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# Resource Development in the NWT & Yukon

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June 13, 2018

Inuvik, NWT



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## Agenda:

- Overview of Territories (Stats)
- Resource Opportunities
- What are the challenges
- How to overcome the challenges
- Why we need a resource economy in the North







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# Overview of the Territories

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## Territory stats:

- 40% of Canada's land mass
- Still a great deal unexplored
- Approximately 110,000 people
- Approximately 50% Indigenous



Provinces and territories of Canada





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# Resource Opportunities

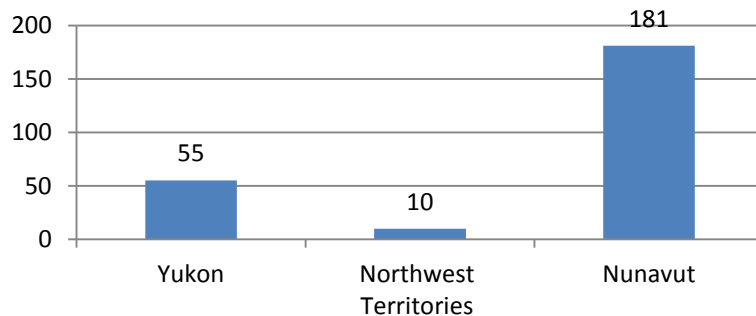
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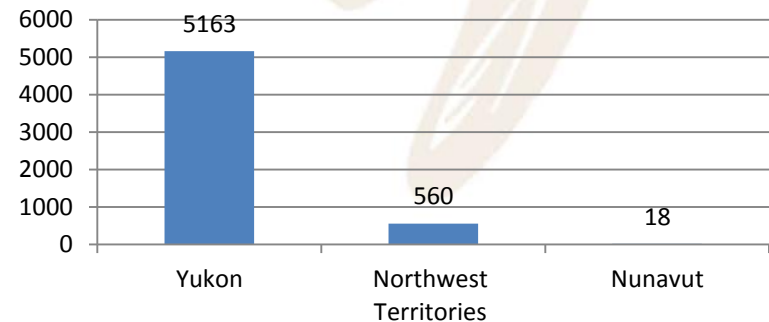
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	Natural Gas	Crude Oil
<b>Yukon</b>	<ul style="list-style-type: none"> <li>No infrastructure other than Southern Yukon – Kontanelee</li> </ul>	<ul style="list-style-type: none"> <li>No infrastructure</li> </ul>
<b>NWT</b>	<ul style="list-style-type: none"> <li>2016: 8 million cubic foot per day</li> <li>Inuvik shut down</li> </ul>	<ul style="list-style-type: none"> <li>2016: 8.8 thousand barrels per day</li> </ul>
<b>Nunavut</b>	<ul style="list-style-type: none"> <li>No infrastructure</li> </ul>	<ul style="list-style-type: none"> <li>1985 to 1996, approximately 3.0 million barrels produced - Bent Horn field on Cameron Island (Resolute Bay / Polaris Zink Mine)</li> </ul>

