A SOCIO-ECONOMIC IMPACT ASSESSMENT

OF THE

PROPOSED JERICHO DIAMOND PROJECT

IN THE NORTH SLAVE GEOLOGICAL PROVINCE

NUNAVUT

PREPARED FOR

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0.0 EXECUTIVE SUMMARY

Tahera Corporation's wholly owned subsidiary Benachee Resources Inc. plans to construct and operate a diamond mine in the Nunavut Territory some 25 km northwest of the Lupin mine and 60 km south of the Arctic Circle. Access to the mine will be by winter road and by air. The project will impact the Kitikmeot communities of Cambridge Bay, Kugluktuk, Umingmaktok, Bathurst Inlet, Gjoa Haven, Taloyoak and Kugaaruk and the Northwest Territories community of Yellowknife.

The construction period is scheduled to commence in January 2004 and will require a crew of 30 people to construct the diamond plant and a crew of 90 to prepare the open pit for mining and to stockpile the ore. It is anticipated that 33 of these positions would be held by Nunavummiut, most of which would be from the Kitikmeot Region and the impact of this employment would be moderate should all of the employees come from the Kitikmeot Region. Commercial production is scheduled to commence in January 2005.

During the next eight years of operation, the work force will vary from a high of 172 positions in 2006 to a low of 50 positions in 2011 and 2012. Employment of Nunavummiut will range from a high of 68 in 2006 to a low of 30 in 2011 and 2012. With appropriate training at least 60% of the employees can be Nunavummiut.

The economic impacts of the $44.5 million construction costs will flow 35% to Nunavut and the Northwest Territories, 22% to Alberta and 17% offshore (the diamond processing plant is being procured from South Africa), and with the other provinces receiving lesser amounts. These expenditures will have at most a minor impact on the GDP of these jurisdictions.

Operating expenditures of between $10 million and $34 million per year will be spent; 43% in Nunavut and the NWT and will result in negligible changes to the GDP of these jurisdictions but will result in some 533 new jobs being created in Canadain 2006, 161 of which will be in Nunavut and the NWT.

Tax revenue to governments from these 533 jobs will total $9 million for 2006.

There will be negligible impact on traditional land use or on land use patterns as a result of this project.

Although the additional employment in the Kitikmeot communities could result in additional stress for some families, the community leaders believe that, in balance, that the jobs will be a good thing for their communities.

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ABBREVIATIONS

#	Number
%	Percent
Cdn	Canadian
CPP	Canadian Pension Plan
GDP	Gross Domestic Product
GNT	Government of Nunavut
GNWT	Government of the Northwest Territories
km	Kilometres
N/A	not available
NT	Nunavut Territory
NWT	Northwest Territories
Pers. Comm.	Personal Communication
PIT	Personal Income Tax
PY	Person Years
RHA	Robert Hornal and Associates Ltd.

1.0 PURPOSE AND METHODOLOGY

The purpose of this study is to identify the social and economic impacts of the proposed Jericho Diamond Project on the communities of the Kitikmeot Region of Nunavut (Kugluktuk, Cambridge Bay, Umingmaktok, Bathurst Inlet, Gjoa Haven, Taloyoak and Kugaaruk) and the City of Yellowknife, Northwest Territories.

These communities were selected on the basis of their proximity to the proposed project site, their relationship with the region surrounding the proposed site and their potential for supplying the project with workers, services and supplies and, in the case of Yellowknife and Cambridge Bay, acting as a transportation hub. An Inuit Impact and Benefits Agreement is to be negotiated between Tahera Corporation and the Kitikmeot Inuit Association.

Data for assessing the socio-economic impacts of the Jericho Diamond Project is summarized in a companion volume to this study "Socio-Economic Baseline Study of the Kitikmeot Communities, Nunavut and Yellowknife, Northwest Territories" (Robert Hornal and Associates Ltd., 2002).

The views of the residents of the Kitikmeot (traditional knowledge) are reflected in the assessment of community impacts (Section 4-5) below and the policies of the company have been adjusted to reflect these views.

Economic impacts were assessed by comparing the value of the economic activity with the same economic activity described in the Diavik Diamonds Project, Environmental Assessment Submission (Diavik Diamonds Mines Inc., 1998).

Representatives of Tahera Corporation and its predecessor companies, and the consultant have met with community leaders on a number of occasions since the discovery of the Jericho kimberlite pipe in 1995 to inform them of the activities of the company and to learn of the concerns of the communities. Details of these meetings can be found in the document Jericho Diamond Project, Community Consultation Record (Tahera Corporation, 2003, Appendix C.5).

2.0 PROJECT DESCRIPTION

Tahera Corporation's wholly owned subsidiary Benachee Resources Inc. plans to construct and operate a diamond mine ("the Jericho Diamond Project") in the Nunavut Territory near the northwest end of Contwoyto Lake (Figure 2.1) (latitude 65º59'50" N; longitude 111º 28'30"W). The proposed mine is approximately 25 air km north northwest of the Lupin Mine and 60 km south of the Arctic Circle. It is approximately equidistant (225 km) from the communities of Kugluktuk and Bathurst Inlet. The kimberlite ore is to be mined first by open pit mining for nine months of the year (April to December) and ,then by underground mining methods year round. The ore will be processed year round by a processing plant at the mine site. Reserves are adequate for the mine and plant to operate for at least 9 years.

Access to the Jericho Diamond Project is by winter road and by air. A winter road is operated between Yellowknife (420 km to the southwest) and Lupin from mid-January to mid-March. Extending this road to Jericho involves building a 3 km permanent road from Contwoyto Lake to the mine site and extending the winter ice road an additional 29 km on the ice of Contwoyto Lake. The Lupin Mine airstrip (1,950 m) offers year-round landing and freight handling services for aircraft up to Hercules size. There is a smaller airstrip (1,067 m long) at the Jericho mine site capable of handling Twin Otter, DC-3 and C-46 aircraft. This strip will be lengthened to 1,220 m as part of the construction process so as to be able to handle Hawker Sidley 748 aircraft (Tahera Corporation, 2003, Appendix A.1).

