

# 1. Introduction

The Wolfden Resources Inc. (now Zinifex) proposed High Lake project has incorporated a series of key commitments and responsibilities related to affected communities and stakeholders. These commitments are outlined within the proposed High Lake Project Description (aka Environmental Impact Statement) document submitted to the Nunavut Impact Review Board, regulatory agents, Kitikmeot organizations and Kitikmeot communities and interested parties in November 2007. Zinifex will meet these commitments and will demonstrate their implementation in the context of this plan. It should be understood that the agreed upon commitments within the Inuit Impact and Benefit Agreement (IIBA) between Zinifex and the Kitikmeot Inuit Association are not included in this implementation plan.

Zinifex is sensitive to the issues related to development and through its implementation of its commitments aims to use proactive measures to engage local stakeholders in both a positive, transparent manner, while focusing on sustainable measures to help local communities/people help themselves long after the mine project is decommissioned.

## 1.1 Mine Life Cycle

During the course of the mine life cycle Zinifex has identified a series of steps that they are committed to undertake. These commitments will affect stakeholders and mine operations during different phases of the mine life cycle. The mine life cycle is explained as follows in Table 1.

**Table 1. Mine Life Cycle**

Stage	Activity
<b>Discovery</b>	A mineral of potential interest is discovered
<b>Exploration</b>	If early exploration proves positive mineral results and additional geological sampling may be undertaken and consideration to mine development may be pursued
<b>Advanced Exploration (Pre-feasibility)</b>	Mineral resources are identified as positive, the regulatory framework is initiated in relation to environmental and social data collection, financial approval is given, and the engineering plan is approved.
<b>Pre Construction</b>	The final engineered project design and feasibility costs prior to construction.
<b>Construction</b>	The mine is being constructed and built.
<b>Mine Operation</b>	The mine is completed and is in operation
<b>Mine Closure (Rehabilitation)</b>	The mine life has ended and the mine operation is closed, followed by rehabilitation of the site
<b>Post Closure</b>	Rehabilitation has been completed; however ongoing monitoring is still underway.

## SOCIO-ECONOMICS ISSUES RESPONSE

### 1.1.1 High Lake Mine Life Cycle

The proposed High Lake project is expected to commence construction approximately a year after the issuance of the NIRB project description. The actual operation of the mine is expected to last 14 years. Closure and reclamation are expected to happen through the life of the mine and complete three years after the close of operations. Post-closure monitoring is expected to take place after the closure phase 6 years after Year 17 of the mine operation.

### 1.1.2 Human Resources and Mine Life Cycle

The availability of human resources is critical to the construction and operation of any mine project. Zinifex through the course of the mine life cycle will manage and administer the High Lake project from High Lake in Nunavut, with ongoing support from its' headquarters in Thunder Bay, Ontario. Zinifex is estimated to have a management workforce of approximately 50 people who will be responsible for the High Lake project during the pre-construction into construction phase of the project. The actual construction phase workforce will peak at 440 people within the beginning of the second year of construction. During the operations phase it is expected that 335 people will be employed at the mine when open pit mining overlaps with underground mining. The reclamation phase is expected to employ approximately 32 people.

## 2. Commitments

Zinifex is undertaking a series of education, work and stakeholder related commitments as identified within the proposed High Lake Environmental Impact Statement. These commitments are summarized in Table 2. Key commitments related to monitoring have also been included in this Table. Any commitments outlined or agreed upon between Zinifex and the Kitikmeot Inuit Association within the IIBA are not identified in this Table.

**Table 2. Zinifex Multi-Stakeholder Commitments**

Commitments	Beneficiaries	Details
<b>Education and Training</b>		
WRI is committed to promoting mining opportunities with students, schools and in communities in hopes of encouraging youth to stay in school and graduate	Inuit Youth	<b>From Advanced Exploration to Post-Closure</b> High Lake Project Proposal Vol. 3. Sec. 1.17.2.3, and Vol. 3 Sec.1, 1.17.4.3.
WRI "will create a granting fund that can be applied for schools and school	Inuit Youth, Schools	<b>From Pre-Construction to Closure</b> High Lake Project Proposal Vol. 3,