**Reserves - Recoverable Natural Gas - Trillion Cubic Feet**



**Reserves - Recoverable Crude Oil - Billion Barrels**



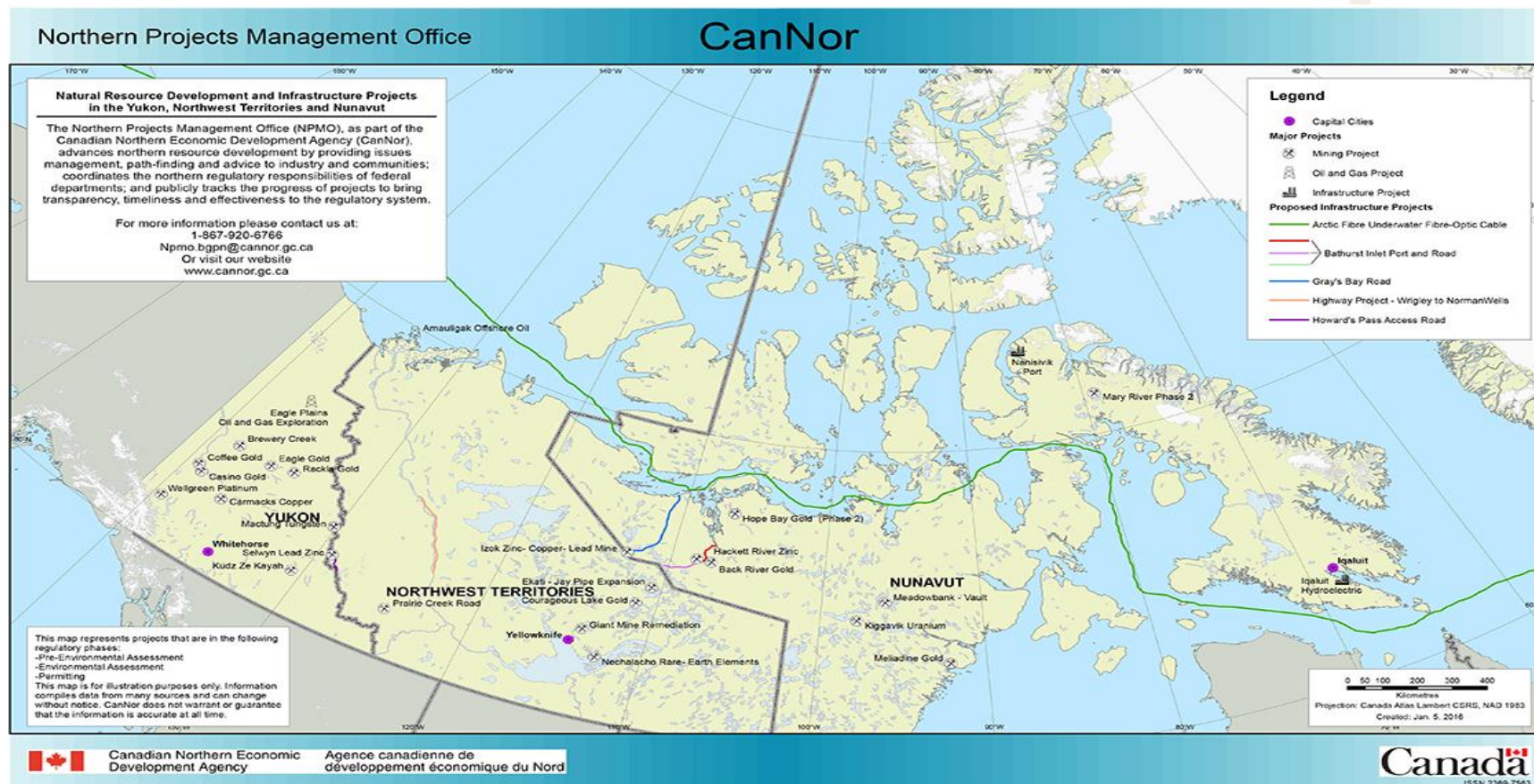
**Note:** Conventional – onshore / offshore  
 Federal: 38% Natural gas / 35% light crude (conventional)  
 2015 Data





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## Territorial Mature Mining Projects







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An aerial photograph of a coastal community. In the foreground, a large, rocky island covered in dense green forest is situated in the water. The background shows a town with various buildings, roads, and a marina with many boats. The water is a deep blue-green color.

# What are the challenges

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## Challenges:

- Regulatory landscape
- Land Claims / Indigenous Engagement
- Desire to develop
- International factors
- Infrastructure