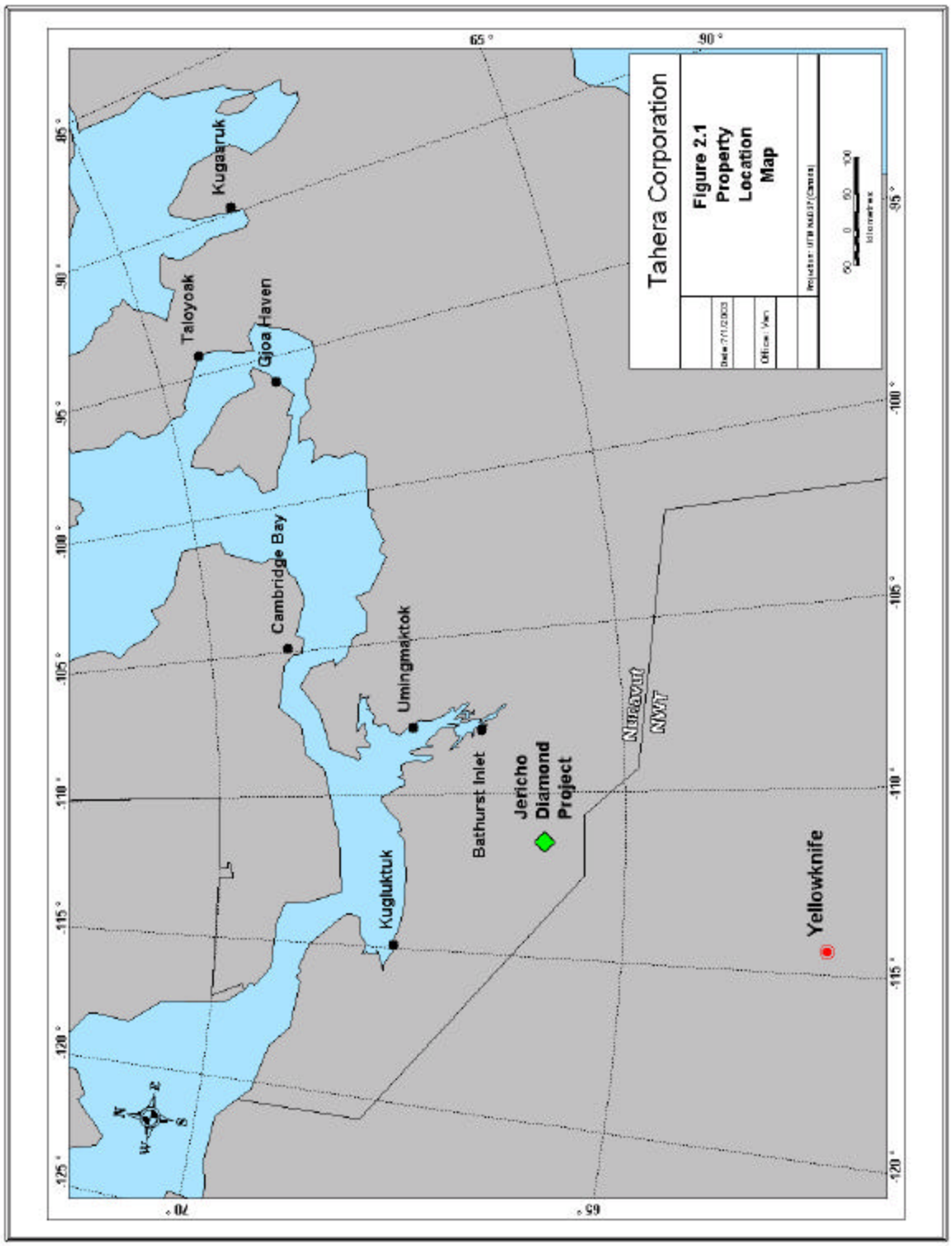
2.1 Project Schedule

The Jericho Diamond Project has the following proposed schedule:

January 2003 to December 2003	Permitting process
January 2004 to March 2004	Mobilization and winter road haul
1st quarter 2004	Mine construction, fuel storage construction
2nd to 4th quarter 2004	Plant construction including infrastructure
October 2004	Commercial production
March 2004 to May 2004	Open pit development
1st quarter 2005 to 4th quarter 2007	Full production open pit mining
1st quarter 2008 to 3rd quarter 2010	Underground mining
2011 to 2012	Processing North Lobe stockpile
2012 to 2013	Reclamation and closure

FIGURE 2.1

PROPERTY LOCATION MAP



2.2 Work Force

2.2.1 Construction

Tahera Corporation proposes to contract out both the processing plant construction and the pre-stripping and mining of the Jericho kimberlite. The plant construction will be supervised by a professional engineering firm. Pre-stripping and open pit mining will be done by Nuna Logistics.

The construction of the processing plant will require approximately 30 workers for the period May 2004 to September 2004. These workers will be primarily skilled tradesmen such as welders, electricians, plantwrights, carpenters and plumbers but will include up to 10 semi-skilled helpers (Tahera Corporation, 1999).

2.2.2 Operations

The following has been extracted from Tahera's Project Description, Chapter 7 (Tahera Corporation, 2003, Appendix A.1).

2.2.2.1 Introduction

It is currently planned that the open pit and underground operations and the hauling operations will be contractor operated. Tahera will operate the plant and appoint full time employees. Tahera Corporation and consultants will provide administrative and technical services.

Tables 2.1 to 2.4 describe the work force. Between 60 and 116 people will be employed in the open pit mining operations (2004 to 2007), 48 people will be employed in during underground operations (2008 to 2010) and 40 for the processing plant (2005 to 2012). Up to 16 people will provide catering and janitorial services. Tahera is committed to a target of 60% Inuit employment by Year 5 (2009) of operations. The Project will operate as a fly-in-fly-out camp with a two weeks on and two weeks off rotation. Employees will be flown between the mine and the point of hire.

2.2.2.2 Open Pit Mining

Open pit mining will be carried out by Nuna Logistics, a 51% Inuit-owned firm with extensive contract mining experience in the Arctic. Table 2.1 provides a breakdown of the work force by phase of operation. The actual number of employees may change slightly from those shown. In 2008, production will only occur on one shift. Open pit mining will be carried out for nine months of the year, April to December, except in 2004 when all mining will be done from April to June.

Nuna Logistics will provide administration services to support the site crew.

The safety officers will be responsible for monitoring safety and environmental issues on site. They will also participate in on-the-job training programs.

Nuna Logistics will be responsible for monthly planning and progress reporting.

Table 2.1
Nuna Logistics Open Pit Mine Work Force

Class	Position	2004	2005	2006	2007
		Year 1	Year 2	Year 3	Year 4
Supervisory					
	Superintendent	2	2	2	1
	Foreman	4	4	4	2
	Safety/Training	2	2	2	1
	Tool Crib Attendant	2	2	2	1
	Administrator	2	4	4	2
Operators					
	Truck Driver	10	18	26	15
	5130 Backhoe Operator	0	4	4	2
	Front End Loader	4	2	2	1
	Dozer Operator	8	6	6	3
	Crusher Operator	2	2	2	1
	Grader Operator	2	2	2	1
	Other Equipment	2	2	2	1
	Labourers	2	2	2	1
Mechanical					
	Mechanic	8	12	16	8
	Welder	4	8	10	5
	Serviceman	4	4	4	2
	Labourer	2	2	2	1
Drilling and Blasting					
	Superintendent	2	2	2	1
	Driller	8	8	6	3
	Blaster	2	2	2	1
	Helper	10	10	8	4
	Mechanic	4	2	2	1
Surveyors					
	Crew Chief	2	2	2	1
	Instrument man	2	2	2	1
Total		**90**	**106**	**116**	**60**

2.2.2.3 Underground Mining

The projected work force for underground mining is shown in Table 2.2. Underground mining will take place beginning in January 2008 and finishing in the summer of 2010.

Table 2.2
Underground Mining Work Force 2008 to 2010

Position	No. per shift	No. per rotation	Total
Project Superintendent	1	1	2
Shift Boss	1	2	4
Surveyor	1	1	2
Clerk/Expeditor	1	1	2
Lead Mechanic	1	1	2
Mechanic	2	4	8
Electrician	1	1	2
Development Miner	2	4	8
Raise Miner	1	1	2
Longhole Driller/Blaster	1	2	4
Scoop/Truck Operator	2	4	8
Rockbolter	1	2	4
Total	**16**	**24**	**48**

2.2.2.4 Diamond Processing Plant

Table 2.3 provides a breakdown of the work force required. The plant will operate year round commencing operations in October 2004 and continuing to the end of 2012.

Table 2.3
Diamond Processing Plant Work Force

Position	No. per shift	No. per rotation	Total
Plant Manager	1	Alternate	1
Plant Engineer	1	Alternate	1
Operators	4	8	16
Sorters	3	3	6
Loader Operator	1	2	4
Truck Driver	1	2	4
Security Officer	1	2	4
Security Foreman	1	Alternate	1
Security Manager	1	Alternate	1
Apprentices	1	1	2
Total	**15**	**20**	**40**

The plant manger will be responsible for the site administration of the mining contractors and for the safety and environmental monitoring at the plant. A safety management system will be implemented with all employees actively participating in the program.

It is planned to contract with a security company to provide security service. The Security Manager will report to a corporate official. Two security personnel will be women. It is planned to employ two security personnel with appropriate medical training.

Plant operators will be maintenance personnel who will be trained in diamond plant operations. The plant is contained in a small building that will enhance close monitoring of operations.

The diamond sorters will be specifically trained prior to the operation commencing. It is probable that the sorters will be women.

2.2.2.5 Catering

Catering will be required throughout the project life. The employment breakdown for the open pit and underground phases is shown in Table 2.4. For the processing phase (2011 to 2012), the catering workforce will be reduced by 6.

Table 2.4
Catering Work Force

Position	No. per rotation	Total
Supervisor	1	2
Cook	2	4
Cook's Helper	2	4
Janitor	3	6
Total	**8**	**16**

2.2.2.6 Administration and Technical Services

Tahera Corporation will be responsible for the provision of administration and technical services. Tahera has only included the cost of additional staff required to support the mine operation. Tahera's existing personnel will do many of the duties. The support needed is limited due to the employment of contractor mining. The plant management will be responsible for reporting stores consumption, annual purchase orders and daily management reporting. The operations accountant will co-ordinate procurement and cost reporting. This position will operate from Tahera's office in Toronto.

Tahera senior management will be responsible for annual budget and operating plan. The plans will be submitted to the Board of Directors for approval.

Table 2.5 shows the positions required for administration and technical services.

