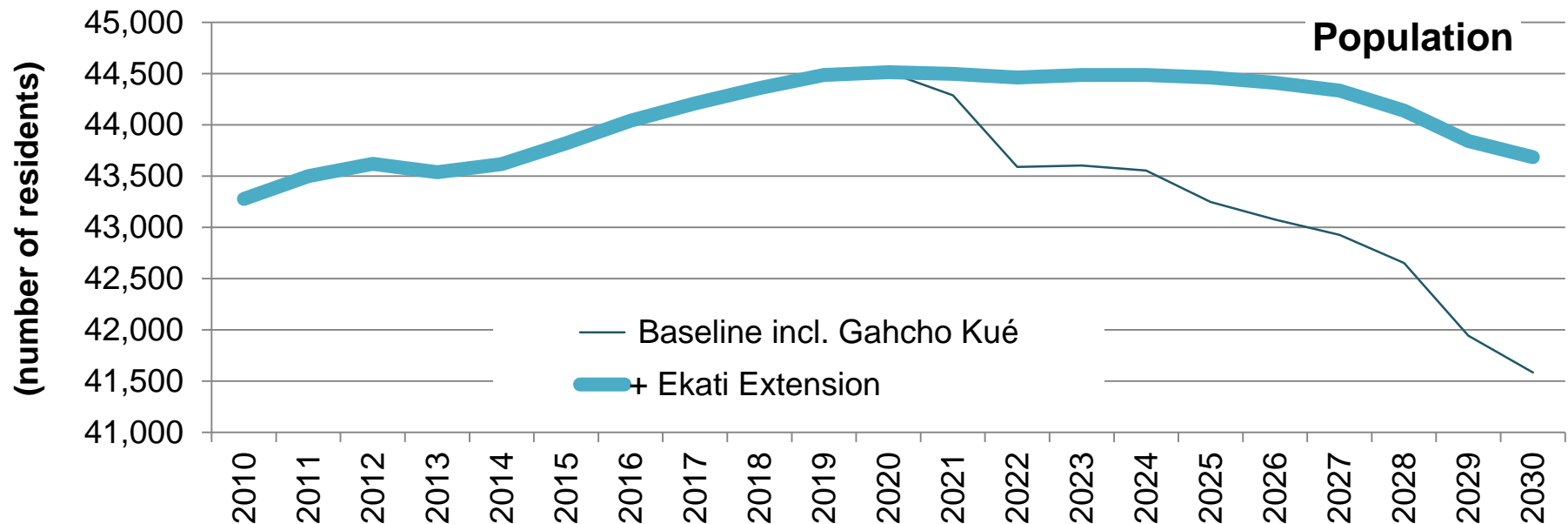
- The Jay Project will play an important role in maintaining the current employment numbers for an additional 10 years



Economics and Population

Jay Project: Population Effect

- By postponing Ekati's closure, there is enough economic activity and job opportunities to mitigate the out-migration effect of Diavik's closure



Economics and Population

Jay Project: Public Revenue Effect

- Estimates of the Jay Project's potential public revenues were generated by
 - Dominion Diamonds (Corporate Tax and Royalties)
 - Statistics Canada's *Interprovincial Input-Output Model* (Tax on Production), and
 - NWTEIM (Direct Personal Tax)

Tax Base	Total Estimated Tax Revenues (\$,millions)
Direct Personal Tax	
Territorial Income Tax	81.3
Federal Income Tax	43.8
Other Personal Taxes	84
Direct Corporate Tax	
Territorial	273
Federal	356
Indirect Tax	
Resource Royalties	347
Tax on Production	66

Economics and Population

Project Reclamation: Details & Effects

- Reclamation activities will include those associated with the existing Ekati diamond mine as well as the Jay Project
- A lot of work on reclamation will be carried out during the operations phase
- The plan is to complete the majority of the remaining reclamation work in 2032 and 2033
- This work will cost \$266 million
- The economic effects of the reclamation phase were estimated using the same methodology as construction and operations; i.e., using Statistics Canada's *Interprovincial Input-Output Model* and the NWTEIM
- The GDP effect will be approximately \$100 million when including all direct, indirect, and induced effects
- The work will create 282 FTE jobs and generate \$24 million in labour income
- The NWTEIM was not used to determine resident participation rates in the workforce—this is a small project and expectations are that the majority of workers will reside in the territory.

Economics and Population

Jay Project: Summary of Effects

	Construction	Operations	Reclamation
	(Total)*	(Average Annual)	(Total)
Time Period	2018 to 2020	2021 to 2031	2032 to 2033
	(millions)		
Cost	\$613	\$357	\$226
GDP			
Direct	\$176	\$551	\$78
Total	\$225	\$623	\$100
Labour Income			
Direct	\$43	\$108	\$19
Total	\$54	\$150	\$24
	(person years of employment)		
Employment			
Direct	442	736	196
Total	635	1,038	282

Economics and Population

Cumulative Effects and Project Significance

- Economics is, by its very nature, a study of cumulative effects
- The Jay Project represents a continuation of existing economic activities, and in that sense, the effects of the project are negligible when compared to today's economy
- However, when compared to the alternative scenario—one where Ekati closes—the Jay Project's economic significance is made clear
- The closure of Ekati as is currently scheduled would, by contrast, have a major economic effect, having a significant and negative effect on GDP, jobs, income, and government revenues and would lead to an increase in out-migration.
- The cumulative effect of the mine closures (which, in this case, means considering the closure of Diavik in 2023 as well) is potentially catastrophic for the territory's economy should there be no economic activities to replace the lost jobs and business
 - In other words, the NWT economy can “survive” the closure of one large mine, but not two.
 - The cumulative effect of these two closures within a few years of one another would be far more difficult to manage.

