



**ARCTIC CANADIAN  
DIAMOND COMPANY**

*Naturally Beautiful. Mined Right.*



**2021**

**EKATI DIAMOND MINE**

SOCIO-ECONOMIC AGREEMENT REPORT



## ABOUT THE COMPANY

Arctic is a Canadian mining company and a significant producer and supplier of premium rough diamond assortments to the global market. The company owns and operates the Ekati Diamond Mine located in Canada's Northwest Territories. In addition to its mining and exploration operations, Arctic has offices in Canada and Belgium.





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# PRESIDENT'S MESSAGE

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Arctic Canadian Diamond Company Ltd. ("Arctic") is pleased to present the 2021 Socio-Economic Agreement (SEA) Report for the Ekati Diamond Mine, in which we describe the results of our commitments to the Government of the Northwest Territories (GNWT) as set out in the SEA. Late January 2021 saw the restart of operations at Ekati Mine following ten months of care and maintenance.



Ekati Mine has long been committed to the health, safety, and well-being of our employees; and to establishing strong, lasting relationships with the people and communities with whom we work. In line with these commitments, the focus at restart was on reintegrating our employees into operations safely and in an environmentally responsible manner, while ensuring that protocols were put in place to safeguard our employees and their communities against the spread of COVID-19.

February 2021 saw the launch of Arctic, as a newly restructured company with a new ownership group. Under the guidance of our owners, board of directors, and management team, together with the support of our employees, business partners and communities, operations at Ekati Mine were successfully restarted, providing employment and renewed business opportunities.

The year was highlighted by the significant number of new employees we welcomed to the Arctic family, providing some stability during the uncertain COVID-19 times. I am extremely grateful for the support of our stakeholders, both through the emergence of Arctic and on an ongoing basis through 2021 and beyond.

We continue to place high priority on relationships with stakeholders, including our employees and contractors, Impact Benefit Agreement (IBA) groups and Northern communities, the governments of the Northwest Territories and Nunavut, and our Northern business partners.

Arctic is proud to maintain our commitments to the land, the environment, and the communities, and we look forward to innovating and continuing our practices now and into the future.

A handwritten signature in black ink, appearing to read 'Rory Moore'.

**Rory Moore**  
President and CEO



# COMMUNITY DEVELOPMENT

Arctic is committed to maintaining the relationships we have built over the years with Northern communities and local and territorial organizations.

Due to the COVID-19 pandemic and Ekati Mine's restart in 2021, Arctic was unable to participate in the same number of community organization events and projects as we normally would have. Despite these challenges, Arctic is proud to have contributed more than \$4.8 million across the North through IBA payments and various scholarships and donations. Our efforts will remain guided by the Ekati Mine Engagement Plan, which outlines activities that play a significant role in maintaining our partnerships with the communities.

Our ability to meet and connect face-to-face was limited in 2021 by the continuation of the pandemic. However, we remain committed to consistently connecting with community leaders through virtual mediums until the COVID-19 situation stabilizes. Once it is safe to do so, we look forward to resuming community and IBA meetings, workshops, and site visits, including working with elders and youth through traditional knowledge platforms and on environmental monitoring projects.

## EKATI PLUS PROGRAMS

Arctic's Ekati Plus programs include the Ekati Plus Community Development Program, the Ekati Plus Post-Secondary Scholarship Program, and the Ekati Plus School Partnership Program.

We are pleased to support projects and organizations that build resilient and sustainable communities through these initiatives.

Below is a list of community development projects Arctic supported in 2021 through the Ekati Plus programs:

- Community Government of Behchokò
- Community Government of Gamètì
- Community Government of Wekweètì
- Community Government of Whatì
- Denesoline – LKDFN Pop Up Café & Lunch Program
- Deninu Kùé First Nation
- Fort Resolution Métis Government
- Hamlet of Kugluktuk
- K'àlemì Dene School
- Kaw Tay Whee School
- Kugluktuk District Education Authority
  - Jimmy Hikok Ilihakvik Elementary School
  - Kugluktuk High School
- Łutsël K'é Dene First Nation
- North Slave Métis Alliance
- NWT SPCA
- Stanton Territorial Hospital
- Tłı̄chq̄ Community Services Agency
  - Alexis Arrowmaker School
  - Chief Jimmy Bruneau Regional High School
  - Elizabeth Mackenzie Elementary School
  - Jean Wetrade Gamètì School
  - Mezi Community School
- Tłı̄chq̄ Government
- Yellowknife Community Foundation
- Yellowknives Dene First Nation



# HEALTH & SAFETY

By giving our employees and contractors the tools to take control of their actions, we are enabling a culture of safety and safe behaviour, both at work and at home. Our Health and Safety Team provides standards, processes, and systems to help ensure health and safety compliance and stewardship across Arctic.

Throughout 2021, Arctic proactively promoted a culture of safety, responsibility, and caring. To encourage our workforce to think proactively, we focus on reporting both safety hazards and near miss events. Addressing these issues before they lead to injuries has a positive impact on safety performance at Ekati Mine.

## AIFR SAFETY PERFORMANCE

One of the ways Arctic measures safety achievements is through the All-Injury Frequency Rate (AIFR), which includes lost-time injuries, restricted work duties, and medical treatment cases.

In 2021, we achieved an AIFR of 1.28 against a target of 0.75. This unfavourable performance is a stark reminder that we cannot become complacent, and that safety must always be a priority. It also means that employees and contractors must feel comfortable and empowered to speak up if they don't feel safe or if they witness unsafe practices. Nothing is more important than safety.

This performance is the result of restarting operations at Ekati Mine and new employees being hired and onboarded. Many of the recorded injuries at the mine are incidents related to strains or sprains, hand injuries, and slips, trips, and falls.

To control this trend, all incidents were investigated, root causes identified, and specific corrective and preventive actions assigned and completed. Incident findings and learnings were communicated to our workforce that reinforce line of fire safety requirements and include safety inspections and observations.

To improve on future performance, Arctic has rolled out new safety programs to further develop our safety culture. These programs focus on continued learning that promotes the prevention of hazards, near misses, and safety incidents, and takes the necessary steps to eliminate the potential for safety incidents in the future.

Safety at Arctic is not a destination, it is a journey. We remain committed to promoting a culture of safety for our employees and contractors by encouraging everyone to stay vigilant and watch out for one another.