Table 2.5
Administration and Technical Services Work Force

Position	Number	Remarks
Operations Accountant	1	Toronto based; accounts, inventory management, payroll
Environmental Manager	1	Part-time (21 weeks/annum), Consultants will be used in support
Human Resources and Community Liaison	1	Part-time (8 weeks/annum)
Expediter	Outsource	Part-time, mainly for winter road transport
Technical Services	Outsource	Consultant for mine planning, geology, geotechnical audit, plant audit
Purchaser	Outsource	Annual inventory procurement

2.2.2.7 Summary

The operations work force required at the mine site for the operation for the Jericho Diamond Project is summarized by year in Table 2.6.

Table 2.6
Summary of Operations Work Force by Year

	2004		2005		2006		2007		2008		2009		2010		2011		2012	
	#	PY	#	PY	#	PY	#	PY	#	PY	#	PY	#	PY	#	PY	#	PY
Open Pit	90	45	106	79.5	116	87	60	45	-	-	-	-	-	-	-	-	-	-
Underground	-	-	-	-	-	-	-	-	48	24	48	48	48	36	-	-	-	-
Plant	40	10	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40
Catering	16	16	16	16	16	16	16	16	16	16	16	16	16	16	10	10	10	10
Total	**146**	**71**	**162**	**135.5**	**172**	**143**	**116**	**101**	**104**	**80**	**104**	**104**	**104**	**92**	**50**	**50**	**50**	**50**

The number of person years (PY) of employment varies from a high of 143 to a low of 50 and averages 90.5 person years per year of operation. The total person years on site for the project are 814.5.

2.3 Closure

Tahera Corporation has identified some 8.5 years of reserves at the mine site and believes that there is potential to discover additional reserves in the surrounding claims. When the mine and plant close, it is anticipated that other mining ventures in the Kitikmeot will welcome the trained work force from the Jericho Diamond Project. Tahera Corporation will work with any local employee to assist the employee to find a new placement satisfactory to the employee.

2.4 Corporate Policy

An important socio-economic element of any project is the approach management takes towards socio-economic matters. Tahera Corporation has adopted the following management policies for their Jericho Diamond Project.

2.4.1 Recruitment and Training

Tahera management will seek to recruit employees from Kitikmeot and other Nunavut and NWT communities. The territories have several decades of mining history.

Tahera is committed to increasing the percentage of Inuit employees to 60% over a five-year period. To achieve this objective it will be necessary to work closely with the employment and training officers in Nunavut. It will also be a prerequisite to establish a culture at the operation that supports a multi-cultural group. Tahera Corporation is a member of the Kitikmeot Employment Training Partners Association and will work co-operatively with the Association providing funding for training through the Association. Details of training assistance have not been finalized at the time of writing this report. Provisions for training will be part of the Inuit Impact and Benefits Agreement.

It will be essential to employ a manager who has extensive experience in the operation and maintenance of a diamond plant. This person will probably be recruited outside of Canada, but it is possible Canadian candidates may be available.

It is probable that diamond sorters will be recruited from Nunavut as specific skills training has occurred. As the diamond industry expands in Canada, appropriate training courses are being established for these and other skills.

Two apprentices will be hired through a government-approved apprenticeship program for training in the plant, one on each of the day shift rotations. The operating complement for the plant includes these two apprentices.

Tahera will encourage the mining contractors to follow the same philosophy with regard to recruitment, training, safety and environmental responsibility.

2.4.2 Transportation

Tahera will transport employees living in any Kitikmeot community or in Yellowknife between the site and their point of hire. Every effort will be made to avoid overnight stopovers en route.

2.4.3 Employee Orientation

Tahera Corporation will develop and deliver a comprehensive employee orientation program that will be mandatory for all employees. The program will include information on:

- Company organization and mandate
- Occupational Health and Safety and First Aid
- Emergency Response
- Company policies and procedures
- Cross cultural awareness and sensitivity
- Job specific orientation and job exceptions
- Training programs
- Site orientation
- Employee and Family Assistance Program, and
- Benefits, Pension and Savings Plans.

2.4.4 Procurement

Tahera Corporation will use local suppliers when these suppliers can provide products and services at a competitive price. Tahera recognizes that such purchases can lead to more jobs in the communities which are often more desirable than fly in/fly out jobs. Tahera Corporation plans to use Inuit owned firms to mine the open pit (Nuna Logistics Ltd.) and to provide catering services for the Project. The company may acquire its traditional food from Kitikmeot Foods Ltd of Cambridge Bay.

2.4.5 Hunting, Fishing and Firearms

Tahera Corporation will not permit its employees or contractors to carry unauthorized firearms while at work for the company, and hunting and sports fishing will not be permitted on the property.

2.4.6 Alcohol and Drugs

Tahera Corporation will ban the possession or use of alcohol or illegal drugs by its employees and contractors while on the Jericho mine site. The possession or use of these products will be grounds for dismissal.

2.4.7 Communications and Dialogue

Tahera Corporation will instruct management to be available to assist its employees both on site and in their home community in understanding its personnel policies and health and safety requirements.

Staff from Tahera Corporation will visit the communities of the Kitikmeot on a regular basis to discuss employment opportunities and training programs.

2.4.8 Use of Contractors

Tahera Corporation will insist that its contractors comply with these policies to the extent practicable.

3.0 LAND USE IN THE VICINITY OF THE JERICHO PIPE

3.1 Community Land Use

Three communities, Kugluktuk, Bathurst Inlet and Umingmaktok use the area around the Jericho site for hunting, fishing and trapping (Figures 3.1, 3.2 and 3.3). Bathurst Inlet residents make extensive use of Kathawachaga Lake some 25-km northwest of the mine site for fishing and hunting and as an outpost camp. The communities harvest caribou and muskox throughout the year and trap wolverine and hunt wolves in season. Some fish are caught through the ice of Contwoyto Lake in the winter (Nunavut Planning Commission Transition Team, 1996). As the Jericho site is remote from the three communities it is probably visited most often during the winter period when travel across the land is easier. Bathurst Inlet Lodge has an outpost camp across Contwoyto Lake from the Lupin Mine and uses this camp as a base for outfitting in the fall of the year. The camp consists of structures originally erected by Hecla Mining for mineral exploration.

Dene from the North Slave Region have traditionally used Contwoyto Lake and the Burnside River as a travel route, both in winter and summer to hunt for caribou and fox (BHP Diamet, 1995).

