

City of Yellowknife Presentation

Indigenous Development Corporations (IDCs)

August 25, 2025



Agenda:

- Introduction to the Indigenous Development Corporations (IDCs)
- Introduction to the diamond sector of Northwest Territories (NWT)
- The NWT Diamond Sector by the numbers
- State of the diamond sector
- Steps taken to date to preserve the diamond sector
- Questions





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Introduction to the diamond sector of Northwest Territories (NWT):

- Diamonds first discovered in November, 1991
- Canada's (and NWT's) first diamond mine opened in 1998 by BHP the Ekati Diamond Mine (Ekati in the Tlicho language is "Fat Lake" otherwise known as Lac de Gras)
- There have been a total of 4 diamond mines developed in NWT. The De Beers Snap Lake mine closed prematurely in December, 2015
- Today there are 3 diamond mines still operating with the planned closure dates of:

Mine	Planned Closure Date
Diavik Mine (Rio Tinto)	Early 2026
Gahcho Kue Mine (De Beers)	2031
Ekati Mine (Burgundy Diamonds)	2028 (Currently developing long-term mine plan)

The NWT Diamond Sector by the numbers:

For the current operating mines:

- 20%+ of NWT's gross domestic product (over \$1B)
- Over 1000 NWT residents employed by the mines
- Of the three Indigenous groups surveyed (Tlicho Nation, Yellowknives Dene First Nation, North Slave Metis Alliance):
 - \$20M+ in funds received annually much of which used for core funding purposes
 - 350+ full time equivalency jobs
 - \$100M+ of revenue for the three Indigenous Development Corporations
- There is a significant spend by the local mine workers in the YK Community (Tertiary GDP contribution)



Market for Rough Cut Diamonds:

% change of the average **ROUND natural diamond carat price** of D-I color and VVS2-SI2 on PriceScope.com since Dec 31, 2007 - Jul 31, 2025



Notes:

- Rough cut diamond pricing continues to see downward pressure although there has been recent signals of price improvement
- Canada and NWT in particular is a high-cost mining jurisdiction which makes the local mines more challenging economically to produce profitability
- All mines have challenging economics that they are facing
- The current tariff environment is creating additional challenges particularly on the demand side for natural diamonds

Steps taken to date to preserve the diamond sector:

Industry	GNWT	Indigenous Development Corporations / Nations	Local Businesses
<ul style="list-style-type: none"> • Headcount reduction • Strategic review of investments • Optimization efforts • Rescoped mine plans • Focus on local hiring 	<p>Relief package:</p> <ul style="list-style-type: none"> • Property tax reductions (\$11.2M) • Flexibility in diamond valuations • Released large emitters fund • Federal plan commitment 	<ul style="list-style-type: none"> • Headcount reduction • Reduced margins / revenue • Increased value proposition • Local hiring from community • Training and development investment 	<ul style="list-style-type: none"> • Headcount reduction • Reduced margins / revenue • Local hiring from community

Recommendations:

- Collective effort to preserve the value within the NWT (Circular economy)
- Creation of an Indigenous procurement policy for the city (Yukon Government created a First Nations procurement program)
- Review of outsourcing opportunities that the city could pursue for Indigenous groups to participate in
- Partnership opportunities with Indigenous groups on infrastructure projects





Questions