## SOCIO-ECONOMICS ISSUES RESPONSE

Commitments	Beneficiaries	Details
groups”		Section 1.17.2.4.
WRI “will create scholarships for students who complete Grade 12 and who get accepted to a post-secondary institution”	Inuit Youth	<b>From Pre-Construction to Closure</b> High Lake Project Proposal Vol. 3, Section 1.17.2.4. and Vol. 3, Section 1.17.4.4.
WRI “will provide education incentives for workers and families”.	Employees and Families	<b>From Pre-Construction to Closure</b> High Lake Project Proposal Vol. 3, Section 1.17.2.4.
WRI “will report on the status of implementation of its education and training related commitments annually”	Stakeholders at Large	<b>From Pre-Construction to Closure</b> High Lake Project Proposal Vol. 3, Section 1.17.2.7.
WRI “will work with GN and NAC on annual basis to track changes (trends) in high school and post-secondary graduation levels”	Stakeholders at Large	<b>From Pre-Construction to Closure</b> High Lake Project Proposal Vol. 3, Section 1.17.2.7.
<b>Employment and Training</b>		
WRI will give “preference to hiring qualified Inuit workers, with the intention of maximizing Inuit employment”	Inuit Population	<b>From Pre-Construction to Post-Closure</b> High Lake Project Proposal Vol. 1 EIS Main Document (P. 27), and Vol. Sec 4.7.2 & 4.7.3.
WRI is committed to providing all new hires with orientation training	Hired Inuit Employees	<b>From Pre-Construction to Post-Closure</b> High Lake Project Proposal Vol. 3, Section 1.17.2.3.
WRI “intends to develop and train promising entry level (unskilled) Inuit workers over the life cycle of the project”	Hired Inuit Employees	<b>From Pre-Construction to Post-Closure</b> High Lake Project Proposal Vol. 3, Section 1.17.2.3.
WRI “will provide opportunities for workers to obtain sufficient hours to gain trades certificates in trades that exist on site”	Hired Inuit Employees	<b>From Construction to Post-Closure</b> High Lake Project Proposal Vol. 3, Section 1.17.2.3.
WRI “will promote awareness about mortgages and will assist, through lending institutions, potential new homeowners with financial arrangements and paperwork involved in purchasing a home.”	Zinifex Employees	<b>From Construction to Post-Closure</b> High Lake Project Proposal Vol. 8, Section 3.1, 1.3.2.
WRI is committed to its Human Resource Management Plan and	Zinifex Employees	<b>From Pre-Construction to Post-Closure</b>

## SOCIO-ECONOMICS ISSUES RESPONSE

Commitments	Beneficiaries	Details
Employee Assistance Program, Employee Benefits Plan.		High Lake Project Proposal Vol. 3, Section 1.17.8.4. Human Resource Management Plan
WRI “will survey its employees on a regular basis to measure changes in participation rate.”	Employees	<b>From Pre-Construction to Post-Closure</b> High Lake Project Proposal Vol. 3, Section 1.17.10.10.
WRI will support the Kitikmeot Hamlets and GN in the development of a skills inventory and identify potential employees for the mine	All potentially affected Stakeholders	<b>From Pre-Construction to Post-Closure</b> High Lake Project Proposal Vol. 3, Section 1.17.1.14.
<b>Supply Chain</b>		
WRI is “committed to supporting Kitikmeot businesses where they can deliver a timely, competitive and efficient product. Support will be provided to Kitikmeot businesses to help them prepare for bidding on contracts and maximize Inuit content”	Kitikmeot Inuit Businesses	<b>From Advanced Exploration to Post-Closure</b> High Lake Project Proposal Vol. 1 EIS Main Document (P. 27), Vol. Sec 4.7.6.
WRI will advocate for funding to support development of existing or new businesses	Kitikmeot Inuit Businesses	<b>From Advanced Exploration to Closure</b> High Lake Project Proposal Vol. 3, Section 1.17.3.6..
<b>Stakeholders</b>		
WRI is “committed to communicating with and seeking feedback from potentially affected parties, and will continue to seek feedback with community residents and leaders, government institutions of government and Inuit organizations through the life of the project...”	All potentially affected Stakeholders	<b>From Exploration to Post-Closure</b> High Lake Project Proposal Vol. 1 EIS Main Document (P. 28), Vol, Sec.
WRI will hire a Community Liaison Officer to interact with the Kitikmeot communities	Kitikmeot Community	<b>From Exploration to Post-Closure</b> High Lake Project Proposal Vol. 1 EIS Vol. 3 Sec. 1, 1.17.4.3.
WRI is willing to work with Kitikmeot community organizations to provide counseling support for drug and alcohol use.	Kitikmeot Community	<b>From Exploration to Post-Closure</b> High Lake Project Proposal Vol. 1 Vol. 3 Section 1, 1.17.7.7.
WRI “through Community Liaison Officer will work with RCMP and	Kitikmeot Community	<b>Operations</b> High Lake Project Proposal Vol. 1