In early 2021, Arctic also re-initiated its participation in the North Safety Mining Forum and the Mining Safety Roundtable, to support safety incident learnings, COVID-19 best practices, and innovation sharing.

## WELLNESS ON-SITE

The well-being of our workers is of the utmost importance and something our leadership team fully supports. We strive to foster a healthy work environment that enables our workforce to contribute their best every day. Mental health is a core component, and we recognize that supporting our employees' overall well-being results in a resilient workforce and thriving workplace.





Arctic offers our employees support through the LifeWorks Employee & Family Assistance Program, which includes a wide range of resources, such as counselling for employees and their families, stress management, support for those struggling with addictions, and work-life balance practices.

With the emergence of the global pandemic in early 2020, mental health and psychological safety has never been more important.

Mental health and psychological safety go hand-in-hand, and it's important to understand that facets of psychological well-being include an employee's level of happiness, life satisfaction, and contribution. Positive mental health is a critical component of being fit for duty and those who struggle with such health issues can experience cognitive and physical fatigue, which can impair decision-making, reaction time, and attention to detail, resulting in increased safety incident rates.

Therefore, it is imperative that our workers feel psychologically safe in the workplace to help prevent harm to themselves and others, and that resources such as LifeWorks are accessible for support.

To further aid the physical and mental wellness of our workers, Arctic has a fully equipped gym at Ekati Mine, which includes a wide range of cardio equipment, weight machines, and free weights, as well as a gymnasium equipped with a running track and squash courts.

Our team of physician assistants at the mine, provides a full range of medical services and testing for both occupational and personal health matters. Their interventions play a valuable role in keeping our workforce safe, since the mine is located a significant distance from traditional healthcare facilities.

## EMERGENCY RESPONSE MANAGEMENT

Effective emergency response management is integral to protecting our workers, the environment, and our operations. In 2021, Arctic re-established our Ekati Emergency Response Team (ERT) membership and held regular training practices throughout 2021.

Ekati ERT members were scheduled to participate in a joint ERT exercise at the Diavik Diamond Mine in early September 2021, but due to a surge in COVID-19 cases, Ekati ERT members were not able to attend.

## COVID-19 PANDEMIC

The pandemic added to our workforce's well-being and travel challenges in 2021, as Ekati's Health and Safety Team, ERT, and members of our Leadership Team, connected regularly to navigate through unprecedented circumstances.

As an organization, we understand the responsibility we have to protect the North and the people and communities in which we operate from furthering the spread of COVID-19.





This influenced our decision to introduce the following health and safety measures to essential personnel during the restart of operations, to minimize the spread of COVID-19:

- Setting up a best-in-class PCR laboratory on-site to test our workers inbound, on-site, and before they returned to their home communities
- Regular communications regarding reminders about physical distancing and best health practices
- Remote workforce enablement
- Implementation of flight rotation changes from 2x2 to 3x3 shifts to decrease travel and accommodate isolation measures
- Increased sanitization practices across all Arctic properties

While on-site, workers underwent daily health screenings to monitor for COVID-19 symptoms. If symptoms were observed, workers were asked to remain in their camp rooms in isolation. If testing yielded positive results, NWT Public Health was contacted and the infected workers remained in isolation until cleared by a medic.

With the extensive precautions and protocols in place by Arctic, the risk of COVID-19 exposure within NWT communities was minimized to the best of our abilities.

However, on May 31, 2021, Ekati Diamond Mine was declared an outbreak site by the Office of the Chief Public Health Officer (OCPHO), as a result of two cases of on-site transmission. The two individuals were out-of-territory workers and they recovered. There were no hospitalizations related to the outbreak.

The Northwest Territories (NWT) defines an outbreak in a closed facility (including remote camps), as one or more confirmed or probable cases of COVID-19, where infection is acquired within the facility. On June 28, 2021, the OCPHO declared the outbreak at Ekati Diamond Mine over.

To further reduce the spread of COVID-19 among our workforce, in October 2021, Arctic announced a mandatory vaccination policy that came into effect on November 1, which allowed Arctic to ease COVID-19 restrictions on-site by year-end. The introduction of this mandatory vaccination policy was aligned with federal and provincial regulations and further promoted our workers' well-being.

Arctic will continue to monitor public health orders and restrictions. Our practices and policies will evolve accordingly, to ensure the safety of our workforce, our communities, and the environment.



# ENVIRONMENT

The Ekati Diamond Mine is located in one of Canada's most pristine ecosystems – the Arctic tundra. Preserving this environment and minimizing our operational footprint is of the utmost importance, which is why we are committed to mining in the safest, most environmentally responsible manner.

## LLCF RECLAMATION RESEARCH

Since 2012, reclamation research has been ongoing at Cell B of the Long Lake Containment Facility (LLCF) with the overall intent of addressing uncertainties with the proposed final LLCF cover design. Arctic's short-term research goal has been to establish and evaluate the vegetation growth directly within processed kimberlite (PK). High sodium concentrations and low organic matter content present challenges, but also provide opportunities for innovative research to improve environmental conditions and lead to a final closure design.

The main components of the 2021 LLCF reclamation research included evaluation of soil amendments, rock/vegetation combinations, annual crop cover, plant species trials, Mine-generated organic matter application, seed collection/distribution, and natural vegetation colonization.

The LLCF reclamation research aims to establish a best practice that could also be adapted by other mining operations looking to reclaim PK containment sites. Annual vegetation monitoring and continued program expansion aid in reaching that goal. Arctic has included traditional knowledge, other scientific knowledge, and regulatory and community input as a key component of LLCF reclamation research planning and final cover design.

## EDNA ANALYSIS

Arctic continues to find innovative methods that are less invasive, scientifically defensible, and more efficient to complete environmental surveys and studies at Ekati Mine. In 2021, we used Environmental DNA (eDNA) analysis to confirm the presence or absence of fish in three waterbodies at the mine, including a targeted analysis for a specific species of interest. eDNA analysis detects eDNA genetic material that is released by organisms in the environment and can be collected from that environment using different types of samples (e.g., water). If fish are present in these waterbodies, fish DNA is accumulated in the water column and the eDNA analysis detects their presence with less invasion and disturbance to the aquatic environment. When markers have been identified for species, it is also possible to run eDNA analysis for specific species of fish rather than a general analysis.