3.2 Other Activities In the Vicinity of the Jericho Site

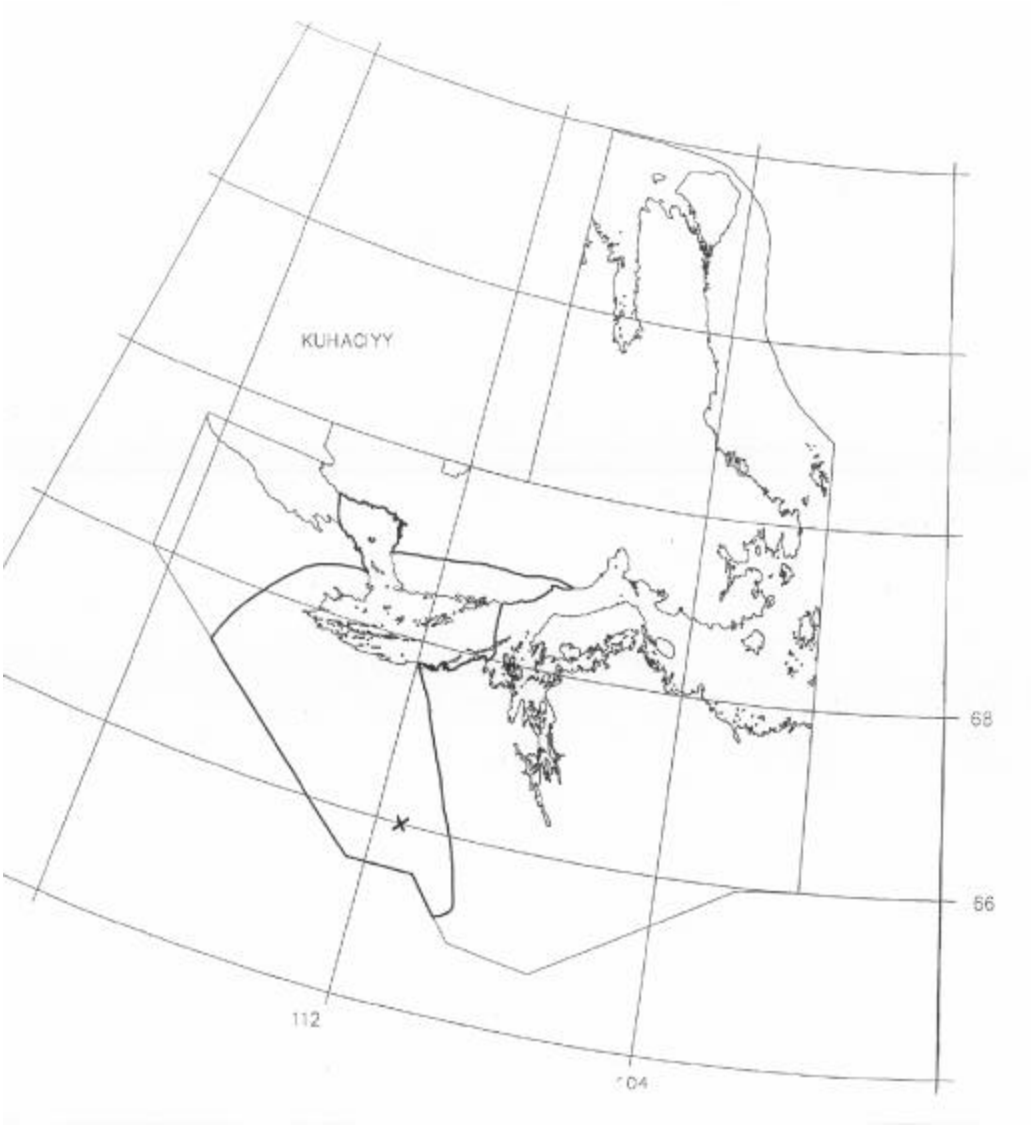
Jericho is only some 25 km north-northwest of the Lupin mine of Echo Bay Mines Ltd. This mine was discovered in 1960 and began production in 1982. Since 1960 the area around the Lupin Mine has been subject to intermittent bursts of exploration as companies have attempted to discover additional gold deposits. A winter road is open every year between Yellowknife and the mine site. Echo Bay Mines Ltd. has begun development of the Ulu gold deposits, 110 km north-northeast of Jericho site. Echo Bay plans to transport ore from the Ulu property to the Lupin plant every winter over a winter road that will pass within a few kilometres of the Jericho site. In January 1998 both properties were put in a care and maintenance mode (Wilkin, 1998a). In late 1999 Echo Bay announced plans to reopen the Lupin Mine in the spring of 2000 (McKibbon, 1999) and operations have recommenced.

Tahera Corporation and its partners have been and will be conducting exploration for new kimberlite pipes in a large area with a radius of 100 km or more around the Jericho site.

The Jericho site is 50 km east of the Izok Lake base metal deposit, which was considered for development in 1994. Development was postponed due to the lack of adequate infrastructure.

FIGURE 3.1

KUGLUKTUK'S AREA OF INFLUENCE

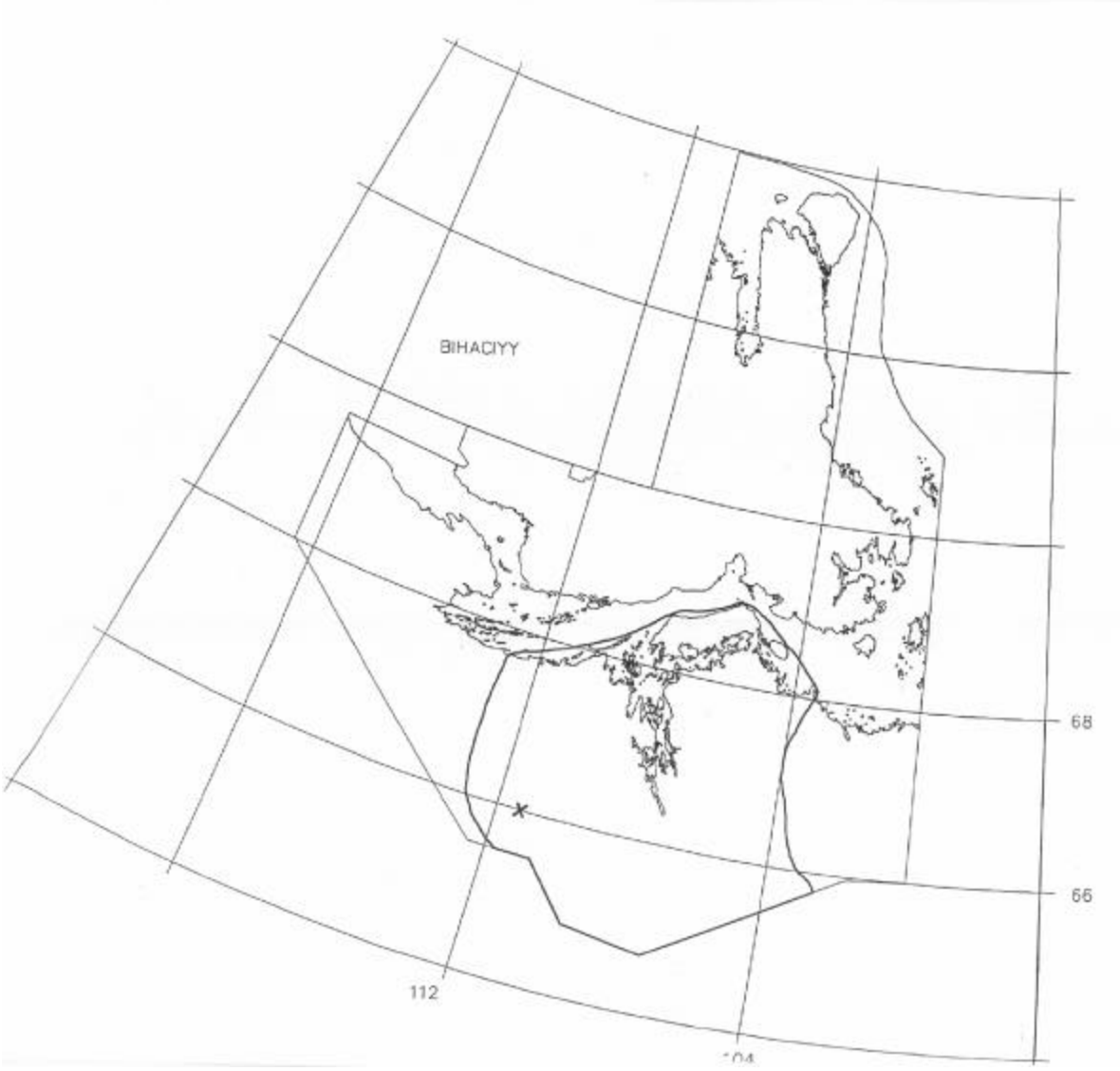


X marks the Jericho Site

The heavy dark line outlines Kugluktuk's area of influence (hunting area) within the Kitikmeot as determined by the Nunavut Planning Commission's West Kitikmeot Mapping Project (Nunavut Planning Commission, 1996).