Maximizing Benefits

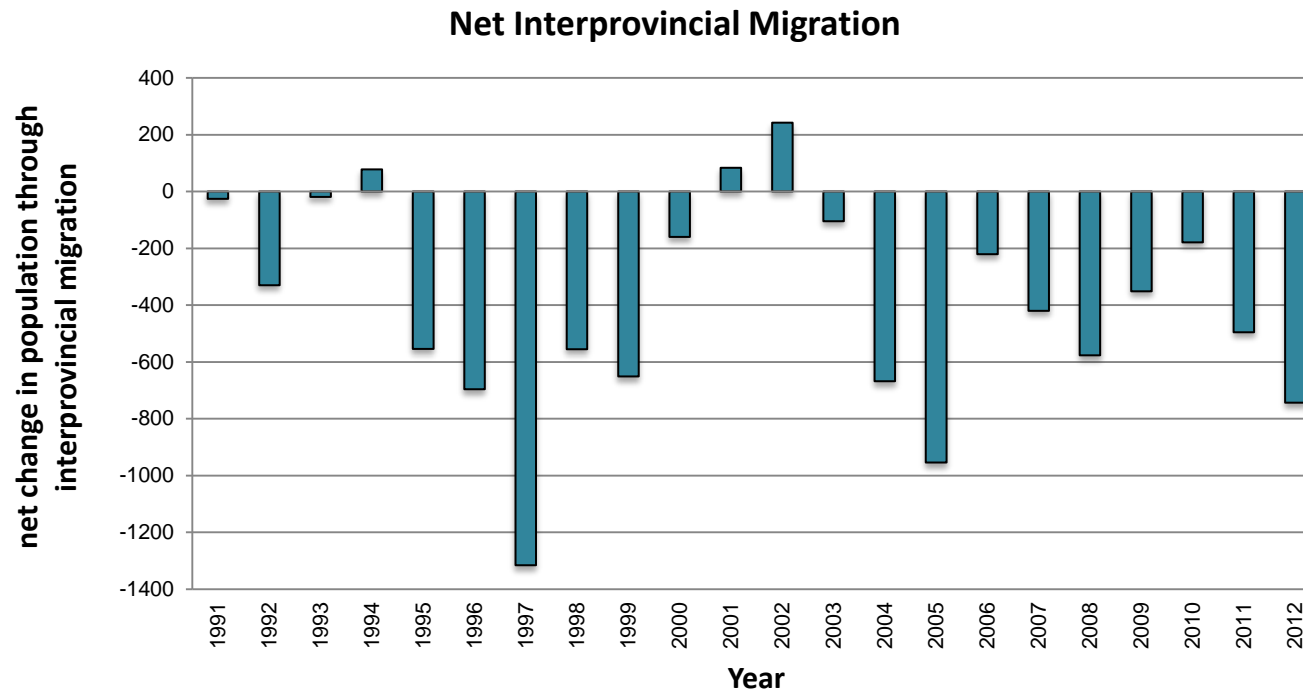
Maximizing Benefits



Maximizing Benefits – Population Demographics

Existing Population and Demographic Trends

- Current pattern is net out-migration

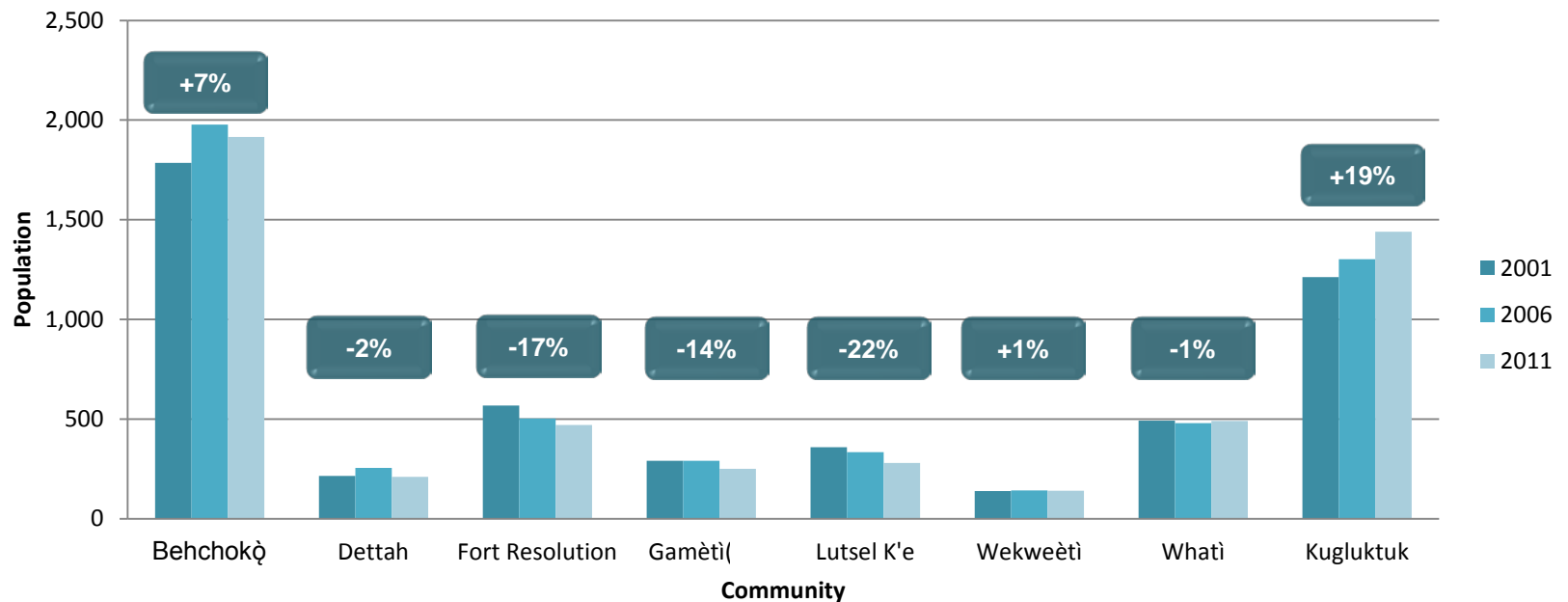


Maximizing Benefits – Population Demographics

Existing Population and Demographic Trends

- Out-migration is particularly noticeable in rural LSA communities

Rural LSA Community Population, 2001-2011

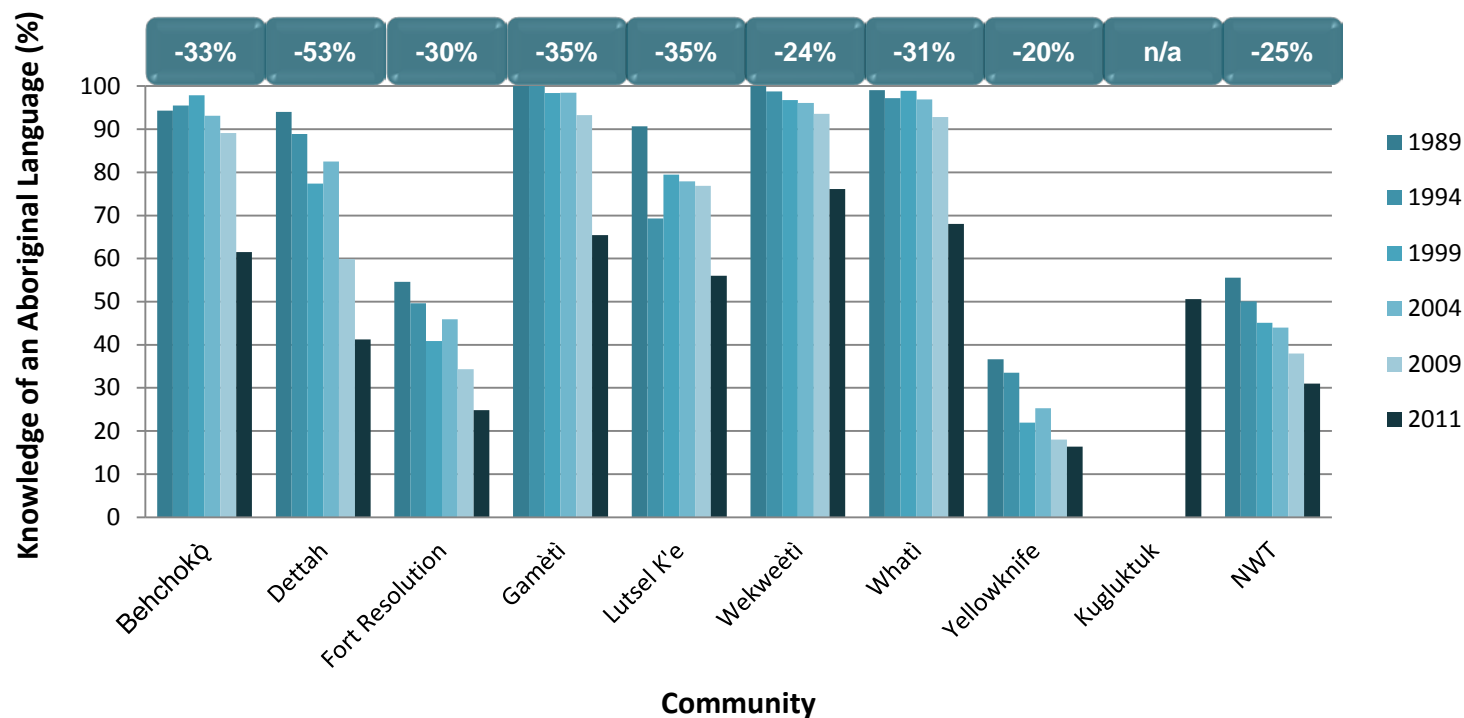


Maximizing Benefits – Population Demographics

Existing Population and Demographic Trends

- Loss of Aboriginal language in the NWT and communities

Aboriginal Language, 1989 to 2011



Maximizing Benefits – Population Demographics

Removing Geographic Barriers

- Points of hire or fly points in all IBA communities, and fly points in other NWT and NU communities to address barrier of geographic location
- As of June 1, 2015, Edmonton will no longer be a fly point community
- Allowing use of Aboriginal language in the workplace where not conflicting with H&S

Designated Points of Hire

Yellowknife	Wekweètì
Behchoko	Gamètì
Whatì	

Designated Fly Points

Yellowknife	Fort Smith
Lutsel K'e	Fort Resolution
Kugluktuk	Fort Simpson
Inuvik	Norman Wells
Deline	Cambridge Bay
Hay River	

- Despite best efforts, people may still choose to move
- Rural to Urban population shift to continue as in baseline (i.e., no-Jay scenario).
- North to South migration (net out-migration) expected to continue, but not at the same level predicted in baseline
- Demographic change (language, ethnicity) expected to continue, but not at the same level predicted in baseline
- Ability of one proponent to alter broad demographic trends is limited