In 2021, Arctic collected water samples for eDNA analysis from Alexia, Merlin, and Harrier lakes to confirm the presence or absence of fish in these waterbodies. Water samples and replicates were collected from different locations in the lake in areas where fish were expected to be present. One control sample was also collected to verify that the eDNA samples amplified properly. At Alexia Lake, the results indicated that fish DNA was present in all the samples collected. An eDNA analysis for Merlin and Harrier lakes was targeted for a particular species of interest: Arctic grayling (*Thymallus arcticus*). The results for Lake Merlin and Harrier Lake confirmed the suspected absence of Arctic grayling.

Using eDNA is a reliable, effective, and safe survey method to detect the presence of certain species without having to capture and handle them. Compared to potentially intrusive traditional methods such as electrofishing or transect surveys, this method is also more cost-effective, safer for field technicians, and provides fast results to detect fish presence. eDNA analysis is a promising tool to complete biological monitoring in aquatic systems, particularly for the inventory of aquatic species. Arctic will continue to use eDNA sampling when appropriate to reduce stress to organisms and the environment and will also continue to consider different and innovative sampling methods at Ekati Mine.

## POINT LAKE PROJECT

On May 28, 2021, Arctic submitted applications to the Wek'èezhii Land and Water Board (WLWB) requesting approval of the Point Lake Project. The Point Lake Project involves the construction and operation of a satellite open pit in close proximity to the existing Misery Site. Arctic views Point Lake as the next step in creating a sustained flow of benefits to all parties from a successful extension of operations at Ekati Diamond Mine. Mining at Point Lake will provide a bridge to sustain process plant operations into 2028. Arctic has been engaging with communities to understand the key environmental and socio-economic impacts of the proposed development.

Valuable feedback and traditional knowledge have been incorporated into the project design, and Arctic continues to engage with interested parties to ensure that the Point Lake Project can proceed in an environmentally and socially responsible manner. The Point Lake Project went to public hearing in Yellowknife, NWT, between November 23 and 26, 2021, and the WLWB provided draft approval conditions to all interveners and to Arctic for review and comments.

## DIGITAL DATA COLLECTION FOR THE WILDLIFE EFFECTS MONITORING PROGRAM

In 2021, Arctic completed pilot testing for transition of its traditional extensive data collection under the Wildlife Effects Monitoring Program (WEMP), from manual paper data recording to a digital platform. Once implementation is complete, Arctic will collect all wildlife survey data using tablet technology, which will in addition to enhancing data accuracy and minimizing human error, virtually eliminate the need for paper usage under the WEMP.





# EMPLOYMENT

The 2021 operating year was difficult for our employees and contractors. The suspension of operations in 2020 at Ekati Mine continued to impact our workforce significantly and reduced opportunities to participate in learning and development programs.

As Arctic began activities to restart the business, we found ourselves extremely understaffed as many workers, especially those from Northern communities, found other employment opportunities while furloughed. This resulted in more than 300 vacancies.

While we focused on Northern recruitment, the impacts of the pandemic in Northern communities limited our ability to reach candidates through in-person recruitment fairs, which had to be postponed due to public health measures. As a result of our urgent need to bring in people quickly to successfully restart the Mine, we had to utilize recruitment sources from Northern and Southern communities until the labour force stabilized. A total of 36 new Northern hires were employed by Arctic during 2021 and our Northern recruitment initiatives are being expanded as new positions have been added to our head count in 2022.

Under new management, Arctic hired an internal Human Resources Recruitment Team that has been working to re-establish relationships with Northern communities and focus on increasing new hires from these communities. Their efforts have been aided by our Community Relations Advisor, who has assisted with sharing job opportunities directly with the communities and reviewing postings to facilitate inclusive language communications. We have seen an increase in Northern and Indigenous hiring in Q4 of 2021 and into the early part of 2022.

Arctic has plans to hold virtual career fairs for Northern communities in 2022, which we expect will offer more opportunities to reach potential recruits, despite restrictions due to COVID-19 pandemic measures.

Arctic remains dedicated to hiring workers from the North and those in partnership with local communities.

## WORKPLACE POLICIES

Arctic ensures that Ekati Mine is a welcoming workplace for all employees and contractors. We have several policies and procedures in place, which employees and contractors are expected to adhere to, including:

- Code of Ethics and Business Conduct
- Harassment and Discrimination Policy
- Whistleblower Protection Policy
- Privacy and Protection of Personal Information Policy
- Invitee Access Agreement



## APPRENTICESHIPS

Arctic fully restarted its apprenticeship program in 2021. Despite the workforce challenges presented during the year, the business was able to maintain 16 apprentices registered in the following trades: automotive, electrical, heavy-duty technician, millwright, parts technician, and welding. To date, over 120 apprentices have graduated from the program, and we are excited to continue to expand in 2022.

All apprentices are given the opportunity to work closely with their selected mentor or journeyperson who supports their apprentices' continued practical education when not at school. The program also enables participation in skills competitions (when viable), which helps the apprentices develop knowledge and confidence in their abilities.

## NORTHERN LEADERSHIP DEVELOPMENT PROGRAM

Ekati Mine has been a long-standing supporter of the Northern Leadership Development Program (NLDP) since its inception in 2011. Participation in leadership development programs such as the NLDP is recognized as a significant opportunity for career advancement and Arctic's leadership team will continue to encourage candidates to apply. We have two employees currently enrolled in the program and look forward to celebrating their graduation in June 2022.

## TRAINING

Arctic's focus in 2021 was on re-establishing our workforce and our training team. With the restart of operations at the mine, our priority has been to retrain returning workers and train new employees to ensure safety and efficiency. At year-end, more than 300 new employees were successfully onboarded. As our workforce stabilizes, further training opportunities will be available, such as retraining current employees for alternative future roles.

We worked diligently to re-establish our relationships within the industry, specifically with the Mine Training Society (MTS), which led to two MTS program graduates being hired. There was a focus to re-engage with our IBA communities and we will continue to foster future training opportunities that support community growth and needs.

Another area of focus for Arctic is supporting women in mining. We look forward to increasing our focus to source opportunities for women within our mining operations in 2022 and beyond.



