

**The Benefits and Importance of the Mineral Resource Sector**

Members of the 19th Legislative Assembly, committed to “increase resource exploration and development” in the territory. This priority reflects the importance of the mineral resource sector to our economy both today and into the foreseeable future.

Our efforts to support the mineral resource sector are further reflected in our commitments to develop regulations for the new *Mineral Resource Act*; to develop and implement regional mineral development strategies and review our Mining Incentive Program, Socio-Economic Agreements and our territory’s fiscal regime around mining.

Later today, I will table the annual Socio-Economic Agreement Report for Mines Operating in the NWT. It will outline and confirm again the benefits of mining to our territory.

With a total impact of 27 percent of GDP, diamond mining was the largest private sector industry in the NWT and the primary foundation of our economy in 2019.

Our diamond mines employed 1,334 NWT residents last year more than half of them Indigenous. Over and above the direct benefit of wages, skills training and capacity

building, the NWT mining industry contributed \$1.1 billion to related sectors like construction, transportation, retail, and real estate.

The GNWT also realized revenue from the mining industry in the form of corporate income tax, fuel tax, property tax, payroll tax, and personal income tax.

In total, \$370 million was spent with Indigenous companies in our territory. Royalties to Indigenous governments totaled over \$3 million in the 2018-2019 fiscal year in addition to benefits paid out in under Impact Benefit Agreements signed directly with Indigenous governments.

Madam Speaker, big companies can also make big differences in the communities that they are part of. From scholarships to donations to sponsorships, their contributions to our communities are evident well beyond their mine sites. Even through this COVID pandemic, where profits are often non-existent, Madam Speaker the diamond mines have continued to be strong corporate citizens.

I want to acknowledge, that our support of the mineral resource sector comes within the context of a regulatory regime that works to ensure that resource development occurs in an environmentally and socially responsible manner.

We are confident that our system strives to achieve a balance between economic opportunity and the protection of our environment. We will keep that balance as we continue the work of developing a truly northern centered and modern regulatory system.

In recent weeks, we have had to consider the very real possibility that the Ekati Diamond Mine will continue in a state of care and maintenance for an extended period of time.

Madam Speaker, we want the Ekati Mine to return to full operations. It remains a valuable natural resource and recent events do not change that fact.

We also want to restore our mineral development sector, not just our mines but also advanced projects and exploration companies to a position of growth and prosperity.

These are trying times and a difficult road of economic recovery lies ahead. There are several things the GNWT will do to help us advance down that road:

- Continue to recognize the value of mine workers to the territory, including the many benefits that flow through them into our communities;
- Highlight the competitiveness of our jurisdiction to investors;
- Complete the work required to implement the *Mineral Resources Act*, including developing new regulations;
- Develop and implement Regional Mineral Strategies;
- Increase collaboration and investment with Indigenous governments; and
- Promote the NWT as a source of critical and strategic minerals and metals.

Madam Speaker, our government is committed to growing the NWT mining sector and accordingly its contributions to investment, employment, and Indigenous participation in the NWT's economy.

Thank you, Madam Speaker.