Maximizing Benefits - Employment

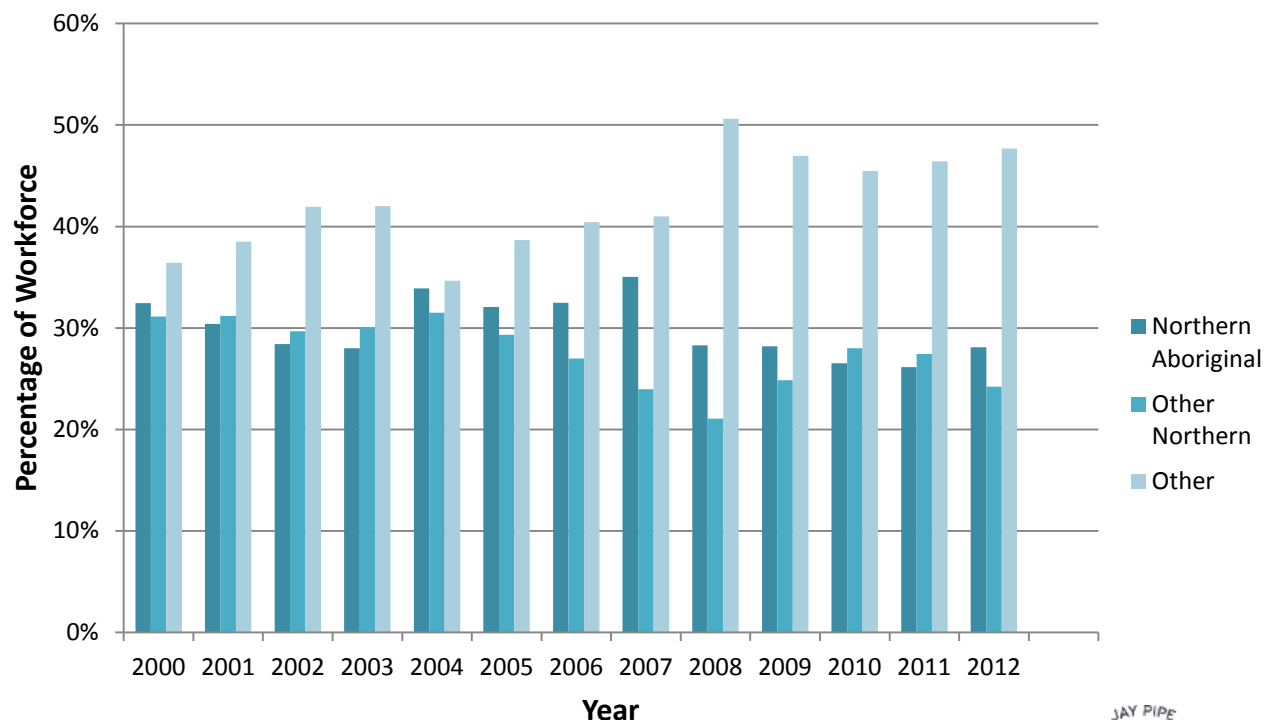
Existing Employment

- Ekati has a consistent record of good performance, but there are challenges to maximizing the Northern and Northern Aboriginal Workforce, and meeting SEA targets

EMPLOYMENT

- Jay Project** extends existing employment (~1,150 PYs) at Ekati
- SEA Hiring Targets:**
Construction:
33% Northern (of which 44% N. Aboriginal)
Operations:
62% Northern (of which 50% N. Aboriginal)

Ekati Historical Employment by Priority Group

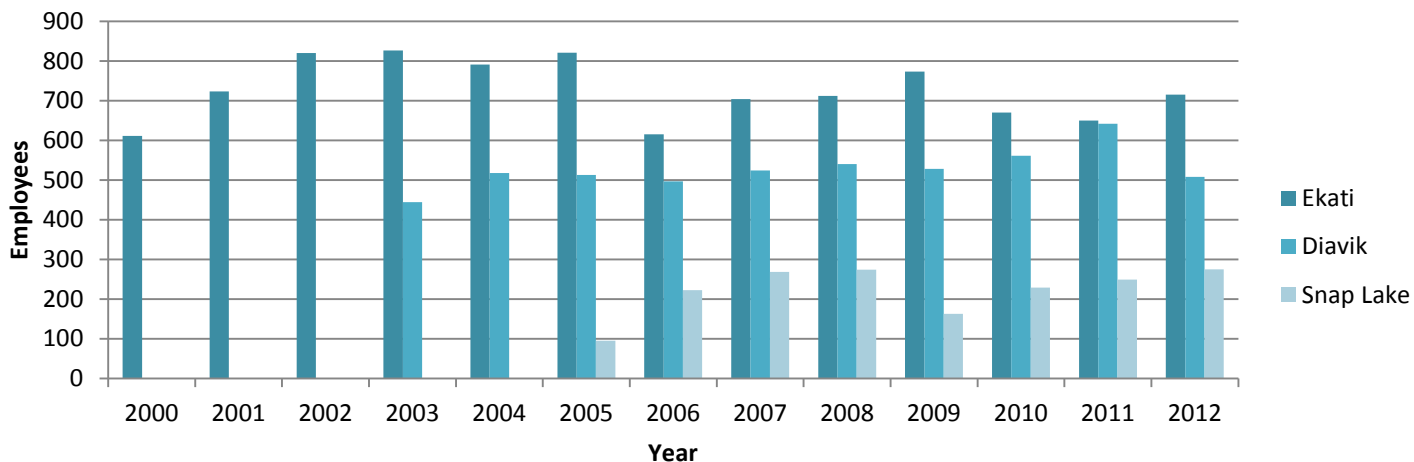


Maximizing Benefits - Employment

Existing Employment

- Competition for Northern and Northern Aboriginal labour between mines
- Opportunity for employing skilled employees in future as mines close

Northern Employment by Mine

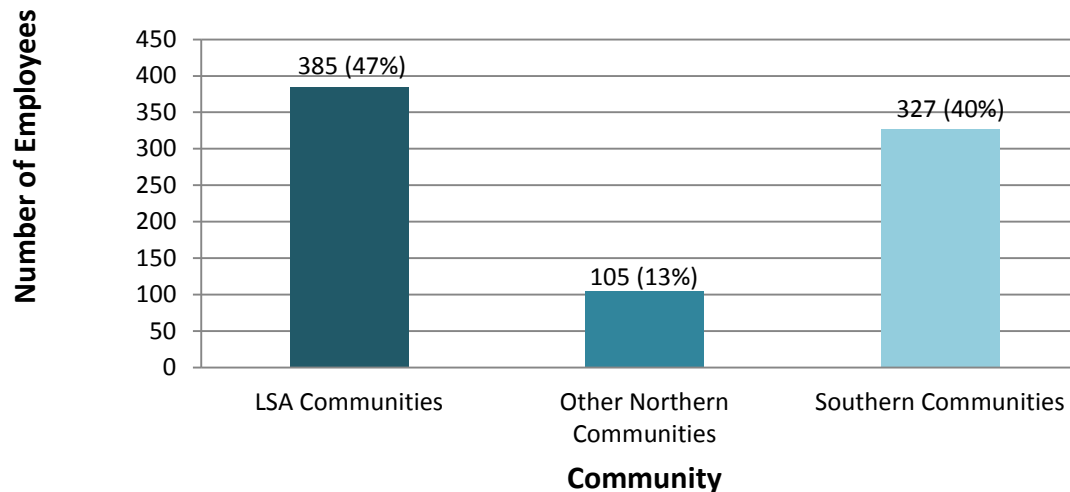


Maximizing Benefits - Employment

Existing Employment

- Direct employment at Ekati draws heavily from Northern communities (including Yellowknife) (~60%)
- Most workers from southern communities are from Alberta and British Columbia