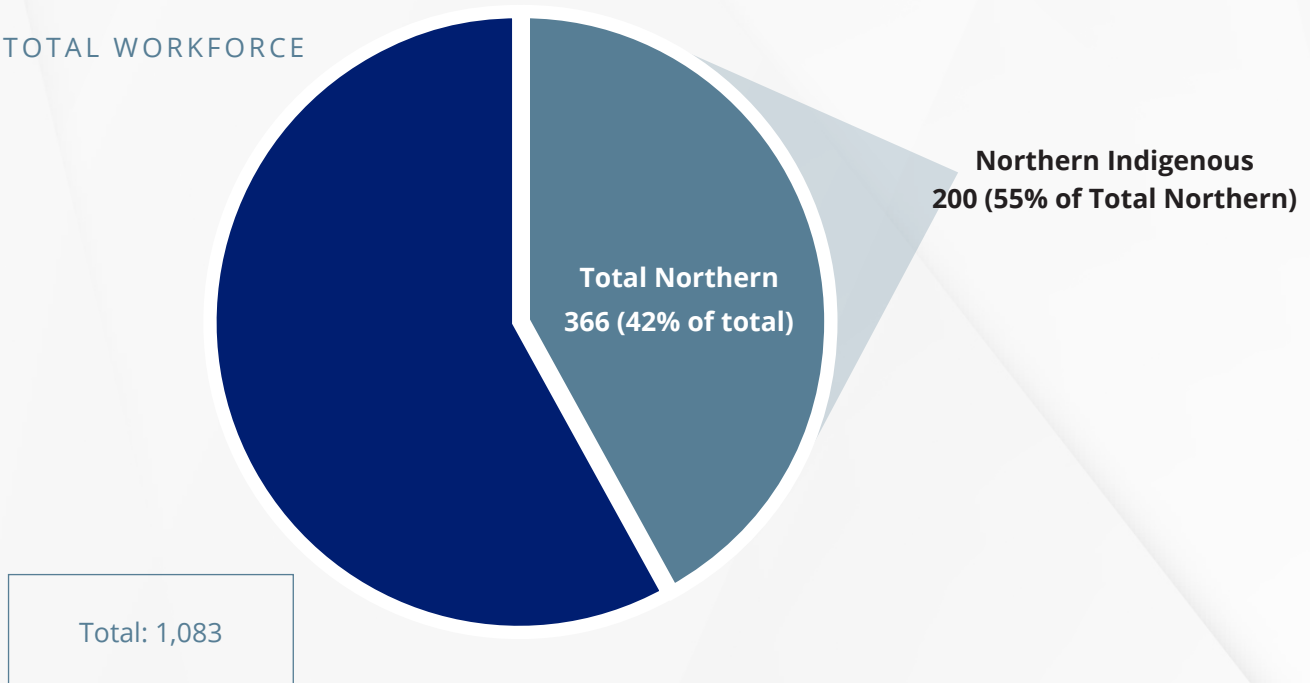
## EMPLOYMENT BY PRIORITY GROUP

TABLE 1: PERSON YEARS		
	Employees	Contractors
Northern Indigenous	175	25
Northern Other	71	95
<b>Total Northern</b>	<b>246</b>	<b>120</b>
Other	431	286
Subtotal	677	406
<b>Grand Total</b>	<b>1,083</b>	
Northern % of Total	366 (34%)	
Northern Indigenous % of Northern Total	200 (55%)	

There may be variances in the total numbers due to rounding to the closest whole number after the addition of the non-rounded numbers has taken place.

## TOTAL WORKFORCE

TOTAL WORKFORCE





## EMPLOYMENT BY SKILL LEVEL

TABLE 2A: EMPLOYEES (PERSON YEARS)

	Northern Indigenous	Northern Other	Total Northern	Other	Grand Total	Indigenous
Management	0	6	6	32	38	2
Professional	0	1	1	62	63	1
Skilled	42	37	79	232	311	60
Semi-skilled	111	22	133	97	230	122
Entry	23	4	27	8	35	33
<b>Total</b>	176	70	246	431	677	218

TABLE 2B: CONTRACTORS (PERSON YEARS) %

	Northern Indigenous	Northern Other	Total Northern	Other	Grand Total	Indigenous
Management	1	0	1	4	5	1
Professional	0	1	1	7	8	0
Skilled	3	19	22	162	184	6
Semi-skilled	8	25	33	97	130	11
Entry	13	50	63	16	79	13
<b>Total</b>	25	95	120	286	406	31

TABLE 2C: EMPLOYEES & CONTRACTORS (PERSON YEARS) %

	Northern Indigenous	Northern Other	Total Northern	Other	Grand Total	Indigenous
Management	1 (14%)	6 (86%)	7 (16%)	36 (84%)	43 (100%)	3
Professional	0 (0%)	2 (100%)	2 (3%)	69 (97%)	71 (100%)	1
Skilled	45 (45%)	56 (55%)	101 (20%)	394 (80%)	495 (100%)	66
Semi-Skilled	119 (72%)	47 (28%)	166 (46%)	194 (53%)	360 (100%)	133
Entry	36 (40%)	54 (64%)	90 (79%)	24 (22%)	114 (100%)	46
<b>Total</b>	201 (55%)	165 (45%)	366 (34%)	717 (66%)	1,083 (100%)	249

## EMPLOYMENT BY GENDER AND PRIORITY GROUP

TABLE 3A: EMPLOYEES (PERSON YEARS) %

	Northern Indigenous	Northern Other	Total Northern	Other	Grand Total	Indigenous
Men	159 (91%)	64 (90%)	223 (91%)	362 (84%)	585 (86%)	188 (89%)
Women	16 (9%)	7 (10%)	23 (91%)	69 (16%)	92 (14%)	23 (11%)
<b>Total</b>	175 (100%)	71 (100%)	246 (100%)	431 (100%)	677 (100%)	211 (100%)

TABLE 3B: CONTRACTORS (PERSON YEARS) %

	Northern Indigenous	Northern Other	Total Northern	Other	Grand Total	Indigenous
Men	10 (53%)	73 (72%)	83 (69%)	254 (89%)	337 (83%)	14 (52%)
Women	9 (47%)	28 (28%)	37 (31%)	32 (11%)	69 (17%)	13 (48%)
<b>Total</b>	19 (100%)	101 (100%)	120 (100%)	286 (100%)	406 (100%)	27 (100%)

TABLE 3C: CONTRACTORS (PERSON YEARS) %

	Northern Indigenous	Northern Other	Total Northern	Other	Grand Total	Indigenous
Men	169 (87%)	137 (80%)	306 (84%)	616 (86%)	922 (85%)	202 (85%)
Women	25 (13%)	35 (20%)	60 (16%)	101 (14%)	161 (15%)	36 (15%)
<b>Total</b>	194 (100%)	172 (100%)	366 (100%)	717 (100%)	1,083 (100%)	238 (100%)

