

Aide Memoire
Strathcona Sound Monitoring Committee
Meeting
September 5, 2003
Iqaluit, Nunavut

Attendees

See attached list.

Opening Statements

Following opening prayers, Breakwater provided an update of its activities this summer including its development of the Phase II environmental site assessment report which will lead to its final report. The company indicated that the Phase II Report has been tentatively accepted by the Nunavut Water Board but that its Human Health and Ecological Risk (HHER) document is more contentious. Meetings will be held in Ottawa on September 23 and 24 to develop the reclamation regulations. With respect to the HHER document, it was made clear during the meeting that this builds upon the baseline information that was captured in the mid-1980's (there was no pre-development baseline data collected).

The company announced that it had just signed an agreement with the Government of Nunavut (GN) to rent a portion of its fuel tank farm to the GN for next summer's airport operations and has been doing its utmost to maintain the Nanisivik site in as good a condition as possible. The company is agreeable to keeping as much of the infrastructure as possible for alternative use.

The Mayor of the Hamlet of Arctic Bay praised the mine for its development of good relations with the local people but indicated that there is concern about what has happened this year and what will be happening this winter. The community is looking for direction for this winter. In reply, Breakwater noted that until the Nunavut Water Board approves its closure plan, little can be said and only that which must be done (eg. shoring up adits) can be done.

The Government of Nunavut provided an update on its activities (see Attachment 1). Much of this report was discussed throughout the meeting and is covered under the various issues headings.

Issues

Storage of Furnishings

There was concern raised that if the furniture from the houses and other buildings continued to be left as is, it will go stale and begin to smell - thus rendering it useless. Breakwater noted that in the past it had often left this furniture in an unheated warehouse for a number of years and that it had always been useable. The company said that it has already completed an inventory that it would be glad to share with the community.

The company reiterated that until it knows exactly what will happen to the infrastructure - discussions are

underway with the GN - it will not be able to ascertain what it will be able to do with the furniture and other household effects. The GN noted that if it is to buy the infrastructure (for alternative use) it would want to maintain control of all major furniture but that it had no formal position on minor equipment and tools that the company may want to sell to the local community.

Alternative Use of Nanisivik Site

Both Breakwater and GN acknowledged that talks were presently underway seeking (an) alternative use(s) for the minesite but that a definitive date could not be given as to when it would be known whether GN would purchase any infrastructure. GN indicated that a number of factors were at play to determine whether it would purchase: the cost of bringing the various buildings up to code; the cost of ensuring that the grounds were safe; and, alternative uses (a number are being looked at).

The GN MOU Concept Paper

The GN has been working with both Indian and Northern Affairs Canada (INAC) and Nunavut Tunngavik Incorporated (NTI) to develop a framework for the whole reclamation training and employment package. The GN indicated that it would like to bring in the mining industry, possibly through the Mining Industry Training and Adjustment Council – Canada (MITAC) which has expressed some interest. (For more information on MITAC visit <http://www.mitac.ca>)

The general concept of the MOU has the support of all of the stakeholders (CanZinco, NTI, the Hamlet of Arctic Bay, INAC and the GN). The GN welcomed input, with all stakeholders providing the issues to be included in the MOU, and agreed to develop the first draft MOU by the end of September with the intent of obtaining formal approval by the end of October. It was also agreed that there be a parallel process of discussions involving all stakeholders to develop an implementation schedule.

The draft will stress the need for a funding partnership. It was agreed that, if the required funding is not forthcoming, there will be less training for the local people.

Labour Market and Mine Reclamation Training in Arctic Bay - A Survey

During the summer, a group of 4 or 5 young people undertook an extensive survey on education and training wants and aspirations of some 250 Arctic Bay residents over the age of 15. The results of this survey were presented to the Committee. The survey's 26 questions covered a number of different areas including education levels, training, experience including the acquisition of certificates, availability for work, past work at Nanisivik and reasons for leaving the job, present employment status and attitudes towards jobs, and the impact of Nanisivik and its closing on the individual.

The survey showed that unemployment is very high and that a number of people would be interested in either working on reclamation of Nanisivik or acting as a trainer (if qualified). It was explained that first priority to receive training will be afforded Arctic Bay residents, with other Nunavut residents being selected to fill extra positions.

A number of questions were raised around training and it was clarified that the site is remediable and how it will be cleaned up will be determined by the Nunavut Water Board later in September.