Ekati Direct Employment by Location (2013)

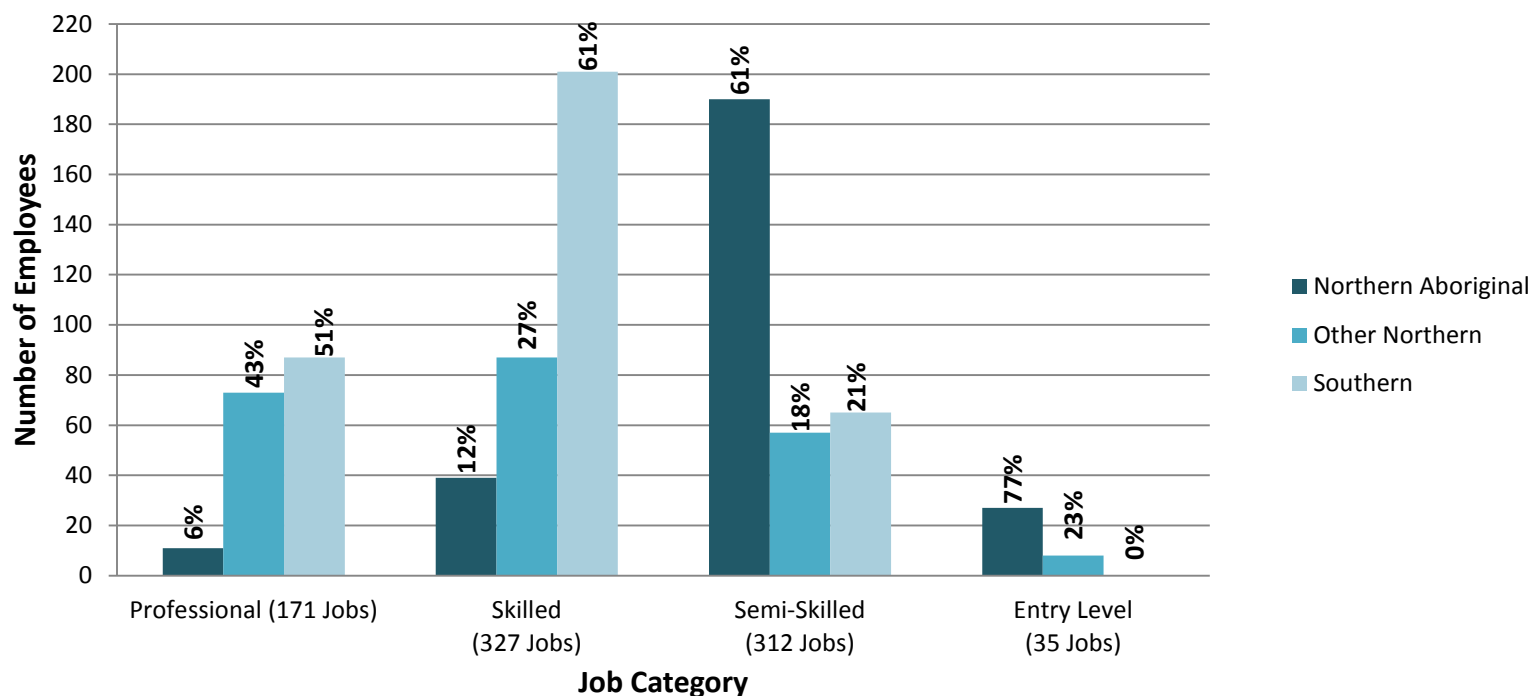


Maximizing Benefits - Employment

Existing Employment – Ekati Direct by Job Category

- Northern employment spread over Professional, Skilled, and Semi-Skilled jobs
- Northern Aboriginal employment greatest in the Semi-Skilled category
- Southern employment most prevalent in Skilled category

Ekati Direct Employment by Skill Level (2012)