FIGURE 3.2

BATHURST INLET'S AREA OF INFLUENCE

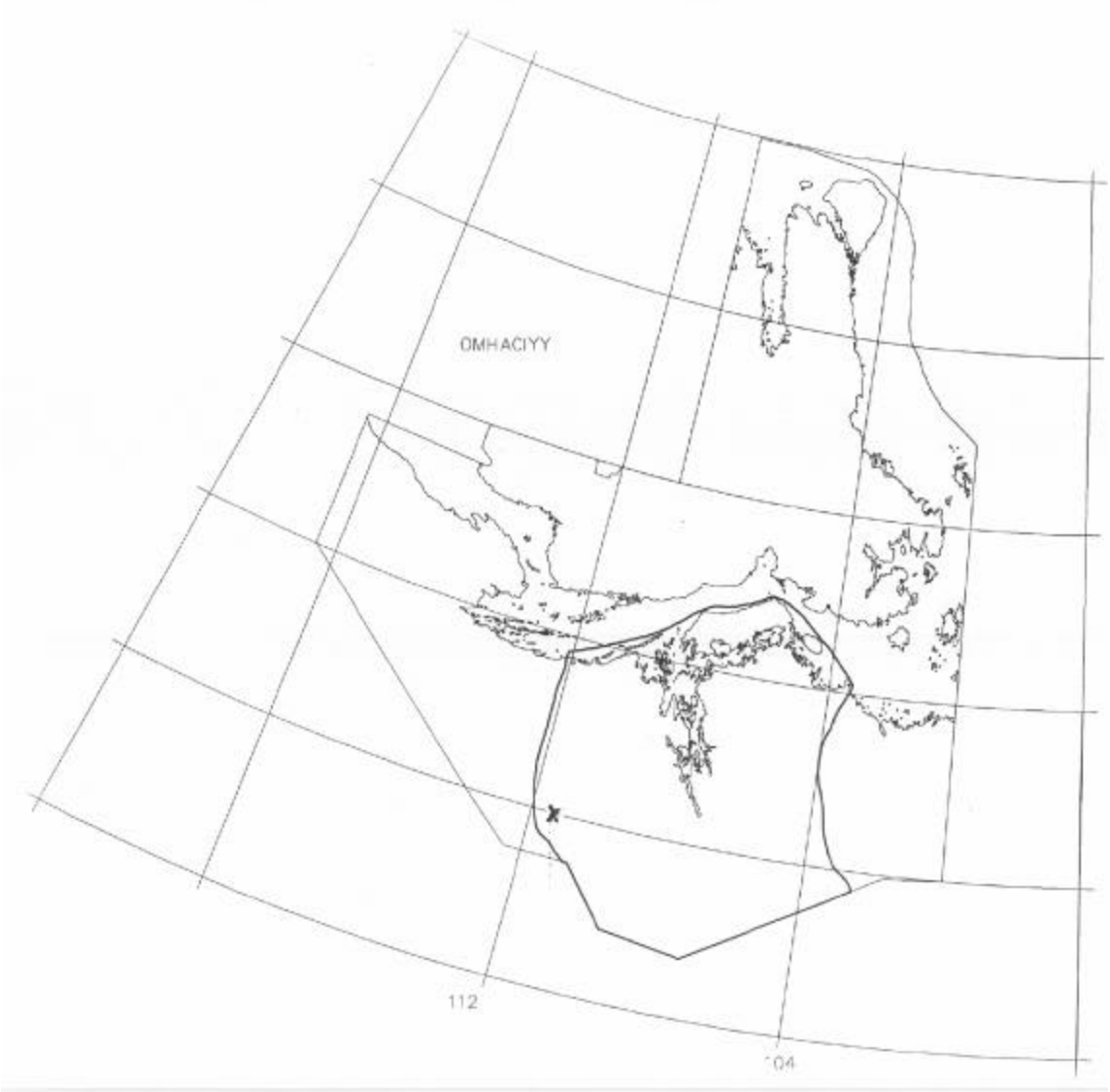


X marks the Jericho Site

The heavy dark line outlines Bathurst Inlet's area of influence (hunting area) within the Kitikmeot as determined by the Nunavut Planning Commission's West Kitikmeot Mapping Project (Nunavut Planning Commission, 1996).

FIGURE 3.3

UMINGMAKTOK'S AREA OF INFLUENCE



X marks the Jericho Site

The heavy dark line outlines Umingmaktok's area of influence (hunting area) within the Kitikmeot as determined by the Nunavut Planning Commission's West Kitikmeot Mapping Project (Nunavut Planning Commission, 1996).

4.0 SOCIO-ECONOMIC IMPACTS

The Jericho Diamond Project is a small mining project. It will generate an average of 90 person years of employment for nine years. For comparison the Ekati diamond mine in the NWT generates over 600 person years of employment at its mine site each year. However, even 90 person years of employment can have impacts on a region with a small population like the Kitikmeot.

The major socio-economic impacts will relate to jobs and business opportunities.

4.1 Assumptions

The consultants have evaluated the significance of the impacts against the empirical data presented in the report 'Socio-Economic Baseline Study of the Kitikmeot Communities, Nunavut and Yellowknife, Northwest Territories (RHA, December 2002). They have assumed that if the project results in a change in the status quo of less than 0.5% the impact is negligible; if the project results in a change in the status quo of between 0.5% and 1.5% the impact is minor; if the project results in a change in the status quo of between 1.5% and 2% the impact is moderate; and if the project results in a change in the status quo of over 2% the impact is major.

These percentages were based on the recent rates of population growth experienced by the Kitikmeot Communities (4% in five years) and by Yellowknife (5% in five years). If the communities are expanding at an average rate of 1% per year, an impact that is about the rate of expansion should be minor. An impact equivalent to more than double the rate of expansion of the community would be major.

The choice of community growth as the indicator of impact on the communities is based on the observation that changes in community or regional populations stresses the educational, health, social and infrastructure facilities of the community. This indicator of change is closely monitored by governments (federal, territorial and local) and is used to determine where new resources are best utilized.

The company plans to enter into an Inuit Impact and Benefits Agreement with the Inuit of the Kitikmeot. This Agreement will serve to help mitigate any negative impacts from the project and will accentuate the positive impacts.

4.2 Job Opportunities

Tahera's objective is to fill 60% of the positions in its processing plant with Inuit within five years. It will inform its contractors of this policy and will indicate that the choice of contractors will be influenced by the extent to which the contractors are committed to hiring and training Inuit from Nunavut and particularly from the

Kitikmeot. The consultants believe that over time up to 50% of the managers, 60% of the skilled positions and 90% of the semi-skilled positions can be filled by residents of the Kitikmeot. The consultant's expect that 30% of the labour force can be recruited from Yellowknife.

Table 4.1
Work Force for the Jericho Project – Open Pit Operations
Years 1-4 (2004-2007)

Year 1	Total Work Force	Percent Nunavummiut	Number of Nunavummiut
Open Pit Mine (6 months/year)			
Professional	2	0	0
Skilled	38	15	2
Others	50	18	9
Subtotal	90	12	11
Plant (3 months/year)			
Professional	2	0	0
Skilled	26	8	2
Others	12	33	4
Subtotal	40	15	6
Catering (12 months/year)			
Professional	2	0	0
Skilled	4	25	1
Others	10	50	5
Subtotal	16	38	6
Total Work Force	**146**	**16**	**23**
Total Person Years	**71**	**18**	**13**

Year 2 (2005)	Total Work Force	Percent Nunavummiut	Number of Nunavummiut
Open Pit Mine (9 months/year)			
Professional	2	0	0
Skilled	46	13	6
Others	58	33	19
Subtotal	106	24	25
Plant (12 months/year)			
Professional	2	0	0
Skilled	26	8	2
Others	12	67	8
Subtotal	40	25	10
Catering (12 months/year)			
Professional	2	50	1
Skilled	4	25	1
Others	10	60	6
Subtotal	16	50	8

Total Work Force	**162**	**27**	**43**
Total Person Years	**135.5**	**27**	**37**

Year 3 (2006)	**Total Work Force**	**Percent Nunavummiut**	**Number of Nunavummiut**
Open Pit Mine (9 months/year)			
Professional	2	0	0
Skilled	50	20	10
Others	64	50	32
Subtotal	116	36	42
Plant (12 months/year)			
Professional	2	0	0
Skilled	26	19	5
Others	12	25	9
Subtotal	40	35	14
Catering (12 months/year)			
Professional	2	50	1
Skilled	4	50	2
Others	10	90	9
Subtotal	16	75	12
Total Work Force	**172**	**40**	**68**
Total Person Years	**143**	**40**	**58**

Year 4 (2007)	**Total Work Force**	**Percent Nunavummiut**	**Number of Nunavummiut**
Open Pit Mine (9 months/year)			
Professional	2	0	0
Skilled	24	42	10
Others	34	52	20
Subtotal	60	50	30
Plant (12 months/year)			
Professional	2	0	0
Skilled	26	38	10
Others	12	83	10
Subtotal	40	50	20
Catering (12 months/year)			
Professional	2	50	1
Skilled	4	50	2
Others	10	90	9
Subtotal	16	75	12
Total Work Force	**116**	**53**	**62**
Total Person Years	**101**	**53**	**55**

Table 4.2
Work Force for the Jericho Project – Underground Operations
Years 5-7 (2008-2010)

	Total Work Force	Percent Nunavummiut	Number of Nunavummiut
Underground Mine (12 months/year)			
Professional	2	0	0
Skilled	32	9	3
Others	14	64	93
Subtotal	48	25	12
Plant (12 months/year)			
Professional	2	0	0
Skilled	26	46	12
Others	12	93	11
Subtotal	40	58	23
Catering (12 months/year)			
Professional	2	50	1
Skilled	4	60	2
Others	10	90	9
Subtotal	16	75	12
Total Work Force	**104**	**45**	**47**
Total Person Years	**104**	**45**	**47**

Table 4.3
Work Force for the Jericho Project – Processing the Stockpile
Years 8-9 (2011-2012)

	Total Work Force	Percent Nunavummiut	Number of Nunavummiut
Plant (12 months/year)			
Professional	2	0	0
Skilled	26	46	12
Others	12	92	11
Subtotal	40	58	23
Catering (12 months/year)			
Professional	2	50	1
Skilled	2	60	1
Others	6	90	5
Subtotal	10	70	7
Total Work Force	**50**	**60**	**30**
Total Person Years	**50**	**60**	**30**

The companion document (RHA, 2002) describes the Kitikmeot work force and provides data on the educational level of Kitikmeot residents. The consultants believe that in order to get a skilled job a minimum of Grade 10 education will be required. The data suggests that in 1996, 750 out of a work force of 2,180 people or

34% of the working age population had less than Grade 9 education. In 1999 the Labour Force Survey (GNT Bureau of Statistics, 1999) found that 612 people wanted a job in the Kitikmeot Communities. It is probable that most of these individuals had less than a Grade 9 education and would need to undergo upgrading to be able to fill a skilled position at the Jericho Diamond Project. Since 1996, a number of organizations have worked to upgrade the educational level of Kitikmeot residents.