## FEMALE EMPLOYMENT (TRADITIONAL & NON-TRADITIONAL ROLES)

TABLE 4A: FEMALE EMPLOYEES (PERSON YEARS) %

	Northern Indigenous	Northern Other	Total Northern	Other	Grand Total	Indigenous
Non-traditional	13 (83%)	7 (55%)	20 (88%)	53 (77%)	73 (80%)	19
Traditional	3 (17%)	0 (0%)	3 (12%)	16 (23%)	19 (20%)	3
<b>Total</b>	16 (100%)	7 (100%)	23 (100%)	69 (100%)	92 (100%)	22

TABLE 4B: FEMALE CONTRACTORS (PERSON YEARS) %

	Northern Indigenous	Northern Other	Total Northern	Other	Grand Total	Indigenous
Non-traditional	3 (37%)	11 (39%)	14 (39%)	24 (73%)	38 (55%)	7
Traditional	5 (63%)	17 (61%)	22 (61%)	9 (27%)	31 (45%)	6
<b>Total</b>	8 (100%)	28 (100%)	36 (100%)	33 (100%)	69 (100%)	13

TABLE 4C: FEMALE EMPLOYEES & CONTRACTORS (PERSON YEARS) %

	Northern Indigenous	Northern Other	Total Northern	Other	Grand Total	Indigenous
Non-traditional	16 (68%)	18 (51%)	34 (58%)	77 (75%)	111 (69%)	26
Traditional	8 (32%)	17 (49%)	25 (42%)	25 (25%)	50 (31%)	9
<b>Total</b>	24 (100%)	35 (100%)	59 (100%)	102 (100%)	161 (100%)	35

TABLE 4D: FEMALE EMPLOYEES & CONTRACTORS (PERSON YEARS) %

	Management	Professional	Skilled	Semi-Skilled	Entry Level	Grand Total
Employees	9 (10%)	17 (19%)	30 (33%)	33 (36%)	2 (2%)	91 (100%)
Contractors	0 (0%)	3 (4%)	18 (26%)	15 (22%)	33 (48%)	69 (100%)
<b>Total</b>	9 (6%)	20 (12%)	48 (30%)	48 (30%)	35 (22%)	160 (100%)

## APPRENTICESHIPS BY PRIORITY GROUP

TABLE 5A: APPRENTICESHIPS (HEAD COUNT)

	Northern Indigenous	Northern Other	Total Northern	Other	Grand Total	Indigenous
Employees	3	0	3	0	3	3
Contractors	6	6	12	1	13	6
<b>Total</b>	9	6	15	1	16	9

TABLE 5B: APPRENTICESHIPS (PERSON YEARS)

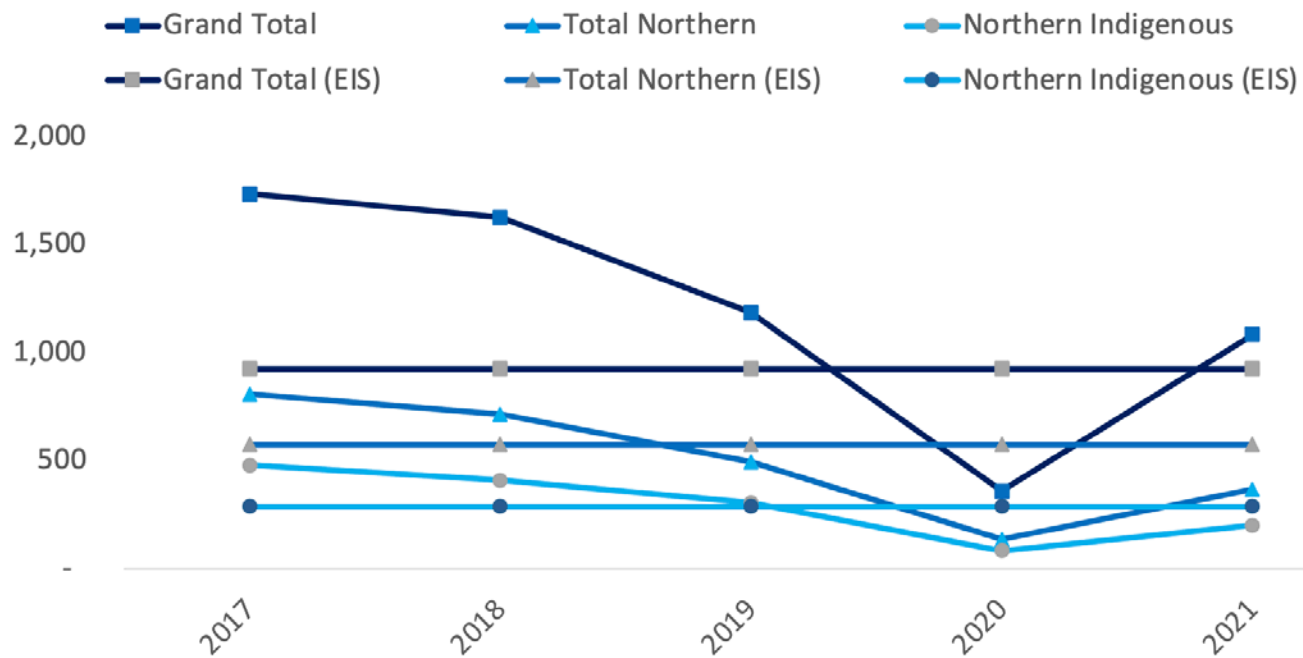
	Northern Indigenous	Northern Other	Total Northern	Other	Grand Total	Indigenous
Employees	3	0	3	0	3	3
Contractors	4	4	8	1	9	4
<b>Total</b>	7	4	11	1	12	7

## TOTAL OPERATIONS & CAPITAL EMPLOYMENT BY PRIORITY GROUP

TABLE 6: EMPLOYMENT BY PRIORITY GROUP (PERSON YEARS)

	2017	2018	2019	2020	2021	2021
Northern Indigenous	478	408	304	83	200	1,473
Northern Other	329	307	191	52	166	1,045
<b>Total</b>	807	715	495	135	366	2,518
Employees	927	910	691	224	717	3,469
<b>Grand Total</b>	1,734	1,625	1,186	359	1,083	5,987
Northern % of Total	47%	44%	42%	38%	34%	42%
Indigenous % of Northern	59%	57%	61%	62%	55%	58%