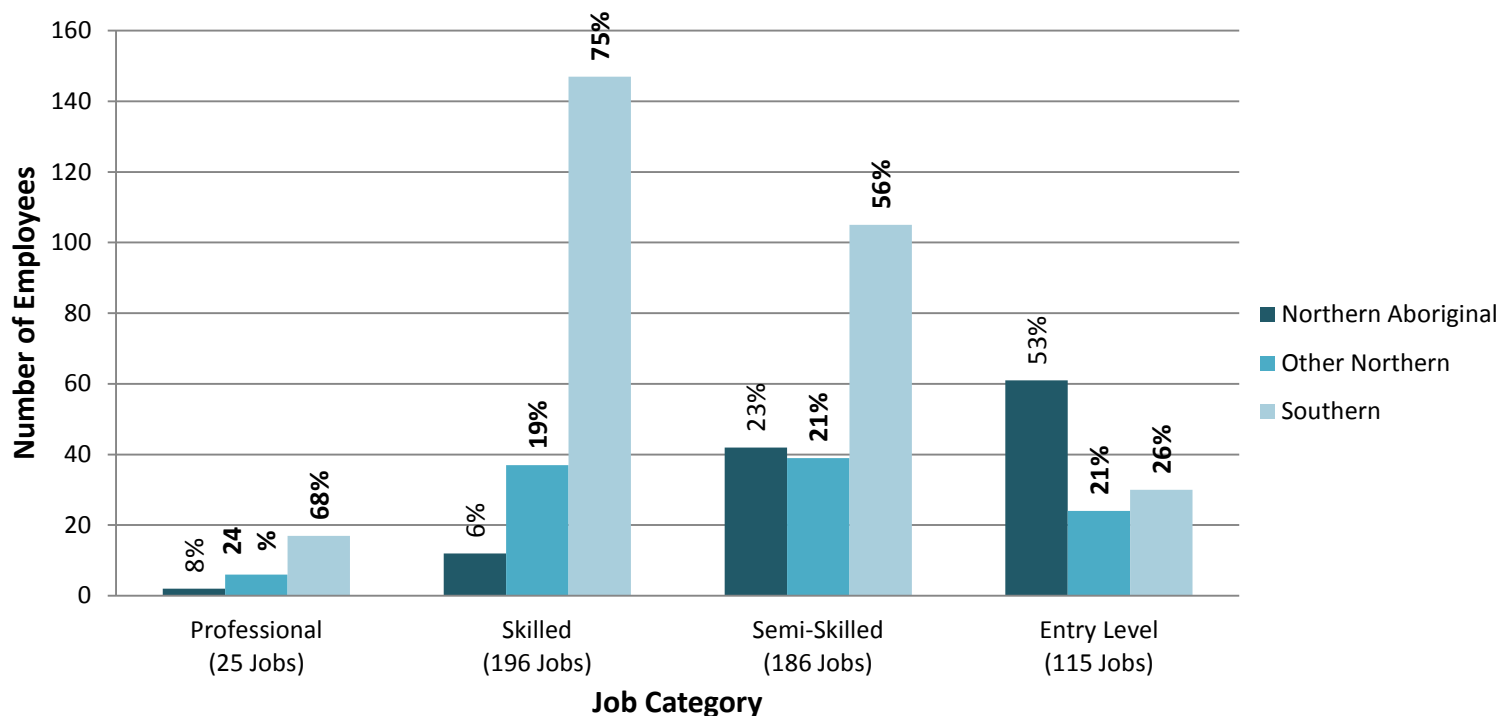


Maximizing Benefits - Employment

Existing Employment – Ekati Contractor by Job Category

- Southern contractor employment highest in Skill and Semi-Skilled categories
- Northern and Northern Aboriginal contracting represented in Skilled and Semi-Skilled categories, and predominant in Entry Level category

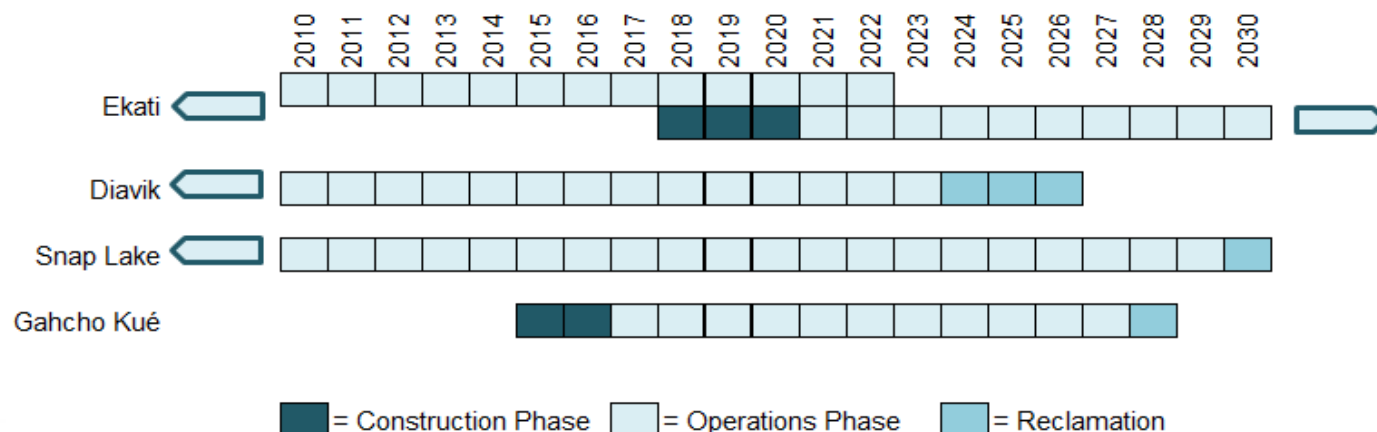
Ekati Contractor Employment by Skill Level (2012)



Maximizing Benefits - Employment

Transition to Jay Project

- Employees working at existing Ekati will have opportunity to transition to Jay
- New positions or openings due to attrition as existing employees exit the Ekati workforce
 - Ekati will prioritize Northern and Northern Aboriginal hires
 - As other mines close, trained labour force can fill positions at Jay



Maximizing Benefits - Education

Requirements and Training Initiatives

- Minimum training requirements for mining employment as per existing Ekati practices
- Case-by-case educational gap analysis for candidates who do not meet requirements
- Re-introduction of adult educator role
- Re-instatement Workplace Learning Program
- Support for Mine Training Society pre-employment programs focused on Northerners, and placement programs

Employee Development

- Individual development plans to address skill deficiencies and promote advancement
- Supervisory Development Program
- Ekati Leadership Program and Northern Leadership Development Program



Maximizing Benefits - Education



Apprenticeship

- 74 Northern and Northern Aboriginal apprentices obtaining employment since 1998
- Currently (2014) 24 direct apprenticeship positions, to be continued for the life of Jay

Community Education Contributions

- IBA community contributions
- The Ekati Plus Scholarship program
- Partnerships with Skills Canada
- Other funding initiatives aimed at promoting Traditional Knowledge and the importance of education to K-12 students

Minimizing Impacts

Minimizing Impacts to Communities

Role of Environmental Assessment

- EA has a planning purpose: how should a development proceed to minimize adverse and environmental effects?