As a result of the efforts of the Kitikmeot Employment Training Partners Association, Nunavut Arctic College and the mines now operating in the North Slave Province to train Kitikmeot residents in mining-related trades, it is probable that the majority of the skilled and semi-skilled work force will come from northern communities, primarily the Kitikmeot communities. These two categories of workers represent 95% of the jobs to be filled.

In order for Tahera Corporation to achieve a level of 60% or more Nunavut hire, additional training programs, similar to those now being given in the Kitikmeot Region, will be necessary in the communities to familiarize Kitikmeot residents with mining safety procedures and to upgrade the educational level of residents interested in learning a trade. The use of Inuit owned companies to perform the open pit mining and the catering should assist the company in reaching its goal. The closing of Nanisivik and Polaris time period may provide a source of Nunavummiut miners for the underground development. If so, the forecast numbers in Table 4.2 could change positively.

Plant operations require employees to be capable of doing many tasks, so it is anticipated training Nunavummiut employees will be more expensive and it will take longer to reach the goal of 60% Nunavummiut in the plant.

Tahera Corporation is committed to working with the relevant authorities in Nunavut to develop the human resource potential of the region. Tahera Corporation recognizes that the process of developing skills and expertise takes time and will require patience and commitment by all involved. Tahera is prepared to award the open pit contract and the underground contract a year in advance of commencing work so that the contractor's will have an opportunity to train Inuit staff.

4.2.1 Plant Construction

The work force required to build the plant consists mainly of trades people who would in large part come from outside the Kitikmeot. Of the 30 workers up to 10 will be semi-skilled or labouring positions and would be available to Northerners (Tahera Corporation, 2003).

For the Kitikmeot Region, 10 jobs represent less than 0.7% of the 1999 labour force of 2006. Therefore, should residents from the Kitikmeot Communities fill all 10 jobs, the impact would be minor.

4.2.2 Operations - Open Pit Mining

Table 4.1 shows that during open pit mining operations it is expected that there will be between 116 and 172 jobs available at the mine site. Of these jobs, between 23 and 68 will be filled by Nunavummiut and another 30% (between 36 and 52 jobs) may be filled by Yellowknife residents.

For the Kitikmeot Region, 23 jobs represent 1.1% of the 1999 labour force of 2,006, 68 jobs represent 3.4% of the labour force. Therefore, the impact in the Kitikmeot would be minor to major.

For Yellowknife 36 jobs represent 0.3% of the labour force of 11,331 and 52 jobs represent 0.4% of the labour force. Therefore, the impact on Yellowknife would be negligible.

As it is the company's policy to hire first from the communities of the Kitikmeot and as the company will be entering into an Inuit Impact Benefits Agreement, the consultants believe that most of the impact will be on these communities and the impact will be major and positive.

4.2.3 Operations – Underground Mining

Table 4.2 shows that during underground operations there will be 104 jobs available at the mine site. Of these jobs, it is expected that 47 will be filled by Nunavummiut and another 30% of the jobs (30 jobs) will be filled by Yellowknife residents.

The total number of jobs will have dropped by 68 from the high employment figure for the third year of operation. Of these 68 positions, 62% or 21 will be Nunavummiut and another 21 will be residents of the Yellowknife.

For the Kitikmeot Region, 21 jobs represent 1.0% of the 1999 labour force of 2,006. Therefore, should Kitikmeot residents lose all 21 jobs, the impact would be minor.

For Yellowknife 28 jobs represent 0.2% of the labour force of 11,331. Therefore the impact of losing all 28 jobs would be negligible.

As it is the company's policy to hire first from the communities of the Kitikmeot and the company will be entering into an Inuit Impact Benefits Agreement, the consultants believe that most of the impact will be on these communities and the impact will be minor.

4.2.4 Operations – Processing the Stockpile

Table 4.3 shows that during the processing only operations there will be 50 jobs available at the mine site. Of these jobs about 30 will be filled by Northerners. However, the total number of available jobs at this project will have dropped by 54 from the number of jobs available during the underground phase of the project. Of these 54, 31% or 17 are Nunavummiut and another 16 are Yellowknife residents.

For the Kitikmeot Region, 17 jobs represent 0.8% of the 1999 labour force of 2,006. Therefore, should Kitikmeot residents lose all 17 jobs, the impact would be minor.

For Yellowknife 16 jobs represent 0.1% of the labour force of 11,331. Therefore, the impact of losing all 16 jobs on Yellowknife would be negligible.

As it is the company's policy to hire first from the communities of the Kitikmeot and the company will be entering into an Inuit Impact Benefits Agreement, the consultants believe that most of the impact will be on these communities and the impact will be minor.

4.2.5 Temporary Closure

Should the mine be forced to close temporarily in 2006 or 2007 (the years with maximum Nunavummiut employment) 62 to 68 Nunavummiut would be laid off and up to 52 Yellowknifers would also be laid off.

For the Kitikmeot Region 68 jobs represent 3.4% of the 1999 labour force of 2006. Therefore the impact on the Kitikmeot would be major should the lay-off continue for months or years.

For Yellowknife 52 jobs represent 0.4% of the labour force. Therefore, the impact on Yellowknife would be negligible.

For a few months after the closure unemployment insurance would mitigate the impacts of the layoffs.

4.2.6 Final Closure

If the mine closes as planned in 2012, 30 Nunavummiut will be laid off and 15 Yellowknifers will also be unemployed.

For the Kitikmeot Region 30 jobs represent 1.5% of the 1999 labour force of 2,006. Therefore the impact on the Kitikmeot would be moderate.

For Yellowknife, 15 jobs represent 0.1% of the 1999 labour force. Therefore the impact on Yellowknife of these layoffs would be negligible.

Tahera Corporation hopes that in the period between now and the mine closure new economic deposits will be found on their properties and the development of these deposits will mitigate the impact of the closure of the Jericho Project.

4.3 Impact on Current Employers

Mining jobs are well paying. The average yearly wage in the metal mines in Canada in 1998 was $66,672 (NRCan, 2002).

The high salaries paid by the Jericho Diamond project and its contractors will attract some of those already employed in the Kitikmeot communities. However, those with a full time job will be reluctant to leave it for a part time one or a short term one (open pit and underground mining) which requires the employee to be away from home for two weeks out of four. The permanent positions in the plant and on the catering team will be the most attractive to those individuals with full time jobs in the communities. Table 4.3 suggests that Kitikmeot residents may fill a maximum of 30 positions in the plant and on the catering team. Sixteen of these positions will be semi-skilled or labouring positions that may not be attractive to those now holding a job. The other 14 positions if they were all to be filled by Kitikmeot residents now holding a job in the communities would represent 0.6% of the people employed in 1999. Therefore the consultants assess this impact as minor.

4.4 Impact on Traditional Land Use

The project as described herein will have little impact on the hunting, fishing, and trapping activities of the local people. The mine will occupy a very small portion of their hunting territory and the trucking activities will be confined to winter ice roads. Any spills on these ice roads can be cleaned up before the open water season.

The impact of the mine and its infrastructure represents such as minute portion of the hunting territory that the impact is judged to be negligible.

