

ECONOMIC CONTEXT OF EKATI DIAMOND MINE CLOSING

October 29, 2020

This document provides an estimate based on the best available information that the Department of Industry, Tourism and Investment has of Ekati's contribution to the Northwest Territories (NWT) economy if it had been in production for a full 12-month period this year to highlight the importance of this mine to the NWT economy. The following economic benefits to the territory were modelled as follows:

- Gross domestic product (GDP) of approximately \$370 million or approximately 10% of the total GDP;
- An estimated \$110 million in value-added activities created by business to business transactions and increase in consumer spending (indirect and induced GDP); and
- Approximately 650 direct full-time equivalents (FTE); 420 indirect FTE; 230 induced FTE – a total employment impact of 1,300 FTE of which just over half are NWT residents¹.

In the event that Ekati does not resume operations in 2021, the total economic loss to the end of modelled mine life is estimated to be \$5 billion direct GDP, \$1 billion indirect GDP, and \$1 billion in induced GDP.

As a supplemental document, included is the Ekati Diamond Mine Socio-Economic Agreement Report for 2019. The report was published by Dominion Diamond Mines and provides additional details on spend by community and employment.

¹ Production values were based on Ekati Diamond Mine NI 43-101 Technical Report and Statistics Canada, production and shipments of non-metallic minerals, monthly, Table 16-10-0020-01. Calculations were made using Statistics Canada 2016 Input-Output Multipliers, detail level.