Social Management and Policy

- What corporate/company practices can be put into place to attenuate negative impacts on communities and to make sure that positive impacts don't have negative effects?

Previously Identified Social Concerns

- Issues raised in earlier EAs:
 - wealth has led to social problems:
 - stratification between the employed and those left behind
 - over-spending
 - substance abuse
 - rising inequities in communities where sharing is a strong value

Project-Specific Concerns Identified through Engagement

Minimizing Impacts – Engaging Communities

Engagement

- Engagement has informed the assessment and ongoing engagement critical to continuous improvement and adaptive management
- TOR Scoping sessions in January 2014 in Yellowknife hosted by MVRB
- Interested parties included:
 - NSMA
 - Tlicho Government
 - Yellowknives Dene FN (YKDFN)
 - Additional in Behchoko and Lutsel K'e



Minimizing Impacts – Engaging Communities (con't)



- Community Engagement Workshops hosted by Dominion in March 2014: NSMA, YKDFN, TG, and KIA—focus on fish and wildlife
- Additional Dominion workshops in June and July, following release of revised TOR: NSMA, YKDFN, TG, and KIA
- Community Site Visits: Summer 2014; FN Government reps and students toured facilities and heard update on Jay
- Results: recommendations on the development, importance of traditional use, employment

Minimizing Impacts – Social Management and Monitoring

Social Management

- GNWT required SEA to maximize benefits:
 - preferential hiring and recruitment
 - employment and procurement targets
 - training
 - employment support
 - cross cultural training
 - counselling
 - health and safety
- Impact Benefit Agreements with communities
- Reporting indicators of community health: Community and Diamonds
- Communities and Diamonds socio-economic monitoring

Minimizing Impacts – Social Management

Social Management

- Dominion supports community based committees in IBA communities
- IBA includes funding for TK activities and cultural programming (examples are):
 - *Youth programs on traditional skills related to activity on the land*
 - *Gameti drumming and singing workshop*
 - *YKDFN Traditional Knowledge Digitizing Project*
 - *Lutsel K'e Dene First Nation Digitizing Project*
 - *NSMA Genealogy Project*
 - *Tlicho Youth Summer Program*
 - *Tlicho Traditional Knowledge Digitizing Program*
- Dominion Provided \$3.4 million of investments in community development initiatives in NWT in 2012

COMMUNITY

- Continuation of **IBAs** with:
- **Tłı̨chǫ Government**
- **Akaįtcho Treaty 8** (YKDFN and LKDFN),
- **NSMA**
- **Hamlet of Kugluktuk/KIA.**
- Continued support for TK activities and community programming
- Commitment to Health, Safety, and the Environment

COMMUNITIES *and* DIAMONDS



Socio-economic Impacts in the Communities of
Behchokò, Detah, Gamètì, Łutselk'e, N'dilo, Wekweètì, Whatì and Yellowknife

Communities and Diamonds – Health and Wellbeing Monitoring

- Difficulty in disentangling changes in health and wellbeing resulting from mining from other forces of change
- Chain of causality is tenuous and mining industry's influence on an indicator can be either under or overestimated
- Not possible to determine what would happen to health and wellbeing indicators in the absence of mining
- Mines attempt to address concerns—pre-empt some issues through “design features”, operational policies, and community development funding

Minimizing Impacts – Health and Wellbeing

Physical and Mental Health – Jay Project Mitigations

- New initiative: Health promotion program aimed at reducing chronic diseases, in conjunction with GNWT Department of Health and Social Services
- Occupational Health Centres (OHC)
 - Located at main camp, and at Misery
 - Four Physician Assistants; physician site visits and telecommunications assessments; wellness activity coordinator
 - Usage stats July 1, 2013 to June 30, 2014:
 - Health surveillance visits: 911
 - Non-occupational injury: 2,561
 - Blood pressure: 434
- Employee and Family Assistance Program:
 - Unlimited access on site (NorthStar Centre for Counselling)
 - Visits in Yellowknife and telehealth service
 - Money management counselling
 - Family counselling
 - Employment counselling (e.g., coping with rotational work)

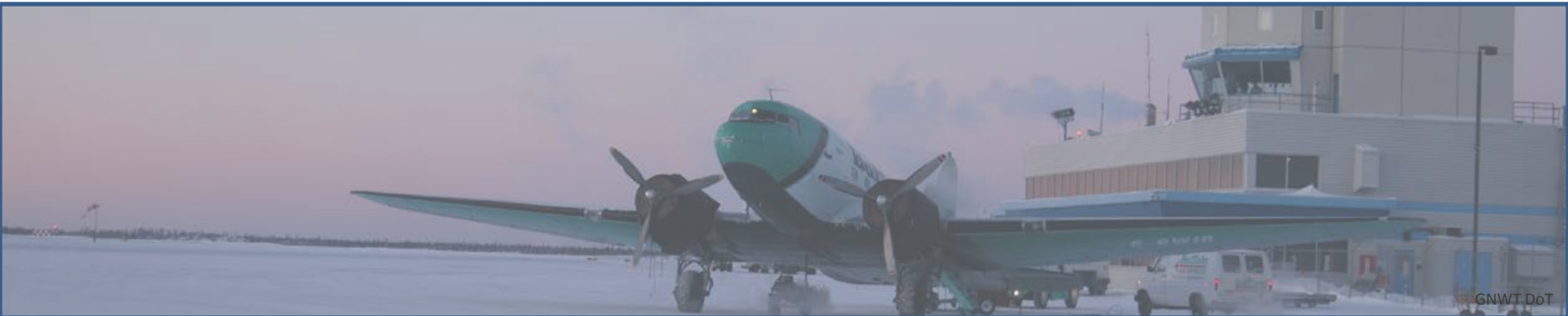
Minimizing Impacts – Health and Wellbeing