4.5 Community Impacts

During the consultations held with the communities of the Kitikmeot Region, community leaders emphasized the importance of hiring locally and using local suppliers. They also recognized that the rotational lifestyle stressed some families and could result in an increased number of family breakups and cases of physical abuse. The leaders argued, however, that the income produced by working was important to the families, as was the pride in having a job. On balance it was thought that it was better to have the choice of working or living a more traditional lifestyle than only having the choice of living off the land. Employment opportunities were also considered to be important to the overall well being of the community. The communities are familiar with fly in/fly out employment having supplied workers for

Beaufort Sea oil and gas development in the 1970's in the case of Kugluktuk and having supplied workers for Echo Bay Mines Lupin Mine from 1981 to 1998 in the case of Kugluktuk and Cambridge Bay and having supplied catering and exploration assistance to the BHP Hope Bay Project from 1994 to 1998 in the case of Bathurst Inlet and Umingmaktok.

Fly in /fly out operations can have negative impacts on families and, therefore, on communities. Family breakups, problems disciplining children and the availability of money to spend on drugs and alcohol can disrupt a small community. Tahera Corporation can mitigate these impacts by providing counseling services to their employees and their families. Tahera will work with government agencies and community groups to make certain this counseling is available.

As Tahera plans to fly its employees back and forth to their home communities, the project should have no impact on the demographics of the communities (people will not be moving to or from a community to get a job). As a result there will be no increased pressure on existing infrastructure and services as a result of this project. There will be no increase in costs to governments or community organizations as a result of the project.

4.6 Economic Impacts on the North and Canada

The Jericho Diamond Project will require $44.5 million to build the processing plant and pre-strip the open pit. Of this sum, $6.3 million may be used to procure the diamond plant from an international company in South Africa and $1.3 million may be spent on engineering services in South Africa. Of the remaining $36.9 million, approximately 20% or $7.4 million will be spent on labour and 80% or $29.5 million will be spent on materials and supplies (Ott, Pers. Comm., 2000).

Once in operation the Project's operating expenses will vary year to year depending on the nature of the mining operation. They range from $9.2 million to $34 million in constant 1999 Canadian dollars. They will peak in Year 3 (2006). Approximately 30% will be spent on labour and 70% will be spent on materials and supplies (Ott, Pers. Comm., 2000).

It is possible using these figures and the economic model used by Diavik (Diavik Diamond Mines Inc. 1998) to estimate where these expenditures will be made and how large the indirect and induced impact of this project will be (see Tables 4.4, 4.5, 4.6 & 4.7). All figures are in 1999 dollars. **NOTE: In these Tables the NT includes both Nunavut and the Northwest Territories.** An input/output model for Nunavut is not yet available from Statistics Canada (Hicks, Pers. Comm. 2002). The exact breakdown between these two territories must await the completion of the Inuit Impact Benefit Agreement, which will better define the services Tahera will purchase in the Kitikmeot.

Indirect impacts are those impacts caused by Jericho Diamond Project on the firms that supply the goods and services to the construction crews and mine operators.

Induced impacts are those impacts caused by the increased income of the staff of the firms providing services to the mine. The money the staff spends represents the induced impact of the project.

In the construction period, the NWT and Nunavut would receive 35% of the total $44.5 million direct capital expenditures, Alberta would receive 22%, and Ontario would receive 16% (Table 4.4) and other countries (South Africa) would receive 17%.

The Ekati Mine during its construction phase in 1998 (January l, 1998 to October 1, 1998) spent $357 million in total for which some $150 million was spent in the Northwest Territories (BHP Diamonds Inc., 1999). In roughly the same amount of time, Tahera plans to spend 10% of this amount. Therefore, although northern businesses will welcome these expenditures, the impact on the northern economy will be, at best, minor.

Table 4.4
Construction Expenditures by Province/Territory

	Que.	Ont.	Alta.	B.C.	Other	NT	World	Total
Type	**Millions of 1999 Cdn $**							
Direct Labour	0	0	3.5	0.45	0.45	3.0	0	7.4
Other Expenditures	1.5	7.0	6.2	1.5	0.7	12.6	7.6	37.1
Total	**1.5**	**7.0**	**9.7**	**1.95**	**1.15**	**15.6**	**7.6**	**44.5**
Percent								
Direct Labour	0%	0%	48%	6%	6%	40%	0%	100%
Other Expenditures	4%	19%	17%	4%	2%	34%	20	100%
Total	**3%**	**16%**	**22%**	**4%**	**3%**	**35%**	**17%**	**100%**

Table 4.5 shows the expected distribution of operating expenses totaling $34 million throughout Canada and abroad in the year 2006. This is the year the project will have its maximum impact on the Canada's economy. Nunavut and the Northwest Territories will receive 43% of these expenditures, Ontario and Alberta 18% and the other provinces lesser amounts. In the years when underground mining is taking place the total operating cost will be about $20 million. In the years when the Project is processing the stockpile the operating costs will be about $10 million. The distribution of these costs will be similar for all three scenarios.

Table 4.5
Operating Expenditures by Province/Territory in 2006

	Que.	Ont.	Alta.	B.C.	Other	NT	World	Total
Type	**000's of 1999 Cdn $**							
Labour	0	0	2,850	410	310	6,630	0	10,200
Goods & Services	950	6,190	3,330	1,190	480	7,850	3,810	23,800
Total	**950**	**6,190**	**6,800**	**1,600**	**790**	**14,480**	**3,810**	**34,000**
Percent								
Labour	0%	0%	28%	4%	3%	65%	0%	100%
Goods & Services	4%	26%	14%	5%	2%	33%	16%	100%
Total	**3%**	**18%**	**18%**	**5%**	**2%**	**43%**	**11%**	**100%**

The project would increase the Gross Domestic Product (GDP) of Canada in 2006 by $40.2 million, the GDP of the NWT and Nunavut by $15.7 million, the GDP of Alberta by $9.6 million and the GDP of Ontario by $9.0 million (Table 4.6). These numbers are small in comparison to the current GDP of each province or territory. For example the GDP of the NWT in 2001 was $2.9 billion (GNWT Bureau of Statistics, 2002), therefore the contribution of this project to the GDP, $15.7, million, is 0.5% of the current GDP. Therefore, the impact on the GDP is negligible.

Table 4.6
Impact of the Year 2006 Operation on GDP in Canada

	Que.	Ont.	Alta.	B.C.	Other	NT	Total
Type	**000's of 1999 Cdn $**						
Direct Labour	0	0	2,850	410	310	6,630	10,200
Indirect GDP	1,790	6,170	4,380	1,390	0	6,170	19,900
Induced GDP	1,110	2,830	2,420	810	0	2,930	10,100
Total GDP	**2,900**	**9,000**	**9,650**	**2,610**	**310**	**15,730**	**40,200**
Percent							
Direct Labour	0%	0%	28%	4%	3%	65%	100%
Indirect GDP	9%	31%	22%	7%	0%	31%	100%
Induced GDP	11%	28%	24%	8%	0%	29%	100%
Total GDP	**7%**	**23%**	**24%**	**6%**	**1%**	**39%**	**100%**

Businesses in the Kitikmeot and in the Northwest Territories will welcome the opportunity to provide services for this project but the impact of $7.8 million in goods and services in one year, in the opinion of the consultant will be negligible to minor depending on the amount spent in any one community. The Kitikmeot Corporation, the business arm of the Kitikmeot Inuit Association, has been aggressively seeking opportunities for its subsidiaries and joint ventures with other mine developers in the region and will strive to obtain business opportunities from this project. Other firms based out of Yellowknife who are serving the existing gold mines and the developing diamond mining industry will also wish to adapt their businesses to provide services for the Jericho project.

The impact of this project on the Kitikmeot's cost of living will be negligible.

Table 4.7
Impact of the 2006 Operation on Employment in Canada

	Que.	Ont.	Alta.	B.C.	Other	NT	Total
Person Years							
Direct Labour	0	0	42	7	7	87	143
Indirect Labour	28	88	47	19	12	43	237
Induced Labour	18	42	37	14	11	31	153
Total	**46**	**130**	**126**	**40**	**30**	**161**	**533**
Percent							
Direct Labour	**0%**	**0%**	**29%**	**5%**	**5%**	**61%**	**100%**
Indirect Labour	12%	37%	20%	8%	5%	18%	100%
Induced Labour	12%	28%	24%	9%	7%	20%	100%
Total	**9%**	**25%**	**23%**	**7%**	**6%**	**30%**	**100%**

The project would lead to the creation of 533 new jobs in Canada in 2006 including 161 new jobs in Nunavut and the NWT, 130 new jobs in Ontario and 126 new jobs in Alberta (Table 4.7).

