

MEMBER'S STATEMENT — KEVIN O'REILLY, MLA FRAME LAKE

Dominion Diamond Creditor Protection

June 3, 2020

MR. O'REILLY: Merci, Monsieur le President. On April 22nd, six Dominion Diamond affiliates applied for creditor protection in Alberta. I will not speak to the merits or details of this proceeding, but it does raise serious concerns and issues for the Northwest Territories as the Ekati Mine is a major employer and economic driver here in the Northwest Territories. Creditor protection has been extended until at least June 1, 2020. According to the list of unsecured creditors, Dominion Diamond owes NWT businesses over \$13 million, much of this to Indigenous economic development corporations. The pension fund for the unionized employees is also in a deficit of over \$20 million. To say all this has serious implications for the NWT economy would be an understatement. The GNWT holds \$295 million in financial security for the closure and reclamation obligations at Ekati Mine. Almost all of this is in the form of surety bonds issued by insurance companies rather than irrevocable letters of credit issued by Canadian chartered banks.

These surety bonds are a relatively new and untested form of financial security for the Northwest Territories.

Until Regular MLAs asked, there were virtually no communications from Cabinet on what GNWT is doing or not. It was not clear that the GNWT was participating in a legal proceeding and, if so, to what ends until the ITI Minister responded to questions yesterday in this House. It has not been publicly reported whether the GNWT is owed any money from the operation and production at the Ekati Mine. I have asked about the financial security that is in place and continue to have concerns about its adequacy. I will have questions later today for the Premier as this matter cuts across several portfolios. Mahsi, Mr. Speaker.