## Infrastructure:

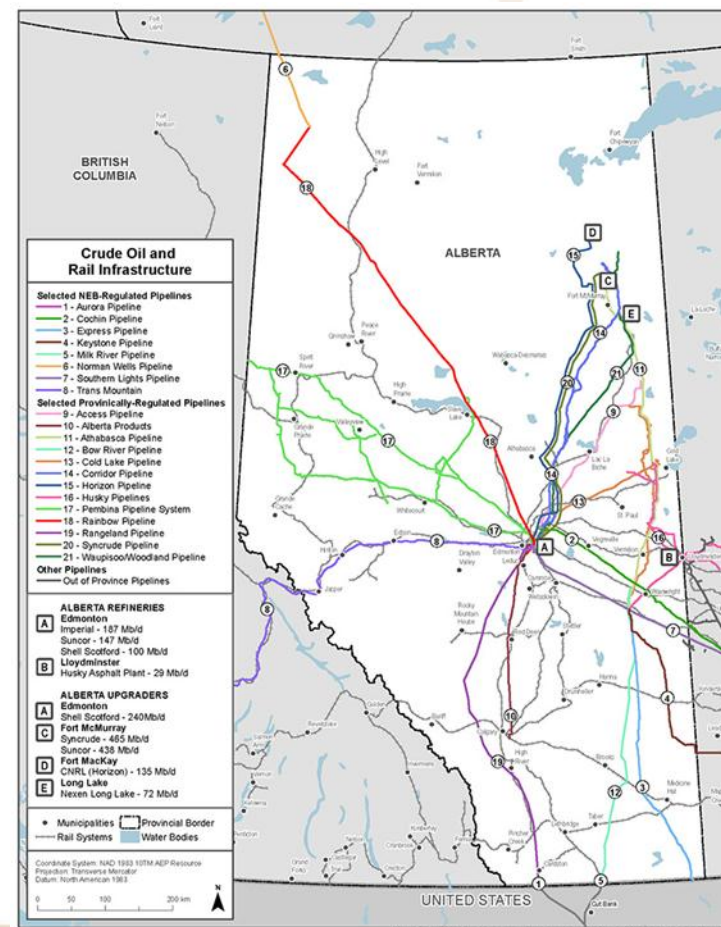
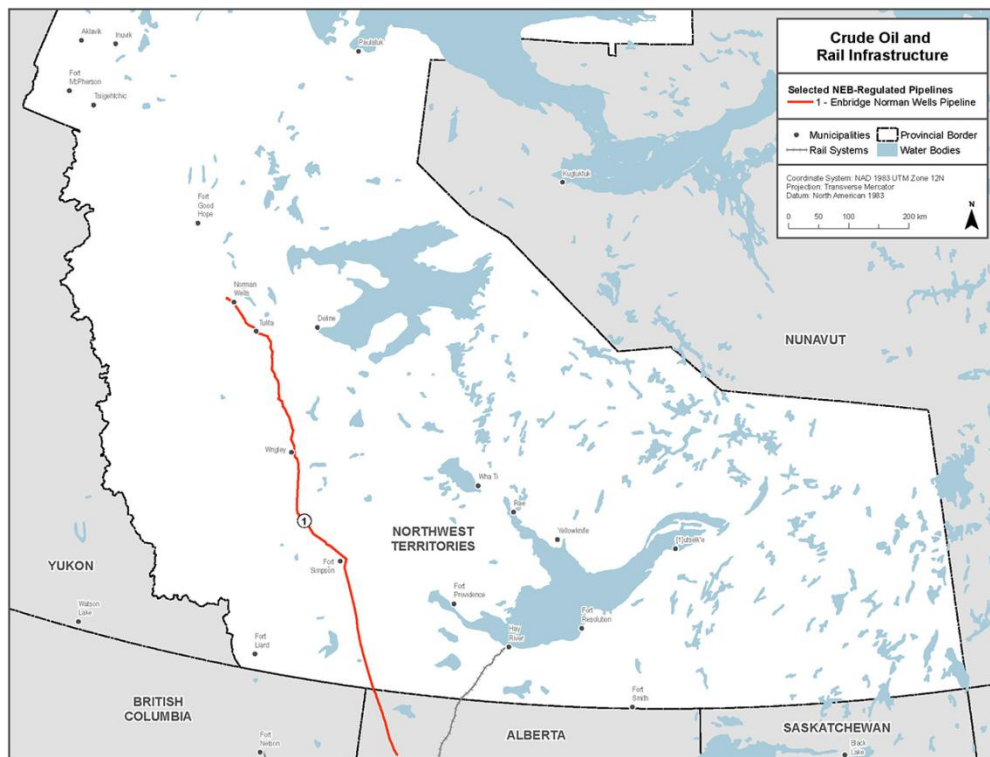
Infrastructure	Yukon	NWT	Nunavut
<b>Roads</b>	<ul style="list-style-type: none"><li>• Full access to all communities but one</li><li>• Limited to resource sites</li></ul>	<ul style="list-style-type: none"><li>• Main road through Territory</li><li>• Number of remote communities not connected</li><li>• Require road to resources</li><li>• Proposed Slave Geological Corridor</li></ul>	<ul style="list-style-type: none"><li>• No road access to communities</li><li>• No road access to resource projects</li><li>• Proposed Grays Bay Road</li></ul>
<b>Power</b>	<ul style="list-style-type: none"><li>• Majority hydroelectric</li><li>• Limited surplus for resource projects</li></ul>	<ul style="list-style-type: none"><li>• Approximately 50% hydroelectric</li><li>• Remaining diesel co-generation</li></ul>	<ul style="list-style-type: none"><li>• All diesel co-generation</li><li>• 25 units</li><li>• Over half beyond end of life (inefficient)</li></ul>
<b>Ports</b>	<ul style="list-style-type: none"><li>• Access to port in Skagway, AK</li><li>• Access to port in Prince Rupert (Highway 37)</li></ul>	<ul style="list-style-type: none"><li>• Ability to create deep water port in Tuktoyaktuk</li></ul>	<ul style="list-style-type: none"><li>• Proposed deep water port – Grays Bay</li></ul>