The GN Training Packages

The GN provided information on the three training packages that are being developed: Heavy Equipment Operator (HEO), Heavy Equipment Mechanic (HEM) and Personnel and Financial Administrative Skills which are being developed by Nunavut Arctic College (HEO and HEM) and the Canadian Executive Services Organization (CESO). (For more information on CESO visit their website at <http://www.ceso-saco.com/>)

For the HEO program it was explained that the intent was to train 6 local people who are already Journeymen so that they could become instructors to teach other local people who have expressed an interest in becoming heavy equipment operators. These six individuals would have to commence training by mid-November so that they would be ready to teach and work under CanZinco supervision next summer. If training money was not forthcoming by mid-November, the amount of training would be less and the usefulness to CanZinco would be less.

The HEM program would start in February 2004 and constitute on-the-job training using CanZinco equipment that would eventually be used for reclamation as well as other non-reclamation CanZinco equipment and the local equipment that is used at the airfield, on road maintenance and in the Hamlet. In addition, this program would recondition heavy equipment that will be used in the reclamation following the summer's work.

It was explained that training for Dew Line remediation was included in the GN training plan at the request of both INAC and NTI.

The Personnel and Financial Administrative Skills would take advantage of a program run by retired executives under the Canadian Executive Service Organisation and would commence in the summer of 2004 with further training in 2005 and 2006. Arctic Bay residents would be given priority for this training.

It was agreed to keep everyone up to date on the progress of the development of the training programs.

Funding for Reclamation Training and Employment

The Government of Nunavut made it clear that it did not have the funds to cover the costs of training and employment associated with this proposal (some \$1.4 million this year) but that it would seek a portion of the required funds in order join with other agencies as a participant.

HRDC indicated that all of the funds that it used to have for training has been devolved and is now handled through Aboriginal Human Resources Development Agreements (AHRDAs). In Nunavut there are three separate AHRDAs and all of the funding for training flows through them. A total of \$12 million has been distributed to the Nunavut AHRDAs. In addition, there is a new program - Aboriginal Strategic Employment Program (ASEP) which has not yet been announced but which will eventually provide a pool of money (apparently it is \$25 million over two years) for training for long term employment for major projects. The intent is that other stakeholders (private industry, Aboriginal groups, other governments) will provide a portion of the funding so that the actual amount will grow.

The money will not be allocated on a regional basis but projects in Nunavut will compete against projects all over Canada for the funding. It was explained that, in order to maximize the chances of obtaining funds through ASEP, it would be best to combine a number of major projects (Nanisivik, Tahera, the Bathurst Road and Port, Meadowbank, Hope Bay) in order to put forward one larger submission.

Others around the table indicated that they also did not have the funds needed to cover the training plan but they agreed to contact other agencies within their jurisdiction to seek funds for at least this year. It was suggested that the first year funding be split three ways - Canzinc \$400K, Government of Canada \$400K and Government of Nunavut \$400K.

CanZinc indicated that it would have been easier for the company to hire a contractor which would bring in a fleet of its own workers to close and reclaim the property. However, the company stated that it agreed with the community and other stakeholders that it would hire locally and seek to have proper training, which would be slower and more costly, and it felt that these extra costs should be shared by those who supported the training approach. Canzinc noted that even if there is no money for training, the company still has to ensure that complete remediation is undertaken.

All assisted in the development of a resolution that could be used by the officials at the meeting to use when soliciting funds from others in their jurisdiction. It was agreed to report back to the committee by the end of September with the results of the funding search. The resolution is attached as Appendix 1.

It was also acknowledged that the funding (some \$1.12 million) would have to be in place early so that training could commence by mid-November.

Equipment

Breakwater indicated that they would be pleased to use the Nanisivik equipment for training purposes and felt that some could be used, along with Government of Nunavut equipment, to help in training at the airfield or on road maintenance.

The company indicated that once reclamation was completed, it would move the equipment to other mines, and that any not needed by the company would be sold to Arctic Bay.

It was stressed that exactly what equipment would be needed for training was not yet known but that once training began, it would be important that all necessary equipment be already lined up. Discussion was held on the concern that the Hamlet will be left out by Breakwater as it disposes of its equipment.

Communications

It was agreed that communications between the various stakeholders has improved since the June meeting. It was appreciated that the Government of Nunavut's Socio-economic Sub-committee met in Arctic Bay and that Levi has done a lot to improve communications - there will be more newsletters. It was noted by the Hamlet that they would like to see more of the Canzinc/Breakwater officials visiting.

The fact that the Nunavut Water Board would be soon visiting Arctic Bay was also appreciated.

In order to ensure that the messages were getting out to all concerned, the community offered to set up a public meeting and radio show for anyone who wanted to visit.

Other Concerns

Concern was raised that hazardous material may be coming from the tailing pond and how it could best be handled. It was agreed that this should be covered in a different forum such as the Water Board.