## GRAPH 7: ACTUAL EMPLOYMENT COMPARED TO THE ENVIRONMENTAL IMPACT STATEMENT (EIS) EMPLOYMENT PREDICTIONS (PERSON YEARS)



## TOTAL OPERATIONS & CAPITAL EMPLOYMENT BY PRIORITY GROUP

TABLE 8: HEAD COUNT (%)

	Northern Indigenous	Northern Other	Total Northern	Other	Grand Total	Indigenous
Employees	180 (70%)	76 (30%)	256 (32%)	541 (68%)	797 (100%)	218
Contractors	28 (13%)	193 (87%)	221 (26%)	644 (74%)	865 (100%)	40
<b>Total</b>	208 (44%)	269 (56%)	477 (29%)	1,185 (71%)	1,662 (100%)	258

## TOTAL OPERATION & CAPITAL EMPLOYMENT BY PRIORITY GROUP & SKILL LEVEL (HEAD COUNT)

TABLE 9A: EMPLOYEES

	Northern Indigenous	Northern Other	Total Northern	Other	Grand Total	Indigenous
Management	0	8	8	41	49	2
Professional	0	3	3	78	81	1
Skilled	44	35	79	281	360	60
Semi-skilled	107	24	131	126	257	122
Entry	29	6	35	15	50	33
<b>Total</b>	180	76	256	541	797	218

TABLE 9B: CONTRACTORS

	Northern Indigenous	Northern Other	Total Northern	Other	Grand Total	Indigenous
Management	1	1	2	6	8	1
Professional	0	6	6	37	43	1
Skilled	5	38	43	383	426	10
Semi-skilled	9	50	59	187	246	13
Entry	18	93	111	31	142	19
<b>Total</b>	33	188	221	644	865	44

TABLE 9C: EMPLOYEES & CONTRACTORS (%)

	Northern Indigenous	Northern Other	Total Northern	Other	Grand Total	Indigenous
Management	1 (10%)	9 (90%)	10 (18%)	47 (82%)	57 (100%)	3
Professional	0 (0%)	9 (100%)	9 (7%)	115 (93%)	124 (100%)	2
Skilled	49 (40%)	73 (60%)	122 (16%)	664 (84%)	786 (100%)	70
Semi-skilled	116 (59%)	74 (39%)	190 (38%)	313 (62%)	503 (100%)	135
Entry	47 (32%)	99 (70%)	146 (76%)	46 (25%)	192 (100%)	52
<b>Total</b>	213 (45%)	264 (55%)	477 (29%)	1,185 (71%)	1,662 (100%)	262

There may be variances in the total numbers due to rounding to the closest whole number after the addition of the non-rounded numbers has taken place.



# BUSINESS SPEND

Arctic is committed to maintaining positive working relationships with suppliers to build capacity for Northern business and to promote economic growth.

Indigenous businesses have secured numerous contracts at Ekati Mine, including contracts for mining services, explosives and blasting supply, catering and janitorial services; and freight management and transportation services, including air freight, passenger flights, and ground transportation.

## BACKGROUND FOR 2021 NUMBERS

In 2021, we saw a 54% increase in overall spend compared to 2020, as we restarted mining operations in Q1 of 2021 under new ownership as Arctic Canadian Diamond Company.

As part of the sale of the company and as mining operations at Ekati Mine resumed, Arctic focused on maintaining relationships and contracts with the majority of our suppliers and particularly with Northern and Northern Indigenous businesses, which play a critical role in the mining operations at the mine. Arctic's proportion of spend with Indigenous suppliers has returned to levels seen prior to the COVID-19 pandemic and the subsequent suspension of operations.

As we enter 2022 at full production, the commitment and support for our Northern partners continues to be a top priority.

## 2021 BUSINESS SPEND SUMMARY

Total business spend increased by 54% to \$307 million as Ekati Mine returned to regular mining activity in Q1 of 2021.

Indigenous suppliers are critical to mining operations at the mine and the return to normal operations saw Indigenous spend increase by 65% (\$44 million) in 2021 and account for 36% of Arctic's total spend. This matches the proportion of Indigenous spend seen in 2019 as the highest in the last decade.

Non-Indigenous Northern spend increased by 17% (\$8 million) in 2021. As mining operations resumed, so did the scheduled maintenance and repairs to the trucks and heavy equipment. Many of the necessary parts are sourced from our partners in Yellowknife.

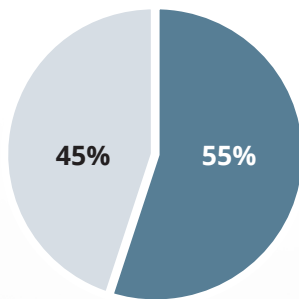
**Note:** Government, royalty and donation payments that were not commercial business spend are not reflected in this report.



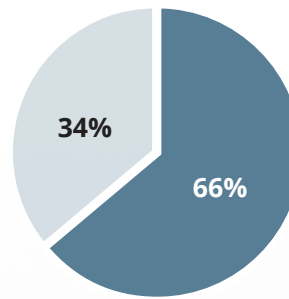


TABLE 10: EXPENDITURES BY PRIORITY GROUP

	Expenditures	% of Total Northern	% of Total Spend
Northern Indigenous Businesses	\$111,674,633.71	66%	36%
Other (Non-Indigenous) Northern Businesses	\$56,309,843.09	34%	18%
<b>Total Northern</b>	<b>\$167,984,476.80</b>	<b>100%</b>	<b>55%</b>
Other (Non-Northern) Business	\$138,727,309.40	N/A	45%
<b>Total Spend</b>	<b>\$306,711,786.20</b>		



Northern	\$167,984,478.80
Other	\$138,727,309.40
<b>Total</b>	<b>\$306,711,786.20</b>



Northern - Indigenous	\$111,674,633.71
Northern - Other	\$56,309,843.09
<b>Total</b>	<b>\$167,984,476.80</b>