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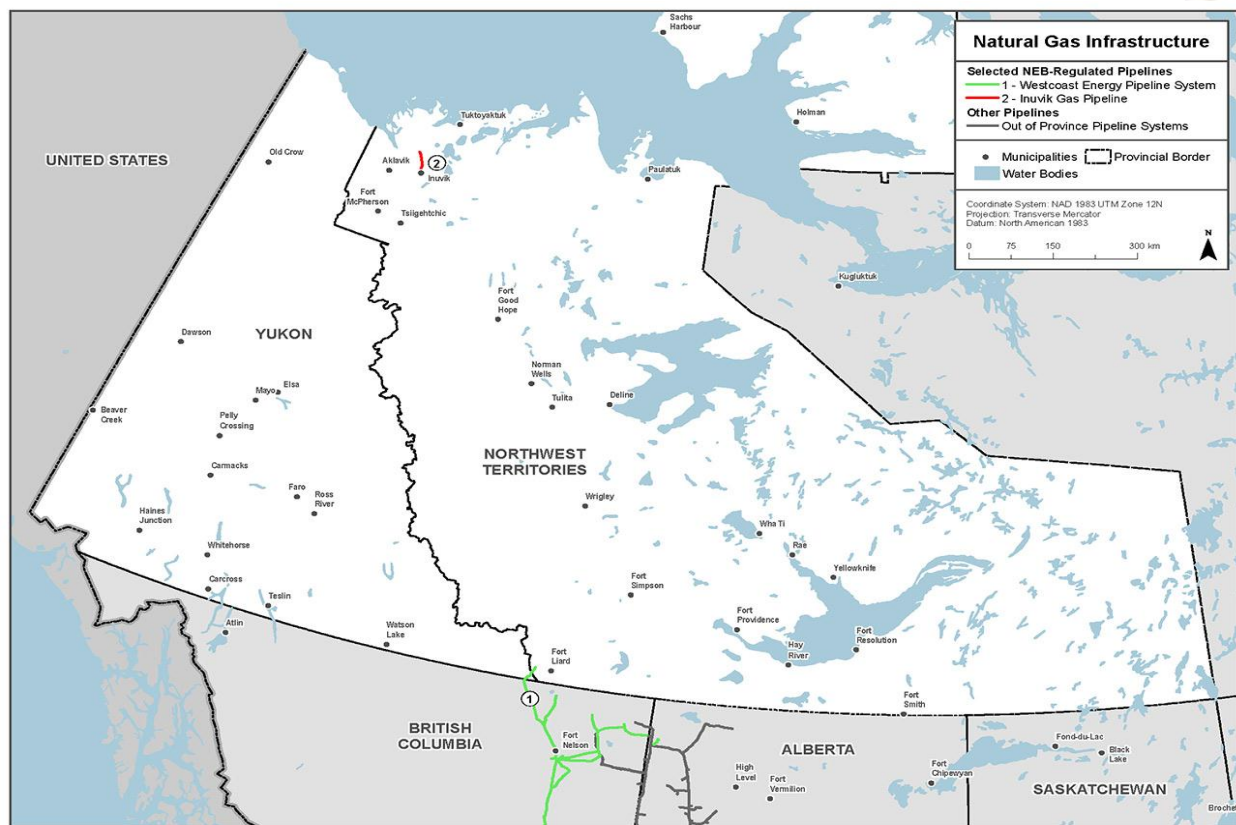
## NWT Crude Oil and Rail Infrastructure





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## NWT Natural Gas Infrastructure