## SOCIO-ECONOMICS ISSUES RESPONSE

Commitments	Beneficiaries	Details
others to reduce potential for social problems arising as a result of their operations”		Vol. 3 Section 1, 1.17.7.7.
WRI “will propose some type of grant to encourage traditional activities on the land”	Kitikmeot Community	<b>From Exploration to Post-Closure</b> High Lake Project Proposal Vol. 3 Section 1, 117.10.7.
WRI “will monitor for any concerns, if they arise, related to interference with access for (traditional hunting and gathering), and develop measures to respond”	Kitikmeot Stakeholders	<b>From Development to Post-Closure</b> High Lake Project Proposal Vol. 3, Section 1.17.10.10.

Zinifex has developed a Human Resource Management Plan, that outlines its commitments to its’ employees. These commitments are found in Volume 8 Section 3.1 of the proposed High Lake Environmental Impact Statement. It should be noted that only key commitments related to this plan have been outlined in Table 2., for further detailed commitments refer to the Human Resource Management Plan (Volume 8., Section 1.3.).

### 3. Implementation

Zinifex proposes to implement the following commitments as indicated under each subheading. Zinifex realizes that that some of these commitments are dependent upon community engagement initiatives (strategies) and the building of positive partnerships with identified institutions, organizations and agencies. In cultivating these strategic alliances and identifying mutual objectives, Zinifex will establish, collaborate or fund these participatory programs. These will be focused on meaningful outcomes and sustainable objectives, which can contribute positively to the long-term social and economic capital of the Kitikmeot.

#### 3.1 Education and Training

##### 3.1.1 Mine Promotion Activities

Zinifex will be promoting mining opportunities in the Kitikmeot by participating in local educational programs and community events. Zinifex will participate either through sponsorship or provide in-kind volunteer services to promote mining. This may include; in classroom talks or lectures, providing educational materials or providing curriculum guidance or facilitate the use of expert educators. Activities may also include and are not limited to providing interactive traveling exhibits on geology or other related materials. Zinifex will also look to forming partnerships and participating with such programs as the Brighter Future Program or other local Kitikmeot organizations to realize some of these events. Zinifex

## **SOCIO-ECONOMICS ISSUES RESPONSE**

proposes to implement such programs through the construction and operations phase of the mine, and will continue to do so during mine closure. Initial planning for these downstream events will take place during the pre-construction phase.

### **3.1.2 Student Scholarship or Bursary Programs**

Zinifex will establish a scholarship or bursary fund for primary and secondary students in the Kitikmeot school system. These funds will be made available to all students, as well as those students employed by Zinifex working at the High Lake mine. The scholarship program will be implemented during the construction phase of the proposed High Lake mine project. Zinifex will work closely with the Ministry of Education and local area Kitikmeot schools to establish criteria and guidelines to determine potential recipients.

### **3.1.3 Primary School Scholarships or Bursaries**

A scholarship or student bursary will be made available to all students attending Grade 8 within primary school and looking to attend high school. This can also take the form of a bursary program, which will supplement school children materials (knapsacks, school supplies, computers etc).

Another scholarship will be aimed at Grade 12 high school students wishing to enter into post secondary institutions. Zinifex in consultation with the Ministry of Education for Nunavut will determine the criteria governing the scholarships. Zinifex will work in partnership with the Nunavut Arctic College to promote trades and management programs related to mining to peak local youth interest. Scholarship money will be made available during the construction phase for students, planning and preparation will be undertaken in the pre-construction phase.