TABLE 11: NORTHERN EXPENDITURES BY CATEGORY

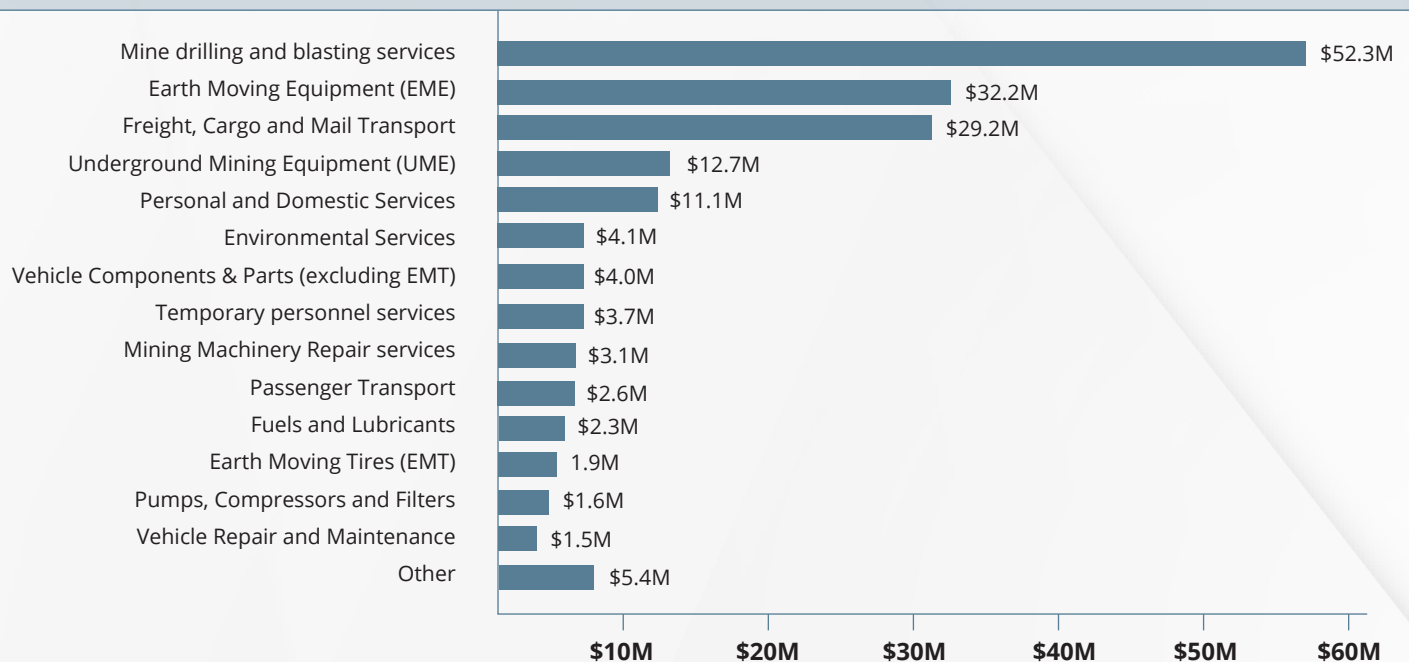


TABLE 12A: EXPENDITURES BY PRIORITY GROUP (MILLIONS OF DOLLARS)

	2017	2018	2019	2020	2021	Total
Northern Indigenous Businesses	147	176	143	68	112	646
Other Northern Businesses	160	126	79	48	56	469
<b>Total Northern</b>	<b>307</b>	<b>302</b>	<b>222</b>	<b>116</b>	<b>168</b>	<b>1,115</b>
Other Businesses	181	222	176	84	139	802
<b>Total Spend</b>	<b>488</b>	<b>524</b>	<b>398</b>	<b>200</b>	<b>307</b>	<b>1,917</b>

TABLE 12B: EXPENDITURES BY PRIORITY GROUP (%)

	2017	2018	2019	2020	2021	Total
Northern Indigenous Businesses	30%	34%	36%	34%	36%	34%
Other Northern Businesses	33%	24%	20%	24%	18%	24%
<b>Total Northern</b>	<b>63%</b>	<b>58%</b>	<b>56%</b>	<b>58%</b>	<b>55%</b>	<b>58%</b>

TABLE 13: ACTUAL SPENDING COMPARED TO THE ENVIRONMENTAL IMPACT STATEMENT SPENDING PREDICTIONS (MILLIONS OF DOLLARS)

	2017	2018	2019	2020	2021	Total
Actual Total Spend	488	524	398	200	307	1,917
Actual Northern Spend	307	302	222	116	168	1,115
Northern Percent of Total	63%	58%	56%	58%	55%	58%
Northern Target Percent	70%	70%	70%	70%	70%	Total
Northern Target: Calculated at 70%	341.6	367	279	140	215	1,341.9
<b>Actual Minus Target</b>	<b>-34.6</b>	<b>-64.8</b>	<b>-56.6</b>	<b>-24.0</b>	<b>-46.9</b>	<b>-226.9</b>

Northern target spend is 70% of total spend.

TABLE 14: SPEND BY GEOGRAPHICAL LOCATION

Location	Expenditure
Hay River	\$4,145,223
Yellowknife	\$144,839,942
Other	\$18,999,313
<b>Total Northern</b>	<b>\$167,984,478</b>



# APPENDICES

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## APPENDIX A: POSITION LISTINGS

FEMALE TRADITIONAL POSITIONS	
Position	Skill Level
Accounts Payable Administrator	Semi-skilled
Administrative Assistant	Semi-skilled
Advisor, Communications	Skilled
Benefits Coordinator	Semi-skilled
Community Relations Advisor	Skilled
Document Control and Admin Specialist	Skilled
HR Advisor	Professional
HR Analyst	Professional
HR Business Partner	Professional
HR Co-op Student	Entry
HR Coordinator	Semi-skilled
Lab Manager, Medical Services	Skilled
LMS Administrator	Semi-skilled
Manager, Payroll & HR Operations	Management
Office Assistant	Semi-skilled
Office Manager	Skilled
Payroll & Benefits Administrator	Semi-skilled
SAP Master Data Administrator	Skilled
Sr. HR Business Partner	Professional
Sr. Payroll Administrator	Skilled
Sr. Talent Acquisition Specialist	Professional
Supervisor, Accounts Payable	Skilled
Travel Coordinator	Semi-skilled

