

Socio-economic

Fortune Minerals - NICO Project



Socio-economics: Why it's Important



Fortune understands the importance of socio-economic and cultural values to the Tłı̨chǫ, Yellowknives Dene and Métis.

Employment, business, and training opportunities as well as increased revenues are among the possible socio-economic benefits of the NICO Project, along with individual and community well being.

Fortune recognizes the importance of protecting local community values, and will continue to respect and protect the long-term community values in future plans and activities.

Project Socio-economic Study Areas



The NICO Project is located NW of the eastern arm of Great Slave Lake in the NWT, in the Wek'èezhìi Settlement Area.

The local socio-economic study area includes:

- Tłıchq̓ region (Wek'èezhìi Settlement Area)
- Communities of Whatì, Gamètì, Wekweètì, and Behchokö
- Tłıchq̓ and Métis people
- City of Yellowknife



The regional socio-economic study area is the NWT, and includes:

- Yellowknives Dene communities of Detah and N'Dilo (potential jobs and contracts)

NICO Project Socio-economic Impacts

Negative Impacts of Project

- Increased demand for public infrastructure and services
- Temporary in-migration of workers
- Reduced time in home and community
- Reduced use of traditional languages and other cultural values
- Increased traffic and risk of accidents (public safety)
- Decreased jobs and revenues with closure/post-closure

Positive Impacts of Project

- Increased tax base, gross domestic product (GDP) and earnings
- Increased employment and procurement levels
- Increased opportunities for education and training
- Increased family and disposable income
- Increased skills and capacity for future opportunities

Project Revenues: Assessment

The Project is expected to have a positive impact on territorial GDP, business revenues and personal incomes

Individuals

- Will create income opportunities for local workers for 19+ years (between construction and operations) and additionally during closure

Communities

- Direct payments to the Tłjchq communities will add to the local economy
- Secondary benefits include better infrastructure and more consumer spending

Businesses

- Lead to increased revenues and profits for local and regional businesses

Government

- Will contribute to territorial GDP, taxes and royalties

NWT & Canada Benefits (assuming 19+ year mine life)

Life of Project Expenditures NWT (operations only):



- Wages and Benefits: \$343 million (direct)
 - Includes wages, salaries, and supplementary labour income (employer contributions to pension plans and benefit packages)
- Goods and Services: \$1.4 billion (direct – wages not included)
- Total Direct GDP: \$1.8 billion
- Revenues (government)
 - Territorial: \$156 million
 - Federal: \$363 million

**All values based on an August 2012 update to economic assessment*

Employment and Income Impacts



Jobs during NICO Project construction and operations:

- Construction will be approximately 300 jobs.
- Direct Employment during life of mine:3,261 person years
 - Total Employment with contracted Underground peaks at 269 jobs during the first two years
 - Total Employment without Underground peaks at 188 jobs per year
- Indirect Employment during life of mine:1,335 person years
- Induced Employment during life of mine:2,026 person years
- TOTAL EMPLOYMENT during life of mine:6,622 person years
- Average annual wage (including overtime and employee contributions to pension and benefit plans) will be at or above \$70,000.

**All values based on an August 2012 update to economic assessment*

Labour and Wages During Exploration (2007-11)



- 69 employment opportunities
- 52 filled by Aboriginal people (75%)

- \$467,063 injected into the community (in wages)
- Extra labour provided by Tłıchq Investment Corporation
- \$382,466 spent with Tłıchq Air



Employment and Training: Assessment



Key findings:

- Over a decade of the diamond mines operating has created a pool of mining talent with the needed education and training.
- Meeting hiring goals may be a challenge based on local and regional employment pool and workforce readiness. Uncertainty surrounding a start date for the Project makes it difficult to determine the availability of workers in the communities.
- Project's proximity to communities may attract some workers not previously available to enter the workforce.

Project anticipated to incrementally enhance employment, education and training opportunities, as well as community and business capacity.



Employment and Training: Mitigation



Fortune will remove barriers through the following measures:

- Provide transportation from home to work for employees from Yellowknife and the Tłıchq communities
- Provide training for supervisors and for those promoted during NICO Project life
- Provide additional training for entry level positions and new workforce entrants including Aboriginal women
- Provide journeyman apprenticeship opportunities
- Fortune will review candidates with previous criminal records on a case-by-case basis
- Consider equivalent skills and qualifications in recruiting and hiring
- Free to speak traditional language on-site if it does not pose a safety issue
- Work with the Mine Training Society to consider development of appropriate training programs

Contracting: Assessment and Mitigation



The Project will lead to an incremental increase in procurement levels.

- Positive experience to date in contracting with Aboriginal and other northern suppliers since exploration activities began
 - 115 suppliers; of these, 99 northern based (17 are Aboriginal)

To increase opportunities for Northerners, potential mitigations include:

- Preference will be given when sourcing goods or services to those with capacity to perform the work, as follows:
 - Tłı̨chǫ businesses
 - Northern Aboriginal businesses
 - Northern businesses
 - Other companies

If an Aboriginal business is not found for a particular service, preference given to those with policies/strategies for capacity building of Aboriginal communities

- Fortune opened an office in Yellowknife to facilitate procurement and recruitment activities



In-Migration: Mitigation and Strategy



The residual impact of the NICO Project on in-migration is predicted to be not significant.

Fortune's main mitigation measures to reduce the negative impacts of in-migration are as follows:

- Fortune will offer pick-up points for the Tłıchq communities and at Yellowknife. If NWT Aboriginal and NWT resident employment rates are lower than expected, this will be re-evaluated
- Mine camp will have necessary facilities to sustain workforce

Fortune also proposes to conduct an in-migration risk analysis that would include:

- Conducting a thorough literature review
- Holding community meetings and interviews
- Using the results to refine in-migration strategy

Procurement Strategy

Future Opportunities

- Food Services
- Trucking
- Labour and Machine Operators
- Environmental Support
- Waste handling
- Transportation
- Communications
- Reclamation



If an Aboriginal business is not found for a particular service, preference will be given to businesses that have policies and strategies directed towards capacity building of Aboriginal communities. Memberships with organizations such as the Canadian Council for Aboriginal Business (CCAB) will be given preferred vendor status.

**Progressive Aboriginal
RELATIONS**

Canadian Council for
Aboriginal Business 

Health and Wellness: Assessment and Mitigation



To mitigate health and wellness issues, Fortune will:

- Collaborate with community health care providers
- Provide workshops on money management, alcohol and substance abuse, family adaptation, and coping skills
- Provide an Employee and Family Assistance Program
- Provide health and wellness programs for the workforce and support services with worksite medical staff for workers
- Encourage employees to seek advice and treatment for dependency issues
- Work with the GNWT Department of Health and Social Services regarding emergency evacuation

Project is not anticipated to substantially increase drug or alcohol consumption, or other negative lifestyle choices.

Socio-economic Monitoring should ...



- Determine the effectiveness of all socio-economic mitigation and enhancement efforts made with Tłıchǫ and other communities.
 - e.g., education and training programs, employee and family assistance programs, measures to accommodate Aboriginal culture in the workplace, traffic control measures, etc.
- Record increases in employment, business and education and training opportunities over time.
- Analyze trends of economic opportunities, and how they relate to expectations and targets.
- Analyze and explain the changes in community well-being against present levels of well being.
- Track community experience of the Project to identify any unforeseen effects to be addressed.

Conclusion

There will be positive socio-economic benefits and limited negative socio-economic impacts from the NICO Project