### **3.1.4 Employee Education and Development Scholarships and Bursaries**

Zinifex will provide employees and families of employees with opportunities to apply and access money (bursaries) for education and professional development. This money will be made available during mine operation and will be based on a series of criterion that will need to be developed internally by Zinifex. Zinifex would like to enhance local trade and management skills and will look to fashion this bursary

### **3.1.5 Kitikmeot School Trust Fund**

Schools in the Kitikmeot or specific youth groups in the region will also benefit through Zinifex's school trust fund. This fund will be made accessible as the mine goes into operation. The money will be made available for such things as; travel, educational activities or materials and supplies. Specific criteria will be developed and applications will be posted on the Zinifex website as well as through the Ministry of Education, copies will also be distributed to local schools in the Kitikmeot.

### 3.1.6 Reporting and Track Changes

Zinifex understands the significance of reporting and monitoring changes within the greater potentially affected communities. In understanding this Zinifex is willing an open to report changes and developments in relation to the status of education and training based programs. Zinifex will report these through its annual corporate sustainability report, as well as shareholders and stakeholders at large. This will commence as early as the construction phase.

Zinifex will also work with government institutions; organizations providing information and statistical data where permitted and upon the discretion of interested parties. Zinifex will be willing to provide this information upon request during all phases of the mine life cycle.

## 3.2 Employment and Training

Zinifex has developed a Human Resource Management plan for all its employees. This plan includes policies, guidelines and other relevant practices that will be implemented upon the commencement of construction. Zinifex presently has an existing Code of Conduct, Audit Committee Charter, Whistleblower Policy, and Disclosure Policy.

Some of the key policies featured in the Zinifex Human Resource Management Plan (proposed High Lake Project Description (aka Environmental Impact Statement)) include;

- Human Resources Policies
- Inuit Language and Cultural Support Policy
- Harassment and Labour Relations Policy
- Harassment and Human Rights Policy and;
- Health and Safety Policy

Zinifex is an equal opportunity employer and promotes the health and well being of its employees.

## 3.3 Supply Chain

### 3.3.1 Promotion

Zinifex will promote local businesses and advocate for seed money for training or business development during the life cycle of the mine. Zinifex intends to participate in promoting local businesses through organizations, corporations and institutions within the north and the south. Zinifex will take the initiative to form unique partnerships with local businesses, were possible to enhance and showcase these businesses throughout Canada. This may mean using mediums of communication to market companies,

## **SOCIO-ECONOMICS ISSUES RESPONSE**

form marketing liaisons, sponsor business awards, or developing joint venture initiatives that benefit these Inuit owned and operated businesses.

Zinifex may also consider sponsoring some of these companies to participate in tradeshow, or offer bursaries that will enable them to participate in conference and significant events outside of the local communities such as PDAC (Prospectors and Developers) the B.C. Round-up or other related events.

Building relationships, learning about Inuit owned businesses and services is something that Zinifex has been in the process of doing. They are actively forming business relationship and will be in the process of promoting Kitikmeot owned businesses throughout the pre-construction to post mine closure phase.

### **3.3.2 Sole Source Business**

Zinifex recognizes the need for Kitikmeot businesses to enhance their opportunities to become sole source suppliers to Zinifex's High Lake mine project. In order to achieve this Zinifex proposes to deliver a series of workshops to Kitikmeot business owners and managers. These workshops will be sponsored by Zinifex and will permit local businesses to gain a first hand opportunity to know Zinifex and get to know their needs in relation to the High Lake Mine project. Zinifex will provide the necessary assistance to open opportunities for these businesses to deal with them. Workshops will be provided in early anticipation through the advanced exploration phase. These will be planned and prepared for once approval is defined by the regulatory bodies of the High Lake project proposal statement.

Zinifex will also look at implementing a sub-contractor policy that specifies that those sub-contractors who are not Kitikmeot Inuit owned should also use these businesses. Zinifex proposes to develop such a plan during the advanced exploration phase and implement it during pre-construction and right through to decommissioning.

## **3.4 Stakeholders**

### **3.4.1 Stakeholder Engagement and Consultation**

Zinifex has identified that keeping potentially affected stakeholders, government organizations and regulatory bodies informed is an important means to building and strengthening relationships throughout the project life cycle. Zinifex has developed a communications plan that builds on the basic tools required to inform and engage local stakeholders in a transparent and timely fashion.