## FEMALE NON-TRADITIONAL POSITIONS

<b>Position</b>	<b>Skill Level</b>	<b>Position</b>	<b>Skill Level</b>
Advisor, Benefits & Disability Mgmt	Professional	Environmental Advisor	Professional
Advisor, Risk & Safety	Skilled	Environmental Specialist	Skilled
Advisor, Permitting	Skilled	Equip Op Excavator Shovel	Semi-Skilled
Airport Technician	Skilled	Equip Op Production Loader	Semi-Skilled
Apprentice Millwright	Entry	Equip Op Road Train	Semi-Skilled
Apprentice Parts Technician	Entry	Equip Op Support	Semi-Skilled
Assist Maintenance	Entry	Equip Op Surface Drill	Semi-Skilled
Assist Process Plant	Entry	Equip Op Truck	Semi-Skilled
Assist Blaster	Entry	Equip Op Utility 1	Semi-Skilled
Asst MGR, Diamond Control	Management	Equip Op Utility 2	Semi-Skilled
Blaster	Skilled	Finance Co-op Student	Entry
Co-op Student, Environment	Entry	Financial Accountant	Professional
Condition Monitoring Technician	Skilled	Financial Analyst	Professional
Contract Specialist	Skilled	Geologist In Training	Professional
Data Analyst	Skilled	Geotechnical Engineer	Professional
Diamond Cleaning Specialist	Entry	Geotechnical Specialist	Professional
Diamond Controller	Semi-Skilled	Head, HR and Corporate	Management
Diamond Mining Specialist	Semi-Skilled	Head, Exploration & Project	Management
Diamond Technical Specialist	Semi-Skilled	Development Head, HSSEC	Management
MGR, Diamond Control	Management	Head, SCM, Logistics & IT	Management
Dispatcher Surface	Semi-Skilled	Health Safety & Risk Support Technician	Skilled
Draw Control Technician	Skilled	Heavy Equipment Technician	Skilled
Electrical Apprentice	Entry	Heavy Equipment Trainer	Skilled
Engineer Drill & Blast	Professional	HVAC Technician	Skilled
Engineer In Training, Mining	Professional	Hydrocarbon Tech I	Skilled
Engineering Intern, Mining	Entry	Hydrocarbon Tech II	Skilled
Environment Coordinator	Semi-Skilled	Instructional Design Specialist	Professional

## ABBREVIATIONS IN POSITION LISTINGS

Env.	Environmental	Equip Op	Equipment Operator
HR	Human Resources	HSSEC	Health Safety Security Environment
JP	Journey person	LMS	Communities
MGR	Manager	SCM	Learning Management System
Sr.	Senior	Supt.	Supply Chain Management
TL	Team Lead	UG	Superintendent Underground
HVAC	Heating, Ventilation, And air conditioning		

## APPENDIX B: INTERPRETATIONS & DEFINITIONS

### EMPLOYMENT COMMITMENTS

In the SEA, the following targets are set for Northern Resident employment and Indigenous employment for the Operations Phase of the project:

- Northern Resident employment will be 62% of the total Arctic and Contractor employment
- Indigenous employment will equal at least 50% of Northern Resident employment

### BUSINESS SPEND COMMITMENTS

The SEA target for Northern business spend is 70% of the total annual value of goods and services purchased during the Operations Phase.

### JOB CLASSIFICATIONS

The skills and knowledge to perform the duties of a position fall into five basic categories. The following classification and criteria are used:

**Management:** Characterized by high levels of responsibility, accountability, and subject matter expertise. Expertise is acquired through either formal education or extensive occupational experience.

**Professional:** Position requires a university degree (e.g., accountant, engineer, geologist).

**Skilled:** Position requires a college or technical school diploma, certification in specialized trades (e.g. surveyor, technician, administrative assistant).

**Semi-skilled:** Position requires a GED and related work experience (e.g., equipment operator).

**Entry:** Formerly referred to as Unskilled, this category is now called Entry to accurately define the position description for entry-level positions is non-specialized; GED is preferred.

## NUNAVUT

The SEA was signed on October 22, 1996, prior to the division of the Northwest Territories and the formation of Nunavut. Employment and business expenditure data from the Hamlets and Kugluktuk and Cambridge Bay are also included in the report.

## ROUNDING

The totals in the tables in this report may differ slightly, due to rounding to the closest whole number after the addition of the non-rounded numbers has taken place.

## STANDARD CONTRACT EMPLOYER PRACTICES

Arctic requires all contract employers to support our commitments to the peoples of the North by preferentially hiring Northern residents and Indigenous individuals when it is reasonably practicable.

## TRADITIONAL & NON-TRADITIONAL OCCUPATIONS FOR WOMEN

As per the SEA, Arctic is required to report the number of women working in traditional and non-traditional occupations. For the purpose of this report, a woman who works outside the home in a job that is not historically categorized as a female occupation is considered to be working in a non-traditional occupation. For more accurate reporting, Arctic has also included female employment by skill level as shown in Table 4D. Classifications for traditional and non-traditional positions are reported in Appendix A.

## DEFINITIONS IN THIS REPORT

**Contractor:** Every contractor and sub-contractor used by Arctic for the project.

**Head count:** The number of individuals who have worked in connection with Arctic, irrespective of the number of hours worked.

**Indigenous:** A First Nations, Inuit, or Métis person who originates from the Northwest Territories (or Nunavut after 1999).

**Indigenous business:** A business wholly owned by, or in partnership with, an Indigenous group. Indigenous businesses have a physical presence in the Northwest Territories; Kugluktuk; or Cambridge Bay, and are self-declared to be an Indigenous business regardless of where the business is headquartered and/or whether it is ultimately parented by an Indigenous business.

**North/Northern:** The region covered by the Northwest Territories and Nunavut.

**Northern business:** A business organization that, may be an incorporated company, unincorporated joint venture, partnership, proprietorship, or cooperative acting for the benefit of any Northern resident in which Northern residents shall have substantial management authority or in which Northern residents shall have a significant working interest.

**Northern Indigenous:** An Indigenous person who resides in the North.

**Northern Other:** A Northern Resident who does not meet the definition of Indigenous, as used in this report.



Northern Resident: A person who maintains a self-contained domestic establishment in the Northwest Territories (or Nunavut) other than a residence at a remote work site, and who primarily resides at that domestic establishment when not residing at a remote work site or attending an educational institution full time, and who:

I. Has continuously been a Northwest Territories (or Nunavut) resident for a period of at least six months immediately prior to being hired; or

II. Is Indigenous.

Operations Phase: That period of time commencing on the date when the first Mine goes into commercial production (when diamonds in sizable quantities are recovered and offered for sale on a regular basis), within the claim block, until the permanent closure of the last Mine of the project.

Person Year: For operations, one person year equals 2,080 hours per year. For construction, one person year equals 2,736 hours per year.





# ARCTIC CANADIAN DIAMOND COMPANY

*Naturally Beautiful. Mined Right.*

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