The Hamlet was concerned that there were a large number of scientists on site but that they (the Hamlet) never saw the final reports. The company indicated that the scientists were updating a Background study that was completed in the mid-1980's - this information will be handled by the Water Board.

The company offered to take a group of local people to the site in late October so they could see for themselves exactly what condition it was in.

Members

Doug Paget (Committee Secretary and Meeting Chair)	INAC, Mineral Resources, Ottawa	pagetd@inac.gc.ca
Tommy Tatatoapik	HTO Representative, Hamlet of Arctic Bay	
Jackie Simms (for Mary Jane Adamson)	HRDC, Iqaluit HRDC, Iqaluit)	jackie.simms@hrdc-drhc.gc.ca
Stephanie Hawkins	INAC, Water Resources, Iqaluit	hawkinss@inac.gc.ca
Bob Moquin (for Bernie MacIsaac)	GN GN, Iqaluit)	rmoquin@gov.nu.ca

Guests

Mucktar Akumalik (elder)	Hamlet of Arctic Bay	
Bob Carreau	Breakwater Resources, Toronto	bcarreau@breakwater.ca
Bill Heath	Canzinc Ltd., Toronto	bheath@breakwater.ca
Neida Gonzalez	NTI, Iqaluit	neida@tunngavik.com
John Bainbridge	NTI	johnb@tunngavik.com
Moses Oyukuluk	Deputy Mayor, Hamlet of Arctic Bay	
Joanasie Alumalik	Mayor, Hamlet of Arctic Bay	clo.ab@polarland.com
Levi Barnabas	Hamlet of Arctic Bay	levib@polarland.com
Mary Mackinnon	INAC	mackinnonm@inac.gc.ca

STRATHCONA SOUND MONITORING COMMITTEE

RESOLUTION

Recalling that the Strathcona Sound Monitoring Committee operates pursuant to the Strathcona Agreement, a legally binding agreement between the Government of Canada and the mining company, signed in June 1974, which outlines obligations related to reclamation training and employment associated with the closure and reclamation of the Nanisivik mine site; and

Whereas the parties to the Strathcona Agreement are committed to fulfilling the obligations of the Strathcona Agreement; and

Whereas Arctic Bay is not a decentralized community and reclamation training and employment will provide a direct economic benefit to the community; and

Whereas Nunavut Tunngavik Incorporated has expressed an interest in sustainable training and employment related to reclamation of the Nanisivik mine site; and

Whereas it is recognized that budgets may have to be reconfigured as federal and territorial training budget allocations may already be committed for fiscal year 2003 - 2004; and

Whereas training would have to commence by mid-November 2003 in order to meet the summer of 2004 reclamation time-lines; and

To promote the sustainability of training capacity within Nunavut;

It is resolved that the various stakeholders (Indian and Northern Affairs Canada, Human Resources and Development Canada, the Government of Nunavut, Nunavut Tunngavik Incorporated, the Hamlet of Arctic Bay and CanZinco Ltd.) canvas the different funding agencies within their jurisdiction to seek training and employment funding for at least the 2003 - 2004 period and report back to the Strathcona Sound Monitoring Committee by September 30, 2003.

Report by GN

- Status of CZ Talks with GN – restrict issues to those affecting members of SSMC, this is not a clearing house for bilateral issues that should remain bilateral ie. unless other SSMC members/participants wish to participate fully in where these bilateral (to date) discussions are headed in terms of alternate use, acquisition of CZ transportation & townsite infrastructure, sharing in the costs of these issues, etc.
- By and large, we have fallen victim to summer holidays in the context of key senior meetings/decisions.
- Update on GN MOU Concept Paper – we have now completed our round of bilateral discussions with the various potential players. Generally, there is a lot of support for the concept, but most agencies wanted to see how the MOU shook out before committing to the idea. In that vein, we have asked the agencies to provide us with bullets on each specific concern that they would wish to see included in the agreement/MOU. We would then prepare a draft MOU incorporating these concerns and circulate them for final comment. On receipt of these second-round comments, each agency rep on the SSMC would take the final draft upstairs for the necessary internal endorsement by senior authorities.
- We would hope that we could complete development of the MOU by the end of September and formal approval of the agreement/MOU by end-October. This may appear to be ambitious, but I would note in that regard that any delays from these dates increase the difficulty of discussions that are critical to delivering the necessary training to residents of Arctic Bay and other communities, with priority focus on the former. As we will see later in the GN's briefing, the time lines for commencement of training are very tight, and we need to streamline the process as much as we can
- We would see a parallel process of discussions that eventually (hopefully by end-October) wrapped up into an implementation schedule to the MOU/Agreement. Issues that this implementation schedule could include are: funding allocations, resource arrangements, individual agency roles and responsibilities and the way ahead
- Update on GN Training & Employment Package – by the end of September, we will have a Nunavut-ized Heavy Equipment Operator training program. We anticipate having something similar for the Heavy Equipment Maintainer training by later this fall and we do not anticipate any significant problem in developing the Personnel/Financial Administration/Coordination training.
- We hope to have three HEO instructor candidates in Fort Smith, NWT in each of October and November to receive instructor training. These will be people from particularly Arctic Bay who have their journeyman HEO ticket and who can take the training in English.
- Main body training for HEOs would begin tentatively in November 2003 and run to end-June 2004, at which time the candidates must be effectively able to move directly into reclamation operations as workers. I hasten to note that even this training time-frame will not permit the candidates to obtain full journeyman training. Any shortening of this training time frame will reduce even further the amount of training provided hence the level of qualifications on the part of the candidates themselves. We are working to develop a modular approach to the training and will be in a position to provide the next meeting of the training sub-group with an assessment of what training can be provided within what time-lines.
- The additional equipment operating hours that each employee gets while on actual reclamation operations, in addition to assisting Canzinc with attaining its reclamation objectives and