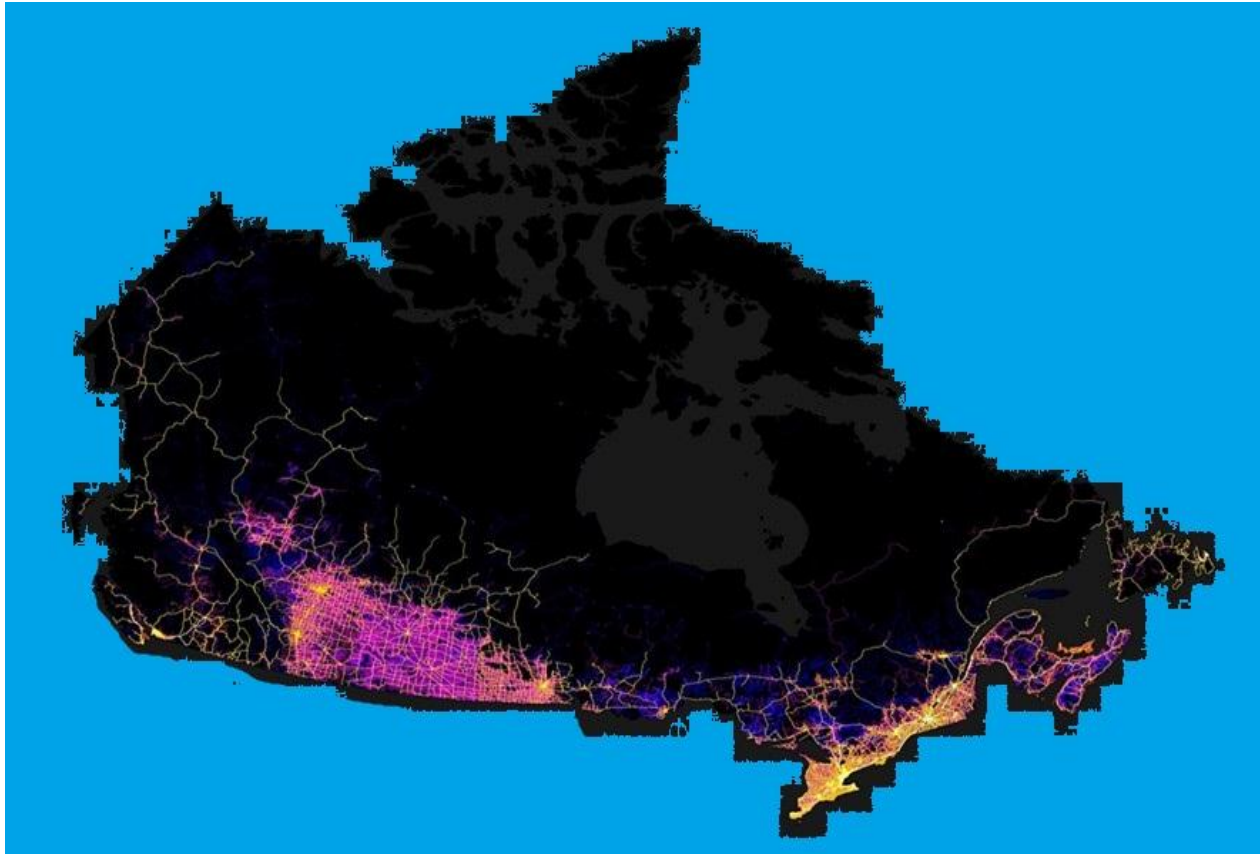


Map produced by the NEB, December 2017. The map is a graphical representation intended for general informational purposes only.



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## Infrastructure Heat Map of Canada







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# How to overcome the challenges

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## Opportunities:

- **Clear regulatory process:** Clear regulatory process that is easier to navigate and reduces risk (NWT is reviewing)
- **Indigenous participation / Self-determination:** Allow Indigenous groups to participate in equity ownership on strategic infrastructure (assist with social licence)
- **Land Claims:** Provide certainty with settled land claims
- **Federal contribution:** By driving resource extraction will allow the North to become a greater contributor to the National economy
- **Arctic Framework:** Develop a Canadian made Arctic Framework with a balanced approach between environment and socio-economic opportunities





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# Why we need a resource economy in the North

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## Territory Stats:

Territory	Population	Federal Transfer Payment	GDP	GDP / Person
NWT	44,718	\$1.3B	\$3.7B	\$106,215
Yukon	35,874	\$930M	\$2.4B	\$73,518
Nunavut	37,802	\$1.2B	\$2.0B	\$65,713
Alberta				\$74,343
Canada				\$56,129

