



August 21, 2020

To: Yukon Mineral Development Strategy Panel

From: Rich Thompson, CEO Northern Vision Development LP

Re: Impact of mining companies on related businesses in the Yukon

I write this from a perspective of how mining activities have a carry-on positive economic impact that is sometimes not fully understood. But as a hotelier in the Yukon it has never been more clear the substantial and in fact critical impact these companies have on the economic fortunes of companies like ours that are traditionally seen as been reliant on tourism.

In normal times, we would simplify our customer make up by describing it as approximately 1/3 tourism, 1/3 mining and 1/3 government. Each of those segments is critical to our success and in the absence of mining the hotel industry would not have been able to develop to near the level that it has in Yukon. However -that is in good times. During the COVID impacts we survived and remained in business due to two factors – one was government programs, particularly the Canadian Emergency Wage Subsidy program and the other was mining isolation contracts. While tourism dried up completely due to COVID lockdowns, mining contracts through spring and summer 2020 have generated over \$1 million in revenues for our hotels when revenues have been extremely hard to find. It is not an overstatement to say that without the spill over impact of mining on our business that we may not have been able to survive – and we in turn are a major employer in the Yukon.

The impacts of the mining companies are both direct and indirect. I would use Victoria Gold as an example. It is hard for us to think of how this company does not have a positive impact on our company and within the communities in which we serve. They lease commercial space from us. Their executives have bought residential condos from us. Their team stays in our hotels, not just for substantial COVID isolation stays, but year in and year out as they travel through Yukon. Our Bedrock Hotel, our Dawson Hotel and our hotels in Whitehorse all see substantial business traffic as a result of their operations in Yukon. They rent banquet space from us to support their charitable giving activities – their well known Every Student Every Day program is a poster child for generous corporate giving that has a big impact in the Yukon. And they inspire us to do better. We saw them make a \$100,000 donation to the Food Bank during COVID and even though we were struggling we felt the pressure to do our part and topped up their donation with \$10,000 of our own.

There is not question that while the government economy provides a base level of support for our operations and while Tourism provides an essential component of our customer base, that as mining goes so goes NVD. We see the economic activity of mining companies as an essential element of our success and there is no way we could have made anywhere near the level of investment in Yukon without a vibrant and active mining industry. From an initial investment of \$200,000 in 2004, NVD has



grown to an enterprise value of over \$100 million with assets exclusively in the Yukon. This would not be possible if not for a vibrant and active mining industry and whenever things slow down in this area we feel it significantly. One of the biggest events of the year for the hospitality industry is the annual Geoscience event in November. In regular times this event breathes life into the economy and it provides all of us with a source of optimism as we look to our future in building the Yukon. We understand that even against a COVID backdrop the Geoscience group is trying to pull together some kind of event and even a scaled down version will be welcome news for Whitehorse businesses should it go ahead. And if it does not, it will be sorely missed.

Placer mining is also an important part of the economic fabric, especially in Dawson. The placer miners are an important part of the community and we have been able to expand our footprint in Dawson, and certainly the placer mining industry participants have been a big part of our ability to do that.

In short – from the community involvement and sponsorship we see from the mining industry to the extremely important support they provide to service businesses like ours that are dependent on their purchases – we see mining companies as a central driver to overall Yukon economic success.

We are pleased to share the impact these companies have on our operations and would be happy to supply any additional feedback you would like to hear from us.

Sincerely,  
Northern Vision Development LP

A handwritten signature in black ink, appearing to read 'RT', with a long horizontal line extending to the right.

Rich Thompson, CEO