Health and Wellbeing - Jay Project Effects

- Overall, Jay does not represent a change from the existing health and wellbeing conditions in the NWT or communities
- Some potential positive effects following mitigation and social management
 - 2:2 rotation allows for time on land to pursue traditional activities
 - Employment income provides support for traditional activities
 - Preferential hiring of Northern Aboriginals and women in non-traditional jobs builds capacity in these parts of the labour force, reducing their vulnerability
 - Project medical and counselling services benefit employees and their families, and alleviate some stress on healthcare system
 - Health and safety training can benefit communities
- Some potential negative effects as well:
 - Rotation can result in people being away from families, communities for long periods of time
 - Employment income to those working at the mine can create disparity between individuals and families

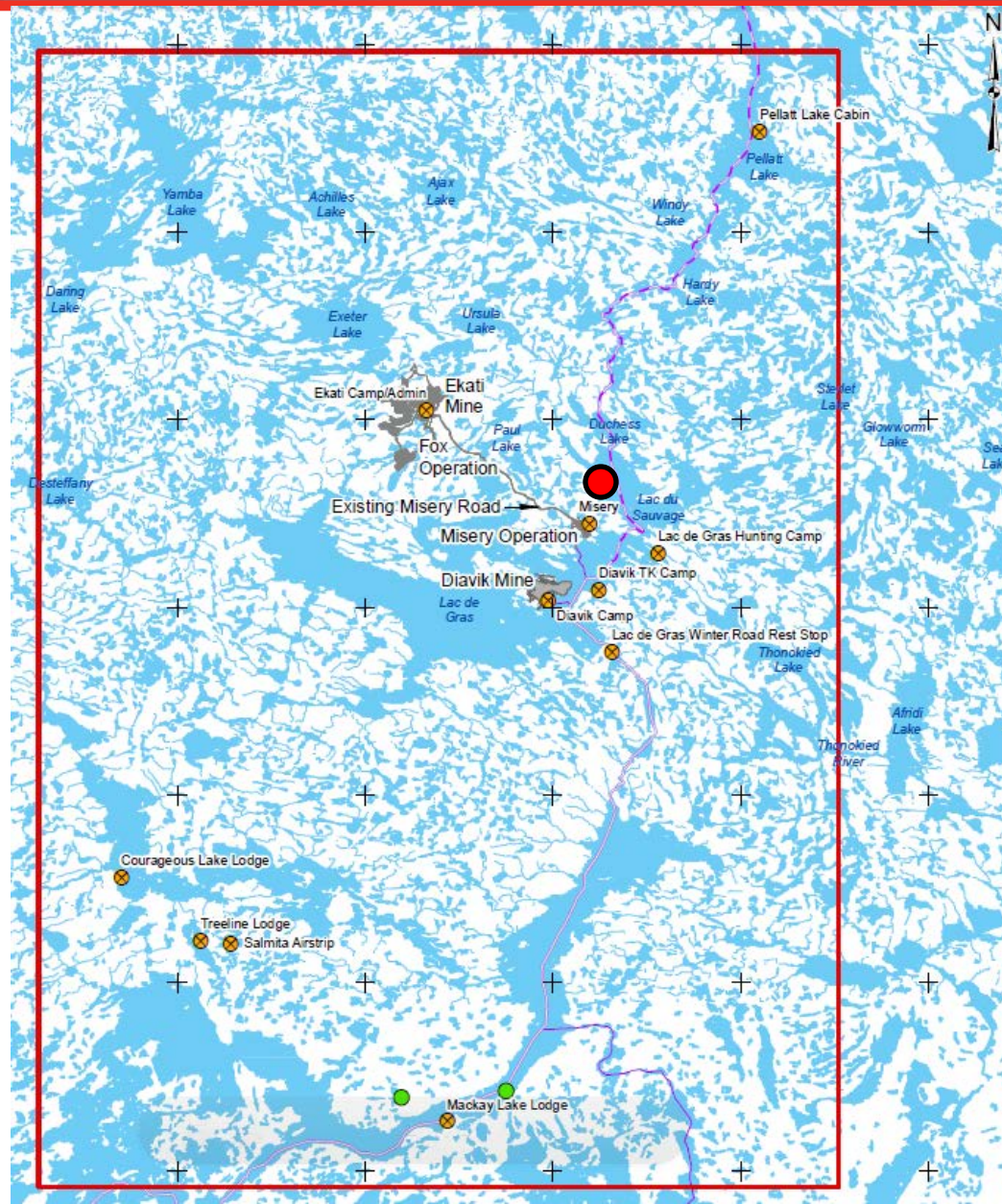
Minimizing Impacts – Infrastructure and Services

- The Project may serve to stabilize population, and soften baseline out-migration
 - No significant population increase means no noticeable effect on demand for infrastructure and services (e.g., utilities, education and health services)
 - Similarly, softened out-migration means no large drop in population, and associated reduction in demand for infrastructure and services
- The Project will continue existing demand on transportation infrastructure through construction and operations for transport of goods and people
 - Winter road
 - Air infrastructure in rural LSA communities and Yellowknife



Minimizing Impacts – Non-Traditional Land Use

- The Project is not expected to result in increased competition for non-traditional land use opportunities
- Area around the Project is not heavily used for non-traditional land use (i.e., outfitting, commercial fishing)
- Other land uses are primarily associated with mining activity (e.g., Diavik Mine).
 - The Project will continue Ekati's commitment to operate in a manner that maintains positive relationships with other resource developers



Maximizing Benefits and Minimizing Impacts to Communities

Summary and Conclusions

- Overall, the Project is expected to have a positive effect on socio-economic environment, compared to a scenario without the Project
 - Maximizing economic, employment, and education benefits
 - Minimizing potential impacts on well-being, infrastructure and non-traditional land use
- The Project serves to soften economic and population decline over the next decade and a half, as other mines enter closure
- Maintains employment and procurement associated with the existing Ekati Mine
 - Also maintains associated community contributions, IBAs, and SEA
- The Project does not, itself, change population base or demographics
 - Therefore, limited potential to effect linked components such as infrastructure, services, and non-traditional land use

Thank You