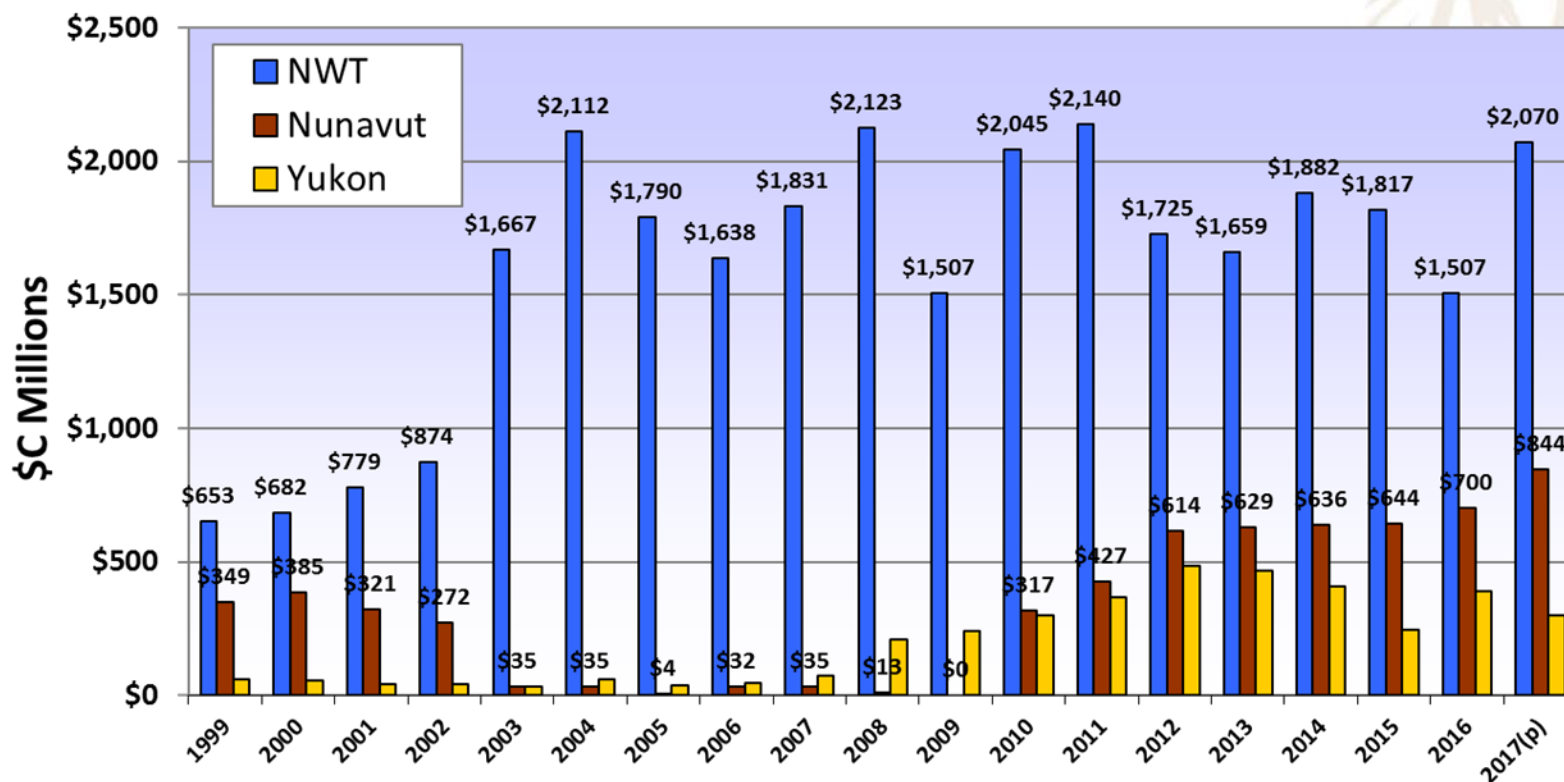
**Note:**

- Per capita NWT has the highest GDP of any jurisdiction in Canada
- Territorial Statistics – 2016 year



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## NWT, Nunavut and Yukon Mining Production





## Learnings from other jurisdictions:

### Alaska:

- Alaska Industrial Development and Export Authority ([www.aidea.org](http://www.aidea.org))
- Successful Indigenous development corporations assisting in the development and operation of key oil and gas operations

### Norway:

- Government Pension Fund Global
- It has over US\$1 trillion in assets, including 1.3% of global stocks and shares, making it the world's largest sovereign wealth fund

### Russia:

- Arctic regions of Russia are significant economic drivers for the Country

### China:

- Building mega projects – One Belt One Road - \$4.8 Trillion (affecting 62% of the population)





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Thank you

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