If the average person employed directly by the mine or its contractor averaged $66,000/year, the indirect jobs averaged $45,000/year and the induced jobs averaged $42,000/year, figures similar to those suggested by Diavik (Diavik Diamond Mines Inc., 1998), then governments should expect to receive an additional $9.05 million in personal income taxes and insurance payments in 2006 from the new jobs created by the project. Most of this money ($7.04 million) would go to the federal government and to the governments of Nunavut and NWT ($3.1 million combined) (see Table 4.8).

Table 4.8
Tax Generated from Additional Employment in 2006*
($ Million)

	Que.	Ont.	Alta	B.C.	Other	NT	Total
Federal PIT	.31	.87	1.09	.31	.24	1.59	4.41
Provincial/ Territorial PIT	.15	.37	.50	.15	.12	.72	2.01
CPP & EI Contributions	.23	..64	62	.20	.15	.79	2.63
Total	**.69**	**1.88**	**2.21**	**.66**	**.51**	**3.10**	**9.05**

* Calculations are based on 2000 rates.

4.7 Cumulative Socio-Economic Impacts

The socio-economic CEA addresses the effects of the Jericho Diamond Project in combination with other existing projects and projects that have been approved or are

in the regulatory review stage. These projects are largely within the Slave Geologic Province and included:

- other currently ongoing mining projects, *i.e.*, the EKATI™ Diamond Mine, the Diavik Diamond Project, and the Lupin Gold Mine; and
- other proposed mining projects in and near the region, specifically the De Beers' Snap Lake diamond mine.

Neither the Lupin winter road nor the proposed Bathurst Inlet port and road directly affect any communities in the Kitikmeot and therefore were not directly considered in the cumulative effects assessment. While hunting and guiding activities could possibly act cumulatively with the mine development in the Slave Geologic Province on the Bathurst caribou herd (significance judged to be negligible), this activity shares nothing in common with mining projects with respect to impacts on the people living in the Kitikmeot region. Mining exploration might be expected to draw on some of the same skills required for mining, however, in this case activities vary greatly from year to year and there is no reliable basis on which to compare exploration and operating mine requirements for employment. Thus mining exploration is also not considered.

Assessing socio-economic cumulative effects is considerably more imprecise than biophysical cumulative effects assessments given:

- the difficulty of separating direct and indirect effects and the extent to which these overlap;
- environmental uncertainty and the extent to which environment and socio-economics interact;
- changing government policy and regulations;
- changing values of the people and communities involved;
- the imprecision of measurement of socio-economic impacts, other than strictly economic drivers; and
- the dependence of mitigation effectiveness on all of the above.

Given the qualitative nature of the assessment, monitoring becomes more important in assessing effects predictions.

The socio-economic effects from the Jericho Project that may act cumulatively include:

- requirement for skilled and semi-skilled labour;
- requirement for contract services and supplies;
- attraction of other mining projects to the Kitikmeot;
- changes in the traditional economy and lifestyles from a cash economy and rotational work; and
- revenues to various levels of government (positive and minor incremental effect—not discussed).

Labour Requirements

During the period the Jericho Diamond Project will be operating (2004 to 2012) Kitikmeot residents will have the opportunity to work at the existing mines Echo Bay, Ekati and Diavik and possibly at the gold deposits in the Hope Bay area in the Kitikmeot Region and at the Snap Lake diamond mine in the Northwest Territories. In addition, jobs will be available at exploration sites throughout the Kitikmeot (including exploration around the Jericho deposit) and possibly, on the construction of a road from Bathurst Inlet to Contwoyto Lake and beyond. Most of the residents of the Kitikmeot with the training to work at a mine site are already employed. Therefore, the commencement of the Jericho Diamond Project will have a major cumulative impact on the Kitikmeot Region as the operator searches for people to fill the available jobs. Training courses such as those now being offered by Kitikmeot agencies will reduce this impact but will not eliminate it.

The labour demands for Jericho may be lessened somewhat due to the fact that the southern diamond mines largely draw on communities in NWT, including Yellowknife, although still relying on the Kitikmeot for some employees. The closure of Polaris and Nanisivik mines will also result in an increase in the available mining labour force.

Contract Opportunities

The cumulative impact on Kitikmeot businesses will be less severe as those businesses working for or with the mining industry will be capable of gearing up to handle the extra business a small mining project such as this will bring them.

Attraction of Other Mining Projects

The attractiveness of Nunavut to mining activities will certainly be enhanced by the start up and operation of additional mines in the Territory because this activity will signal to investors that Nunavut welcomes mining. However, the extent of the effect is largely dependent on other factors, most important of which are:

- existence of economic deposits;
- commodity prices;
- infrastructure improvements, e.g., the Bathurst port and road; and
- the existence of a skilled labour force

The Kitikmeot region is very prospective for mineral deposits and there is a high likelihood that additional economic deposits will be found. However, the uncertainty for this outcome is very high. Commodity prince fluctuations are an entirely external variable. The lack of a skilled labour force will likely be a less significant

disincentive, since it can be viewed as temporary and more controllable (through institution of training programs) by companies wishing to develop mines.

There are a number of economic or sub-economic deposits in the West Kitikmeot area that were discussed under environmental cumulative effects including: Izok Lake, George Lake, Ulu and Doris-Hinge. Ulu is approved and operation dependent on commodity prices. The Doris-Hinge project is in the approvals stage. Others may become economic if infrastructure or commodity prices improve.

Additional operating mines may result in incremental increases in the impacts previously listed, but the extent of the impacts cannot be predicted.

Traditional Economy

There should be a negligible cumulative impact on traditional hunting and harvesting activities as the sites being developed are small and are already occupied by exploration camps. As well, the rotational nature of the work will allow traditional activities such as hunting to be carried on outside of work periods for Nunavummiut employed at Jericho. The extent to which wage employment affects traditional lifestyles will be dependent on the individuals involved. A source of cash from mine employment may, in fact, enhance opportunities for traditional activities by providing money to purchase supplies for such activities (such as snowmobiles, 4-tracks, better rifles and other hunting equipment).

Summary

Cumulative socio-economic effects are most likely to occur from multiple mine developments in the Slave Geologic Province and are largely unpredictable with any degree of accuracy. Effects will be both positive and negative and the division between positive and negative will be almost entirely dependent on the affected communities and individuals. The most significant socio-economic cumulative effects from the Jericho Project will be in the Kitikmeot communities and will be driven by the requirement for skilled and semi-skilled labour.

4.8 Monitoring

In order to minimize the negative effects and maximize the positive effects of the Jericho Diamond Project, a socio-economic monitoring committee will be established. This committee should have representatives from the company, its prime contractors, the communities of the Region and the territorial government(s) on it. It may be that this will be a requirement of any Inuit Impact and Benefits Agreement that is to be negotiated.

The Nunavut Planning Commission has proposed a series of indicators which any Monitoring Committee can follow to help it assess impacts on the Region (Nunavut Planning Commission, 2002). The indicators include:

- unemployment rates
- education levels for the Kitikmeot
- number of private dwellings in the Kitikmeot
- housing characteristics for the Kitikmeot
- population changes in the Kitikmeot
- age distribution
- highest level of schooling
- births and deaths
- number of persons per private dwelling
- smoking in the Kitikmeot

Baseline figures for most of these indicators can be found in the companion volume of this study (RHA, 2002).

5.0 An Example of the Impact of Mining on Kitikmeot Communities

In January 1998, Echo Bay Mines temporally closed their Lupin Mine, a source of employment for residents of Kugluktuk and Cambridge Bay. Table 5.1 shows that the number of income support payments in these communities increased 20% in the fiscal year 1997-98 period and remained high in the 1998-99 period. A portion of this increase in support payments can be attributed to a decrease in mineral exploration in the region and to other causes but most of this increase can be traced to the Lupin Mine closure.

Table 5. 1
Number of Income Support Payments, Kitikmeot Communities – Fiscal Years 1994 to 1999
(Source: GNWT Dept. of Education, Culture and Employment, 2000)

Community	**1994-1995**	**1995-1996**	**1996-1997**	**1997-1998**	**1998-1999**
Cambridge Bay	736	808	974	1,195	1,362
Kugluktuk	940	1,131	1,229	1,490	1,499
Umingmaktok	123	120	109	6	6
Bathurst Inlet	18	22	19	6	5
Total Kitikmeot	**1,817**	**2,081**	**2,331**	**2,814**	**2,962**

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