schedule, also provides supplementary/reinforcing On-Job-Training or OJT for the people involved.

- For HEMs, we would foresee instructor training being carried out in Fort Smith in Dec/Jan, with main training commencing in Feb 2004 and running to the end of the summer reclamation period in 2004. Confirmatory OJT would consist of actual work on a range of equipment in Nanisivik and possibly Arctic Bay (eg. CG&T airfield/road maintenance equipment, CZ equipment (reclamation plus non-reclamation) and possibly Arctic Bay municipal/administrative equipment), during the winter months between the intensive summer reclamation operations periods. Some of these candidates would be retained to work on the reclamation equipment (ie. on a 'snag' or remedial maintenance basis) over the summer periods of 04, 05 and 06, with again major conditioning work being carried out over the winters of 04/05 and 05/06.
- Personnel/Financial administration training would be provided through a combination of CESO mentoring and formal training under the auspices of NAC, most likely beginning in Summer of 04 and continuing through the summers of 05 and 06.
- We are recommending that HEO training for DEW-Line cleanup operations capitalize on the same training resources and facilities as were used for reclamation HEO training, but that the DEW-Line training be phased so as to commence on completion of the reclamation HEO training. We need an accurate estimate of the numbers involved from NTI and DIAND as well as a mechanism for sourcing these candidates.
- Candidate Selection – the current plan is to give all possible priority to the community of Arctic Bay in selecting personnel for reclamation training & employment. I would like to briefly walk you through the results of a community labour survey that was recently carried out in Arctic Bay. You should have a copy of this report in the package I handed out.
- We need to complete the Arctic Bay component of the candidate selection process by end September, with a view to identifying the over-flow sourcing needed from other Nunavut communities. Then, with the assistance of the MTO and QIA networks, we need to source over-flow candidates by end October.
- Cost Estimates – refer to handout, need confirmation on various assumptions as to hourly salary, training stipends, travel costs, numbers of candidates required, accurate estimates as to numbers of workers required in each component of the prospective work-force, etc.
- GN cannot go it alone, but committed funding partnership can ensure that this training and employment happens. GN is willing to participate, and has already committed slightly more than \$1M toward mitigating socio-economic impact of the mine closure on the community of Arctic Bay. We need financial involvement from other agencies to make this work. If that involvement is not forthcoming, then we will have to scale back dramatically on ensuring that Arctic Bay and other residents who participate in CZ reclamation operations receiving the proper training to permit their safe and effective involvement.
- Key Factors – include the following:
 - a. the requirement for safe and effective training, particularly for those residents of Arctic Bay who do not currently hold operator tickets
 - b. the fact that we have lost three months since the last SSMC meeting in which to make all the necessary arrangements in time to deliver the training (ie time is not on our side)
 - c. the need for urgent discussion of critical elements of the training & employment issues (with particular emphasis on facilities, equipment, funding arrangements, and selection of candidates from Arctic Bay and, if Arctic Bay is unable to provide, other Nunavut communities)

· Schedule/Time-line - refer to time-line chart in handout package, orient participants to package of time-line documentation.

There must be a tremendous amount of coordination and preparatory work required to be undertaken and finalized in September and October time-frame to ensure that training can commence in November.

The need for soonest possible establishment of TEAC, regular and frequent meetings (perhaps as often as every two weeks in Iqaluit, with participation by phone where travel not possible) must be emphasized.