### **3.4.2 Community Liaison Officer**

Zinifex understand the importance of interacting within the local communities in the Kitikmeot. Zinifex will hire a community liaison officer to interact with residents of the Kitikmeot and other concerned parties

## **SOCIO-ECONOMICS ISSUES RESPONSE**

throughout the mine life cycle. The selected officer will be located in a small office in one of the five Kitikmeot communities. Zinifex will implement this during the advanced exploration stage.

### **3.4.3 Community Health and Well Being**

Zinifex will partner-up with local health organizations to promote the benefits of good and healthy living. Zinifex will provide in-kind volunteer services when required for local events such as blood donor drives, nutrition or lunch programs for schools, or other health related campaigns. Zinifex will participate in these upon request of local organizations. Zinifex will initiate forming partnerships early on and aim to deliver programs commencing in the construction phase.

### **3.4.4 Traditional Land Based Activities – Bursary Program**

Zinifex will work closely with the Kitikmeot Hunters and Trappers Association to promote cultural and traditional land based activities. Zinifex will provide a bursary for hunters and trappers in the area to maintain their cultural connection to the land. This bursary maybe used for a variety of purposes that can include and are not limited to; educational and cultural programs related to land based activities for schools, for the development of an elder wisdom program, for access to strengthening local arts and crafts, or for promoting and building market access to land based products. Bursary funding will be made available during the operations phase of the project. Criteria and guidelines for funding will be drafted and consulted with the Hunters and Trappers Association in the construction phase. Planning and preparation will be undertaken during the pre-construction phase and liaisons will continue to be developed.

### **3.4.5 Monitoring**

Zinifex is committed to monitoring its activities through the life cycle of the mine. Zinifex has developed appropriate participatory monitoring plans to deal with any effects related to the project. These can be found in the Proposed High Lake Project Environmental Impact Assessment.

Zinifex's Community Liaison Officer will be partly responsible for identifying any local concerns in relation to the monitoring of traditional land based concerns and will communicate and report these to Zinifex's Environmental Advisory Committee and its Board of Directors. These will then be dealt with accordingly through Zinifex's monitoring plan in an effective and transparent manner. The Community Liaison officer will be implemented in the advanced exploration stage.

## **3.5 Summary**

Zinifex has taken early initiatives to engage local organizations, institutions, and community leaders in dialogue, and to establish relationships. These initiatives have opened up opportunities for Zinifex to initiate preliminary steps to fulfilling its commitments.

Zinifex has also been actively using Kitikmeot Inuit owned businesses throughout its exploration and advanced exploration phase. In doing so Zinifex has been learning about these businesses, their services and service potential as well as building inter-personnel relationships with owners. This type of interaction will assist Zinifex to continue to promote Inuit businesses as well as assist local Kitikmeot Inuit owned businesses to establish customer branding with Zinifex and with potential downstream contractors.

Zinifex will be hiring a local community liaison officer for its project at High Lake. This individual is a local Kitikmeot hire and is responsible for the following:

- build and establish community relations;
- address community concerns in relation to the project;
- communicate in an open and transparent manner to potentially affected stakeholders;
- provide updates and information to potentially affected stakeholders; and
- develop and cultivate key links for the preparation and planning of Zinifex's commitment programs with potential Kitikmeot partners, institutions, and organizations.

Other commitments on behalf of Zinifex will commence according to the following proposed schedule. These are outlined in Table 3. Planning and preparation is indicated by the color green and an X under the appropriate heading identifies the program implementation.

This diagram does not indicate the span of the programs over the life cycle. This can be found in Section 3.1 of this document

## SOCIO-ECONOMICS ISSUES RESPONSE

Table 3. Schedule

Commitments	Advanced Exploration	Pre Construction	Construction	Operation	Closure	Post Closure
<b>Education and Training</b>						
Mine Promotion Activities	X					
Student Scholarships			X			
Employee Scholarship			X			
Kitikmeot School Trust Fund			X			
Reporting and Track Changes	X	X	X	X	X	X
<b>Supply Chain</b>						
Promotion	X					
Sole Source Business	X	X				
<b>Stakeholder Engagement</b>						
Stakeholder Engagement	X					
Community Liaison Officer	X					
Community Health/Well being		X				
Traditional Land Based Bursary			X			
Monitoring		X				

*Note: Planning and preparation is green box, and X indicates implementation*